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MGT FNC 2022/002

12 May 2022

Subject: Management Discussion and Analysis for Operating results for the first quarter of 2022

To: Director and Manager of the Stock Exchange of Thailand

Megachem (Thailand) Public Company Limited ("The Company") would like to clarify the overview of the operating results for the first quarter of the three-month period ended March 31, 2022 as follows:

Description	Q1 2022	Q1 2021	Var	% Var
Sale of Goods	282.32	213.63	68.69	32.15
Less Cost of sales	202.98	145.15	57.83	39.84
Gross Profit	79.34	68.48	10.86	15.86
Selling & Administrative expenses	40.99	30.57	10.41	34.06
<b>Profit for the Period</b>	<b>30.37</b>	<b>31.31</b>	<b>(0.94)</b>	<b>(3.00)</b>

#### Sales Revenue

In Q1/2022, sales revenue increased by 68.69 million baht or accounted for an increase of 32.15% from the increase in sales of the company and subsidiaries.

#### Gross Profit

Gross profit in Q1/2022 increased by 10.86 million baht or accounted for an increase of 15.86% from the increase in sales of the company and subsidiaries.

#### Selling and Administrative Expenses

In Q1/2022, the company's selling and administrative expenses increased by 10.41 million baht or accounted for an increase of 34.06%. However, the increase in expenses came from the subsidiary that the company acquired and start to recognize profits in the 4th quarter of 2021.

#### Net Profit

In Q1/2022, the Company's net profit decreased by 0.94 million baht, representing a decrease of 3.00%. Due to the year 2021, the subsidiary had revenue from sales of goods that were higher than usual due to the Covid crisis is conducive to selling products, but in year 2022, the subsidiary's sales revenue declined to normal. As a result, the overview of the company in year 2022 has a slightly decreased in net profit.

From the Company's operating results in Q1/2022, although the country's overall economy contracted due to the COVID-19 crisis and headline inflation increased from higher energy prices in line with global crude





oil prices. The Company still has the ability to increase sales and manage expenses effectively. And the Company determines to find business opportunities to maintain consistent income and net profit for the best interest of the Company and investors.

Sincerely Yours

(Vitthaya Inala, Ph.D.)

Chief Executive Officer