

Management Discussion and Analysis

1Q22

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Executive Summary

- In 1Q22, the Thai tourism industry continued its slow, but steady recovery in spite of the sharp setbacks from the ongoing Omicron wave, continued travel restrictions by many key sources markets especially China and the conflict between Russia and Ukraine that began in late February 2022.
- Overall, BC has started to reopen its properties since 4Q21 reflecting a more promising outlook and holiday season with all properties being operational during 1Q22. Citadines Sukhumvit 11 has been reopened to be operated as a hospitel starting from January 2022 to present.
- Regarding the exit plan which is a core element in BC's "Build-Operate-Sell" model, BC successfully exited its investment in Citadines 23 in 4Q21 and we booked dividend income of THB 72.0 mn in BC's standalone financial statement in 1Q22. The dividend income resulted in BC's standalone core profit surging to THB 45.1 mn in 1Q22 compared to THB 3.6 mn in 4Q21 and a loss of THB 4.4 mn in 1Q21.
- For the consolidated financial results, the Group's EBITDA improved YoY to a THB 27.5 mn loss from a THB 35.2 mn loss in 1Q21. The YoY EBITDA improvement is an indication of the tourism industry gradually recovering which can be seen from the strong increase in revenue from our hospitality and commercial properties on both a QoQ and YoY basis. However, the core loss widened slightly YoY despite the EBITDA improvement due mainly to a one-time tax expense on dividend income from our wholly owned subsidiaries. The EBITDA and core losses softened QoQ due to the gain from the exit from Citadines Sukhumvit 23 recorded in 4Q21.
- On our new wellness ventures, following on from the MOU with RMUTL, the first research cannabis crop planted in October 2021 was harvested and ready to use for R&D in 1Q22. Furthermore, the first commercial crop for medical production is now in flowering stage (as of May 2022) and it is expected to be ready in 2Q22. Moreover, in March 2022, BC's affiliate signed an MOU with DTAM, a department under the ministry of public health, to mark our collaboration for the production of Thai traditional medicine with the cannabis grown at our cultivation facilities in Nan. Additionally, BC's affiliate and its partners have also joined the "Collaborative project to develop a model for using Thai traditional medicinal cannabis formulations in private clinics and hospitals" prepared and proposed by DTAM in order to promote cannabis medicine prescriptions through private Thai traditional clinics. Meanwhile, the commercially launch of cannabis wellness centers and retail outlets is now expected no later than early 3Q22.
- The Blockchain-based NFT project, mimicking the cannabis cultivation cycle under "CannaThai420", was launched in January 2022 with the first lot sold out quickly generating THB 3.8 mn in Revenue and THB 2.3 mn in Profit for Bespoke Group. It contributed to the THB 0.7 mn profit in BC's 1Q21 consolidated financial statement.
- Further to our B-O-S business model for 2022, the development of hospitality projects namely Oakwood Studios Sukhumvit Bangkok, Jono Bangkok Asok Hotel (Jono Asok) and ibis Chiang Mai Nimman Journeyhub (ibis Nimman) is on track to be completed within 2022 with the plan to also start the hotel operations within the year subject, however, to the market outlook at each location. Meanwhile, BC Group is in the process of now reviewing proposals from interested buyers after appointing Jones Lang Lasalle in early 1Q22 to drive the exit of up to 8 properties (over 1,000 keys).

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Standalone P&L

Unit: THB million	1Q22	4Q21	1Q21	%QoQ	%YoY
Revenue	98.6	31.1	26.8	217.3%	267.9%
Management income	26.6	24.8	20.4	7.4%	30.6%
Exit and termination fees	-	6.3	6.3	-100.0%	-100.0%
Dividend Income	72.0	-	-	n.m.	n.m.
Cost of providing services	33.0	23.6	26.5	39.5%	24.6%
Selling and administrative expenses	7.5	4.2	7.5	77.5%	0.1%
Total Operating Expenses	40.4	27.8	33.9	45.2%	19.2%
EBITDA	58.2	3.2	(7.1)	1694.1%	920.1%
Depreciation & amortization	1.8	2.3	2.4	-22.2%	-26.0%
Profit (loss) from operating activities	56.4	1.0	(9.5)	5693.8%	694.9%
Financial costs - net	1.5	1.4	2.9	1.5%	-50.1%
Income from continuing operations	57.9	2.4	(6.6)	2300.2%	982.2%
Tax expense (income)	12.8	(1.2)	(2.1)	n.m.	-701.1%
Net Income excluding Extraordinary Items	45.1	3.6	(4.4)	1165.5%	1117.5%
Non-Recurring/ Extraordinary Items	(2.7)	1.1	(3.4)	-344.4%	21.4%
Impairment losses	(3.5)	1.0	(3.1)	-463.4%	-10.3%
Exchange gain / (loss) on foreign currency loan	0.4	1.5	(1.5)	-72.4%	127.0%
Other (expenses) income	0.4	(1.4)	1.3	129.0%	-69.4%
Net Income for the Period	42.4	4.7	(7.8)	812.2%	642.8%

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 quarters.

2/ In 1Q22, the Company booked a one-time net loss of THB 3.5 mn from impairment losses.

3/ In 1Q22, the Company booked Exchange gain on foreign currency loan of THB 0.4 mn. The company has hedged the foreign currency exposure and relevant loss is booked in

Other (expenses) Income. The Company has restated the figures of Exchange gain / (loss) and Other (expenses) income for 4Q21 from net of settlement to gross amount.

The Company reclassified THB 2.96 mn exchange losses on foreign currency 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 1Q22 increased by 7.4% QoQ and by 30.6% in YoY due mainly to the suspension of temporary discounts on management fees given to certain upcountry projects to alleviate the impact of COVID-19.
- Meanwhile, BC reported a dividend income of THB 72.0 mn in 1Q22 which was attributable to successful exit of Citadines 23 in 4Q21.
- In 1Q22, **Total Operating Expenses** increased by 45.2% QoQ and 19.2% YoY to THB 40.4 mn due mainly to the suspension of pay-cut program, which started in 2Q20, from 1Q22 onwards and the reversal of excess bonus provision in 4Q22.
- BC's **EBITDA** was a THB 58.2 mn profit in 1Q22 compared to a THB 3.2 mn profit in 4Q21 and a THB 7.1 mn loss in 1Q21 as a result of the termination of discounts on management fees given to some subsidiaries and the aforementioned THB 72.0 mn of dividend income.
- BC reported a **Core Profit** (Net Profit from Continuing Operations) of THB 45.1 mn in 1Q22 from a THB 3.6 mn profit in 4Q21 and a THB 4.4 mn loss in 1Q21.
- BC's **Net Profit** for the period was THB 42.4 mn in 1Q22 due to a positive EBITDA on account of higher revenue and non-recurring items including the

impairment loss of THB 3.5 mn from provisions for long-overdue receivables from related parties and a foreign exchange gain on a USD third-party loan amounting THB 0.4 mn as the THB/USD strengthened slightly during the quarter. This FX gain, however, would be offset by a THB 1.2 mn loss on a forward contract against the loan booked under Other (Expenses) Income.

Consolidated P&L

Unit: THB million	1Q22	4Q21	1Q21	%QoQ	%YoY
Total Revenue	47.3	172.3	27.3	-72.6%	72.9%
Revenue from hospitality and commercial properties	39.8	31.4	21.8	26.7%	83.0%
Management income	7.4	6.9	5.6	7.7%	33.4%
Exit and termination fees	-	6.3	-	-100.0%	n.m.
Gain on sales of investment in subsidiaries and/or affiliates	-	127.7	-	-100.0%	n.m.
Cost of Providing Services	23.3	17.5	13.4	33.4%	74.6%
Cost of hotel operation and commercial real estate	20.6	15.7	11.6	30.8%	77.4%
Cost of rendering services	2.8	1.8	1.8	56.6%	56.6%
Selling and Administrative Expenses	51.4	32.2	49.2	59.4%	4.5%
Total Operating Expenses	74.7	49.7	62.5	50.2%	19.5%
EBITDA	(27.5)	122.6	(35.2)	-122.4%	22.0%
Depreciation & amortization	15.4	16.3	15.9	-5.1%	-3.0%
Financial costs - net	(32.2)	(38.2)	(32.7)	-15.7%	-1.6%
Income from continuing operations	(75.1)	68.1	(83.8)	-210.2%	10.4%
Share of profit (loss) of joint ventures - equity method	(5.8)	(15.8)	(11.1)	-63.1%	-47.3%
Share of profit of investments in associates	(1.6)	(1.4)	-	14.5%	n.m.
Tax expense (income)	13.7	(2.8)	0.1	-593.0%	n.m.
Net Income excluding Extraordinary Items	(96.2)	53.7	(95.0)	-279.0%	-1.2%
Non-Recurring/ Extraordinary Items	2.1	(15.3)	14.5	113.9%	-85.3%
Gain (loss) from modified contracts ^{2/}	(0.7)	(15.2)	16.1	95.4%	-104.3%
Impairment losses	-	(0.2)	(2.6)	100.0%	100.0%
One-time recognition of performance guarantee obligation	-	(1.6)	-	100.0%	n.m.
Exchange gain / (loss) on foreign currency loan ^{3/}	0.4	1.5	(1.5)	-72.4%	127.0%
Other (expenses) income ^{3/}	2.4	0.2	2.5	954.8%	-5.6%
Net Income to Owners of the Parent	(60.4)	17.7	(42.2)	-441.9%	-43.2%
Non-controlling interests	(33.7)	20.7	(38.3)	-262.2%	12.2%
Net Income for the Period	(94.0)	38.4	(80.5)	-344.8%	-16.8%

Remark: 1/ From 1Q21 onwards, the Company will present Interest Income as a net amount of Interest Expenses in "Financial Cost - Net" in the previous quarters.

2/ In 1Q22, the Company recalculated the impacts from the amendments of interest and principal payment terms in the credit facility of BC subsidiaries

3/ In 1Q22, the Company booked Exchange gain on foreign currency loan of THB 0.4 mn. The company has hedged the foreign currency exposure and relevant loss is booked in Other (expenses) Income. The Company has restated the figures of Exchange gain / (loss) and Other (expenses) income for 4Q21 from net of settlement to gross amount.

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 reported **Total Revenue** of THB 47.3 mn in 1Q22, increasing by 72.9% YoY due mainly to recovery in tourism sector and opening up of hotels to cater tourists. The QoQ revenue decline was due mainly to gain on exit of investment and related fees charged to the investors on the exit of Citadines 23 booked in 4Q21.

Expenses

- BC's 1Q22 **Total Operating Expenses** increased by 50.2% QoQ and 19.5% YoY to THB 74.7 mn, mainly administrative expenses at the properties in-line with higher revenue from hospitality and commercial malls and the suspension of pay-cut programs. In addition, BC recorded a reversal of over-accrued bonus in 4Q21.

EBITDA

- The Group's **EBITDA** improved YoY to a THB 27.5 mn loss in 1Q22 from a THB 35.2 mn loss in 1Q21, a

good indication of gradual recovery in tourism industry which can be seen from the sharp increase in revenue from hospitalities and commercial properties on QoQ and YoY. EBITDA softened QoQ from a profit of THB 122.6 mn in 4Q22 when the gain from exit of Citadines Sukhumvit 23 was realized.

Core Profit (Loss)

- The Group posted a **Core Loss** of THB 96.2 mn in 1Q22 from a profit of THB 53.7mn in 4Q22 and loss of THB 95.0 mn in 1Q21. The Core Loss widened slightly YoY despite the improvement in EBITDA due mainly to one-time tax expenses on dividend income from a wholly owned subsidiary.

Net Profit (Loss)

- In 1Q22, BC's **Net Loss** was THB 94.0 mn with non-recurring items including a foreign exchange gain on a USD third-party loan amounting THB 0.4 mn which would be offset by a THB 1.2 mn loss on a forward contract against the loan booked under Other

Consolidated Financial Performance (cont'd)

(Expenses) Income.

Segment Performance

Hospitality

- In IQ22, BC operates six hotels and serviced apartments and one property converted to a “hospital”. The performance breakdown is shown in two clusters — Bangkok and upcountry. BC has sold one of the Bangkok properties namely Citadines 23 during 4Q21.
- At the end of IQ22, 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

Cluster	Properties	In Operation*	Closing period
BKK	Oakwood 24	Yes	
	Citadines 8	Yes	Apr 2020 - Oct 2020**
	Citadines 11	Yes	Apr 2020 - Jun 2021*** Sep 2021 - Dec 2021***
	Citadines 16	Yes	
	Citadines 23	Sold	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 31 March 2022

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

*** reopened as Hospital in July and August 2021 & January 2022 to present.

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

- During the last quarter reopened the Novotel Nimman and the Oakwood Phuket on the back of improved tourism outlook and in anticipation of the high season and only one property which was closed during the last quarter was then reopened as a “hospital” during the

IQ22 generating some revenues in tough times.

Hospitality	1Q22	4Q21	1Q21	%QoQ	%YoY
ADR - BKK	1,478	1,489	1,541	-0.7%	-4.1%
ADR - UPC	964	985	1,088	-2.1%	-11.4%
%OCC - BKK	61.1%	49.3%	45.5%	11.8	15.6
%OCC - UPC	37.5%	32.4%	12.5%	5.1	25.0
Total Rev - BKK (THB mn)	39.7	27.7	24.0	43.2%	65.1%
Total Rev - UPC (THB mn)	18.7	11.6	3.9	60.6%	377.0%

- Total revenue from Bangkok properties in IQ22 was THB 39.7 mn, an increase of 43.2% QoQ and 65.1% YoY, attributable mainly to the gradual recovery in tourism industry and one of the Citadines portfolio hotels, namely Citadines 11 being turned into a “hospital” from January 2022 to present day (reported under Other Operating Income therefore did not reflect in the ADR or occupancy rate).
- Total revenue from hotels in the upcountry cluster in IQ22 was THB 18.7 mn, an increase of 60.6% QoQ and of more than 3x YoY due to the re-opening of 2 upcountry hotels in Nov-22 on account of the holiday season and the easing of restrictions and IQ22 being the first full quarter in the past two years for those 2 upcountry hotels. Occupancy in IQ22 advanced to 37.5% while ADR remained stagnant at THB 964 from THB 985 in 4Q21
- 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 IQ21 had some positive impact on our operating properties which can be seen from the increase in occupancies. However, we are highly exposed to overall market sentiments and macro events like Russia-Ukraine conflict, Zero-COVID strategy of China & Omicron wave and we expect the recovery to be gradual.
- Further to our B-O-S business model for 2022, the development of hospitality projects namely Oakwood Studios Sukhumvit Bangkok, Jono Asok and ibis Nimman is on track to complete within 2022 with the plan to also

Segment Performance (Cont'd)

start the hotel operations within the year, subject however to the market outlook at each location.

Commercial/ Retail

- Currently, BC has one mixed-use commercial property under operation, namely Summer Point, located near Phrakonong BTS station and one project

Retail	1Q22	4Q21	1Q21	%QoQ	%YoY
ARR-Summer Point (THB)	945	950	912	-0.5%	3.7%
% OCC - Summer Point	38.4%	39.5%	40.2%	(1.1)	(1.9)
Rev - Summer Point (THB mn)	7.5	7.9	7.4	-4.1%	1.9%
% EBITDA margin - Summer Point	24.3%	40.3%	32.9%	-16.0%	-8.6%

under development, namely “Cove Hill” in Charoenkrung area.

- In 1Q22, revenue from space rental remained flat YoY at THB 7.5 mn but decline of 4.1% QoQ from lower occupancy.
- EBITDA margin contracted QoQ as there was a one-time reversal of bonus and employee benefit

obligations adjustment amounting to THB 1.1 mn in 4Q21. EBITDA margin also lowered YoY mainly from changes in accounting records of land lease expense, which were previously under-accrued, since 3Q21.

- COVID-19 continued to impact overall office demand. We are actively monitoring the situation and adjusting our strategy to fill up the space.
- Meanwhile, 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 with performance guarantee obligation for 3 years. Later, the Sellers (BC and financial partners) settled the performance guarantee obligation with the Buyer in late 2021 as the Buyer divested the project (leasehold right) to set up a REIT. Meanwhile, BC continues to manage these properties until June 2022 and earns management fees.

Consolidated Balance Sheet

Unit: THB million	1Q22	4Q21	1Q21	%QoQ	%YoY
Cash and cash equivalents	236.6	182.8	152.7	29.4%	54.9%
Total current assets	315.8	255.1	277.4	23.8%	13.8%
Total non-current assets	3,780.9	3,767.1	3,718.4	0.4%	1.7%
Total assets	4,096.8	4,022.2	3,995.9	1.9%	2.5%
Total liabilities	3,491.1	3,428.3	3,191.5	1.8%	9.4%
Total equity	605.7	593.9	804.3	2.0%	-24.7%
Parent	723.7	678.3	751.3	6.7%	-3.7%
NCI	(118.0)	(84.5)	53.0	39.7%	-322.5%
Total liabilities and equity	4,096.8	4,022.2	3,995.9	1.9%	2.5%
Net D/E (x)	5.37	5.47	3.78		
D/E (x)	5.76	5.77	3.97		

- As of 1Q22, BC's Total Assets were THB 4,097 mn, a minimal increase from THB 4,022 mn in 4Q21, primarily as result of an increase in cash and cash equivalents due to proceeds from right offering in the amount approximately THB 106 mn which was partially offset by opex and capex during the quarter.
- BC's Total Liabilities were THB 3,491 mn in 1Q22, a slight increase from THB 3,428 mn as of 4Q21 mainly due to increase in non-current liabilities due specifically long term loan from bank for under-construction projects.
- Total Shareholders' Equity which includes Equity attributable to owners of the Parent and Non-Controlling Interest (NCI) stands at THB 605.7 mn,

from THB 593.9 mn at the end of 4Q21 mainly from the issue of shares under right offering which is offset with loss during the quarter.

- Net D/E ratio was 5.37x as of 1Q22 from 3.97x as of 1Q21 due to increases in borrowing and cash used for construction and working capital, and also lower equity.
- Following on from engagement of Jones Lang Lasalle as our exclusive agent to drive the exit of up to 8 properties (over 1,000 keys) in 2022, the Group is now evaluating proposals from interested parties.
- 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	1Q22	4Q21	1Q21	%QoQ	%YoY
Cash flows from operating activities	(27.2)	10.1	(21.1)	-370.2%	-28.8%
Cash flows from (used in) investing activities	(34.4)	152.7	(39.9)	-122.6%	13.6%
Free Cash Flow	(61.7)	162.7	(61.0)	-137.9%	-1.1%
Cash flows from (used in) Financing	115.4	(69.3)	94.7	266.5%	22.0%
Net Change in Cash	53.8	93.4	33.7	-42.4%	59.8%
Beginning Cash - previous year's end	182.8	89.4	119.1	104.4%	53.6%
Ending Cash	236.6	182.8	152.7	29.4%	54.9%

- Cash Flows from Operating Activities softened QoQ/ YoY to THB 27.2 mn in 1Q22. Despite the better operational performance QoQ, operating cash flow softened due to collection of long outstanding VAT from revenue department in 4Q21.
- Cash Flows from Investing Activities were negative (cash used) of THB 34.4 mn in 1Q22 from THB 152.7 mn in 4Q21 as we have received sales proceeds from the exit of investment in the Citadines 23 JV in 4Q21.
- Cash Flows from Financing in 1Q22 were of THB 115.4 mn from negative THB 69.3 mn in 4Q21 due

mainly to payment of dividend to investors on the exit of investment in the Citadines 23 JV that took place in 4Q21. In addition The Company raised approximately THB 106 mn from the right offering by issue of new shares to existing shareholders.

Key Developments

Project	Location	# Keys/NLA	Status
Hospitality			
Kamala 1	Phuket	210	EIA and construction permit approved Construction schedule to be reviewed according to COVID-19 situation
Kamala 2	Phuket	200	EIA and construction permit approved Construction schedule to be reviewed according to COVID-19 situation
ibis Chiangmai Nimman Journeyhub (ibis Nimman)	Chiang Mai	142	Under construction. Expected to commence operations in 2H22
Nimman 3	Chiang Mai	141	EIA and construction permit approved Under design development process Construction schedule to be reviewed according to COVID-19 situation
Sukhumvit 5 project	Bangkok	194	In the process of obtaining EIA approval Expect land transfer in 2H22-1Q23
Jono Bangkok Asok Hotel	Bangkok	65	Expected to open in 2H22
Oakwood Studios Sukhumvit Bangkok	Bangkok	177	Under construction and to commence operations in 2H22
Commercial			
Cove Hill (Charoenkrung Project)	Bangkok	2,100 sqm	Expected to commence construction in 2H22.
Cannabis-based Thai traditional wellness business			
Cannabis-based Thai traditional wellness business (Bespoke)	Nan	-	<ul style="list-style-type: none"> • Following on from the MOU with RMUTL, the first research cannabis crop which was planted in October 2021 were harvested and ready to use for R&D in 1Q21. Furthermore, the first commercial crop for medical production is in flowering stage (as of May-2022) and expected to ready in 2Q22. • Moreover, In March 2022, BC's affiliate signed MOU with DTAM, a department under the ministry of public health to mark collaboration for the production of Thai traditional medicine with cannabis grown at cultivation facilities in Nan. Additionally, BC's affiliate and its partners have also joined the "Collaborative project to develop a model for using Thai traditional medicinal cannabis formulations in private clinics and hospitals" prepared and proposed by DTAM in order to promote cannabis medicine prescriptions through private Thai traditional clinics. The commercially launch of cannabis wellness centers, and retail outlets is now targeted for mid 2022 to early 3Q22 • The Blockchain-enabled NFTs under "CannaThai420" mimicking planting cycle of our cannabis crops was launched in January 2022

Remark: Development plans are subject to change.