

# Management Discussion and Analysis

4Q21/FY21

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## Executive Summary

- In 4Q21, amid an accelerated vaccination effort and a slowing daily case rate, the authorities eased their strict COVID-19 containment policies with the intent of restarting the country's vital tourism sector. Since November 1, fully vaccinated tourists from 63 low-risk countries have been able to travel to Thailand without mandatory quarantine.
- However, at the end of the 4Q21 and following the New Year holidays, the number of COVID-19 cases surged due to the fast-spreading Omicron variant. In December 2021, the government tightened international travel restrictions by suspending quarantine-free entry to fully vaccinated visitors while accelerating the vaccination campaign for booster shots as the number of Omicron cases began to rise; although this variant was associated with milder symptoms than its predecessors.
- Overall, BC has started to reopen its properties reflecting a more promising outlook and holiday season with only one property remain closed in 4Q21.
- Regarding the exit plan which is core element in BC's business model of "Build-Operate-Sell", BC has successfully exited its investment in Citadines 23 and booked a gain of THB 127.7 mn in the consolidated financial statements.
- Meanwhile, net cash received from the exit of Citadines 23 approximately THB 72 mn, which was distributed to BC's wholly owned subsidiary, BIH, was not yet reflected in BC's standalone P&L for 4Q21.
- BC's standalone core profit was THB 3.6 mn in 4Q21 compared to a THB 10.4 mn loss in 3Q21 and a profit of THB 3.1 mn in 4Q20. For 2021, the core loss widened YoY due to lower revenue mainly from discounts on management fees given to certain projects as a COVID-19 relief measure and higher finance costs.
- For the consolidated financial results, the group posted a strong EBITDA of THB 122.6 mn in 4Q21 from a THB 28.4 mn loss in 3Q21 and a THB 31.8 mn loss in 4Q20. This also led to a strong core profit of THB 53.7 mn against a loss of THB 85.9 mn in 3Q21. This is attributable to the successful exit of Citadines 23 and efficient cost management. For 2021, the core loss improved YoY which is testament of the success of our BOS model which allows for a quick turnover of cash flow through asset sales despite these unprecedented times.
- Following on from the MOU with RMUTL in October 2020 and an FDA license to import seeds for cultivation of cannabis received in June 2021, the partnership between BC's affiliate, Bespoke Life Science (Bespoke) and RMUTL imported 39 strains of cannabis seed. These seeds were planted in October 2021 and as of now (February 2022) they were in the flowering stage. The first R&D crop is expected by 1Q22 and the first commercial crop in 2Q22 to feed our Thai traditional medicine clinics.
- In addition, BC and its partners signed a tripartite MOU on 15 July 2021 to drive collaboration on the production and/or extraction of medical products, cosmetics, food supplements and other products with cannabis as ingredients.
- In December 2021, an FDA license for the medical production and cultivation of cannabis for Thai traditional medicine purpose effective from 1 January 2022 was secured. It will, for this first phase, allow the partnership to cultivate up to 406 plants per crop from a variety of imported seed strains for 4 crops per year, representing approximately 1,624 cannabis plants per year for medical production.
- Looking forward into 2022, BC maintains the target to commercially launch cannabis wellness centers, and retail outlets starting from around mid 2022 with the first at our newest commercial project "Summer Point", near Phrakhanong BTS station.
- In January 2022, Bespoke ventured into the thriving blockchain industry with the launch of NFTs under "CannaThai420", a blockchain based project focused on illustrating the entire lifecycle and value chain of its cannabis plants at the cultivation facility in Nan.
- Further to our B-O-S business model, the development of hospitality projects namely Oakwood Studios Thong Lo Station (Oakwood Thong Lo), Jono Bangkok Asok Hotel (Jono Asok) and ibis Chiang Mai Nimman Journeyhub (ibis Nimman) is targeted to complete and operations to start within 2022.
- We have recently engaged Jones Lang Lasalle, which assisted us in the Citadines 23 sale in 2021, as our exclusive agent to drive the exit of up to 8 properties (over 1,000 keys) in 2022.

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## Standalone P&L

Unit: THB million	4Q21	3Q21	4Q20	%QoQ	%YoY	2021	2020	%YoY
<b>Revenue</b>	<b>31.1</b>	<b>21.9</b>	<b>25.3</b>	<b>41.9%</b>	<b>23.1%</b>	<b>96.0</b>	<b>126.0</b>	<b>-23.9%</b>
Management income	24.8	21.9	25.3	13.2%	-1.9%	89.5	120.5	-25.7%
Exit and termination fees	6.3	-	-	n.m.	n.m.	6.3	-	n.m.
<b>Cost of providing services</b>	<b>23.6</b>	<b>28.9</b>	<b>26.5</b>	<b>-18.2%</b>	<b>-10.8%</b>	<b>107.7</b>	<b>120.4</b>	<b>-10.5%</b>
<b>Selling and administrative expenses</b>	<b>4.2</b>	<b>5.9</b>	<b>9.9</b>	<b>-29.0%</b>	<b>-57.5%</b>	<b>23.9</b>	<b>35.0</b>	<b>-31.8%</b>
<b>Total Operating Expenses</b>	<b>27.8</b>	<b>34.8</b>	<b>36.4</b>	<b>-20.0%</b>	<b>-23.5%</b>	<b>131.6</b>	<b>155.5</b>	<b>-15.3%</b>
<b>EBITDA</b>	<b>3.2</b>	<b>(12.9)</b>	<b>(11.1)</b>	<b>125.1%</b>	<b>129.1%</b>	<b>(35.7)</b>	<b>(29.4)</b>	<b>-21.1%</b>
Depreciation & amortization	2.3	2.4	2.4	-5.5%	-3.6%	9.4	9.8	-3.4%
<b>Profit (loss) from operating activities</b>	<b>1.0</b>	<b>(15.3)</b>	<b>(13.5)</b>	<b>106.4%</b>	<b>107.2%</b>	<b>(45.1)</b>	<b>(39.2)</b>	<b>-15.0%</b>
Financial costs - net <sup>1/</sup>	1.4	1.6	3.6	-9.4%	-59.7%	8.3	13.9	-40.7%
<b>Income from continuing operations</b>	<b>2.4</b>	<b>(13.7)</b>	<b>(9.9)</b>	<b>117.6%</b>	<b>124.3%</b>	<b>(36.8)</b>	<b>(25.3)</b>	<b>-45.7%</b>
Tax expense (income)	(1.2)	(3.3)	(13.0)	-65.5%	-91.2%	(10.2)	(17.3)	-41.4%
<b>Net Income excluding Extraordinary Items</b>	<b>3.6</b>	<b>(10.4)</b>	<b>3.1</b>	<b>134.3%</b>	<b>14.0%</b>	<b>(26.7)</b>	<b>(7.9)</b>	<b>-235.9%</b>
<b>Non-Recurring/ Extraordinary Items</b>	<b>1.1</b>	<b>(15.6)</b>	<b>(60.8)</b>	<b>107.0%</b>	<b>101.8%</b>	<b>(23.9)</b>	<b>(65.4)</b>	<b>63.5%</b>
Write-off of land deposit	-	-	-	n.m.	n.m.	(5.5)	-	n.m.
Impairment losses	1.0	(10.2)	(60.9)	109.4%	101.6%	(15.8)	(66.7)	76.3%
Exchange loss on foreign currency loan	7.0	(5.0)	-	239.9%	n.m.	(1.0)	-	n.m.
ESOP Compensation	-	(5.4)	-	100.0%	n.m.	(5.4)	-	n.m.
Other (expenses) income	(6.9)	5.0	0.1	-237.5%	-6669.5%	3.8	1.3	198.3%
<b>Net Income for the Period</b>	<b>4.7</b>	<b>(26.0)</b>	<b>(57.6)</b>	<b>117.9%</b>	<b>108.1%</b>	<b>(50.6)</b>	<b>(73.4)</b>	<b>31.1%</b>

Remark: 1/ From 1Q21 onwards, the Company will present Interest Income as a net amount of Interest Expenses in "Financial Cost - Net" in the MD&A instead of being part of Total Revenue in the previous quarters.

2/ In 4Q21, the Company booked a one-time net gain of THB 1 mn from reversal of impairment losses.

3/ In 4Q21, the Company booked Exchange gain on foreign currency loan of THB 7.0 mn. The company has hedged the foreign currency exposure and relevant loss is booked in Other (expenses) Income.

The Company reclassified THB 2.96 mn exchange losses on USD loans in 6m21 (THB 1.53 mn in 1Q21 and THB 1.43 mn in 2Q21) previously reported under "Administrative Expenses" as non-recurring items

## Standalone Financial Performance

- BC's **Management Income** in 4Q21 increased by 13.2% QoQ due mainly to the suspension of temporary discounts on management fees given to certain upcountry projects to alleviate the impact of COVID-19. Management Income decreased by 1.9% YoY to THB 24.8 mn. BC reported additional income of THB 6.3 mn in exit and termination fees from the sale of the Citadines 23 JV in 4Q21.
- Meanwhile, net cash received from the exit of Citadines 23 in the amount of THB 72 mn (after all expenses related to the sale) which was distributed to BC's wholly owned subsidiary, BIH, was not yet reflected in BC's standalone P&L for 4Q21 provided that Dividend Income in the standalone P&L is only booked upon receipt.
- In 4Q21, **Total Operating Expenses** decreased by 20.0% QoQ and 23.5% YoY to THB 27.8 mn due mainly to reversal of excess bonus provision. The Company has decided to reduce performance pay for the year due to longer-than-expected COVID recovery trajectory. For 2021, Total Operating Expenses reduced 15.3% YoY due mainly to the pay-cut program which started in 2Q20.
- BC's **EBITDA** was THB 3.2mn in 4Q21 compared to a THB 12.9 mn loss in 3Q21 and a THB 11.1 mn loss in 4Q20 as a result of termination of discounts on management fees given to some subsidiaries and the aforementioned THB 6.3mn fees income. For 2021, EBITDA weakened to a loss of THB 35.7 mn compared to a THB 29.4 mn loss in the same period last year as lower overall revenues dampened the impact of our cost control programs.
- BC reported a **Core Profit** (Net Profit from Continuing Operations) of THB 3.6 mn in 4Q21 from a loss of THB 10.4 mn in the previous quarter due to improved EBITDA. For 2021, the core loss weakened YoY mainly due to COVID-discounts on management fees.
- BC's **Net Profit** for the period was THB 4.7 mn in 4Q21 due to a positive EBITDA on account of higher revenue and non-recurring items including the reversal of an impairment loss of THB 1mn from provisions for long-overdue receivables from related parties, and a THB 7.0 mn exchange gain on a USD third-party loan which would be offset by a loss on forward contract that we made fully against the principal of the loans.
- For 2021, BC's Net Loss improved to THB 50.6 mn YoY mainly due to the THB 66.7 mn impairment losses booked in 2020.

## Consolidated P&L

Unit: THB million	4Q21	3Q21	4Q20	%QoQ	%YoY	2021	2020	%YoY
<b>Total Revenue</b>	<b>172.3</b>	<b>28.0</b>	<b>35.8</b>	<b>515.1%</b>	<b>381.4%</b>	<b>253.6</b>	<b>140.6</b>	<b>80.4%</b>
Revenue from hospitality and commercial properties	31.4	20.9	30.3	50.5%	3.9%	94.1	119.2	-21.1%
Management income	6.9	7.1	5.5	-3.1%	24.4%	25.5	21.4	-19.1%
Exit and termination fees	6.3	-	-	n.m.	n.m.	6.3	-	n.m.
Gain on sales of investment in subsidiaries and/or affiliates	127.7	-	-	n.m.	n.m.	127.7	-	n.m.
<b>Cost of Providing Services</b>	<b>17.5</b>	<b>11.6</b>	<b>18.4</b>	<b>51.0%</b>	<b>-5.1%</b>	<b>56.1</b>	<b>73.6</b>	<b>-23.7%</b>
Cost of hotel operation and commercial real estate	15.7	9.8	16.2	60.1%	-3.0%	49.1	65.6	-25.2%
Cost of rendering services	1.8	1.8	2.2	0.1%	-20.4%	7.0	8.0	-11.6%
<b>Selling and Administrative Expenses</b>	<b>32.2</b>	<b>44.8</b>	<b>49.1</b>	<b>-28.1%</b>	<b>-34.4%</b>	<b>172.8</b>	<b>199.3</b>	<b>-13.3%</b>
<b>Total Operating Expenses</b>	<b>49.7</b>	<b>56.4</b>	<b>67.6</b>	<b>-11.9%</b>	<b>-26.4%</b>	<b>228.9</b>	<b>272.8</b>	<b>-16.1%</b>
<b>EBITDA</b>	<b>122.6</b>	<b>(28.4)</b>	<b>(31.8)</b>	<b>531.5%</b>	<b>486.0%</b>	<b>24.7</b>	<b>(132.2)</b>	<b>118.7%</b>
Depreciation & amortization	16.3	16.5	15.0	-1.3%	8.1%	64.7	55.7	16.1%
Financial costs - net	(38.2)	(36.5)	(27.3)	4.8%	39.8%	(141.1)	(103.3)	36.7%
<b>Income from continuing operations</b>	<b>68.1</b>	<b>(81.3)</b>	<b>(74.1)</b>	<b>183.8%</b>	<b>191.9%</b>	<b>(181.1)</b>	<b>(291.2)</b>	<b>37.8%</b>
Share of profit (loss) of joint ventures - equity method	(15.8)	(8.5)	(12.3)	86.8%	28.7%	(47.7)	(41.7)	14.5%
Share of profit of investments in associates	(1.4)	(0.5)	-	189.9%	n.m.	(2.6)	-	n.m.
Tax expense (income)	(2.8)	(4.3)	(0.0)	-36.2%	n.m.	(10.8)	(3.2)	234.7%
<b>Net Income excluding Extraordinary Items</b>	<b>53.7</b>	<b>(85.9)</b>	<b>(86.4)</b>	<b>162.2%</b>	<b>162.2%</b>	<b>(220.7)</b>	<b>(329.7)</b>	<b>33.1%</b>
<b>Non-Recurring/ Extraordinary Items</b>	<b>(15.3)</b>	<b>(23.3)</b>	<b>1.8</b>	<b>34.5%</b>	<b>-950.2%</b>	<b>(17.9)</b>	<b>4.3</b>	<b>-517.9%</b>
Write-off of land deposit	-	-	-	n.m.	n.m.	(5.5)	-	n.m.
Write-off of property, plant and equipment	-	-	-	n.m.	n.m.	(2.3)	-	n.m.
Loss on liquidation of holding company	-	-	-	n.m.	n.m.	(2.3)	-	n.m.
Gain (loss) from divestment of interest in subsidiaries	-	-	-	n.m.	n.m.	9.9	-	n.m.
Gain (loss) from modified contracts <sup>2/</sup>	(15.2)	(4.8)	-	-218.9%	n.m.	(3.8)	-	n.m.
Impairment losses <sup>3/</sup>	(0.2)	(0.9)	(0.4)	77.2%	53.1%	(3.5)	(0.4)	-739.5%
One-time recognition of performance guarantee obligation <sup>4/</sup>	(1.6)	(11.2)	-	85.9%	n.m.	(12.8)	-	n.m.
Exchange loss on foreign currency loan <sup>5/</sup>	7.0	(5.0)	-	239.9%	n.m.	(1.0)	-	n.m.
ESOP Compensation <sup>6/</sup>	-	(5.4)	-	100.0%	n.m.	(5.4)	-	n.m.
Other (expenses) income <sup>7/</sup>	(5.3)	4.0	2.2	-233.1%	-339.2%	8.8	4.7	86.3%
<b>Net Income to Owners of the Parent</b>	<b>17.7</b>	<b>(59.4)</b>	<b>(45.6)</b>	<b>129.8%</b>	<b>138.8%</b>	<b>(130.5)</b>	<b>(167.4)</b>	<b>22.0%</b>
Non-controlling interests	20.7	(49.9)	(39.0)	141.6%	153.1%	(108.0)	(158.0)	31.7%
<b>Net Income for the Period</b>	<b>38.4</b>	<b>(109.3)</b>	<b>(84.6)</b>	<b>135.2%</b>	<b>145.4%</b>	<b>(238.5)</b>	<b>(325.4)</b>	<b>26.7%</b>

Remark: 1/ From 1Q21 onwards, the Company will present Interest Income as a net amount of Interest Expenses in 'Financial Cost - Net' in the MD&A instead of being part of Total Revenue in the previous quarters.

2/ In 4Q21, the Company recalculated the impacts from the amendments of interest and principal payment terms in the credit facility agreements of BC subsidiaries which were reported as THB 16.09 mn profit resulting in a THB 15.2 mn expenses in 4Q21.

3/ In 4Q21, the Company booked a one-time net loss of THB 0.2 mn from impairment losses.

4/ In 4Q21, the Company settled performance guarantee obligation for the Summer Hill and Summer Hub projects by additionally providing one-time THB 1.6 mn.

5/ In 4Q21, the Company booked Exchange gain on foreign currency loan of THB 7.0 mn. The company has hedged the foreign currency exposure and relevant loss is booked in Other (expenses) Income.

The Company reclassified THB 2.96 mn exchange losses on foreign-currency loans in 6m21 (THB 1.53 mn in 1Q21; THB 1.43 mn in 2Q21) previously reported under "Administrative Expenses" as non-recurring items.

## Consolidated Financial Performance

### Revenues

- BC's **Total Revenue** skyrocketed to THB 172.3 mn in 4Q21, an improvement of 515.1% QoQ and 381.4% YoY mainly from gain on exit of investment and related fees charged to the investors on the exit of Citadines 23 totaling THB 127.7 mn. For 2021, Total Revenue soared by 80.4% YoY.

### Expenses

- BC's 4Q21 **Total Operating Expenses** decreased by 11.9% QoQ and 26.4% YoY to THB 49.7 mn, thanks to BC's effective cost-control measures over operating assets and the reversal of excess provision on bonus at BC. For 2021, Total Operating Expenses reduced by 16.1% YoY as strict cost-control measures to cope with COVID-19 situation started in 2Q20 and continue to the present day.

### EBITDA

- In 4Q21, BC posted a solid consolidated **EBITDA** of

THB 122.6 mn compared to a loss of THB 28.4 mn in 3Q21 and a loss of THB 31.8 mn in 4Q20 due to an increase in revenue and efficient cost-control measures. For 2021, BC's consolidated EBITDA was THB 24.7 mn compared to a loss of THB 132.2 mn in 2020.

### Core Profit (Loss)

- In 4Q21, BC's **Core Profit** (Net Income from Continuing Operations including Shares of Results in JV) stands at THB 53.7 mn from the loss of THB 85.9 mn in 3Q21.

### Net Profit (Loss)

- In 4Q21, BC's **Net Profit** was THB 38.4 mn with non-recurring items including THB 0.2 mn of impairment losses, a one-time recognition of THB 1.6 mn on settlement of performance guarantee obligation for the Summer Hill and Summer Hub projects and a THB 7.0 mn foreign exchange gain on a USD third-party

## Consolidated Financial Performance (cont'd)

loan which would be offset by a loss of similar amount on forward contract which we made against the loan which is booked under Other (Expenses) Income.

- For 2021, BC's Net Loss improved 26.7% YoY to THB

238.5 mn mainly from the gain on sale of investment in JV.

## Segment Performance

### Hospitality

- At the end of 4Q21, BC owns seven operating hotels and serviced apartments. The performance breakdown is shown in two clusters — Bangkok and upcountry. BC has sold one of the Bangkok properties namely Citadines 23 during the quarter.
- At the end of 2021, BC Group's Bangkok portfolio comprises Citadines 8, Citadines 11, Citadines 16 and the Oakwood Residence Sukhumvit 24.
- The portfolio of the upcountry cluster includes Oakwood Journeyhub Phuket, Oakwood Journeyhub Pattaya, and Novotel Chiang Mai Nimman Journeyhub.
- Due to COVID-19 resulting in literally no foreign tourist arrivals since early 2020, BC has been closely monitoring the market in order to quickly adapt its business plan which may include temporarily shutting down certain properties to preserve cash and/or reopening properties following signs of a sustainable recovery amidst such market volatility.
- The operating status of BC Group's operating properties are shown below:

Hospitality	4Q21	3Q21	4Q20	%QoQ	%YoY
ADR - BKK	1,489	1,574	1,545	-5.4%	-3.6%
ADR - UPC	985	648	1,261	52.0%	-21.9%
%OCC - BKK	49.3%	36.5%	41.8%	12.8	7.5
%OCC - UPC	32.4%	8.1%	36.1%	24.3	(3.7)
Total Rev - BKK (THB mn)	27.7	34.3	22.8	-19.2%	21.6%
Total Rev - UPC (THB mn)	11.6	1.0	13.8	n.m.	-15.9%

- During the quarter BC reopened the Novotel Nimman and the Oakwood Phuket on the back of improved tourism outlook and in anticipation of the high season.
- Total revenue from Bangkok properties in 4Q21 was THB 27.7 mn, a decline of 19.2% QoQ and improvement of 21.6% YoY. The decline in QoQ is mainly attributable to one of the Citadines portfolio hotels, namely Citadines 11 being turned into a "hospital" for 2 months in 3Q21 while Citadines 23 got a one-time booking of 133 rooms for 14 days in September. (reported under Other Operating Income therefore did not reflect in the ADR or occupancy rate)
- Total revenue from hotels in the upcountry cluster in 4Q21 was THB 11.6 mn, an increase of more than 11x from the last quarter due to the re-opening of 2 upcountry hotels, the holiday season and the easing of restrictions. Occupancy in 4Q21 advanced to 32.4% while ADR increased to THB 985 from THB 648 in 3Q21 and although down from THB 1,261 in 4Q20 as we have just reopened the certain upcountry hotels. This resulted in total revenue from hotels in upcountry declining by 15.9% YoY.
- All in all, COVID-19 continued to affect our hospitality businesses from last 2 years. Fortunately, the accelerated pace of vaccination, less severity of the new variants, and easing of restrictions in 4Q21 had some positive impact on our operating properties which can be seen from the increase in occupancies.
- Looking into 2022, the development of hospitality projects namely Oakwood Studios Thong Lo Station (Oakwood Thong Lo), Jono Bangkok Asok Hotel (Jono Asok) and ibis Chiang Mai Nimman Journeyhub (ibis Nimman) is targeted to complete and operations to start within 2022.

Cluster	Properties	In Operation*	Closing period
BKK	Oakwood 24	Yes	
	Citadines 8	Yes	Apr 2020 - Oct 2020**
	Citadines 11	No	Apr 2020 - Jun 2021*** Sep 2021 - Present***
	Citadines 16	Yes	
	Citadines 23	No	May 2020 - Nov 2021****
UPC	Novotel Nimman	Yes	Sept 2021 - Oct 2021
	Oakwood Phuket	Yes	Apr 2020 - Oct 2021
	Oakwood Pattaya	Yes	Apr 2020 - May 2020 Feb 2021 - Mar 2021

\* Status as of December, 2021

\*\* reopened as Alternative State Quarantine (ASQ) and Converted to hybrid from November 2021

\*\*\* reopened as Hospital in July and August 2021

\*\*\*\* opened for one time booking of 133 rooms for 14 nights in September 2021 and exited in November 2021

## Segment Performance (Cont'd)

### Commercial/ Retail

- Currently, BC has one mixed-use commercial property under operation, namely Summer Point, located near Phrakonong BTS station. The project was launched in October 2020.
- In 4Q21, revenue from space rental increased by 20.1% QoQ and 11.0% YoY due to the cessation of temporary rental discounts given in 3Q21 due to third wave of COVID-19 and an increase in occupancies compared to 4Q20.

Retail	4Q21	3Q21	4Q20	%QoQ	%YoY
ARR-Summer Point (THB)	950	791	856	20.1%	11.0%
% OCC - Summer Point	39.5%	41.6%	31.9%	(2.1)	7.5
Rev - Summer Point (THB mn)	7.9	6.9	6.9	14.3%	0.4%
% EBITDA margin - Summer Point	40.3%	-5.6%	24.9%	45.9%	15.3%

- COVID-19 continued to impact office demand for the Summer Point project. We are actively monitoring the situation and adjusting our strategy to fill up the space.

- Moreover, BC is providing management services to Summer Hill and Summer Hub projects, both of which were developed by BC and later sold to a third-party in 2Q19 where BC was appointed by the new owner to continue managing the assets for three years and earn management fee from these operations.
- The Sellers (BC and financial partners) had been guaranteeing the performance of the projects. However, as the Buyer was divesting the assets into a REIT in 4Q21, the Parties agreed to settle the guarantee obligation with a settlement amount of THB 12.8 mn out of which THB 11.2 mn was recorded in 3Q21 and remaining THB 1.6 mn in 4Q21. Such obligations was fully covered by the funds the Sellers set aside back in 2019 which were more than sufficient for the settlement with remaining funds to be returned to BC and investors. Meanwhile, BC continues to manage these properties until June 2022.

## Consolidated Balance Sheet

Unit: THB million	4Q21	3Q21	4Q20	%QoQ	%YoY
Cash and cash equivalents	182.8	89.4	119.1	104.4%	53.6%
Total current assets	255.1	183.1	265.3	39.3%	-3.9%
Total non-current assets	3,767.1	3,876.5	3,670.7	-2.8%	2.6%
<b>Total assets</b>	<b>4,022.2</b>	<b>4,059.6</b>	<b>3,936.1</b>	<b>-0.9%</b>	<b>2.2%</b>
Total liabilities	3,428.3	3,447.4	3,054.2	-0.6%	12.3%
<b>Total equity</b>	<b>593.9</b>	<b>612.2</b>	<b>881.9</b>	<b>-3.0%</b>	<b>-32.7%</b>
Parent	678.3	650.7	793.5	4.2%	-14.5%
NCI	(84.5)	(38.5)	88.4	119.3%	-195.6%
<b>Total liabilities and equity</b>	<b>4,022.2</b>	<b>4,059.6</b>	<b>3,936.1</b>	<b>-0.9%</b>	<b>2.2%</b>
<b>Net D/E (x)</b>	<b>5.47</b>	<b>5.48</b>	<b>3.33</b>		
<b>D/E (x)</b>	<b>5.77</b>	<b>5.63</b>	<b>3.46</b>		

- As of 4Q21, BC's Total Assets were THB 4,022 mn, a minimal decrease from THB 4,060 mn in 3Q21, primarily a result of a decrease in total non-current assets due to the exit of investment in the Citadines 23 JV.
- BC's Total Liabilities were THB 3,428 mn in 4Q21, a slight decrease from THB 3,447 mn as of 3Q21 mainly due to decrease in non-current liabilities due to the exit of investment in the Citadines JV.
- Total Shareholders' Equity which includes Equity attributable to owners of the Parent and Non-Controlling Interest (NCI) dropped to THB 593.9 mn, from THB 612.2 mn at the end of 3Q21 mainly from

distribution of dividends to the NCI on exit of investment in the Citadines JV which was partially offset by net profit for the quarter.

- Meanwhile, the equity attributable to BC increased 4.2% QoQ in 4Q21 from the net profit for the quarter.
- Net D/E ratio was 5.47x as of 4Q21 from 3.33x as of 4Q20 due to increases in borrowing and cash used for construction and working capital, and also lower equity.
- Regarding the exit plan which is core element in BC's business model of "Build-Operate-Sell", BC has sold Citadines 23, a joint venture with The Ascott Group to Bhiraj Buri and booked a gain on sale of investment in JV of THB 127.7 mn.
- We have recently engaged Jones Lang Lasalle, which assisted us in the Citadines 23 sale, as our exclusive agent to drive the exit of up to 8 properties (over 1,000 keys) in 2022.
- Also, BC is exploring the opportunity to monetize other assets through various capital market instruments.
- The successful execution of these plans should result in substantial improvements in the Group's leverage ratios and cash position with proceeds being used to drive BC's business expansion and diversification plans.

## Consolidated Cash Flows

Unit: THB million	4Q21	3Q21	4Q20	%QoQ	%YoY	2021	2020	%YoY
<b>Cash flows from operating activities</b>	10.1	(34.8)	6.6	129.0%	52.8%	(72.6)	(166.3)	56.3%
Cash flows from (used in) investing activities	152.7	(105.8)	(57.5)	244.3%	365.5%	(51.5)	(357.9)	85.6%
<b>Free Cash Flow</b>	<b>162.7</b>	<b>(140.6)</b>	<b>(50.9)</b>	<b>215.7%</b>	<b>419.6%</b>	<b>(124.0)</b>	<b>(524.2)</b>	<b>76.3%</b>
Cash flows from (used in) Financing	(69.3)	147.6	15.1	-147.0%	-558.6%	188.0	150.8	24.6%
<b>Net Change in Cash</b>	<b>93.4</b>	<b>7.0</b>	<b>(35.8)</b>	<b>1230.1%</b>	<b>360.9%</b>	<b>63.9</b>	<b>(373.3)</b>	<b>117.1%</b>
Beginning Cash - previous year's end	89.4	82.4	154.8	8.5%	-42.2%	119.1	492.4	-75.8%
Cash and cash equivalents of liquidated subsidiary*	0.0	0.0	0.0	n.m.	n.m.	(0.2)	0.0	n.m.
<b>Ending Cash</b>	<b>182.8</b>	<b>89.4</b>	<b>119.1</b>	<b>104.4%</b>	<b>53.6%</b>	<b>182.8</b>	<b>119.1</b>	<b>53.6%</b>

Remark: \*Boutique Bangkok Sukhumvit 36 Ltd.

- Cash Flows from Operating Activities improved QoQ/ YoY to THB 10.1 mn in 4Q21 and 56.3% YoY in 2021 mainly due to better operational performance and tighter working capital management.
- Cash Flows from Investing Activities were THB 152.7 mn in 4Q21 from negative THB 105.8 mn in 3Q21 as we have received sales proceeds from the exit of investment in the Citadines 23 JV. For 2021, Cash Flows used in Investing Activities reduced significantly by 85.6% YoY as BC Group slowed down capital expenditures for project construction due to COVID and we were able to exit one asset this year compared to none in last year. Moreover, in 2020, there were capital expenditures for completing the construction of the Summer Point project (already finished and launched in 4Q20) and payment of the deposit for land for the Sukhumvit 5 project.
- Cash Flows from Financing in 4Q21 were negative (cash used) of THB 69.3 mn from THB 147.6 mn in 3Q21 due mainly to payment of dividend to investors on the exit of investment in the Citadines 23 JV that took place in 4Q21. For 2021, Cash Flows from Financing increased to THB 188.0 mn as there were no significant repayments of loans from financial institutions (under COVID relief measures by financial institutions supported by the Bank of Thailand) while an aggregated amount of USD 3mn loans was raised from a foreign investor in 2021.

## Key Developments

Project	Location	# Keys/NLA	Status
<b>Hospitality</b>			
<b>Kamala 1</b>	Phuket	230	EIA and construction permit approved Construction schedule to be reviewed according to COVID-19 situation
<b>Kamala 2</b>	Phuket	200	EIA and construction permit approved Construction schedule to be reviewed according to COVID-19 situation
<b>ibis Chiangmai Nimman Journeyhub (ibis Nimman)</b>	Chiang Mai	141	Under construction. Expected to commence operations in 2H22
<b>Nimman 3</b>	Chiang Mai	141	EIA and construction permit approved Under design development process Construction schedule to be reviewed according to COVID-19 situation
<b>Sukhumvit 5 project</b>	Bangkok	194	In the process of obtaining EIA approval Expect land transfer in 2Q22
<b>Jono Bangkok Asok Hotel</b>	Bangkok	65	Expected to open in 2H22
<b>Oakwood Studios Thong Lo Station (Oakwood Thong Lo)</b>	Bangkok	177	Under construction and to commence operations in 2H22
<b>Commercial</b>			
<b>Charoenkrung Project</b>	Bangkok	2,100 sqm	Expected to commence construction in 3Q22.
<b>Cannabis-based Thai traditional wellness business</b>			
<b>Cannabis-based Thai traditional wellness business (Bespoke)</b>	Nan	-	<ul style="list-style-type: none"> <li>Following on from the MOU with RMUTL in October 2020 and an FDA license to import seeds for cultivation of cannabis received in June 2021, the partnership between BC's affiliate, Bespoke Life Science (Bespoke) and RMUTL imported 39 strains of cannabis seed. These seeds were planted in October 2021 and as of now (February 2022) they were in the flowering stage. The first R&amp;D crop is expected by 1Q22 and the first commercial crop in 2Q22 to feed our Thai traditional medicine clinics.</li> <li>In addition, BC and its partners signed a tripartite MOU on 15 July 2021 to drive collaboration on the production and/or extraction of medical products, cosmetics, food supplements and other products with cannabis as ingredients.</li> <li>In December 2021, an FDA license for the medical production and cultivation of cannabis for Thai traditional medicine purpose effective from 1 January 2022 was secured. It will, for this first phase, allow the partnership to cultivate up to 406 plants per crop from a variety of imported seed strains for 4 crops per year, representing approximately 1,624 cannabis plants per year for medical production.</li> <li>Looking forward into 2022, BC maintains the target to commercially launch cannabis wellness centers, and retail outlets starting from around mid 2022 with the first at our newest commercial project "Summer Point", near Phrakhanong BTS station.</li> <li>In January 2022, Bespoke ventured into the thriving blockchain industry with the launch of NFTs under "CannaThai420", a blockchain based project focused on illustrating the entire lifecycle and value chain of its cannabis plants at the cultivation facility in Nan.</li> </ul>

Remark: Development plans are subject to change.