

BUSINESS HIGHLIGHTS 3Q 2021/22

- VGI has seen a gradual return of revenue growth following a very challenging start of 2021/22, which had an impact to overall performance – particularly on the Out-of-Home (“OOH”) Advertising business.
- In 3Q 2021/22, VGI reported a revenue from services and sales of THB 1,429mn, mainly from the full-quarter consolidation of Fanslink Communication Company Limited.
 - OOH Advertising revenue decreased by 4.8% YoY to THB 436mn. Nevertheless, VGI saw growth on a quarter-to-quarter basis of 48.4% as the easing of the COVID-19 pandemic led to fewer of restrictions on public life, resulting in the rise of BTS ridership.
 - Digital Services revenue increased by 40.5% YoY to THB 312mn, mainly from insurance commission fees and lead generation.
 - Distribution revenue was recorded at THB 681mn.
- Despite growth in revenue, the Company reported a net loss of THB 76mn, which mainly came from share of loss from joint venture and associate companies.

KEY BUSINESS AND STRATEGIC UPDATES IN 3Q 2021/22

1) ADVERTISING

- VGI launched a new advertising package to offer a bundled media spaces, which included train wraps, digital screens across BTS network and Street Furniture media. This enables advertisers to build brand awareness and reach wider audiences in the heart of Bangkok through the efficient marketing campaigns.



2) PAYMENT

Rabbit card

- The number of Rabbit Card has reached 14.8mn cards, an increase of 6.0% YoY.

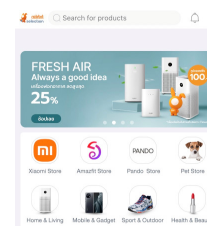
Rabbit LinePay

- Rabbit LINE Pay currently serves more than 9.3mn users, an increase of 16.1% YoY.

3) DISTRIBUTION

The pilot launch of Rabbit Selection mobile application

- VGI continued to make progress on its Distribution business segment, which is managed by Fanslink Communication Company Limited (“Fanslink”). During 3Q 2021/22, Fanslink did a pilot launch of Rabbit Selection mobile application under the concept ‘Good life is not expensive’. This application will use the cutting-edge technology to deliver well-designed products with good quality at reasonable prices from the world best manufacturers, enabling consumers to experience variety of product selection and a seamless online and offline shopping of their purchase.



Successfully made a strategic partnership with Jaymart

- VGI successfully invested 15.0% in Jay Mart Public Company Limited (“Jaymart”) with a total investment of THB 6,257mn following Jaymart’s shareholder approval in November 2021. Therefore, Jaymart has become VGI’s associate and VGI records Jaymart performance under the equity method, starting from December 2021 onwards. This investment will enable VGI to strengthen its Offline-to-Online (O2O) Marketing Solutions and capture strong growth in its distribution business.

4) RIGHTS OFFERING AND VGI-W3

- On 25 January 2022, the Board of Directors approved the issuance and offering of 2,583mn newly issued ordinary shares through a rights offering (“RO”) at a share price of THB 5.00 per share to the existing shareholders, whose name appeared on the shareholder list record date as of 9 February 2022. In addition, the Company will also issue and allocate warrants (VGI-W3) to RO subscribers at a ratio of 1 newly issued ordinary share per 1 unit of warrant. This capital strengthening aims to both fortify the balance sheet and at the same time provide support to expand the Company’s business ecosystem base to be stronger. The transaction is subject to an approval of Extraordinary General Meeting (EGM), which will be held on 4 March 2022.
- Key terms and conditions of RO and VGI-W3 are as follows: -

Rights Offering

No. of shares	2,583mn shares
Exercise ratio	10 existing shares: 3 newly issued shares
Total value	THB 12,917mn
Sale price	THB 5.00 per share
Record date	9 February 2022
Subscription period	23 – 24 and 28 – 29 March 2022

VGI – W3

No. of warrants issued	2,583mn units
Exercise ratio	1 newly issued share: 1 warrant unit
Total value	THB 30,742mn
Exercise price	THB 11.90 per share
Terms	5 years

5) AWARDS AND RECOGNITION

Thailand’s Top Corporate Brand award 2021

- VGI won the Thailand’s Top Corporate Brands award 2021 for the fifth consecutive years for achieving the highest corporate brand value worth THB 55.5bn (as of 20 January 2022) under the media category at the ASEAN and Thailand’s Top Corporate Brands 2021 event jointly organised by the Master in Marketing and Branding Programme under the Faculty of Commerce and Accountancy, Chulalongkorn Business School, and the Stock Exchange of Thailand.

Sustainability Yearbook 2022

- VGI has been included as a member in the Sustainability Yearbook 2022, as assessed by S&P Global, for the first year under Media, Movies and Entertainment industry. The Sustainability Yearbook ranks global sustainability leaders, based on the S&P Global ESG Scores evaluated through the annual Corporate Sustainability Assessment (CSA). This year, over 7,500 companies were assessed, 716 of which were recognised as Yearbook members.

VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 3Q 2021/22 ENDED 31 DECEMBER 2021

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CONSOLIDATED P&L SNAPSHOT

	3Q 2020/21	2Q 2021/22	3Q 2021/22	QoQ (%)	YoY (%)
Revenue from services and sales	680	923	1,429	54.8%	110.2%
Cost of services and sales	(359)	(756)	(1,105)	46.0%	208.0%
Gross profit	321	167	324	94.3%	0.9%
SG&A	(220)	(278)	(367)	32.4%	66.9%
Other income	94	115	87	-24.2%	-7.5%
Share of profit (loss) from JVs and associates	542	(23)	(119)	426.7%	-122.0%
EBITDA	856	101	47	-53.8%	-94.6%
EBIT	737	(19)	(75)	-301.5%	-110.2%
Interest expenses	(18)	(16)	(24)	52.7%	34.7%
Tax	(29)	(6)	(13)	128.5%	-53.9%
Net profit from operation	200	(9)	(76)	-707.3%	-137.8%
Net profit*	713	(9)	(76)	-707.3%	-110.6%

Gross profit margin	47.2%	18.1%	22.7%		
EBITDA margin	125.9%	10.9%	3.3%		
Net profit from operation margin	29.5%	-1.0%	-5.3%		
Net profit margin	104.9%	-1.0%	-5.3%		

*As shown in financial statement, excluding minority interest.

REVENUE BREAKDOWN (THB mn)

	3Q 2020/21	2Q 2021/22	3Q 2021/22	QoQ (%)	YoY (%)
OOH media	458	294	436	48.4%	-4.8%
Transit	382	271	412	52.3%	8.0%
Office & Others	76	23	24	2.9%	-68.7%
Digital Services	222	272	312	14.6%	40.5%
Distribution	-	357	681	90.6%	n/a
Total	680	923	1,429	54.8%	110.2%

% Contribution to total revenue

	3Q 2020/21	2Q 2021/22	3Q 2021/22
OOH media	67.4%	31.8%	30.5%
Transit	56.1%	29.3%	28.9%
Office & Others	11.2%	2.5%	1.7%
Digital Services	32.6%	29.5%	21.8%
Distribution	-	38.7%	47.7%
Total	100.0%	100.0%	100.0%

PERFORMANCE ANALYSIS (3Q 2021/22 vs 3Q 2020/21)

Following a challenging first half of 2021/22 from COVID-19 pandemic, which particularly impacted our OOH Advertising business, the Company was able to generate an increase revenue from the last quarter thanks to the easing of restrictions on public life due to the lower infection rates as well as the steady progress of vaccination programme. In 3Q 2021/22, the Company's **revenue from services and sales** increased by 110.2% YoY to THB 1,429mn. The increase was mainly from the full-quarter consolidation of Fanslink Communication Company Limited ("Fanslink") and the growth of Rabbit Group, which recorded under Distribution business and Digital Services segment, respectively.

OOH Advertising revenue was decreased by 4.8% YoY to THB 436mn, mainly from a decrease in revenue from Office and Other media segment.

- **Transit media revenue** was increased by 8.0% YoY to THB 412mn. The increase was mainly driven by the launch of media package promotion, which bundling media across BTS media network and Street Furniture media.
- **Office and Others media revenue** was THB 24mn, a decrease of 68.7% YoY. This segment was mainly impacted by the new normal lifestyle of workers due to an implementation of work-from-home/ remote working policy across government and private sectors.

Digital Services revenue increased by 40.5% YoY to THB 312mn from higher insurance commission fees and lead generation under Rabbit Group.

Distribution revenue was THB 681mn. In this quarter, the Company recorded full-quarter performance of Fanslink, which started since August 2021.

Other income was recorded at THB 87mn, a decrease of 7.5% YoY, mainly from the decrease in dividend income. Nevertheless, this was offset by the gain on sale of MACO-W3.

The consolidation of Fanslink also resulted in rising **cost of services and sales**, which came to THB 1,105mn, an increase of 208.0% YoY. **Cost-to-revenue ratio** increased to 77.3% (prior year: 52.8%), resulting in a decrease of **gross profit margin** to 22.7% (prior year: 47.2%). Meanwhile, **selling, general and administrative expenses ("SG&A")** increased to THB 367mn, an increase of 66.9% YoY. **SG&A to revenue ratio** decreased to 25.7% (prior year: 32.4%).

The Company recorded a **share of loss from investments in joint ventures and associates** of THB 119mn. The loss was primarily from the operation of Kerry Express (Thailand) Public Company Limited, as a result from its aggressive pricing strategy to maintain market leadership.

Consequently, the Company recorded a **net loss** of THB 76mn, decreasing by 110.6% YoY and a **net loss margin** of 5.3%.

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FINANCIAL POSITION

ASSETS

ASSETS BREAKDOWN	31 MARCH 2021		31 DECEMBER 2021	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and other current financial assets	1,461	7.0%	1,290	4.6%
Trade & other receivables	794	3.8%	1,018	3.6%
Equipment – net	1,220	5.8%	1,092	3.9%
Investment in JVs, associates and other non-current financial assets	15,019	71.6%	21,391	76.5%
Goodwill/ Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	291	1.4%	315	1.1%
Other assets	2,185	10.4%	2,845	10.2%
Total assets	20,970	100.0%	27,951	100.0%

Total assets as of 31 December 2021 stood at THB 27,951mn, an increase of THB 6,981mn or 33.3% from THB 20,970mn as of 31 March 2021.

Total current assets were THB 3,465mn, increasing by 7.9% or THB 255mn, primarily from an increase in 1) other current financial assets of THB 400mn, 2) inventories of THB 336mn and 3) trade & other receivables of THB 225mn. However, the increase in current assets was mainly offset by a decrease in 4) cash and cash equivalent of THB 572mn and 5) prepaid expense of THB 196mn

Total non-current assets stood at THB 24,486mn, increasing by 37.9% or THB 6,726mn, due to an increase in 1) investment in associated company of THB 5,949mn, which was from an investment in Jay Mart Public Company Limited and 2) other non-current financial assets of THB 472mn, which was mainly from the change in fair value of investment in Plan B Media Public Company Limited (“PlanB”), iClick Interactive Asia Group Limited (“iClick”), and AnyMind Group Inc.

Trade and other receivables were THB 1,018mn, increasing by 28.3% or THB 225mn. Average collection period at end of this quarter was 95 days, which decreased from 137 days as of 31 March 2021.

AGING OF TRADE RECEIVABLES (THB mn)	31 MARCH 2021	31 DECEMBER 2021
Not yet due	362	475
Up to 6 months	205	303
Over 6 months	193	182
Allowance for expected credit losses	173	180
Total	587	780
% of total trade and other receivables	74.0%	76.7%

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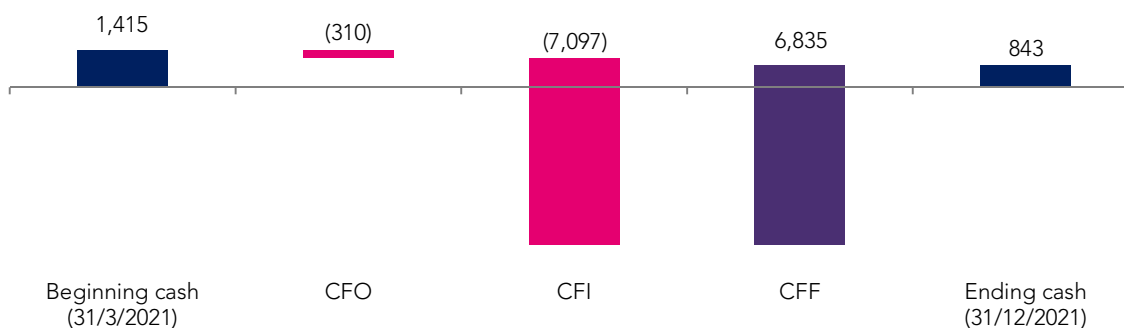
LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MARCH 2021		31 DECEMBER 2021	
	(THB mn)	% of total	(THB mn)	% of total
Short term loans	-	-	7,030	25.2%
Trade & other payables	399	1.9%	516	1.8%
Accrued expenses	377	1.8%	344	1.2%
Current portion of long-term loans from financial institutions	1,159	5.5%	1,173	4.2%
Other current liabilities	1,248	5.9%	933	3.3%
Other non-current liabilities	724	3.5%	764	2.7%
Total liabilities	3,907	18.6%	10,760	38.5%
Shareholders' equity	17,063	81.4%	17,191	61.5%
Total liabilities and equity	20,970	100.0%	27,951	100.0%

Total liabilities were THB 10,760mn, an increase of THB 6,853mn or 175.4% from THB 3,907mn as of 31 March 2021 mainly from an increase in short-term loans from financial institutions of THB 7,030mn.

Total equity was THB 17,191mn, increasing by THB 128mn or 0.8%, mainly due to an increase in other components of shareholders' equity of THB 130mn.

LIQUIDITY AND CASH FLOW (THB mn)



For the nine months ended 31 December 2021, **net cash used in operating activities** was THB 310mn. **Net cash used in investing activities** was THB 7,097mn mainly from cash paid for 1) purchase of investment in associates of THB 6,316mn and 2) purchase of investment in financial instruments of THB 689mn. **Net cash from financing activities** was THB 6,835mn mainly from cash received from 1) short-term loan from financial institutions of THB 7,020mn and 2) non-controlling interests for issuance of ordinary shares of subsidiary of THB 246mn. However, this was offset by cash paid for 3) dividend of THB 353mn.

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FINANCIAL RATIOS

Profitability Ratios		3Q 2020/21	3Q 2021/22	Liquidity Ratios		31 MAR 2021	31 DEC 2021
Gross profit	(%)	47.2%	22.7%	Current ratio	(times)	1.0	0.3
Operating EBITDA	(%)	125.9%	3.3%	Quick ratio	(times)	0.9	0.2
Cash-to-net profit	(%)	8.7%	144.8%	Account receivable turnover	(times)	2.7	3.9
Net profit (excl. NCI)	(%)	92.1%	-5.0%	Average collection period	(days)	137	95
Return on equity	(%)	7.0%	1.8%	Payable days	(days)	102	57
Efficiency Ratios							
Return on assets	(%)	5.3%	1.2%	Liability to equity	(times)	0.2	0.6
Return on fixed assets	(%)	110.8%	58.1%	Debt to equity	(times)	0.1	0.5
Assets turnover	(times)	0.2	0.2				

Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's and The Securities and Exchange Commission, Thailand formula.

MANAGEMENT OUTLOOK

During October to December 2021, the COVID-19 situation in Thailand had taken a positive turn, with the national vaccination rate reaching 74.9%, leading the population to resume relatively normal daily routines. However, the arrival of the highly infectious Omicron COVID-19 variant has left the country grappling with an uncertain reality and the Government having to announce the 5th wave of the pandemic as of January 2022. Nonetheless, the latest outbreak is expected to have less impact on the Thai economy than the previous waves, given the relatively milder symptoms of Omicron. Meanwhile, a plan is underway by the Government to declare COVID-19 an endemic by the end of 2022. Therefore, it is anticipated that the Thai economy will see an uptick compared to the previous year, with the Bank of Thailand projecting 3.4% growth in 2022.

Given the sluggish pace of recovery of the Thai economy – which has yet reached its pre-pandemic level – combined with the strategic investment in Jay Mart Public Company Limited to expand the Company's ecosystem. This resulted in an increase in loans of the Company to over THB 8,200mn. In response, the Board of Directors has approved the issuance of rights offering (RO) to existing shareholders with the aim to use the proceeds to pay off loans and for future investment in new businesses. With the Company's solid financial status and liquidity, VGI firmly believes it will be able to achieve vigorous and sustainable growth and deliver greatest benefits to all stakeholders once the situation returns to normal.

Lastly, the Board of Directors meeting, which held on 14 February 2022, also approve the payment of the interim dividend for the first half of the Company's performance to shareholders for a total of THB 172mn, at a rate of THB 0.02 per share to shareholders named at book closing on 28 February 2022 (Record Date). The payment date of the interim dividend will be 14 March 2022.

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Chitkasem Moo-Ming
(Chief Financial Officer)

VGI Public Company Limited