

Press Release

aCommerce Group Plc

16 December 2021

## **Southeast Asia's leading e-commerce enabler, aCommerce Group Plc, submits IPO filing**

**aCommerce Group Plc has applied for the initial public offering (IPO) and listing on the Stock Exchange of Thailand, supported by the company's strengths as the leading integrated, end-to-end total solution, e-commerce enabler, as well as the company's strategy to expand investment to create growth in line with the rapid expansion of e-commerce in Southeast Asia where online business is thriving.**

Paul Srivorakul, co-founder and Group Chief Executive Officer (CEO) of aCommerce Group, revealed that the company is the leading enabler of e-commerce operations in Southeast Asia in terms of Gross Merchandise Volume (GMV) in 2020 according to independent research firm, Euromonitor, providing end-to-end e-commerce services, a SaaS (Software as a Service) product and single value added services, for more than eight years.

The company offers a full range of services to support and facilitate the conduct of online businesses in Thailand, Indonesia, Singapore, the Philippines and Malaysia.

aCommerce services encompass e-commerce strategy consulting, webstore development, brand store operations, performance marketing, warehousing

**These materials are not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The issuer does not intend to register any portion of the offering in the United States or to conduct a public offering of Securities in the United States. No money, securities or other consideration is being solicited by this communication or the information contained herein and, if sent in response to this communication or the information contained herein, will not be accepted. It may be unlawful to distribute these materials in certain jurisdictions. These materials are not for distribution in the United States, Canada, Japan or Australia. The information in these materials does not constitute an offer of securities for sale in the United States, Canada, Japan or Australia.**

and order fulfilment, payment & delivery, consumer care solutions as well as data analytics and insights.

The company enables brand clients to build businesses on their own channels and brand webstores (“brand.com stores”), major marketplaces and social media platforms, which in turn provides a seamless purchasing experience across various channels that is optimized in accordance with their business strategy, to their end-consumers.

The company has developed its own proprietary technology platform under the name 'EcommerceIQ' which strengthens, connects, and unifies all e-commerce data under one end-to-end cloud platform. EcommerceIQ offers brands multiple features, including channel management, order management, logistics management, customer management and data analytics tools to facilitate online transactions and manage the data for their business.

Recently, in 2021, aCommerce also launched its SaaS platform under the name 'EcommerceIQ SaaS', offering advanced analytics allowing brand clients to understand their end-consumers and competitors, control pricing and brand positioning, and optimize their e-commerce strategy and long-term end-consumer relationships across all channels. The EcommerceIQ SaaS product currently offers two features, Market Insights and Client Analytics.

aCommerce also provides other value added services for clients, to answer to the new-found demand in e-commerce which emerges from the accelerating growth of end consumers in the Southeast Asian region.

“We believe that we have good relationships with many partners across Southeast Asia, providing end-to-end e-commerce services to leading global brands across a wide range of product categories, such as consumer goods, fashion, beauty and electronics.

Among those leading global brands are Unilever, 3M, Naraya, Quiksilver (Boardriders), Reckitt, etc. Based on data from Inter Brand, aCommerce provide services to the 14 out of 100 most valuable global brands in 2021.

The company has continued to develop its technological offering to increase the capability in data integration and in-depth data analysis, as well as to provide new services and solutions.

As a result, at the end of September 2021, the company's brand clients grew to 120, managing a total of 35,574 products, facilitating an average order value of 1,305.6 baht for the 3 months ended September 2021. For the 12 month period to the end of September 2021, aCommerce completed 7.8 million orders worth over 9,500.2 million baht in End-to-end Merchandize Value (EMV). Since commencing operations, aCommerce has connected e-commerce clients with over 11.6 million end-consumers," said Paul.

He added that aCommerce has laid down a six-pronged growth strategy to support its business expansion, namely:

1. Focus on developing strong partnerships with brands clients and create added-value by promoting cross-selling and up-selling.
2. Continue to invest in the development of the EcommerceIQ platform to increase order management efficiency, data insights and the capability to facilitate more distribution channels.
3. Expand the network and scope of services to cover all countries in Southeast Asia.
4. Expand the brand client base with more global enterprise brands and also select local brands in each country to cover a wider range of industries that newly adopt e-commerce.
5. Further develop the SaaS platform to appeal to a wider addressable market beyond the current "enterprise grade" target group, boost long run margins and "future proof" our partnerships with brands.
6. Selectively pursue merger and acquisition opportunities to increase services offered and expand geographically, as well as potential strategic partnerships and alliance opportunities.

The company's performance has continued to improve in tandem with the expansion of e-commerce businesses in the region.

Revenues in the past three years increased from 2,988.5 million baht in 2018 to 4,601.5 million baht in 2019 and 7,292.8 million baht in 2020, representing an average growth rate of 56.2% per year.

The total revenue for the nine-month period ended September 30 also increased from 5,232.7 million baht in 2020 to 6,339.7 million baht in 2021, representing an average growth rate of 21.2% per year.

At the same time, its operating earnings before interest, taxes, depreciation and amortisation (operating EBITDA) have improved from a (790.3) million baht loss in 2018 and (478.4) million baht loss in 2019, to a 111.7 million baht profit in 2020. For the nine-month periods ended September 30, 2020, it increased from THB 113.0 million in 2020 to (120.2) million baht in 2021 as a result of the continuous business expansion especially in technology.

Paul also noted that Euromonitor data predicts the e-commerce Gross Merchandise Volume (GMV) in Southeast Asia to post a compound annual growth rate (CAGR) of 19.8% from 2020 to 2025, growing from US\$52.3 billion to \$129.2 billion.

That is the result of rapidly changing consumer preferences towards on-line shopping with the Covid-19 pandemic being a factor accelerating the behavioural change, he pointed out.

In 2020, the company achieved the growth in End-to-end Merchandize Value (EMV) of 85.7%, 69.6% more orders as compared to the previous year and 9.5% rise in the average value per order, he added.

With the company's capabilities, aCommerce believes that it is currently an important partner to many leading global brand clients operating in the Southeast Asian region.

aCommerce submitted an official Initial Public Offering (IPO) filing with the Securities and Exchange Commission (SEC) on 13 December 2021. The size of the IPO is expected to be no more than 1,942,422,738 ordinary shares (Par value 1 baht), comprising no more than 971,211,369 existing shares (representing no more than 20% of the company's paid-up capital after the IPO) plus another up to 971,211,369 new shares (representing no more than 20% of the company's paid-up capital after the IPO).

Potential proceeds from the IPO are earmarked for the company's business expansion, especially investment in platforms and technology product

development for EcommerceIQ and EcommerceIQ SaaS, as well as for working capital.

**Warning:**

- Investors should consider the nature of products, return conditions and associated risks disclosed before making a decision on investment;
- Investment has risks. Before making an investment decision, investors should carefully review the draft prospectus and the filing;
- This document is not a prospectus for the offer or sale of securities, but has been prepared to publicize information regarding the securities prior to an offering. Therefore, the information contained in this document is subject to further revision;
- The offering of securities may be made only when the registration statement and draft prospectus filed with the Thai SEC have become effective and a final prospectus has been delivered or distributed to the investors.
- This material is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The issuer does not intend to register any portion of the offering in the United States or to conduct a public offering of Securities in the United States. No money, securities or other consideration is being solicited by this communication or the information contained herein and, if sent in response to this communication or the information contained herein, will not be accepted. It may be unlawful to distribute these materials in certain jurisdictions. These materials are not for distribution in the United States, Canada, Japan or Australia. The information in these materials does not constitute an offer of securities for sale in the United States, Canada, Japan or Australia.

-----

This press release is issued by MT Multimedia Co., Ltd on behalf of the aCommerce Group Plc

**NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA**

For more information, please contact Wasana Wongsiri (Jeab) Tel. 084-359-0659 E-mail: [wasana.w@mtmultimedia.com](mailto:wasana.w@mtmultimedia.com)