

25 February 2022

Tor. For. 4/2022

Re : (1) Submission of Financial Statements for the year 2021, as at 31 December 2021

(2) Management Discussion and Analysis

(3) Effect of COVID-19 pandemic situation

To : The President of the Stock Exchange of Thailand

Far East Fame Line DDB Public Company Limited would like to submit the Company's financial statements and the consolidated financial statements for the year ended 2021, as at 31 December 2021, which have been audited by the auditor and approved by the Board of Directors. The Company would like to clarify operating performance for the year 2021, as follows:

#### Management Discussion and Analysis

From the consolidated financial statements for the year ended 31 December 2021, the Company had a net profit of 60.64 million baht, a decrease from 2020 amount of 17.14 million baht or 22.04%, with the following details:

1. Revenue from the rendering of service and commissions amount to 375.73 million baht, a decrease of 213.18 million baht or 36.20%. Costs of rendering of service and commissions amount to 227.82 million baht, a decrease of 172.26 million baht or 43.06% from the previous year. The operating performance has decreased due to COVID-19 pandemic situation. The major clients have to reduce advertising budget and the most clients have to spend the budget for online advertising more than offline, in which the online cost has a lower than offline advertising. In 2021, advertising in television media has decreased by approximately 47.39%, that effect the decrease of the Company's revenues. Moreover, the Company still has the cost management policy to control the cost of production significantly.

2. Service and Administrative Expenses amount to 123.45 million baht, a decrease of 17.83 million baht or 12.62% from the previous year. The main reason come from the decrease of employee expenses and benefits due to the retirement of executives during the year.
3. In 2021, other incomes from dividend income and private fund return have a significant increase, amount to 24.32 million baht, an increase from previous year of 21.06 million baht or 647.19%

#### Effect of COVID-19 Pandemic Situation and Business Risk

1. Effect on the liquidity of the client company may cause a risk of late payment or bad debts of the Company in the future.
2. In this situation, it's quite difficult to acquire new clients. Due to the slowdown in using the advertising budget, the clients may directly contact the advertising media without using the agency.
3. Major clients change the policy of using budget by reducing the budget of advertisement because of the Covid-19 situation as well. Therefore, the Company have been affected to revenue.
4. The impact of higher oil prices which affected the cost of transportation to clients. In order to slow down an increase in product prices, the client companies have to reduce the advertising budget instead of increasing the product prices which is affected directly to consumer.

From the effect of COVID-19 pandemic situation, the Company's performance and its subsidiaries have been affected. The Company has revised its strategy for more online activities, such as Sales Promotion via online with clients, Facebook Live and the special event to give away prizes, etc. The Company also has a new business model, business transformation with existing and new clients. In addition, The Company set up the Avengers Team to search new services and opportunities in business operations, creating a campaign to challenge clients which will bring in revenue and create a big campaign in the future.



Guidelines for risk management in business operations as mentioned above, the aim is for the Company and its clients to operate their business and achieve to success in accordance with the goals set.

Please be informed accordingly.

Yours sincerely,

Malee Leelasiriwong  
(Mrs. Malee Leelasiriwong)  
Director