



NETbay Public Company Limited  
Registration No. 0107557000101  
719/5, 8-9 Rama 6 Road, Wangmai,  
Pathumwan, Bangkok 10330, Thailand.  
T +66 (0) 2620 1800  
F +66 (0) 2612 3051

Netbay IR 03/2563

11 May 2020

Subject: Management Discussion and Analysis for Q1/2020

To: The President The Stock Exchange of Thailand

**Overview of Operating Results for the Three-Month Period of 2020**

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for Q1/2020 was Baht 93.7 million, decreasing Baht 1.27 million or 1.34% from Q1/2019, since the Covid-19 pandemic is continuing to evolve, and has impacted across global industries which caused economic slowdown. The Covid-19 outbreak has certain impacts on our clients’ business activities in respect of logistic operational delays or temporary stop because of the lockdown in many countries including Thailand and also the shortage of logistic workers at port during the lockdown period. Those factors have affected the Company’s service income. However we, Netbay, have handled this situation with care and we believe that the Company and our clients will be able to overcome this crisis together. In addition, the Company also generates additional revenue from new online service to compensate for the reduction of service income. The degree of the impact severity in the next quarter is dependent on the pandemic controlling measures imposed by government of Thailand and other countries.

Cost of services for Q1/2020 was Baht 20.46 million, slightly increased by Baht 0.24 million or 1.18% from Q1/2019 since major cost of service were fixed cost such as cost of staff, depreciation and lease line service fee.

Service and administrative expenses for Q1/2020 was Baht 37.57 million, increased by Baht 3.79 million or 11.24% from Q1/2019. Major expenses were expenses related to the preparation for business expansion and enhance quality of service for instance; the audit fee related to preparation for being a service provider of the Revenue Department according to Information security for data message generation, transfer and storage service providers of Electronic Transactions Development Agency (ETDA). The Company has received a certificate for being a service provider which effective on 31 March 2020.



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The company's net profit for Q1/2020 was Baht 40.83 million, decreasing Baht 1.27 million or 3.03% from Q1/2019. Net profit was negatively affected by COVID-19 impact as mention above.

As at March 31, 2020, the Company's total assets was Baht 655.30 million and total liabilities was Baht 121.11 million. Shareholders' equity amounted Baht 534.19 million, increasing Baht 34.49 million from the end of year 2019 was due to the increase in net operating profit during the period.

During the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated. The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented in Note 2 to the financial statements.

Debt to equity ratio as at March 31, 2020 was 0.23 (31 December 2019: 0.30). Book value per share was Baht 2.67 (31 December 2019: Baht 2.50 per share).

Please be informed accordingly.

Yours sincerely,

(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited