

## Highlights in 2022

### Com7 Public Company Limited

- In May, it had resolved to approve the share purchase project (Treasury Stock) for financial management within the limit of not more than 1,000 million baht, the number of shares to be repurchased was not more than 30,000,000 shares with a par value of 0.25 baht per share, or an amount not exceeding 1.25% of the total shares sold of the Company of 2,399,998,265 shares (Registered capital after stock dividend payment).
  - Method of repurchasing shares: Buying back shares through the stock market
  - Total number of shares repurchased in the project to date: 15,000,000 shares
- In May, Com7 Public Company Limited established a new company, Com7 Holding Company Limited, holding 99.99% of the shares in the Company. Its objective was to conduct business by owning shares in various companies.

### Com7 Holding Company Limited (Subsidiary)

- **Doctor Pharma Health Technology Co., Ltd.** In June, Com7 Holding Co., Ltd. jointly invested with Royal Bangkok Healthcare Co., Ltd. to establish a new company named Doctor Pharma Health Technology Co., Ltd. to operate a retail and wholesale business of medicines and medical supplies, cosmetics, and health products, by holding 39.99% of the shares.
- **Phutthatham Insurance Public Company Limited** In September, Com7 Holding Co., Ltd. acquired ordinary shares of Phutthatham Insurance Public Company Limited, holding 96.75% of the shares. Currently, the name is changed to "ICare Insurance Public Company Limited."
 

The benefits that the Company expects to receive from investing in Phutthatham Plc., operating a non-life insurance business, is to enable the Company to expand its business into the non-life insurance business and able to increase potential, grow the business and to support the main business of the Company and its affiliates to be able to expand insurance services for IT equipment, including electrical appliances. As a result, the Company has more revenue and will receive returns from PTI's performance in the future.

### Double Seven Co., Ltd. (Subsidiary)

- In May, it had a resolution approving the Company to sell the ordinary shares held by the Company in Double7 Co., Ltd. (DOU7), a subsidiary, for SABUY, not more than 20,000 shares or 40% of the registered capital of DOU7 with the offering value not exceeding 1,360,000,000 baht, which was a reasonable price calculated by the Discount Cashflow method. It was based on past performance and projected business growth of DOU7 in the future and negotiations.

### Performance Overview 2022

In 2022, the Company's performance was pressured in terms of lower demand for goods due to the rising cost of living as a result of the Russian-Ukrainian war situation. This caused global financial volatility, resulting in higher inflation, especially energy and food prices, which directly affected people's purchasing power, including the direction of the baht depreciation due to the economic recession in many countries. As a result, the Bank of Thailand implemented a policy of raising interest rates to control the financial system's stability.

However, after the measures to control the spread of COVID-19 in the country were eased and the recovery of foreign tourists who enter the country each month, the government gradually relaxed the measures to travel to Thailand continuously since May by announcing the cancellation of the Test & Go system. All forms of quarantine were abolished for entering Thailand in June, and the registration through the Thailand Pass system (Thailand Pass) was canceled in July. As a result, tourists surpassed one million for the first month since the COVID-19 outbreak in 2020. Besides, at the end of 2022, the number of foreign tourists accumulated reached 10 million, completed as TAT set a goal, which corresponded to the year of Thai tourism 2022-2023 (Visit Thailand Year 2022 - 2023: Amazing New Chapters), reflecting the success in revitalizing tourism in 2022.

When the tourism sector began to recover, the Thai economy expanded, and the domestic consumption sector began to have more purchasing power and spending. Therefore, from the situations mentioned above that tend to improve, the Company's operating results in 2022 could still grow compared to the previous year and expected that it would be able to maintain the growth potential of operating results continuously in the future.

### Statement of Comprehensive Income (Consolidated) for the Ended December 31, 2022, Compared to 2021

List (Unit : Million Baht)	2022		2021		YoY	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	62,732.6	99.5%	51,126.4	99.8%	11,606.2	22.7%
Cost of sales and services	54,297.8	86.1%	44,280.5	86.4%	10,017.3	22.6%
<b>Gross profit</b>	<b>8,434.8</b>	<b>13.4%</b>	<b>6,845.9</b>	<b>13.4%</b>	<b>1,588.9</b>	<b>23.2%</b>
Other income	247.9	0.4%	24.1	0.0%	223.8	928.6%
Share of profit from investments in associates	45.1	0.1%	96.5	0.2%	(51.4)	(53.3%)
<b>Total revenue</b>	<b>63,025.6</b>	<b>100.0%</b>	<b>51,247.0</b>	<b>100.0%</b>	<b>11,778.6</b>	<b>23.0%</b>
Selling expenses	3,735.7	5.9%	2,913.5	5.7%	822.2	28.2%
Administrative expenses	966.9	1.5%	847.9	1.7%	119.0	14.0%
Other losses (gains)	89.7	0.2%	(26.0)	(0.1%)	115.7	(445.0%)
<b>Profit before finance costs and income tax</b>	<b>3,935.5</b>	<b>6.3%</b>	<b>3,231.1</b>	<b>6.3%</b>	<b>704.4</b>	<b>21.8%</b>
Finance costs	103.0	0.2%	47.9	0.1%	55.1	115.0%
<b>Profit before income tax</b>	<b>3,832.5</b>	<b>6.1%</b>	<b>3,183.2</b>	<b>6.2%</b>	<b>649.3</b>	<b>20.4%</b>
Income tax	768.7	1.2%	554.7	1.1%	214.0	38.6%
<b>Profit for the year</b>	<b>3,063.8</b>	<b>4.9%</b>	<b>2,628.5</b>	<b>5.1%</b>	<b>435.3</b>	<b>16.6%</b>
<b>Profit owners of the parent</b>	<b>3,037.7</b>	<b>4.8%</b>	<b>2,630.4</b>	<b>5.1%</b>	<b>407.3</b>	<b>15.5%</b>

**Branch Expansion in 2022:** The Company expanded more branches according to the recovering economy by increasing 116 branches. At the end of 2022, the Company had 1,162 branches consisting of BaNANA, Bb, B-Play, BKK, Dr. Pharma, E-quip, Franchise, iCare, KingKong Phone, Studio7, True Shop by Com7, U-Store, and Brand shop (end of the year 2021: 1,046 branches)

**For the operating results of 2022, the Company and its subsidiaries recorded profit owners of the parent 3,037.7 million baht**, mainly as a result of the following:

**Revenue from sales and services** totaled 62,732.6 million baht, an increase of 11,606.2 million baht (+22.7%). Even in the fourth quarter, the Company's revenue was 18,843.5 million baht, an increase of 1,246.2 million baht (+7.1%), which was lower than expected growth due to the impact of the shortage of goods, especially the iPhone14 products, including the announcement to urge the government's economy, "Shop Dee Mee Kuen" program at the end of 2022. As a result, there was a slowdown in the purchase of goods. However, from the signs of the economic situation recovery in 2022, the Company still had increased revenue from sales and services compared to the previous year, and it was able to grow.

List (Unit : Million Baht)	2022		2021		YoY	
	MB.	%	MB.	%	MB.	%
Retail Business	56,788.6	90.5%	47,078.2	92.1%	9,710.4	20.6%
Other distribution channels	5,944.0	9.5%	4,048.2	7.9%	1,895.8	46.8%
<b>Revenue from sales and services</b>	<b>62,732.6</b>	<b>100.0%</b>	<b>51,126.4</b>	<b>100.0%</b>	<b>11,606.2</b>	<b>22.7%</b>

- Revenue from the retail business** was 56,788.6 million baht, an increase of 9,710.4 million baht (+20.6%), mainly from the Same Store Sales Growth. The product group that grew the most was the smartphone, having more iPhone sales days than in 2021. Thailand was ranked in Tier 1 countries for the first time in 15 years. It has been sold since September 16, 2022, compared to last year, which started selling on October 8, 2021; including income from branches in tourist areas such as Phuket, Chiang Mai, and Chonburi, sales could increase close to the total sales before the COVID-19 situation in 2020.

The Company's revenue has grown compared to the previous year, partly due to the recovery of the tourism sector. Even though the number of tourists is still far from before the COVID-19 situation, the trend of the tourism sector continues to expand well, together with the continuous expansion of new branches, as well as the problem of product shortages that have begun to subside. These will be factors that allow the Company to grow continuously in the future.

- Revenue from other distribution channels** was 5,944.0 million baht, an increase of 1,895.8 million baht (+46.8%), mainly from being a wholesale distributor of mobile and IOT products to more than 3,000 partners across the country. Besides, online revenue growth due to the launch of the e-commerce platform Studio7 Thailand for connecting businesses online to offline, Pay at Store, Chat & Shop. Therefore, it brought sales strengths to help make online sales more efficient, including linking retail and online in the form of Omni Channel for reaching target customers and responding to changing consumer behavior in the digital age. Besides, the event for distributing IT equipment products resumed normal operations after the COVID-19 situation had subsided and the country was fully reopened. Therefore, there was a tendency to increase continuously according to the schedule of various events that could be organized typically as before the COVID-19 epidemic.

**Gross profit** was 8,434.8 million baht, an increase of 1,588.9 million baht (+23.2%) or 13.4% of total revenue, the same as last year, following the growth in sales and service revenues.

**Other income** was 247.9 million baht, an increase of 223.8 million baht (+928.6%), mainly from the SABUY-W2 warrants of 158.3 million baht in the third quarter.

**Share of profit from investments in associates** amounted to 45.1 million baht, a decrease of 51.4 million baht (-53.3%) due to the decline in the periodic performance of Next Capital Public Company Limited compared to the year 2021.

**Selling and administrative expenses** totaled 4,702.6 million baht, an increase of 941.2 million baht (+25.0%) consisting of:

- **Selling expenses** amounted to 3,735.7 million baht, an increase of 822.2 million baht (+28.2%) or 5.9% of total revenue, higher than the previous year's figure of 5.7%. The store was temporarily closed according to the government lockdown measures in 2021. Therefore, the Company was exempt from renting the branch space, including receiving support for welfare expenses and employee benefits to mitigate the impact of COVID-19. As a result, the Company had lower rental and salary expenses for employees than usual in 2021. However, considering the ratio of the selling costs to total revenue compared to the past was considered to have a downward trend. The main costs still came from branch expansion and sales activities, which were the ordinary course of business.
- **Administrative expenses** amounted to 966.9 million baht, an increase of 119.0 million baht (+14.0%) due to extra costs incurred as follows:
  1. Record impairment of assets of the BKK brand in the amount of 83.8 million baht, where the Company planned to use a new brand to replace, therefore, the brand was canceled.
  2. Reserve for the freeze of Phutthatham Insurance Public Company Limited, now changed its name to "iCare Insurance Public Company Limited" in the amount of 63.5 million baht. It was a transaction that the Company had already recognized before investing in such business.

Which was in the process of requesting a refund totaling 147.3 million baht. It could be seen that the regular administrative expenses decreased by 28.3 million baht from the previous year. Considering administrative expenses excluding such costs, it was found that the ratio of administrative expenses to total revenue was 1.3%, a decrease from 1.7% in the previous year.

**Profit before finance costs and income tax** amounted to 3,935.5 million baht, an increase of 704.4 million baht (+21.8%) or 6.3% of total revenue, which was close to the previous year. Although the Company had extra expenses from the administration, other incomes from special items increased similarly. It allowed the Company to maintain a proportion of profit before finance costs and income tax expenses to total revenue.

**Finance costs** were 103.0 million baht, an increase of 55.1 million baht (+115.0%), mainly due to short-term loans from financial institutions for inventory in line with business growth, including an increase in the average loan interest rate of the Company according to the interest rate increase of the Bank of Thailand.

**Profit owners of the parent** amounted to 3,037.7 million baht, an increase of 407.3 million baht (+15.5%) from all items mentioned above.

## Statement of Financial Position

The Consolidated Statement of Financial Position as of 31 December 2022 compared to the One as of 31 December 2021

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	2022	2021	MB.	%
Assets	19,162.4	15,965.7	3,196.7	20.0%
Liabilities	11,910.5	10,665.0	1,245.5	11.7%
Equity	7,251.9	5,300.7	1,951.2	36.8%

**Total assets** of 19,162.4 million baht, an increase of 3,196.7 million baht (+20.0%) compared to total assets as of 31 December 2021, with details of significant increases and decreases as follows:

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	2022	2021	MB.	%
Cash and cash equivalents	1,335.3	1,656.9	(321.6)	(19.4%)
Short-term investments	15.0	0.0	15.0	N/A
Trade and other receivables	3,715.6	2,785.6	930.0	33.4%
Current portion of finance lease receivables	492.4	462.5	29.9	6.5%
Financial assets measured at fair value	285.2	193.7	91.5	47.2%
Derivatives - Warrants	56.1	0.0	56.1	N/A
Short-term loans to related parties	6.3	306.3	(300.0)	(97.9%)
Inventories	7,333.0	6,207.9	1,125.1	18.1%
Other current assets	123.0	273.3	(150.3)	(55.0%)
<b>Total current assets</b>	<b>13,361.9</b>	<b>11,886.2</b>	<b>1,475.7</b>	<b>12.4%</b>
Restricted deposits with financial institutions	30.4	1.4	29.0	2,071.4%
Trade and other receivables	31.7	237.2	(205.5)	(86.6%)
Finance lease receivables	129.0	97.4	31.6	32.4%
Financial assets measured at fair value	826.6	180.0	646.6	359.2%
Investments in associates	1,517.1	773.7	743.4	96.1%
Property and equipment	873.5	614.9	258.6	42.1%
Right-of-use assets	949.2	1,186.3	(237.1)	(20.0%)
Intangible assets	147.9	173.7	(25.8)	(14.9%)
Goodwill	382.8	123.7	259.1	209.5%
Deferred tax assets	274.9	107.7	167.2	155.2%
Other non-current assets	637.4	583.5	53.9	9.2%
<b>Total non-current assets</b>	<b>5,800.5</b>	<b>4,079.5</b>	<b>1,721.0</b>	<b>42.2%</b>
<b>Total assets</b>	<b>19,162.4</b>	<b>15,965.7</b>	<b>3,196.7</b>	<b>20.0%</b>

- **Cash and cash equivalents** were 1,335.3 million baht, a decrease of 321.6 million baht (-19.4%), resulting from inventory reserves and used in operating activities.
- **Trade and other receivables** amounted to 3,747.3 million baht, an increase of 724.5 million baht (+24.0%) in line with the increase in sales and service income.
- **Short-term loans to related parties** amounted to 6.3 million baht, a decrease of 300.0 million baht (-97.9%) from the loan repayment of Next Capital Public Company Limited.
- **Financial assets measured at fair value** amounted to 1,111.8 million baht, an increase of 738.1 million baht (+197.5%) mainly from investments in Next Capital Public Company Limited and warrants of Sabuy Technology Public Company Limited.
- **Inventories** amounted to 7,333.0 million baht, an increase of 1,125.1 million baht (+18.1%) from preparation of products for sale in the next accounting period.
- **Investments in associates** amounted to 1,517.1 million baht, an increase of 743.4 million baht (+96.1%), mainly from investments in Next Capital Public Company Limited and Doctor Pharma Health Technology Company Limited.
- **Property and equipment** amounted to 873.5 million baht, an increase of 258.6 million baht (+42.1%) from improvement, expansion, and construction of new branches.
- **Goodwill** amounted to 382.8 million baht, an increase of 259.1 million baht (+209.5%) from the acquisition of Phutthatham Insurance Public Company Limited.

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	2022	2021	MB.	%
Bank overdrafts and short-term loans from financial institutions	5,203.9	3,801.0	1,402.9	36.9%
Trade and other payables	4,909.4	5,105.8	(196.4)	(3.8%)
Current portion of lease liabilities	472.7	524.6	(51.9)	(9.9%)
Current Income tax payable	566.0	288.7	277.3	96.1%
Other current liabilities	17.3	30.9	(13.6)	(44.0%)
<b>Total current liabilities</b>	<b>11,169.3</b>	<b>9,751.0</b>	<b>1,418.3</b>	<b>14.5%</b>
Non-current liabilities	741.2	914.0	(172.8)	(18.9%)
<b>Total non-current liabilities</b>	<b>741.2</b>	<b>914.0</b>	<b>(172.8)</b>	<b>(18.9%)</b>
<b>Total Liabilities</b>	<b>11,910.5</b>	<b>10,665.0</b>	<b>1,245.5</b>	<b>11.7%</b>
Equity	7,251.9	5,300.7	1,951.2	36.8%
<b>Total Equity</b>	<b>7,251.9</b>	<b>5,300.7</b>	<b>1,951.2</b>	<b>36.8%</b>

- **Bank overdrafts and short-term loans from financial institutions** amounted to 5,203.9 million baht, an increase of 1,402.9 million baht (+36.9%) from increased borrowing to purchase products to meet demand, improvement, and construction of new stores.
- **Trade and other payables** amounted to 4,909.4 million baht, a decrease of 196.4 million baht (-3.8%) from the repayment of related trade payables of the retail business group.
- **Equity** amounted to 7,251.9 million baht, an increase of 1,951.2 million baht (+36.8%) from unappropriated retained earnings and the sale of shares of Double7 Company Limited a subsidiary, to Sabuy Technology Public Company Limited, representing 40 percent of the registered capital.

### Liquidity Ratio

The Company's liquidity mainly came from the ability to turnover inventories, accounts receivable billing, and repayment to the trade payables.

Liquidity Ratio	2022	2021
Day Sales Outstanding	20.0	13.0
Days Sales of Inventory	46.0	41.0
Days Payable Outstanding	34.0	31.0
<b>Cash Cycle</b>	<b>32.0</b>	<b>23.0</b>

The Company had a cash cycle of 32 days, an increase compared to the previous year. It was mainly from the increase in credit and installment sales during the launch of the iPhone14 and the provision of leasing services for IT products in line with new business plans that would occur in the future. As a result, the average debt collection period increased. Days sales of inventory increase from the company had to reserve products for distribution to meet the increasing consumer demand. While the average repayment period increased from the ability to manage creditors more efficiently, causing the company to slow down debt repayment significantly.

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