

No. SONIC-003/2022

February 22, 2022

Subject Management Discussion and Analysis for the year ended 31 December 2021

To President

The Stock Exchange of Thailand

Sonic Interfreight Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the year ended 31 December 2021 with details as follows:

Unit : million baht

Statements of Comprehensive Income	For the year ended 31 December				For the three-month period			% Increase / (Decrease)	
	2021	2020	Increase / (Decrease)		Q 4/2021	Q 3/2021	Q 4/2020	(Decrease)	
			Amount	%				QoQ	YoY
Revenues from services	3,352.02	1,352.18	1,999.84	147.90	1,092.61	979.61	456.30	11.54	139.45
Cost of services	2,818.41	1,088.97	1,729.44	158.81	927.23	831.30	370.03	11.54	150.58
Gross profit	533.61	263.21	270.40	102.73	165.38	148.31	86.27	11.51	91.70
Interest revenue calculated using the effective interest method	6.72	-	6.72	100.00	2.30	2.13	-	7.98	100.00
Other income	16.11	7.80	8.31	106.54	1.80	10.41	0.07	(82.71)	2,586.57
Selling & Administrative expenses	253.91	187.10	66.81	35.71	71.88	66.94	49.14	7.38	46.28
Finance costs	9.64	7.12	2.52	35.39	2.97	2.56	1.80	16.02	65.00
Share of profit (loss) from associate	-	(0.13)	0.13	(100.00)	-	-	0.02	-	(100.00)
Income tax	58.79	14.92	43.87	294.03	18.99	18.36	6.56	3.43	189.48
Net profit for the period	234.10	61.74	172.36	279.17	75.64	72.99	28.86	3.63	162.13
Other comprehensive income (expense)	-	(0.10)	0.10	(100.00)	-	-	-	-	-
Total comprehensive income for the year	234.10	61.64	172.46	279.79	75.64	72.99	28.86	3.63	162.13
Total comprehensive income for the period attributable to :									
Owners of the parent	226.14	59.74	166.40	278.54	73.13	70.47	28.22	3.77	159.14
Non-controlling interests	7.96	1.90	6.06	318.95	2.51	2.52	0.64	(0.40)	292.19

### Revenue

The revenue from service for the year ended 31 December 2021 amounted to 3,352.02 million baht, an increase of 1,999.84 million baht or 147.90 percent compared to the same period of the previous year and for the 3-month period ended 31 December 2021 increased by 113million baht or by 11.54 percent compared to Quarter 3/2021 and increased by 636.31 million baht or by 139.45 percent compared to Quarter 4/2020 which revenue from services can be categorized as follows ;

Unit : million baht

Segment	For the year ended 31 December				For the three-month period				
	2021	2020	Increase / (Decrease)		Q 4/2021	Q 3/2021	Q 4/2020	% Increase / (Decrease)	
			Amount	%				QoQ	YoY
Sea Freight	2,728.98	892.28	1,836.70	205.84	918.54	813.11	326.16	12.97	181.62
Transportation	442.50	363.53	78.97	21.72	112.95	111.38	98.45	1.41	14.73
Air Freight	166.46	85.74	80.72	94.15	56.95	51.54	28.82	10.50	97.61
Other service /1	14.08	10.63	3.45	32.46	4.17	3.58	2.87	16.48	45.30
<b>Total</b>	<b>3,352.02</b>	<b>1,352.18</b>	<b>1,999.84</b>	<b>147.90</b>	<b>1,092.61</b>	<b>979.61</b>	<b>456.30</b>	<b>11.54</b>	<b>139.45</b>

Remarks: /1 Other services such as distribution center service fee, dangerous good logistics and Container Yard service fee

1. Revenue from Sea Freight Services accounts for 81.41% of the Company's total revenue from service. The Company's revenue from Sea Freight Services in the year ended 31 December 2021 was 2,728.98 million baht and increased by 1,836.70 million baht or 205.84 percent compared to the same period of the previous year and for the 3-month period ended 31 December 2021 increased by 105.43 million baht or 12.97 percent compared to Quarter 3/2021 and increased by 592.38 million baht or 181.62 percent compared to Quarter 4/2020 as a result of the shortage of containers and increasing in the sea freight rate. However, the group's capable of managing for the higher using service of existing customer base and new customer increase.

2. Revenue from Transportation Services accounts for 13.20 % of the Company's total revenue from service. The Company's revenue from Transportation Services in the year ended 31 December 2021 was 442.50 million baht, an increase by 78.97 million baht or 21.72 percent compared to the same period of the previous year and for the 3-month period ended 31 December 2021 increased by 1.57 million baht or 1.41 percent compared to Quarter 3/2021 and increased by 14.50 million baht or 14.73 percent compared to Quarter 4/2020 due to increasing of number of services by truck.

3. Revenue from Air Freight Services accounts for 4.97 % of the Company's total revenue from service. The Company's revenue from Air Freight Services in the year ended 31 December 2021 was 166.46 million baht, an increase by 80.72 million baht or 94.15 percent compared to the same period of the previous year and for the 3-month period ended 31 December 2021 increased by 5.41 million baht or 10.50 percent compared to Quarter 3/2021 and increased by 28.13 million baht or 97.61 percent compared to Quarter 4/2020

4. Revenue from Other Services such as distribution center service fees, dangerous good logistics accounts and Container Yard service fee for 0.42 % of the Company's total revenue from service. The

Company's revenue from Other Services in the year ended 31 December 2021 was 14.08 million baht, an increase by 3.45 million baht or 32.46 percent compared to the same period of the previous year and for the 3-month period ended 31 December 2021 decreased by 0.59 million baht or 16.48 percent compared to Quarter 3/2021 and increased by 1.30 million baht or 45.30 percent compared to Quarter 4/2020 as a result of the increasing distribution center service fees, dangerous good logistics accounts and the begin recognizing revenue from the Container Yard service fee.

#### Cost of service.

For the year ended 31 December 2021, the Company's cost of service was equivalent to 2,818.41 million baht or amounted to 84.08 percent from the revenue from service. Thus, the increase in the cost of 1,729.44 million baht from the same period of the previous year, or by 158.81 percent, and for the 3-month period ended 31 December 2021 increased by 95.93 million baht or 11.54 percent compared to Quarter 3/2021 and increased by 557.20 million baht or 150.58 percent compared to Quarter 4/2020 as a result of the costs depend on revenue and according to with market competition conditions.

#### Gross Profit

For the year ended 31 December 2021, the Company's Gross Profit was equal to 533.61 million baht or equivalent to 15.92 percent of Gross Profit Margin. an increase in Gross Profit of 270.40 million baht from the same period of the previous year, or by 102.73 percent, and for the 3-month period ended 31 December 2021 increase by 17.07 million baht or 11.51 percent compared to Quarter 3/2021 and increased by 79.11 million baht or 91.70 percent compared to Quarter 4/2020 as a result of the competitive situation in the market.

#### Interest revenue calculated using the effective interest method

For the year ended 31 December 2021, the Company's Interest revenue calculated using the effective interest method was equal to 6.72 million baht had regarding the hire purchase of trucks and trailers.

#### Other revenue

The Company's Other revenue is from gain(loss) from the sale of assets, gain from foreign exchange translation, interest revenue, and revenue from financial lease. For the year ended 31 December 2021, the Company had Other Revenue of 16.11 million baht, an increase by 8.31 million baht from the same period of the previous year and for the 3-month period ended 31 December 2021 increased by 8.61 million baht compared to Quarter 3/2021 and increased by 1.73 million baht compared to Quarter 4/2020, the increase was a result of revenue from gain from foreign exchange translation and recognized gain on

compensation from a chemical explosion and fire at the foam pellet factory located in Soi Kingkaew 21 which was the company's branch. (recognized in the Quarter 3/ 2021)

#### Selling and Administrative expenses

For the year ended 31 December 2021, the Company's selling and administrative expenses were equal to 253.91 million baht. This increased by 66.81 million baht from the same period of the previous year and for the 3-month period ended 31 December 2021 increased by 4.94 million baht compared to Quarter 3/2021 and increased by 22.74 million baht compared to Quarter 4/2020. However, The proportion compared with income was 7.52 % for the year ended 31 December 2021 and was 6.55 % for the 3-month period ended 31 December 2021 and was 6.75 % of Quarter 3/2021 and was 10.77 of Quarter 4/2020 respectively. It indicates that the proportion compared with income to Company's selling and administrative expense were decrease.

#### Net Profit

For the year ended 31 December 2021, the Company's Net Profit was equal to 226.14 million baht or equivalent to 6.70 percent of Net Profit Margin, an increase by 166.40 million baht or 278.54percent compared to the same period of the previous year, for the 3-month period ended 31 December 2021 increased by 2.66 million baht or 3.77 percent compared to Quarter 3/2021 and increased by 44.91 million baht or 159.14 percent compared to Quarter 4/2020 respectively.

#### **Financial Position Analysis**

Unit : million baht

Statement of Financial Position	31 December 2021	31 December 2020	Increase / (Decrease )	
			Amount	%
Asset	1,657.10	1,027.11	629.99	61.34
Liabilities	628.77	376.84	251.93	66.85
Shareholder's equity	1,028.33	650.27	378.06	58.14

#### Assets

As of 31 December 2021, the Company's total assets was 1,657.10 million baht, an increase of 629.99 million baht or 61.34 percent as the following essence.

1. Cash and cash equivalents as of 31 December 2021 equals to 234.02 million baht, an increase of 126.35 million baht from 31 December 2020 which was from the increased operation and the cash receipt from issue of share capital.

2. Trade and other receivables as of 31 December 2021 equal to 627.97 million baht, an increase of 310.13 million baht from 31 December 2020 as a result of an increase of revenue. Most of the Group's trade receivable with accrued liability, not more than 3 months which is in accordance with the collection period of the Company.

3. Property, plant, and equipment as of 31 December 2021 equal 579.87 million baht, an increase of 107.56 million baht from 31 December 2020 as a result of the land investment at Sriracha District, Chonburi Province for Logistics activity.

4. Finance lease receivables as of 31 December 2021 equals to 107.47 million baht, an increase of 85.34 million baht from 31 December 2020 as a result of an increase had regarding the hire purchase of trucks and trailers.

#### Liabilities

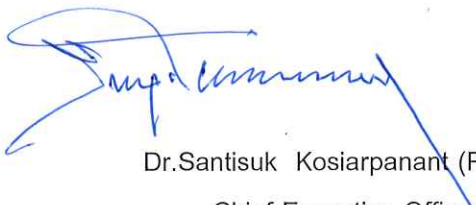
As of 31 December 2021, the Company's total liabilities was 628.77 million baht, an increase of 251.93 million baht or 66.85 percent as a result of the account payables and creditors increase from the growth of the Company's revenue and the short-term loans are borrowed to use in respect of cost of service in working capital and including out of the suspense output vat as a result of the Company's have the service business.

#### Shareholder's equity

As of 31 December 2021, the Company's total shareholders' equity was 1,028.33 million baht, an increase of 378.06 million baht or 58.14 percent as a result of the net profit and an increase from the total issued and paid-up capital of 83.66 million baht and an increase in share premium of 91.30 million baht from the exercise of the right to convert warrants to purchase ordinary shares (SONIC-W1) and SONIC - ESOP 2018

Please be informed accordingly,

Yours Sincerely,



Dr.Santisuk Kosiapanant (Ph.D)

Chief Executive Officer



SONIC INTERFREIGHT PUBLIC COMPANY LIMITED  
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(Mr.Ranut Lieolertsakulchai)

Director