

English Translation

(Executive Summary)

The following summary is drawn from the registration statement and prospectus and is merely a summarized information on the offering, nature and risks of the company issuing and offering securities (“the Company”). Therefore, investors should read the full registration statement and prospectus which could be obtained from the underwriter and the Company, or study information from the prospectus filed by the Company with the Securities and Exchange Commission (the “SEC”) at the SEC’s website ([www.sec.or.th](http://www.sec.or.th)).

Executive Summary of the Initial Public Offering of Newly Issued and Existing Ordinary Shares  
of Sabuy Technology Public Company Limited

(Offering Period: 3-5 November 2020 from 9.00 a.m. to 4.00 p.m.)

Offering Details	
<b>Securities Offerors:</b>	Newly issued shares to be offered by Sabuy Technology Public Company Limited (the “Company”) and existing shares to be offered by Mr. Wichai Wachiraphong
<b>Types of Businesses:</b>	<ol style="list-style-type: none"><li>1. Top-Up Machine Business Unit</li><li>2. Distribution of beverages and instant food via vending machine</li><li>3. Provision of services related to food center system design and installation as well as food center management and maintenance</li><li>4. Payment service provider / facilitator) (The Group of Companies already obtained related licences from the Bank of Thailand and is in the process of preparing for commercial operation commencement. Business operation will start within the 1<sup>st</sup> quarter of 2021)</li></ol>
<b>Number of IPO Shares:</b>	Up to 157,017,300 shares consisting of (1) newly issued shares to be offered by the Company for the amount up to 117,017,300 which account for 11.64% of total paid-up shares post IPO and (2) existing shares to be offered by Mr. Wichai Wachiraphong for the amount up to 40,000,000 which account for 3.98% of total paid-up shares post IPO.

<b>Offering Proportion:</b>	<b>Offering to</b>	<b>Offered Shares</b>	<b>%</b>
	1. Individuals under discretion of underwriters	approximately 105,017,300 shares	66.88
	2. Institutional investors	approximately 17,000,000 shares	10.83
	3. The Company's and subsidiaries' patrons	approximately 20,000,000 shares	12.74
	4. Directors, managements and employees of the Company and its subsidiaries	approximately 15,000,000 shares	9.55
	<b>Total</b>	<b>157,017,300 shares</b>	<b>100.00</b>
<b>Underwriting Conditions:</b>	<p>Firm underwriting</p> <p>The Lead Underwriter shall reserve the right to cancel this IPO distribution under any of the following cases:</p> <ol style="list-style-type: none"> <li>1. When the Company fails to conform to any of the conditions as stipulated in the underwriting agreement; or</li> <li>2. Upon occurrence of any force majeure events , material monetary and/or economic and/or political changes in domestic and/or international markets or any significant changes in the Company's businesses and operations which will materially affect this IPO offering; or</li> <li>3. The underwriting agreement is terminated; or</li> <li>4. Upon occurrence of any events or causes which force the Office of SEC and/or any regulatory bodies to stop this IPO offering or the Company could not deliver securities under this IPO offering.</li> </ol>		
<b>IPO Price:</b>	THB 2.50 per share		
<b>Total IPO Offering Amount:</b>	<p>THB 392,543,250 in total which divided into;</p> <ul style="list-style-type: none"> <li>- Offering size for newly issued shares of the Company is THB 292,543,250</li> <li>- Offering size for existing shares of Mr. Wichai Wachiraphong is THB 100,000,000</li> </ul>		
<b>Par Value:</b>	THB 1.00 per share		
<b>Book Value:</b>	<p>THB 1.63 per share. This is calculated by dividing total equity belonging to shareholders of parent as of 30 June 2020 with total number of shares post par adjustment. This figure is total number of shares prior to IPO offering of 887,982,700 at the par value of THB 1.00 each.</p>		
<b>Prior Offering of Shares or Convertible Securities during the 6-Month Period prior to the Filing of an</b>	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		

<p><b>Application for the SEC’s Approval until the Offering Date:</b></p>	
<p><b>Relationship between the Securities Issuer and Group of Financial Advisors or Group of Underwriters such as Cross Shareholding, Having Common Directors, Key Executives and Staffs and Obtaining Loans from Financial Advisor(s) and Underwriter(s) Which May Cause Financial Advisor(s) and Underwriter(s) to Lack Their Independence in Performing Their Duties:</b></p>	<p>None</p>
<p><b>Rationale for Determination of the Offering Price:</b></p>	<p>The determination of the offering price of the newly issued shares is THB 2.50 per share which based on Book Building method. The method is from inquiring the amount of demand to purchase the offering shares from institutional investors at each price level by setting price range at different levels and the institutional investors inform the price and the number of shares that they express their intention to subscribe to Lead Underwriter. The Company and Lead Underwriter determined the final offering price which considered the price and the number of shares that institutional investors’ intention to subscribe and the offering amount that the Company will receive, as well as the sufficient demand to purchase shares with price stability in the secondary market.</p> <p>The offering shares of the Company is determined at THB 2.50 per share equivalent to P/E ratio of 22.95 times by calculating from the latest 4 quarters of net profit starting from July 1<sup>st</sup>, 2019 – June 30<sup>th</sup>, 2020, which equals to THB 96.72 million divided by the number of paid-up shares before this offering (Pre Diluted) which equals to 887,982,700</p>

shares at THB 1.00 of par value; therefore, the earnings per share will be THB 0.11 per share.

**Financial Information for IPO Price Determination:**

In the consideration of financial information supporting the valuation of the offering price, the Company compares the average Price to Earnings Ratio (P/E ratio) of the comparable company that has similar business to the Company as follows :

1. Top-up Machine business : The Company can be compared with the a listed company that has similar business to the Company, namely Forth Smart Service Public Company Limited (“FSMART”)
2. Vending Machine business and Food Court System business: Since there is no listed company in the stock exchange that has similar business to the Company; therefore, the Company considers SET index in Service industry and Commerce sector as a comparable peer for these businesses.

In this regards, an average P/E ratio in the period of 12 months latest from October 29<sup>th</sup>, 2019 to October 28<sup>th</sup>, 2020 of SET index in Service industry and Commerce sector, as well as the listed company that has similar business to the Company equals to 17.65 times with the following details:

Index / Company	Business Description	Secondary Market / Industry Group	Average P/E ratio <sup>1</sup> (Times)
<b>SET index in Service industry , and Commerce sector</b>	Wholesale and retail business both with physical shops and onine platforms. The products must be sold to end-users.	-	26.62
<b>Forth Smart Service Public Company Limited (“FSMART”)</b>	Top-up service provider for prepaid mobile phones and online payment via automatic top-up machine named “Boonterm”	mai / Service	8.69
<b>Average</b>			<b>17.65</b>

Source: SETSMART

Note:

1. Average P/E ratio is calculated from 12 months latest of historical trading data from October 29<sup>th</sup>, 2019 to October 28<sup>th</sup>, 2020. Stock price (P) is the price of stock at each point of time and Earnings per share (E) is calculated from 12 months latest of net profit at that time.

<b>Percentage of Shareholding in the Company by Management Not Subject to Silent Period:</b>	44,725,000 shares accounting for 4.45% total paid-up shares post IPO, taking into account total number of IPO shares to be allocated to directors, executives and/or employees of the Company.
<b>Sector:</b>	Commerce
<b>Secondary Market:</b>	<input type="checkbox"/> SET <input checked="" type="checkbox"/> mai
<b>Listing Criteria:</b>	<input checked="" type="checkbox"/> Profit Test <input type="checkbox"/> Market Capitalization Test <input type="checkbox"/> Holding Company

**Fund Raising Objectives:**

The Company will utilize net IPO proceeds of approximately THB 274.62 million (after deduction of all relevant offering expenses) as follows:

<b>Fund Raising Objectives</b>	<b>Approximate Amount (Millions of THB)</b>	<b>Tentative Fund Usage Period</b>
To increase number of VDP's regional merchandise distribution centers	8.00	2021-2022
To increase number of vending machines by the Company itself and via its partnership with business alliances	116.62	Within 2021
Installation of electronic cash registers for the Company's products and services	35.00	Within 2021
e-Money Service Project	40.00	Within 1 <sup>st</sup> quarter of 2021
Payment Platform Provider Project	55.00	Within 1 <sup>st</sup> quarter of 2021
Electronic cash card services for food centers and/or stores under closed loop basis	20.00	Within 1 <sup>st</sup> quarter of 2021
<b>Total</b>	<b>274.62</b>	

**Note:** Investors could obtain more details about the Company's expansion plan in the offering memorandum and prospectus in the part regarding future projects.

The foregoing estimation is based on our existing business plan and best estimates of our allocation of the net proceeds of the initial public offering. The actual business plan and expenditures may vary from these estimates and we may find it necessary to reallocate the net proceeds from what has been described above. In this regard, the Company will proceed in accordance with Notification of the Securities and Exchange Commission no. SorJor 63/2561 re: Change in Use of IPO Proceeds As Specified in the Registration Statement and Draft of Prospectus.

## **Dividend Payment Policies:**

### **The Company's Dividend Payment Policy**

The Company's dividend payment policy is to pay to our shareholders at the rate of no less than 40.00% of our net profits as derived from our separate financial statements, after deducting tax and the allocation of reserves as required by law and as specified by us each year and subject also to the commitments under our financial agreements (if any). The amount of such dividends may not exceed our retained earnings as derived from our standalone financial statements. The amount of any dividend payment may vary from our determination and is subject to our financial performance, cash flow, liquidity, financial position, investment plan, reserves for our working capital, reserves for future investment, reserves for repayment of loans, conditions and limitations as specified in financial agreements, economic situation, including provisions of law and other necessities. Annual dividend payments must be approved by the shareholders' meeting, except for interim dividend payments which our board of directors may, from time to time, approve whenever it has determined that we have sufficient profits to do so. Such dividend payments must be reported to our shareholders at the next shareholders' meeting accordingly.

### **Dividend Payment Policy of Subsidiaries**

The board of directors of our subsidiaries will consider an annual dividend payment and propose the same for consideration by the shareholders' meeting of each subsidiary each year. Our subsidiaries will pay dividends at the rate of no less than 40.00% from their net profits as derived from their respective standalone financial statements after deducting tax and the allocation of reserves as required by law and as specified by the respective subsidiaries each year and the commitments under their respective financial agreements (if any). In determining the amount of such dividends, our subsidiaries must take into consideration their performance, cash flow, liquidity, financial position, investment plan, reserves for working capital, reserves for future investment, reserves for repayment of loans, conditions and limitations of financial agreements, including provisions of law and other necessities. The board of directors of subsidiaries has the authority to approve interim dividend payments. Such dividend payments must be reported to the shareholders of our respective subsidiaries at the next shareholders' meeting accordingly.

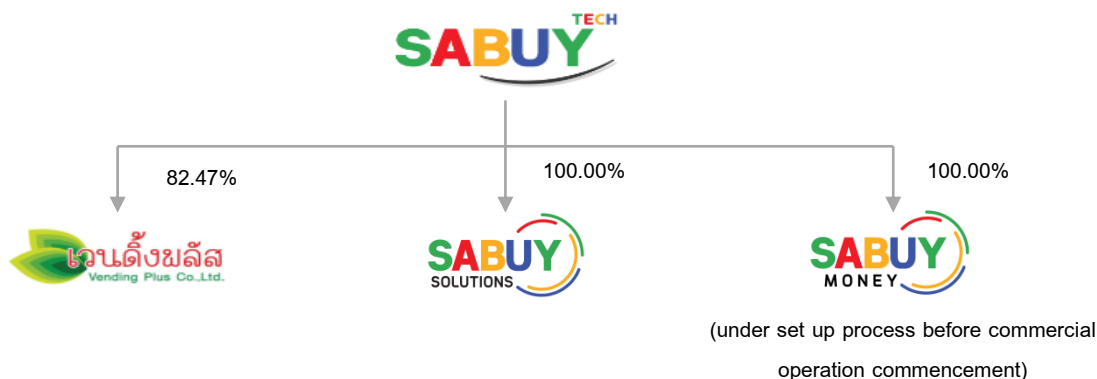
### **Dividend Payment**

The meeting of Board of Directors no. 4/2020 held on 19 June 2020 resolved to make an interim dividend payment at the rate of THB 0.023 per share from the Company's retained earnings, for the total payment amount of THB 20.42 million. This payment was made in July 2020. Later the meeting of Board of Directors no. 6/2020 which was held on 3 September 2020 resolved to make an interim dividend payment at the rate of THB 0.34 per share from the Company's retained earnings, for the total payment amount of THB 301.91 million. This payment was made in September 2020. Note that past dividend payments do not indicate the Company's capability to make

any dividend payment in the future. The Company never made any dividend payments in the past other than those stated earlier.

**Details of the Securities Offeror:**

Sabuy Technology Public Company Limited (the “Company” or “SABUY”) was incorporated on 18 July 2014 with an initial registered capital of THB 1.00 million to engage in the business of providing electronic payment processing via vending machine under “Term Sabuy Plus” trademark. It was converted into a public limited company on 26 February 2019. As of 30 September 2020, the Company had total registered capital of THB 1,050.00 million. Its total paid-up capital as of 30 September 2020 was THB 887.98 million, consisting of 887.98 million shares, with a par value of THB 1.00 each. The Company currently holds stakes in 3 subsidiaries including Vending Plus Company Limited (“VDP”), Sabuy Solutions Company Limited (“SBS”) and Sabuy Money Company Limited (“SBM”) (collectively called the “Group of Companies” or “the Company and Its Subsidiaries”). The Company’s current group structure is illustrated as below:



**Subsidiaries**

1. Vending Plus Company Limited (“VDP”) has engaged in the business of distributing consumer products via vending machine under trademarks like “Vending Plus”, “6.11 Select” and “6.11 Corner”. The Company has held an 82.47% stake in VDP. VDP was registered as a juristic person on 4 July 2017, with an initial registered capital of THB 1 million. As of 30 September 2020, VDP had total registered capital of THB 300 million. Other shareholders of VDP include Mr. Arnonchai Veerapravati who has held a 9.88% stake in VDP and another 7.65% stake in VDP has been collectively held by its employees and other investors.
2. Sabuy Solutions Company Limited (“SBS”) (formerly known as Sabuy System and Management Company Limited (“SSM”)) has engaged in the business of installing food center management system and providing related services, rental of food center management equipment and and providing related maintenance services as well as providing of services related to vending washing machines under “Sabuy Wash” trademark. The Company has held an entire stake in SBS. As of 30 September 2020,



SBS which was registered as a juristic person on 1 September 1993 had total registered capital of THB 100 million.

3. Sabuy Money Company Limited (“**SBM**”) has engaged in the business of payment service provider / facilitator under “Sabuy Money” trademark. The Company has held a full ownership in SBM. As of 30 September 2020, SBM which had been registered as a juristic person on 12 April 2017 with an initial registered capital of THB 20 million had total registered capital of THB 100 million. The Company acquired an additional stake in SBM from its original shareholders on 24 August 2020, thus raising its ownership in SBM from 93 to 100% (See details in Part 2.3.6 Related Transactions in the prospectus).

The Group of Companies has engaged in four main businesses including:

**(1) Top-Up Machine Business Unit**

Top-Up Machine Business covers provision of financial transactions via top-up machines, distribution of top-up machines with lump-sum and installation payments. The Company has operated this business with the main aim to provide services including prepaid phone service, bill payment service, e-Wallet service, bank deposit and others via top-up machines under “Term Sabuy Plus” trademark.

As of 30 June 2020, the Company operated 52,854 top-up machines with 13 service centers in total. The Company has aimed to expand this business to every region throughout the country, with target groups including people with low to medium income who have used prepaid phone services, people who live in remote areas as well as alien labors. Top-up machines are located in areas like pop & mom shops, industrial factories, schools & universities, transportation stations, department stores, hospitals, apartments and etc.

**(2) Vending Machine Business Unit**

Vending Machine Business includes the business of distributing consumer products via vending machines. VDP has operated this business under trademarks like “Vending Plus”, “6.11 Select” and “6.11 Corner” with the aim to distribute products like drinking water, energy drink, soda, green tea drink, instant food, snack, face mask and etc to provide convenience to consumers. Vending machines are located in the areas like department stores, industrial factories, schools & universities, apartments, transportation stations, gas stations, office buildings, loading and distribution hubs and etc. As of 30 June 2020, VDP had more than 5,648 vending machines located in 19 provinces including Bangkok and its suburb areas and nearby provinces. Target clients vary, depending upon where they are located. They include working groups such as factory workers, office workers which need convenience, students in schools and universities, people who live in apartments and etc.

**(3) Food Center System Business Unit**

Food Center System Business has been run by SBS, with the main aim to provide services related to installation of food center management system and other related services as well as food center management and related maintenance services.

Services related to food center system design and installation include hardware and software (developed by SBS) installations in client's food centers. SBS has provided services to two types of food centers including traditional and modern ones. At the end of 2017, 2018, 2019 and as at 30 June 2020, SBS took care 210, 213, 216 and 213 food centers consecutively. Of 213 food centers SBS took care as of 30 June 2020, 188 and 25 were traditional and modern ones consecutively. Details of which are discussed Part 2.2.2 Nature of Business of the registration statement and prospectus.

#### (4) Payment Service Provider / Facilitator

The Group of Companies plans to operate the Business of Payment Service Provider / Facilitator very soon. SBM which already obtained licence to operate Payment Service Provider / Facilitator business from the Bank of Thailand on 12 March 2020 will operate this business. SBM is currently in the process of preparing for business operation commencement. It is expected this business will start within the first quarter of 2021. See details of this business in Part 2.3.6 Future Projects of the registration statement and prospectus.

#### Shareholders:

The Company's shareholding structure as of 2 September 2020 and post-IPO are as below:

Name of Shareholder		As of 30 June 2020		As of 2 September 2020		Post-IPO	
		Number of shares	%	Number of shares	%	Number of shares	%
<b>1.</b>	<b>The Wachiraphong Family</b>	<b>328,094,000</b>	<b>36.95</b>	<b>40,000,000</b>	<b>4.50</b>	-	-
1.1	- Mr. Wichai Wachiraphong <sup>(1)</sup>	312,737,300	35.22	40,000,000	4.50	-	-
1.2	- Ms. Kochakorn Wachiraphong	5,356,700	0.60	-	-	-	-
1.3	- Mr. Sutthipong Wachiraphong	10,000,000	1.13	-	-	-	-
<b>2.</b>	<b>The Rujjanapornpajee Family</b>	<b>229,824,000</b>	<b>25.88</b>	<b>299,964,000</b>	<b>33.78</b>	<b>299,964,000</b>	<b>29.85</b>
2.1	- Mr. Chookiat Rujjanapornpajee	197,430,000	22.23	255,570,000	28.78	255,570,000	25.43
2.2	- Ms. Vichitra Pinruenghiran	20,634,000	2.32	20,634,000	2.32	20,634,000	2.05
2.3	- Ms. Paranya Rudjanapornpajee	11,760,000	1.32	23,760,000	2.68	23,760,000	2.36
<b>3.</b>	<b>The Veerapravati Family</b>	<b>169,748,400</b>	<b>19.12</b>	<b>285,898,400</b>	<b>32.20</b>	<b>285,898,400</b>	<b>28.45</b>
3.1	- Mr. Arnonchai Veerapravati	115,298,000	12.98	200,000,000	22.52	200,000,000	19.90
3.2	- Ms. Atikarn Jungvivanawong	54,450,400	6.13	50,000,000	5.63	50,000,000	4.98
3.3	- Ms. Pensri Veerapravati	-	-	35,898,400	4.04	35,898,400	3.57
<b>4.</b>	<b>The Chailimpamontri Family</b>	<b>13,140,000</b>	<b>1.48</b>	<b>41,140,000</b>	<b>4.63</b>	<b>41,140,000</b>	<b>4.09</b>
4.1	- Mr. Woravit Chailimpamontri	13,140,000	1.48	29,140,000	3.28	29,140,000	2.90
4.2	- Ms. Warunya Chailimpamontri	-	-	12,000,000	1.35	12,000,000	1.19
5.	Mr. Thiti Kittipattananon	35,000,000	3.94	-	-	-	-
6.	Mr. Surin Prasithiran	2,000,000	0.23	37,235,000	4.19	37,235,000	3.70

Name of Shareholder		As of 30 June 2020		As of 2 September 2020		Post-IPO	
		Number of shares	%	Number of shares	%	Number of shares	%
7.	Mr. Roj Sumongkolkul	-	-	35,235,000	3.97	35,235,000	3.51
8.	Mr. Piyawat Kraipisitkul	26,600,000	3.00	26,600,000	3.00	26,600,000	2.65
9.	Mr. Chaiwai Withayakorn	13,000,000	1.46	13,000,000	1.46	13,000,000	1.29
10.	Ms. Koraya Phanuwongkun	7,700,000	0.87	9,800,000	1.10	9,800,000	0.98
11.	Mr. Saran Supaksaran	2,800,000	0.32	7,800,000	0.88	9,500,000 <sup>(3)</sup>	0.95
	<b>Total shares held by Top 10 shareholders</b>	<b>827,906,400</b>	<b>93.23</b>	<b>796,672,400</b>	<b>89.72</b>	<b>756,672,400</b>	<b>75.29</b>
12.	Other shareholders	60,076,300	6.77	91,310,300	10.28	91,310,300	9.09
<b>13.</b>	<b>IPO shares</b>	-	-	-	-	<b>155,317,300<sup>(3)</sup></b>	<b>15.45</b>
13.1	<i>Directors, executives and employees of the Company</i>	-	-	-	-	<i>13,300,000<sup>(3)</sup></i>	<i>1.32</i>
13.2	<i>Institutional Investor</i>	-	-	-	-	<i>17,000,000</i>	<i>1.69</i>
13.3	<i>Public investors</i>	-	-	-	-	<i>125,017,300</i>	<i>12.44</i>
	<b>Total</b>	<b>887,982,700</b>	<b>100.00</b>	<b>887,982,700</b>	<b>100.00</b>	<b>1,005,000,000</b>	<b>100.00</b>

- Note:**
- On 2 September 2020, the Wachiraphong Family disposed the Company's shares for the amount of 288,094,000 or 32.44% of total paid-up shares of the Company to the Rujjanapornpajee Family, the Veerapravati Family and other shareholders. The Wachiraphong Family still however holds 40,000,000 shares of the Company accounting for 4.50% of its total paid-up shares to accommodate the SET requirement that total number of IPO shares shall not lower than 15.00% of total paid-up shares in accordance with SET requirement re: Listing of Securities, Information Disclosure and Securities Delisting from the Market for Alternative Investment (mai) B.E. 2560 (2017). In this regard, Mr. Wichai Wachiraphong quitted as the Company's executive director, with effectiveness from 1 June 2020, and resigned as the Company's director, with effectiveness from 2 September 2020. His resignation from the Company however has no impact on the Group of Companies' business plan. Their operations are still intact in accordance with details as discussed in the registration statement and prospectus.
  - Mr. Arnonchai Veerapravati will be a passive investor. He has been committed not to participate in management of the Company. Neither will he send his representative to act as the Company's director and/or executive director and/or executive for the period starting from 2 September 2020 (the day he acquired additional shares from some existing shareholders) to the end of the period of 2 years after the Company's registration statement and prospectus are effective. Mr. Arnonchai did not enter into any agreements with other shareholders which deem them to be acting in concert parties.
  - The company is offering 157,017,300 shares to the public which comprise of 15,000,000 shares will be offered to directors, executives and employees of the Company including Mr. Saran Suphaksaran, the existing shareholder of the Company of 1,700,000 shares and the remaining 155,317,300 shares are offered to individuals or investors according to the share offering proportion specified in the equity Section 3.1 of Filing

## Revenue Structure:

The Company's revenue structure for the period from 2017 to 2019 and for the 6-month periods ended 30 June 2019 and 2020 are illustrated below:

	For the Year Ended					
	31 December 2017		31 December 2018		31 December 2019	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Sale revenue	647.51	48.16	586.46	44.17	359.20	28.08
- Sale of top-up machines	628.60	46.76	430.92	32.45	-( <sup>1</sup> )	-
- Sale of products through vending machines and other sale	18.90	1.41	155.53	11.71	359.20	28.08
Service revenue	503.54	37.45	576.28	43.40	698.72	54.61
- Service via top-up machines	492.53	36.63	552.18	41.59	660.61	51.64
- Food center system service	11.01	0.82	24.11	1.82	25.54	2.00
- Other services <sup>(2)</sup>	-	-	-	-	12.58	0.98
Rendering of contract services	-	-	-	-	65.25 <sup>(1)</sup>	5.10
Interest income from installment sale <sup>(3)</sup>	172.30	12.82	152.23	11.46	111.44	8.71
Other revenue <sup>(4)</sup>	21.09	1.57	12.82	0.97	44.76	3.50
<b>Total revenue</b>	<b>1,344.44</b>	<b>100.00</b>	<b>1,327.78</b>	<b>100.00</b>	<b>1,279.37</b>	<b>100.00</b>

	For the 6-Month Period Ended			
	30 June 2019		30 June 2020	
	Millions of THB	%	Millions of THB	%
Sale revenue	152.99	25.81	243.77	33.88
- Sale of top-up machines	-( <sup>1</sup> )	-	-( <sup>1</sup> )	-
- Sale of products through vending machines and other sale	152.99	100.00	243.77	100.00
Service revenue	330.18	55.71	332.77	46.25
- Service via top-up machines	317.45	96.14	299.56	90.02
- Food center system service	12.73	3.86	15.12	4.54
- Other services <sup>(2)</sup>	-	-	18.09	5.44
Rendering of contract services	14.57 <sup>(1)</sup>	2.46	74.12 <sup>(1)</sup>	10.30
Interest income from installment sale <sup>(3)</sup>	63.63	10.74	37.05	5.15

	For the 6-Month Period Ended			
	30 June 2019		30 June 2020	
	Millions of THB	%	Millions of THB	%
Other revenue <sup>(4)</sup>	31.32	5.28	31.87	4.43
<b>Total revenue</b>	<b>592.69</b>	<b>100.00</b>	<b>719.58</b>	<b>100.00</b>

**Note:** 1. The Company changed revenue recognition policy for top-up machines. Thus from 2019 on, the Company changed revenue recognition method from one-time recognition when sold to service revenue recognition over the period of 5 years starting from the date of sale. For the purposes of comparison and financial analysis, management has estimated revenue as if one-time revenue recognition were still apply, with details as follows:

- Revenue from sale of top-up machines in 2019 was THB 409.83 million, a slight decline from the preceding year. This is because greater number of top-up machines of the Company are located in many areas throughout the country and number of units sold declined from the preceding year. The Company has also focused more on launching greater number of top-up machines that belong to it.
  - Revenue from sale of top-up machines for the 6-month periods ended 30 June 2019 and 2020 were THB 184.31 and 134.46 million consecutively. It can be seen that sale revenue during the first 6 months of 2020 declined from the same period of the preceding year. This is because greater number of top-up machines of the Company are located in many areas throughout the country while it has also focused more on launching greater number of top-up machines that belong to it. The Company's sale was also impacted by COVID-19 pandemic which was very severe from mid-March to mid-May 2020.
2. Other service revenue includes sticker advertising revenue from vending machines of VDP.
  3. Interest income from installation sale includes install sale related to top-up machines.
  4. Other revenue includes interest earned, other sale and service revenue, exchange gain, gain from asset disposal, compensation for AR default and etc. For 2017, other revenue also includes gain from business acquisition.

#### Board of Directors:

As of 2 September 2020, the Company's Board of Directors consisted of:

No.	Name	Position
1.	Mr. Chakkrit Parapuntakul	Chairman / Independent Director
2.	Mr. Saran Supaksaran	Director / Independent Director
3.	Ms. Umawadee Rattana-udom	Director / Independent Director
4.	Mr. Noppakorn Klintong	Director / Independent Director
5.	Mr. Woravit Chailimpamontri	Director
6.	Mr. Chookiat Rujjanapompajee	Director
7.	Mr. Songpol Chevapanyaroj	Director
8.	Mr. Wachirathon Kongsuk	Director

**Note:** 1. Mr. Wichai Wachiraphong quitted as a director of the Company, effective from 2 September 2020. The Company currently has no plan to appoint a new director to replace Mr. Wichai unless the meeting of board of directors or the meeting of shareholders otherwise resolves.

**Key Risk Factors:****1. Risk of IT Stability, Especially in Top-Up Machine Service Business**

The Company's business operation has relied heavily on IT. In case such system malfunctions or cannot operate, the Company's operation will of course temporarily be halted. The Company's and/or clients' confidential data will leak. All of these will impact the Company's result of operation, its financial status and future business opportunities.

The Company has been well aware of IT importance in its business operation, and thus setting up its own IT team comprising qualified staffs who are well accustomed to applicable IT technologies that has supported its operations. The Company has set up data backup system with the aim to prevent any potential data loss and continuously maintained such system to ensure its long-term system stability.

As the Company has engaged in the business of providing electronic payment services under permission by the Ministry of Finance and supervision by the Bank of Thailand in accordance with the Electronic Payment System Act B.E. 2560 (2017), the Company has thus to strictly adhere to Notification of the Bank of Thailand no.SorNorChor.11/2561 re: Policies and Measures in IT System Security. As such, the Company has contracted outside IT auditors to audit its IT system security and stability on an annual basis so that it can identify any potential IT deficiencies and rectify them on a timely basis. Apart from its own data center, the Company also has an IT backup system with CAT Telecom Plc so that its own IT system could be timely moved to the backup one in case of any potential IT technical error or malfunctioning.

Latest IT audit report dated 23 April 2020 which provides IT audit results for the Year 2019 indicates that key IT issues including IT system access security, monitoring of IT system stability, IT risk management and etc were completely resolved.

**2. Credit Risk Related to Install Payment for Top-Up Machines**

Most of the Company's top-up machines are sold on an installment basis, accounting for 92.93, 93.07, 88.35 and 91.75% of its total top-up machines sale in 2017, 2018, 2019 and for the first 6 months of 2020 respectively. Thus, installment receivables has accounted for a substantial portion of the Company's total assets, comprising 45.45, 41.70, 20.33 and 14.10% of its total assets as at 31 December 2017, 2018, 2019 and 30 June 2020 consecutively. The Company has thus been exposed to material credit risk related to installment receivables.

Credit quality of installment receivables is a key issue management has continuously monitored. In 2017, the Company recognized substantial amount of credit loss and bad debts thanks to its pre-2017 aggressive business expansion strategies and its accounting policy which was not stringent as it currently is. Realizing about this, the Company in 2017 adjusted its credit and bad debt reserve policies and ratios to be more conservative and in line with practices of most financial institutions.

In the mean time, the Company also formed a credit risk reserve policy for receivables that change their installment conditions such as those asking for extension of credit terms to ensure they are more stringent and conservative. Value of confiscated collaterals is also taken into account in determining amount of bad debts to ensure the Company's financial statements can better reflect the Company's actual financial performance and footing.

### **3. Risk of Collateral Confiscation from Sale of Top-Up Machines on an Installment Basis**

The Company has been more exposed to risk of collateral confiscation which is in line with its more exposure to business of sale of top-up machines on an installment basis. In case receivables in this business default their installment payments and the Company has to confiscate top-up machines, it has to bear more debt collection expenses and recognize less installment interest revenue. Amount of inventory on the Company's book will rise and it has to recognize more expenses related to this. For the Years 2017, 2018, 2019 and for the 6-month period ended 30 June 2020, the Company recognized inventory confiscation loss (loss from contract termination) for the amounts of THB 329.78, 127.33, 74.82 and 38.84 million consecutively. For the Years 2017, 2018, 2019 and for the 6-month period ended 30 June 2020, number of seized top-up machines were 16,476, 7,784, 5,761 and 3,770 respectively. Details of which are discussed in Part 2.4.2: Management Discussion and Analysis in the registration statement and prospectus.

Normally, risk of top-up machines confiscation will not materially impact the Company's operation in terms of inventory management as inventory confiscation could help to partially mitigate such credit loss /risk of payment default and they could be refurbished for later resale. Those who default their payments have to bear all debt collection expenses, and this would help to partially mitigate potential loss the Company has to bear. The Company has emphasized on debt collection and confiscation procedures by preparing AR aging tables on a more conservative basis than in the past. The Company has continuously monitored its receivables and would confiscate them on a timely basis in case of any credit defaults. Ratio of confiscated top up machines to the Company's total top up machines continued to decline, standing at 53.50, 25.47, 17.07 and 10.09% in 2017, 2018, 2019 and for the first 6 months of 2020 consecutively.

### **4. Risk of Dependence on Mobile Phone Service Operator in Top-Up Machines Business**

Revenue from top-up machine business accounted for 25.06, 29.10, 48.73% and 39.46% of total revenue of the Company in 2017, 2018, 2019 and for the first 6 months of 2020 consecutively. Such service revenue comes from service fees and revenue sharings with 3 main mobile phone service providers including AIS, TRUE and DTAC as well as other service providers with lower market shares such as my by CAT System which is operated by CAT Telecom and Penguin System which is operated by The White Space Company Limited. The Group of Companies will of course lose its revenues, its financial performance and position will be affected and it may lose future business

opportunities in case such mobile phone service operators temporarily or permanently halt their operations or they may terminate contracts they enter into with the Group of Companies.

This risk is however quite low as those 3 mobile phone service providers is listed ones with strong financial footings and long-proven track records in the domestic telecommunication business. Their management teams are well-accustomed to the domestic telecommunication business. They have collectively held substantial share in the domestic market. They are contractually obligated to provide mobile phone services under several telecommunication licenses and concessions as granted by state agencies in accordance with numbers and periods and as stipulated. Risk of business discontinuation of those telecom firms is thus quite low. The Company is regarded as another channel for telecom service providers to participate in the prepaid phone business. Given the Group of Companies and those telecom service providers could mutually gain from this business, this would help maintain their good business relationships with the Group of Companies on a long-term basis. It is quite unlikely that mobile phone service providers will terminate their commercial contracts with the Group of Companies. The Group of Companies has also provided other add-on services including fund transfer, loan payment, utilities bill payment and etc in the top-up machine business which would help to partially lower risk of its dependence on mobile phone service providers.

#### **5. Risk of Being Unable to Achieve Business Goals**

The Group of Companies may be unable to achieve its stated business goals and future projects as discussed in Part 2.3.6 Future Projects of the registration statement and prospectus. Its future operating results may not be as planned and that expected by investors. Management is well aware of this and will closely and continuously monitor the Company's business operations as well as its ongoing and future projects. They will identify, evaluate and analyze relevant internal and external factors that may affect the Company's result of operation.

#### **6. Risk related to Payment Service Business Which Is the New Business of the Group of Companies**

On 12 March 2020, SBM was granted by the Bank of Thailand a license to operate the payment service business. SBM is currently in the process of preparing for commercial operation commencement in accordance with the plan as stated in Part 2.3.6 Future Project of the registration statement and prospectus. During the early phase of this business operation (first 3 to 5 years from operation commencement), the Group of Companies has to bear additional marketing expenses including promotional expenses with the aim to attract target clients to use SBM's e-Wallet service as well as costs of launching co-marketing campaigns with VDP by providing merchandise discounts to those who buy merchandise via vending machines and make payments using e-Wallet. Amount of such promotional costs may be substantial and SBM will incur operating loss during its early operational phase. This will of course affect the Group of Companies's overall operating result. Given the business of payment service provider is a new business the Group of Companies has no experience in, its actual operating result may not be as planned.



**7. Risk of Share Disposal by Major Shareholders, Directors and Executives of the Company as well as by Shareholders Who Acquired Shares from Original Shareholders on 2 September 2020 After This IPO**

In accordance with SET listing requirement, those who participate in management of the Company including its major shareholders, directors and executives will be subject to SET's Silent Period requirement whereby 55% of total number of post-IPO shares they accumulatively hold will not be allowed for sale in the SET for the period of 1 year from the first trading day on the SET. Upon completion of the first 6 months from the first SET trading day, they are allowed to accumulatively dispose 25.00% of total shares subject to Silent Period, and the remaining number of shares could be sold in the SET upon completion of 1-year Silent Period requirement.

Moreover, some of the Company's original shareholders including the Vajirapong Family and Mr. Thiti Kittipattanont disposed 288,094,000 and 35,000,000 shares of the Company they held (accounting for 32.44 and 3.94% of total paid-up shares of the Company) to new shareholders on 2 September 2020 (See details in Part 2.3.1 of the registration statement and prospectus) at the price of THB 1.72 per share (the "agreed-upon price"). Later, the Company declared an interim dividend payment of THB 0.34 per share on 3 September 2020. Thus actual share cost of those share acquirers is lower than the agreed-upon price and may be lower than the IPO price.

The Company could not foresee at the moment potential impact from disposal of the Company's shares in the part not subject to Silent Period requirement by its major shareholders, directors, executives and those who acquired shares on 2 September 2020. Such share disposal may adversely affect the Company's share price in the SET, and this may cause significant investment loss to IPO investors.

**8. Potential Post-IPO Control Dilution to IPO Investors as Directors, Executives and Employees of the Company May Exercise ESOP Warrants They Were Granted**

The Company's Annual General Meeting of Shareholders for the Year 2019 held on 18 March 2019 resolved to issue and allot 45,000,000 units of ESOP warrants to the Group of Companies' directors and employees. Those ESOP warrants were offered on 15 May 2019.

Number of ESOP warrants allocated to each director, executive and employee of the Group of Companies depends upon each ESOP grantee's job position, length of time they have worked for the Group of Companies, knowledge and work experience, job responsibility, job performance and their job contribution to the Group of Companies. The Nomination and Remuneration Committee considered and approved number of ESOP warrants which were allotted to directors and the Company's CEO while the Company's CEO considered and approved number of ESOP warrants which were allocated to the Company's non-CEO employees as well as directors and employees of all subsidiaries. Exercise ratio and exercise price are 1 unit of ESOP warrant for 1 share and THB 2.00 per share consecutively. Tenor of ESOP warrants is 4 years from the Issuance Date. Details of ESOP warrants are discussed in the registration statement and prospectus in Part 2.3.1 Details of Issued Securities and

Shareholders and Enclosure 5 Summary of Terms and Conditions of ESOP Warrants Which Are Issued to Directors and Employees of Sabuy Technology Public Company Limited and Its Subsidiaries.

Note that when all ESOP warrants are exercised, potential control dilution to the Company's existing shareholders as well as IPO investors is 4.28%.

**Financial Information:**

Statement of Financial Position	Financial Position as at			
	31 December 2017	31 December 2018	31 December 2019	30 June 2020
	Millions of THB	Millions of THB	Millions of THB	Millions of THB
Total assets	1,583.61	1,772.68	2,261.07	2,389.07
Total liabilities	517.14	395.91	807.29	894.78
Total shareholders' equity	1,066.48	1,376.77	1,453.78	1,494.29
Equity belonging to shareholders of parent	989.38	1,354.40	1,418.80	1,451.00

Statement of Comprehensive Income	For the Year Ended 31 December			For the 6-Month Period Ended 30 June	
	2017	2018	2019	2019	2020
	Millions of THB	Millions of THB	Millions of THB	Millions of THB	Millions of THB
Sale and service revenues	1,151.04	1,162.74	1,123.17	497.74	650.65
Cost of sale and service	(706.29)	(745.99)	(721.41)	(333.19)	(395.01)
Gross profit	444.76	416.75	401.77	164.56	255.64
Other revenue <sup>(1)</sup>	21.09	12.82	44.76	31.32	31.87
Total revenue	1,344.44	1,327.78	1,279.37	592.69	719.57
Profit for the year / period	(169.55)	85.01	57.81	7.35	46.27
Equity attributable to equity holders of parent	(179.65)	91.82	57.99	7.85	47.72
EPS (THB)	(55.51) <sup>(2)</sup>	0.11 <sup>(3)</sup>	0.07 <sup>(4)</sup>	0.01 <sup>(4)</sup>	0.05 <sup>(4)</sup>

**Note:**

1. Other revenue includes interest earned, other sale and service revenue, foreign exchange gain, gain from asset sale, compensation for AR default and outstanding credit revenue which has been recognized by the Company since 2019. From 2017 to 2019, outstanding credit revenue was THB 0.82, 6.05 and 39.02 million consecutively. For the 6-month periods ended 30 Jun 2019 and 2020, outstanding credit revenue was THB 27.41 and 26.08 million respectively.
2. Determined based on weighted average number of shares outstanding as of 31 December 2017 which was 3.20 million.

3. Determined based on weighted average number of shares outstanding as of 31 December 2018 which was 8.30 million.
4. Determined based on weighted average number of shares outstanding as of 30 June 2019, 31 December 2019 and 30 June 2020 which all was 8.88 million.

Key Financial Ratio	Unit	For the year/period ended			
		31 December 2017	31 December 2018	31 December 2019	30 June 2020
ROE	%	(20.18)	6.96	4.08	6.56
ROA	%	(11.05)	5.07	2.87	4.16
Debt-to-equity ratio	x	0.48	0.29	0.56	0.60
Liquidity ratio	x	1.47	2.42	0.76 <sup>(1)</sup>	0.98
Cash cycle	day	(16.27)	97.07	(99.04)	(185.51)

**Note:** In 2019, the Company adopted TFRS 15 which resulted in reclassification of inventories from current assets to be a part of building and equipment improvements which are non-current assets. If inventories were not reclassified, liquidity ratio at the end of 2019 and as at 30 June 2020 would have been 1.52 and 1.88 times consecutively.

### Change in the Company's Accounting Policy

From 1 January 2020, the Group of Companies has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4. Determining whether an arrangement contains a lease using the modified retrospective approach. Previously, the Group of Companies, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities. Details of accounting changes are discussed below:

Item	TAS18	TFRS15
1. Assets	Top-up machines are recognized as inventory. When they are sold, amount of inventory will decrease.	Top-up machines are no longer recognized as inventory. Rather they are recognized as assets under construction under leasehold building improvements and equipment.
2. Revenue and Liabilities	Immediate recognition of sale revenue when inventory is delivered to clients.	No immediate recognition of sale revenue. Rather, contract-based service revenue will be gradually recognized over the period of 5 years. It is showed as contract liabilities on the liabilities part of statement of financial

Item	TAS18	TFRS15
		position and contract-based service revenue on the statement of comprehensive income.
3. Cost of Goods Sold	Cost of goods sold is recognized based on average cost of units of top-up machines sold to clients.	No cost of goods sold is recognized. Rather, contract-based cost of service is recognized over the period of 5 years. It is showed as asset for services and cost of contracts on the asset part of the statement of financial position and cost of contract-based service provisions in the statement of comprehensive income.

### Management Discussion and Analysis:

#### Revenue

The Group of Companies recognized total sale and service revenue for the amounts of THB 1,151.04, 1,162.74 and 1,057.92 million in 2017, 2018 and 2019 respectively. Sale and service revenue in 2018 slightly increased from 2017 due mainly to 1) decline in revenue from top-up machine business from THB 628.60 million in 2017 to THB 430.92 million in 2018 thanks to more stringent sale policies and conditions for this business in conjunction with the policy to raise number of top-up machines in the part belonging to the Company's assets with its business alliances rather than client sale 2) increase in sale revenue from the vending machine business from THB 8.19 million in 2017 to THB 140.76 million in 2018 which is in line with increasing number of vending machines from 234 units at the end of 2017 to 1,397 units at the end of 2018 and 3) increase in service revenue via top-up machines from THB 492.53 million in 2017 to THB 552.18 million in 2018.

The Group of Companies in 2019 totaled THB 1,057.92 million, a decline from 2018, thanks to change in accounting policy related to recognition of revenue from sale of top-up machines from one-time recognition to service revenue recognition over the period of 5 years from the date of sale to clients. For the purpose of comparison and financial analysis, management has prepared projected revenue of the Company in case TAS18 were still apply. Based on this, the Company would have recognized total sale and service revenue for 2019 for the amount of THB 1,467.75 million which were increase from the preceding year. Such increase is attributable to the followings: 1) an increase in revenue from the vending machine business from THB 140.76 million in 2018 to THB 352.34 million in 2019 which is in line with an increase in number of vending machines from 1,397 at the end of 2018 to 3,928 at the end of 2019 and 2) increase in revenue from the top-up machine business from THB 552.18 million in 2018 to THB 660.61 million in 2019 thanks to increase in transaction fee related to the top-up

machine business in response to increasing transaction values and volumes, increasing number of top-up machines of the Company and adjustments of top-up machine service fee rate and per transaction revenue sharing between the Company and owners of top-up machines (See details in Part 2.4.2 of the registration statement and prospectus).

Sale and service revenue of the Company for the six month period ended 30 June 2020 rose by THB 93.97 million or 19.32% from the same period of the preceding year due to increase in revenue of the vending machine business whereby number of the Company's vending machines rose from 1,861 as of 30 June 2019 to 5,648 as at 30 June 2020. Meanwhile, revenue from the top-up machine business declined due to impact from Covid-19 outbreak. Total number of the Company's top-up machines as of 30 June 2019 and 2020 were 48,928 and 52,854 consecutively.

### **Gross Profit**

Consolidated gross profits for 2017 and 2018 were respectively THB 444.76 and 416.75 million, representing respective gross margins of 38.64 and 35.84%. Gross margin for 2018 declined from the preceding year due mainly more stringent sale policy related to the top-up machine business and an increase in cost of service in light of the Company's policy to increase number of top-up machines which are recognized as its own assets. Thus, the Company has to recognize more depreciation expense.

Consolidated gross profit for 2019 totaled THB 401.77 million which represents a gross margin of 35.77%. Gross profit for 2019 fell from the preceding year due to lower revenue from sale of top-up machines. The Company changed its revenue recognition policy for the top-up machine business on 1 January 2019 whereby it will recognize revenue and corresponding costs from sale of top-up machines over the period of 5 years from the date of sale of top-up machines to clients.

For purpose of comparison and financial analysis, management prepared projected revenue and costs in case the Company were still adopt TAS 18. Consolidated gross profit for 2019 under TAS18 were THB 597.63 million which represents a gross margin of 40.72%. This increases from the preceding year due to 1) declining gross profit of the top-up machine business in response to lower sale revenue with higher amount of cost of sale related to machine refurbishment costs 2) higher gross profit from the vending machine business in response to higher sale revenue and higher gross margin thanks to higher purchasing lower from high volume procurement and 3) increasing gross profit from the top-up machine business due to increasing transaction fee in response to higher business volumes and values via top-up machines, increasing number of the Company's top-up machines and adjustments of service fee rate and revenue sharings between the Company and owners of top-up machines.

Consolidated gross profit for the first 6 months of 2020 totaled THB 255.64 million, representing a gross margin of 39.29%, an increase from the same period of the preceding year which stayed at THB 164.56 million or a gross margin of 33.06%. Such increase was attributable to increase in revenue from the vending machine business and increase in gross profit from contract-based service in response to recognition of revenue from the top-up machine business over the period of 5 years. For the first 6 months of 2020, the Company recognized revenue from sale of top-up machines in the preceding year as contract-based revenue during this period. During the first 6 months of 2020, the Company also earned sticker advertising revenue which is the service with low costs but high gross margin. This also contributed to the Company's higher gross margin during the period.

### **Operating Expenses**

Cost of distribution of the Group of Companies comprises agent cost, remuneration expense, promotional expense, rental expense and depreciation and amortization. They collectively comprise 90.98, 86.92, 77.90 and 77.90% respectively of the Company's consolidated cost of distribution in 2017, 2018, 2019 and for the first 6 months of 2020.

Total cost of distribution in 2018 rose by THB 13.24 million or 9.03% from the preceding year. Cost of distribution accounted for 12.04 and 10.91% consecutively of the Company's total revenue in 2018 and 2017. Such increase in distribution cost was attributable to increase in cost of depreciation and amortization in response to increasing number of vending machines.

Consolidated cost of distribution in 2019 rose by THB 36.92 million or 23.09% from the preceding year due mainly to increase in cost of rental and depreciation & amortization in response to increasing number of vending machines. Ratio of total cost of distribution to total revenue in 2019 stayed at 15.38% while the same ratio for 2018 was 12.04%. Such ratio increase was attributable to increase in cost of employee remuneration, cost of rental and cost of depreciation and amortization in response to the Group's business expansion and increasing number of top-up and vending machines in accordance with VDP's business expansion plan as well as 6-11 Select and 6-11 Corner business models (See details in Part 2.2.2 of the registration statement and prospectus).

A portion of cost of distribution in 2019 was agent fee for the amount of THB 12.80 million. In accordance with TFRS15, such agent fee will be gradually recognized over the 5-year service period. This is because such agent fee is regarded as a direct cost of installing top-up machines. In case such agent fee were recognized as a part of total distribution costs under TAS18, the Company's agent fee related to sale of top-up machines in 2019 were to increase by the amount of THB 52.55 million. Thus, total cost of distribution for 2019 under TAS18 were to be THB 249.37 million, an increase by THB 89.47 million or 55.95% from the preceding year. Such increase was attributable to 1) an increase in rental and depreciation & amortization expenses in response to increase number of vending machines in 2019 in accordance with VDP's business expansion plan and 6-11 Select and 6-11 Corner business models (See details in Part 2.2.2 of the registration statement and the prospectus) 2) increase in employees'

remuneration thanks to increasing number of staffs to accommodate the Group's business expansion and 3) increasing amount of bank fees in response to increasing transaction volumes via the Company's top-up machines from THB 5,804.39 million in 2018 to THB 6,744.96 million in 2019 (See details in Part 2.2.2 of the registration statement and the prospectus).

Total distribution cost for the 6-month periods ended 30 June 2019 and 2020 were THB 85.91 and 129.34 million consecutively. On the basis of TFRS15, the Company will gradually recognize agent fee over the service period of 5 years. This is because agent fee is regarded as a direct cost of installing top-up machines. Management however prepared projected costs in case such agent fee were treated in accordance with TAS18. In case TAS18 were apply, total agent fee related to sale of top-up machines for the first 6 months of 2019 and 2020 would have increased by the respective amounts of THB 23.28 and 22.69 million. Thus, total distribution cost for the first 6 months of 2019 and 2020 in accordance with TAS18 were to be THB 108.79 and 152.03 million consecutively. Such THB 43.24 million or 39.75% increase is mainly due to increase in depreciation and amortization in reponse to increasing number of vending machines thanks to VDP's business expansion plan and 6-11 Select and 6-11 Corner business models (See details in Part 2.2.2 of the registration statement and prospectus).

Total SG&A in 2018 rose by THN 2.60 million or 1.11% from the preceding year due mainly to hiking employee remuneration expense in response to increasing number of staffs of the Company and its subsidiaries to accommodate the Group's business expansion plan.

Total SG&A for 2019 increased by THB 5.47 million or 2.32% from the preceding year due to 1) loss from disposal of defaulting receivables for the total amount of THB 31.09 million in 2019 and 2) recognition of share-based expense for the amount of THB 20.08 million associated with issuance of SABUY-ESOP1 on 15 May 2019 in accordance with resolution of the annual general meeting of shareholders held on 18 March 2019. Such share-based expense will be recorded for the amounts of THB 7.15, 7.60, 4.09 and 1.24 million in 2019, 2020, 2021 and 2022 consecutively.

Total SG&A for the first 6 months of 2020 fell by THB 33.66 million or 23.94% from the same period of 2019 due mainly to recognition of a one-time transaction in 2019. Without consideration of such one-time transaction, total SG&A during the first 6 months of 2020 would stay close that of the same period in the preceding year. SG&A items during the first 6 months of 2020 that changed significantly include depreciation & amortization due to adoption of accounting policy related to lease agreement.

### **Net Profit**

Net profit (loss) for 2017, 2018 and 2019 were THB (174.15), 85.01 and 57.81 million respectively. This has represented net profit (loss) margin of (12.95), 6.40 and 4.42% consecutively. The Company's performance in 2018 turned around from 2017 as the Company adopted a more stringent sale policy in 2018. In this regard, installment sale of top-up machines for a client will be limited to 4 units (including those already owned by the client). For Unit 4 of top-up machine the client would like to buy on an installment basis, he is required to make a

minimum down payment of THB 6,900. For those who wish to buy more than 4 units of top-up machines, they must either make whole payment in cash or make 3 equal installments only. This resulted in improving credit quality of the Company's client base. As such, loss from inventory confiscation fell from THB 329.78 million in 2017 to THB 127.33 million in 2018. The Company in fact achieved a net profit of THB 85.01 million in 2018.

The Company achieved a net profit of THB 57.81 million or a net margin of 4.52% in 2019. The Company's net profit in 2019 declined from 2018 thanks to change in revenue recognition policy related to sale of top-up machines in accordance with TFRS15. Thus, profit from sale of top-up machines will be gradually recognized over the 5-year service period as well. The Company also recognized lower amount of installment interest due to lower number of top-up machines that could be sold. The Company's SG&A also increased as it needed to recognize loss from sale of defaulted receivables and share-based expense related to SABUY-ESOP1. In fact, the Company's net profit of THB 57.81 million in 2019 came in part from outstanding credit return revenue for the amount of THB 39.02 million, the amount of which to be recognized in the future depending upon many uncontrollable factors that are beyond the Company's projection. Credit return revenue is thus uncertain and may be lower or higher than the amount the Company recognized in 2019, and this will of course impact the Company's net profit in each relevant period.

Net profit of the Group of Companies for the first 6 months of 2020 totaled THB 46.27 million, an increase by THB 38.91 million or 529.38% from that during the same period of the preceding year. This was mainly attributable to increase in revenue from the vending machine business and from contract-based service revenue the Company gradually recognizes from sale of top-up machines in the past. Meanwhile, some portions of cost of sale and SG&A are fixed ones. Thus when the Company's revenue rises, so does its net profit. Net profit of the Company during the first 6 months of 2020 stayed at 6.43% while that during the same period of 2019 was 1.24%.

Net profit (loss) belonging to shareholders of parent in 2017, 2018 and 2019 was THB (179.65), 91.82 and 57.99 million consecutively, representing consecutive net profit (loss) margin of (15.80), 6.92 and 4.79%. Net profit belonging to shareholders of parent for the first 6 months of 2020 was THB 47.72 million, representing a net profit margin of 6.43%.

### **Assets**

Total assets at the end of 2017, 2018, 2019 and 30 June 2020 stood at THB 1,583.61, 1,772.68, 2,261.07 and 2,389.07 million respectively. As the Company has engaged mainly in the top-up machine business, its assets mainly comprise installment receivables, merchandise, building improvements, decorations & equipment as well as top-up machines and vending machines. Year-to-year change in total assets is mainly due to changes in account and installment receivables, inventories, spare parts, building improvements as well as decorations & equipment.



## **Liabilities and Shareholders' Equity**

Total liabilities at the end of 2017, 2018, 2019 and as at 30 June 2020 stood at THB 517.14, 395.91, 807.29 and 894.78 million consecutively. Major components of liabilities include account & other payables, short- and long-term loans and etc. Total liabilities at the end of 2019 were lower than the end of 2018 due mainly to repayment of accounts payable in accordance with the restructuring agreement between the Company and AJA.

Consolidated liabilities at the end of 2019 rose by THB 411.38 million or 103.91% from the end of 2018 due mainly to increase in short-term loans from financial institutions and entering into a sale-and-leaseback agreement by a subsidiary with a financial institution (Details of which are disclosed in Part 2.2.8 of the registration statement and prospectus).

Total liabilities as of 30 June 2020 increased from the end of 2019 due to increase in liabilities related to financial lease agreement due to adoption of TFRS 16 and reclassification from operating lease in accordance with former accounting standard to financial lease liabilities in the statement of financial position under a newly adopted accounting standard (See details in Part 2.4.2 of the registration statement and prospectus).

Shareholders' equity at the end of 2017, 2018, 2019 and 30 June 2020 totaled THB 1,066.48, 1,376.77, 1,453.78 and 1,494.29 million consecutively. Shareholders' equity at the end of 2018 rose by THB 310.29 million or 29.10% from the end of 2017 as the Company increased its equity capital by the amount of THB 282.98 million and the Group of Companies achieved a net operating profit during 2018.

Shareholders' equity at the end of 2019 rose by THB 77.01 million or 5.59% from the end of 2018 thanks to increase in the Company's retained earnings.

Shareholders' equity as of 30 June 2020 rose by THB 40.51 million or 2.79% from the end of 2019 thanks to increase in the Company's retained earnings and in non-controlling interests related to equity injection in a subsidiary during the period.

## **Subsequent Events**

### **Interim Dividend Payment**

The Company's meeting of board of directors no. 4/2020 which was held on 19 June 2020 considered and approved an interim dividend payment at the rate of THB 0.023 per share, with total payment amount of THB 20.42 million, from its retained earnings. The payment was made in July 2020. Later the meeting of board of directors no. 6/2020 which was held on 3 September 2020 considered and approved an interim dividend payment at the rate of THB 0.34 per share, with total payment amount of THB 301.91 million, from the Company's retained earnings. The payment will be made within September 2020. The meeting also approved short-term loans from financial institutions for the amount of THB 250 million to finance the Company's working capital requirements, support its business operations and payment of interim dividend as previously discussed. Such dividend payment and short-term loans will impact related financial figures for the six month period ended 30 June 2020. Retained earnings

will decline by THB 322.23 million while total shareholders' equity will be lower by the same amount. Cash and cash equivalents will decline by THB 72.33 million while amount of interest-bearing debts and loans from financial institutions will rise by THB 250 million. Liquidity ratio will fall to 0.58 time while debt-to-equity ratio will rise to 0.98 time. Despite rise in the Company's debt-to-equity ratio, it can still conform to financial covenant as stipulated in the bank loan agreement (not exceeding 1.00-1.50 times). The Company believes that this increasing debt-to-equity ratio will not affect its business operation.

Item	As of 30 June 2020 (As Stated)	Adjustments	As of 30 June 2020 (After Adjustments)
Cash and cash equivalents (Millions of THB)	145.07	(72.33)	72.74
Short-term loans from financial institutions (Millions of THB)	119.14	250.00	369.14
Total liabilities (Millions of THB)	894.78	250.00	1,144.78
RE – Unappropriated (Millions of THB)	397.53	(322.33)	75.20
Equity belonging to shareholders of parent (Millions of THB)	1,451.00	(322.33)	1,128.67
Shareholders' equity (Millions of THB)	1,494.29	(322.33)	1,171.96
Liquidity ratio (x)	0.98	-	0.58
ROE (%) <sup>(1)</sup>	0.07	-	0.07
Debt-to-equity ratio (x) <sup>(2)</sup>	0.60	-	0.98

- Note:**
1. Figure as of 30 June 2020 is an annualized one.
  2. Equal to total debt divided by total equity

#### **Condition Adjustments for SABUY-ESOP1**

The Extraordinary General Meeting of Shareholders no.1/2020 held on 10 July 2020 reached a resolution to adjust some of conditions under SABUY-ESOP1, with details of adjustments as follows:

Condition	Original	After Adjustments
Exercise price	THB 3.75 per share	THB 2.00 per share
Tenor	3 years from the issuance date	4 years from the issuance date
Extension of period for last exercise	On the last business day prior to the date SABUY-ESOP1 reaches its 3-year tenor	On the last business day prior to the date SABUY-ESOP1 reaches its 4-year tenor

After such condition adjustments, the Company has to recognize additional expense under share-based accounting treatment for the amount of THB 10.21 million. Such expense will be recognized for the amount of THB 1.76, 2.77, 3.80 and 1.89 million during the 2<sup>nd</sup> half of 2020, 2021, 2022 and 2023 consecutively.

### **Analysis of Key Financial Ratios:**

Consolidated debt-to-equity ratios of the Company at the end of 2017, 2018, 2019 and 30 June 2020 were 0.48, 0.29, 0.56 and 0.60 time consecutively. Consolidated debt-to-equity ratio at the end 2018 declined from the end of 2017 due mainly to decrease in both accounts payable (due to debt restructuring the Company entered into with AJA) and short-term loans from financial institutions and increase in its paid-up capital from THB 680.0 million at the end of 2017 to THB 887.98 million at the end of 2018.

Consolidated debt-to-equity ratio of the Company at the end of 2019 increased from the end of 2018 due mainly to increase in both loans from financial institutions which were incurred to support the Company's operations and liabilities under financial lease agreements related to entering into a sale-and-leaseback agreement by a subsidiary (See details of the agreement in Part 2.2.8 of the registration statement and the prospectus).

Consolidated debt-to-equity ratio of the Company as at 30 June 2020 increased from the end of 2019 due mainly to increase in long-term loans from financial institutions to support the Company's business operation and expansion.

Consolidated liquidity ratios at the end of 2017, 2018, 2019 and 30 June 2020 were 1.47, 2.42, 0.76 and 0.98 times respectively. Consolidated liquidity ratio at the end of 2018 increased from the end of 2017 due mainly to increase in inventory related to the agreement the Company entered into with AJA on 28 September 2017 for the purpose of debt restructuring and decrease in both accounts payable and short-term loans related to AJA which is the former major shareholder of the Company.

Consolidated liquidity ratio at the end of 2019 declined from the end of 2018 due to adoption of TFRS no.15 which results in reclassification of top-up machines waiting for sale to clients from inventory (a current asset) to building and equipment improvements (a non-current asset). Thus, total current assets amount at the end of 2019 fell from the end of 2018.

Consolidated liquidity ratio as at 30 June 2020 increased from the end of 2019 as the Company used cash flows from operations to repay accounts payable and short-term liabilities.

### **Impact from Covid-19 Pandemic**

Spread of Covid-19 Pandemic during the first 6 months of 2020 has impacted the Company's overall business operations as the government announced and implemented many measures aimed to control the corona virus such as temporary shutdowns of shopping centers and department stores, social distancing and work-from-home requirements.

Such state measures have directly impacted the top-up machines business as the number of units sold fell from 4,589 during the first 6 months of 2019 to 3,371 during the first 6 months of 2020. This is mainly because

the Company's sale persons cannot commute to look for new clients. Meanwhile, number of transactions via top-up machines also fell as some clients got state supports and aids in the form of free Internet service and utilities bill discounts. Thus, the Company's revenue obtained from top-up machine services fell from THB 317.45 million during the first 6 months of 2019 to THB 299.55 million at the end of 2020.

Covid-19 pandemic caused a short-term impact to the vending machine business due to temporary shutdowns of shopping plazas and department stores and work-from-home practice which caused a decline in merchandise sale via vending machines. Fortunately, this was a short-term impact and the situation gradually improved and returned to normal since May 2020. The Company also changed product mix in response to changing clients' demand by including face masks as a part of merchandise they could get from vending machines. Although Covid-19 has impacted the vending machine business, performance of this business has still been good. Revenue from the vending machine business during the first 6 months of 2020 increased by THB 90.78 million or 59.34% from the same period of the preceding year thanks to increase in the Company's vending machines from 1,861 as at 30 June 2019 to 5,648 as at 30 June 2020.

Covid-19 pandemic did not significantly impact the food center service business as the Company recognized revenue from this business in accordance with contract terms. Although clients' food centers were temporarily shut down, they are still contractually obligated to make service payments. Revenue from the food center service business during the first 6 months of 2020 stayed at THB 15.12 million, an increase by THB 2.39 million or 18.77% from the same period of the preceding year.

Note that domestic Covid-19 situation alleviated and impacted the Company's operation from the end of March and throughout April 2020. The situation however improved a little bit since May 2020 as some businesses resumed their operations. Thus, the Company's operating performance during the first 6 months of 2020 was a little bit impacted by the pandemic whereby its overall performance during the first half 2020 still showed sign of growth when compared to the same period of the preceding year. During the first six months of 2020, the Company could still maintain its financial covenants and repay its debts in accordance with terms of loan agreements. The Company could still maintain its sound operating liquidity. Its consolidated liquidity ratios as at 31 December 2019 and 30 June 2020 stayed at 0.76 and 0.98 time respectively. This was because the Company's cash & cash equivalents and current assets rose while amount of its current liabilities declined as it repaid accounts payable and short-term liabilities.

**Investor Relation Officer:**

Name : Ms. Usara Vilaipit  
Address : 230 Bang Kun Thian-Chai Talay Road, Samae Dam Sub-District, Bang Kun Thian District, Bangkok 10150  
Phone no. : 0-2451-5335  
E-Mail Address : usara.w@sabuytech.com

<b>Information Memorandum (Additional)</b>		
<b>General Information</b>		
General Information	Company Name / Ticker	Sabuy Technology Plc. / SABUY
	Address / Phone Number and Fax Number / URL	230 Bang Khun Tian-Chai Talay Road, Samae Dam Sub-District, Bang Khun Tian District, Bangkok 10150 Phone Number: 0-2451-5335 Fax Number: 0-2451-5338 URL: <a href="http://www.sabuytechnology.com">http:// www.sabuytechnology.com</a>
	Financial Advisor	Maybank Kim Eng Securities (Thailand) Plc.
	Lead Underwriter	KTB Securities (Thailand) Plc.
	Number of Registered Shares (shares)	1,050,000,000
	Number of Paid-up Shares (shares)	1,050,000,000 as of 6 November 2020
	Number of shares subject to Silent Period Requirement	552,750,000 shares (accounting for 55.00% of total paid-up shares as of 11 November 2020 which is the first trading date). Such number of shares are subject to a one-year Silent Period requirement. Upon completion of a 6-month period the Company's shares are traded on the SET, 25.00% of total shares subject to Silent Period can be sold and the remaining could be sold upon completion of the period of 1 year. However, 293,645,860 shares that were subject to Silent Period requirement, or 53.12% of total shares subject to Silent Period Requirement. Received a deposit waiver from Thailand Securities Depository Co., Ltd. (TSD) as the shares were placed as collateral for the borrowing of SABUY with financial institutions. There is a letter certifying from the shareholders that the shares will be deposited according to the conditions within 3 business days from the date of the redemption of the pledge or the placement as collateral for the loan. Such shares will be deposited with TSD until the expiration of Silent Period Requirement specified by the SET
Information about	End of Accounting Period	31 December
	FS Submission Policy	<u>Quarterly Financial Statements</u>

Information Memorandum (Additional)		
General Information		
Financial Statements		The Company will submit Q.1, Q.2 and Q.3 reviewed financial statements within 45 days from the last date of each quarter. <u>Annual Financial Statements</u> The Company will submit audited financial statements within 2 months from the last date of each accounting period without submitting Q.4 reviewed financial statements.
	Audit Firm	KPMG Poomchai Audit Company Limited
	Auditor	Mr. Watchara Phatrapitak, CPA no. 6669

Information Memorandum (Additional)					
General Information					
3-Year		2017	2018	2019	6M2020
Financial	BPS (THB) <sup>(1)(2)</sup>	1.45	1.55	1.60	1.63
Figures and	EPS (THB)	(0.56) <sup>(2)</sup>	0.11 <sup>(3)</sup>	0.07 <sup>(4)</sup>	0.05 <sup>(4)</sup>
the Latest 6-	Dividend per Share (THB)	N/A	N/A	N/A	N/A
Month	Dividend Payout Ratio (%)	-	-	-	_(5)
Period					
Others (if any)	Other Listing Conditions (if any)	- None -			
	Greenshoe Option	- None -			

- Note:**
1. Determined based on total number of shares outstanding of 680.00, 873.00, 887.98 and 887.98 million as of 31 December 2017, 2018, 2019 and 30 June 2020 consecutively.
  2. Determined based on weighted average number of shares outstanding of 320 million as of 31 December 2017. PAR value at 1 THB/share
  3. Determined based on weighted average number of shares outstanding of 830 million as of 31 December 2018. PAR value at 1 THB/share
  4. Determined based on weighted average number of shares outstanding of 888 million as of 30 June 2019, 31 December 2019 and 30 June 2020. PAR value at 1 THB/share
  5. The Company's meeting of board of directors no. 4/2020 which was held on 19 June 2020 considered and approved an interim dividend payment at the rate of THB 0.023 per share, with total payment amount of THB 20.42 million, from its retained earnings. The payment was made in July 2020. Later the meeting of Board of Directors no. 6/2020 which was held on 3 September 2020 resolved to make an interim dividend payment at the rate of THB 0.34 per share from the Company's retained earnings, for the total payment amount of THB 301.91 million. This payment was made in September 2020.

Board of Directors					
No.	Title	Name	Last Name	Position	Date of Appointment
1.	Mr.	Chakkrit	Parapuntakul	Chairman / Independent Director / Chair of the Audit Committee	9 July 2018
2.	Mr.	Saran	Supaksaran	Director / Independent Director / Audit Director / Chair of the Nomination and Remuneration Committee	9 July 2018
3.	Ms.	Umawadee	Rattana-udom	Director / Independent Director / Audit Director / Member of the Nomination and Remuneration Committee	9 July 2018
4.	Mr.	Noppakorn	Klintong	Director / Independent Director / Chair of the Risk Management Committee	18 March 2019
5.	Mr.	Woravit	Chailimpamontri	Director / Member of the Nomination and Remuneration Committee	26 February 2019
6.	Mr.	Chookiat	Rujjanapornpajee	Director / Chief Executive Officer	22 January 2016
7.	Mr.	Songpol	Chevapanyaroj	Director	26 February 2019
8.	Mr.	Wachirathon	Kongsuk	Director / Chief of Staff	26 February 2019

Subsidiary Investments as of 30 June 2020					
No.	Company Name	Nature of Business	Paid-up Capital (Millions of THB)	% of Equity Holding (%)	Value of Investment (At Cost) (Millions of THB)
1.	Vending Plus Company Limited	Distributor of consumer products via vending machines under “Vending Plus”, “6.11 Select” and “6.11 Corner” trademarks	201.00	82.47	206.18
2.	Sabuy Solutions Company Limited	Provider of food center management system and related services, rental of food center management system equipment and related maintenance services as well as providing vending	40.00	99.99	84.50

Subsidiary Investments as of 30 June 2020					
No.	Company Name	Nature of Business	Paid-up Capital (Millions of THB)	% of Equity Holding (%)	Value of Investment (At Cost) (Millions of THB)
		washing machines under "SABUY WASH" trademark			
3.	Sabuy Money Company Limited	Payment Service Provider / Facilitator Business Unit) under "Sabuy Money" Trademark	100.00	93.00	123.00



**Prepared by** Maybank Kim Eng Securities (Thailand) Plc.

The Company hereby certifies that information as contained in this information memorandum is accurate.

**Sabuy Technology Public Company  
Limited**

*-Mr. Chookiat Rujjanapornpajee-*

.....  
**Mr. Chookiat Rujjanapornpajee**

**Director**

*-Mr. Wachirathon Kongsuk-*

.....  
**Mr. Wachirathon Kongsuk**

**Director**

**Director**