

Date 28 April 2022

Subject Management's discussion and Analysis of the Financial Statement for the year ended 2021

To Managing Director of The Stock Exchange of Thailand

Enclosure Management's discussion and Analysis of the Financial Statement for the year ended 2021, each set of Thai and English

Chamni's Eye Public Company Limited ("CEYE" or "The Company" or "The Group") would like to submit the Company's audited Financial Statement 2021 ended 31 December 2021 to The Stock Exchange of Thailand.

The operation result of CEYE for the year 2021 registered a net profit amounting to 28.45 million Baht. Please see further details in the Management's discussion and Analysis of the Financial Statement for the year ended 2021 as attached.

Best regards,

(Ms. Suwanee Suwansaengroj)

Chief Executive Officer

Chamni's Eye Public Company Limited

The Management's discussion and Analysis of the Financial Statement for the year ended 2021

Summary of operating performance

	2020	2021	Change	
	Million Baht	Million Baht	Million Baht	Percent
Revenues from services	230.29	266.24	35.95	15.61
Cost of services	182.83	205.27	22.44	12.27
Gross profit	47.46	60.97	13.51	28.48
Selling and Servicing expense	0.23	0.03	(0.20)	(86.86)
Administrative expense	29.29	29.21	(0.08)	(0.28)
Profit from operating activities	17.93	31.73	13.79	76.92
Other revenues	1.77	6.50	4.73	266.58
Expected credit loss	1.36	(0.02)	(1.38)	(101.57)
Financial cost	1.03	2.91	1.88	182.07
Profit before income tax	17.32	35.33	18.02	104.04
Tax expense	3.23	6.89	3.66	113.40
Profit for the year	14.09	28.45	14.36	101.89

Revenue structure

Revenue structure	2020		2021		Change	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenues from photo production	113.61	48.96	136.55	50.07	22.94	20.19
Revenues from video production	69.08	29.77	72.90	26.73	3.82	5.53
Revenues from photo retouching	27.98	12.06	31.36	11.50	3.38	12.08
Revenues from studio rental	10.01	4.31	10.43	3.83	0.42	4.20
Revenues from other related business	9.61	4.14	15.00	5.50	5.39	56.09
- Revenues from social media management	7.43	3.20	10.24	3.76	2.81	37.82
- Revenues from online media	2.18	0.94	4.32	1.58	2.14	98.17
- Revenues from other services	-	-	0.44	0.16	0.44	-
Revenues from services	230.29	99.24	266.24	97.62	35.95	15.61
Other revenues	1.77	0.76	6.50	2.38	4.73	267.23
Total revenues	232.06	100.00	272.74	100.00	40.68	17.53

In 2021, The Group generated revenues from sales and services of 266.24 million baht, 15.61 percent increasing from the previous year. The reason for the higher revenue is that the government started to ease the measures to prevent Covid-19 and the group of customers began to return to their everyday lives, which allows The Group to operate as usual again, as well as the significant rise in demand of media industry and customers in the year 2021. This was especially seen in the fourth quarter of 2021, where revenues from sales and services were 86.42 million baht, an 24.44% increase YoY.

Gross Profit

The Group's gross profit for 2020 and 2021 was 47.46 million baht and 60.97 million baht, equivalent to gross profit margins of 20.61 percent and 22.90 percent, respectively. The Group's gross profit has been continuously increasing since 2020 mainly because of a rise in revenues and margin from Photo Production from the ease of control measures of COVID-19 and adaptation to New Normal lifestyles.

Selling Expense

The Group's selling expense for 2021 was 0.03 million baht, due to PR media expenses for the IPO.

Administrative Expense

Administrative expense for the year 2021 was 29.21 million baht, a slightly decrease from the previous year. The minimal decrease was mainly due to the impacts of the COVID-19 outbreak and other administrative expenses, such as food and beverage expense, parking fees and the cost of office equipment maintenance. Moreover, some executives and employee salaries were voluntarily reduced by The Company in January and February 2021, accounting for around 0.31 million Baht.

Other revenues

In 2021, The Group had other revenues of 6.50 million baht, mostly coming from reversal of accrued expenses. This was accrued bonuses for employees in 2019; however, The Company considered not paying such bonuses.

Expected credit loss

Expected credit loss for 2020 was 1.36 million baht. This came from clients who prepared for the business reorganization plan; however, in the past, there was no any doubtful account in The Company.

Financial Cost

The Group's financial cost for 2021 was 2.91 million baht. The increase in financial cost from the previous year was primarily due to the interest expense from loans from financial institutions for new land acquisition for office building.

Net Profit

The Group's net profit for 2021 was 28.45 million baht, equivalent to net profit margin of 10.43 percent, increasing by 101.89 percent from the previous year due to the recovery in COVID-19 situation from the previous year and an increase in other income from reversing bonus accrued expenses since the year 2019 since The Company considered not paying such bonus. As a result, net profit increased significantly in 2021.

Financial Position

	31 December 2020	31 December 2021	Change	
	Million Baht	Million Baht	Million Baht	Percent
Total Assets	430.65	434.59	3.94	0.91
Total Liabilities	129.97	125.71	(4.26)	(3.28)
Shareholders' equity	300.68	308.88	8.20	2.73

Total Assets

Total assets as of December 31, 2020 and December 31, 2021 were equal to 430.65 million baht and 434.59 million baht, respectively. An increase of total assets was mainly due to an increase in Trade accounts and other receivables from the growth of business.

Total Liabilities

Total liabilities as of December 31, 2020 and December 31, 2021 were 129.97 million baht and 125.71 million baht, respectively. The decline in total liabilities was due to a drop in trade account and other payables.

Shareholders' equity

Total shareholder's equity was recorded at 300.68 million baht and 308.88 million baht as of December 31, 2020 and December 31, 2021, respectively. The rise in total shareholder's equity was mainly from an increase in retained earnings from operations.

Key Financial Ratios

	Unit	For the year ended 31 December 2020	For the year ended 31 December 2021
Current ratio	times	2.39	2.65
Cash Cycle	days	53	63
Gross Profit Margin	%	20.61	22.90
EBIT Margin	%	7.79	11.92
Net Profit Margin	%	6.07	10.43
Return on Equity (ROE)	%	4.82	9.33
Return on Assets (ROA)	%	3.38	6.58
Debt to Equity ratio	times	0.43	0.41

Liquidity ratio

Current ratio as of December 31, 2020 and 2021 were 2.39 times and 2.65 times, respectively. The liquidity ratio has improved because trade account and other payables declined.

In terms of cash cycle, as of December 31, 2020 and 2021, The Company's cash cycle was equal to 53 days and 63 days, successively. The cash cycle slightly increased due to the higher average collection period from prolonged customer billing and payment process during COVID-19 outbreak. However, cash reserves and short-term loan from financial institution remains at a high level compared to the cash required for operation.

Profitability Ratio

In 2020 and 2021, The Group's gross profit margin were 20.61% and 22.90%, respectively. Gross profit margins increased by 2.29% from 2020 because the relaxation of Lock down measures to prevent COVID-19 and adaptation to New Normal Lifestyles.

The return on equity for 2020 and 2021 were 4.82 percent and 9.33 percent, respectively. The higher ROE was because of an improvement of net profit from the relaxation of Lock down measures to prevent COVID-19 and adaptation to New Normal Lifestyles, resulting in The Company's outstanding performance.

Operating Efficiency Ratio

Return on assets for 2020 and 2021 were 3.38 percent and 6.58 percent, respectively. The improvement was primarily due to higher net profit from The Company's greater operational results and the change in fixed assets.

Debt to Equity ratio

Debt to equity ratio for year 2020 and year 2021 were 0.43 times and 0.41 times, respectively because The Company had outstanding operating results, resulting in an ongoing growth in retained earnings.