

SBNEXT.IR. 012/2023

15 August 2023

Subject: Management Discussion & Analysis for the second quarter of Y2023 of Sabuy Connex Tech Public Company Limited Group

To: President
The Stock Exchange of Thailand

Sabuy Connex Tech Public Company Limited (the "Company") "SBNEXT" and subsidiaries ("Group") wishes to clarify its business performance for the three months ended June 30, 2023, which has been reviewed by a certified public accountant. The details are as follows:

During the 2nd quarter of Y2023, the major highlights were:-

- The company has expanded its business plans related to vending machines. (Vending Machine) According to the strategic plan of the SABUY Group, its subsidiary, Vending Connex Tech Co., Ltd. ("VDC"), was established, with 100% of the shares held by the company to carry out general sales business and manage vending machines.
- The company purchased 2,522 available vending machines from Asia Vending Machine Operation Company Limited ("AOC"), a subsidiary of Osotspa Group, of which 1,113 were beverage ("beverage" type) cabinets, 971 were food ("light food" type) cabinets, distributed in different locations, and about 2,084 were available cabinets.

Statement of comprehensive income

Revenue

As of June 30, 2023, the total revenue for the second quarter of 2023 was 425.78 million baht, higher than the same period last year. On second quarter Y2022, it was 96.72 million baht, an increase of 29.39 percent, and the revenue ratio is as follows:

1. The sales revenue in the second quarter of Y2023 was 354.54 million baht, an increase of 80.53 million baht. from the same period last year, representing 29.39 Due to significant growth in electrical appliance sales
2. Interest income from hire purchase contracts for the 2nd quarter of Y2023 was 43.86 million baht, a decrease of 4.08 million baht or 8.50 percent from the same period of the previous year. as a result of expanding sales channels and the restructuring of the sale structure, which resulted in a slight decrease in hire-purchase income.

3. Interest income from loan receivables for the 2nd quarter of Y2023 was 7.42 million baht, an increase of 3.54 million baht from the same period of the previous year, representing 91.46 percent as a result of the expansion of the floor plan loan business, motorcycle loan. electricity machine purchase loan and products for SME businesses, as well as expanding the factoring business which has continued to grow from the previous quarte

Cost of sales

The cost of sales of the Group for the 2nd quarter of Y2023 amounted to 188.76 million baht, an increase of 112.27 million baht from the same period last year. or an increase of 146.79 percent, but compared to the previous quarter Cost of sales will decrease by 9.92 million baht or 4.99 percent. However, the ratio of cost of sales to revenue from sales decreased from 54.75 percent in the previous quarter. to 53.24 percent in this quarter due to the change in the proportion of sales of products in the water purifier and electrical appliances group

Distribution costs

Distribution costs of the Group for the 2nd quarter of Y2023 were 126.75 million baht, an increase of 23.38 million baht or 22.62 percent from the same period last year. Sales for the quarter were at 35.75 percent, a decrease from 37.72 percent in the same quarter last year. This decrease was due to cost management. Improving the structure of sales and compensation to be more efficient and appropriate.

Administrative expenses

Administrative expenses of the group for the 2nd quarter of Y2023 was 69.12 million baht, a decrease of 1.45 million baht or 2.06 percent from the same period last year, and the proportion of administrative expenses to total revenue. decreased from 21.45 percent in the previous year to 16.23 percent in this quarter. This reduction is the result of efforts to manage costs most effectively.

Impairment losses

For the 2nd quarter of Y2023, the Group had an impairment loss on accounts receivable in the amount of 37.76 million baht, a decrease from the previous period. At the same time last year in the amount of 13.30 million baht, or a decrease of 26.05 percent, which was a result of the management of the reclaimed water filters so that they can be reused by selling and renting them. Including the decrease in doubtful debt provision due to the better quality of debtors due to the improvement of the proactive quality inspection process of debtors.

Net Profit

For the 2nd quarter of Y2023, the Group had a net loss of 15.02 million baht, lower than the same period of the previous year by 35.42 million baht or a decrease of 173.66 percent (in the 2nd quarter of Y2022, net profit was 20.39 million baht). to total revenue for the 2nd quarter of Y2023 decreased from a 6.20 percent profit in the 2nd quarter of Y2022 to a loss of 3.53 percent due to the aforementioned reasons.

Statement of Financial Position

Total assets

As of 30 June 2023, the Group had total assets of 2,951.42 million baht, an increase of 1,224.28 million baht or 70.89 percent compared to 31 December 2022. The increase in assets was mainly from the growth of hire purchase receivables. and loan receivables including investments in financial assets and joint ventures with partner companies to support future business growth plans.

Total liabilities

As of 30 June 2023, the Group had total liabilities of 1,851.77 million baht, an increase of 1,448.45 million baht or an increase of 359.12 percent from 31 December 2022. The increase in liabilities was mainly from short-term loans from financial institutions and loans. from related parties

Shareholders' equity

As of 30 June 2023, the Group had shareholders' equity of 1,099.64 million baht (as of 31 December 2022 was 1,323.80 million baht), a decrease of 224.16 million baht or 16.93 percent. and the company's debt to equity ratio was 1.68 times (as of December 31, 2022 equal to 0.30 times) and book value per share equals 1.82 baht (as of December 31, 2022 equals 2.41 baht per share) as a result of the net loss received from the Operating in the second quarter of 2023

Kindly be informed.

Yours truly,

Sabuy Connex Tech Public Company Limited



(Mr. Waranon Kongpatimakorn)

Chief Executive Officer