

May 13, 2022

Subject: Management discussion and analysis of the operating results for the quarter 1/2022

Attn: President
The Stock Exchange of Thailand

Please find the reviewed Financial Statement for the Quarter 1/2022 ending 31 March 2022 which had been reviewed by Certified Auditor and has been approved by the Board of Director.

Food and Drinks Public Company Limited operating result in the Quarter 1/2022 compare to the Quarter 1/2021 and Statement of financial position as at 31 March 2022 compare to as at 31 December 2021 can be summarized the important essence as follows:

Operating Result

Company's Financial Statement in the Quarter 1/2022 has net profit amount to Baht 4.97 million or Baht 0.28 per share (2021 : net profit at Baht 0.09 per share) which net profit increased by Baht 3.45 million compared to the net profit of Baht 1.52 million in the Quarter 1/2021. Our book value per share as at 31 March 2022 stood at 67.05 Baht. (as at 31 March 2021 : at 61.09 Baht)

Significant changes are as follows:

- 1) Revenue from sale Baht 165.67 million increased by Baht 34.40 million, or 26.21% year-over-year (Baht 131.27 million). Details are as follows:

Export sales

(Unit : million baht)

Export sale	Currency	2022	2021	Increase/ (decrease)	%
Export sale	USD	2.25	1.76	0.49	27.9%
	Ex-rate	32.8471	30.1109	2.7362	9.1%
Export sale currency conversion	THB	73.74	52.84	20.90	39.6%
Export sale Thai Baht	THB	23.86	30.22	(6.37)	(21.1%)
Total export sale	THB	97.60	83.06	14.54	17.5%

Export sales gained from exports sales and exchange rates.

Local sales

Domestic sales increased by Baht 19.78 million or 41.04% due to the impact of COVID-19, which is starting to unravel for the better compared to Q1 2021, resulting in an increase in domestic consumption.

- 2) Other income increase by Baht 1.22 million or 20.26% which from gain on exchange rate from revalue of derivatives instruments amounting of Baht 1.34 million.

- 3) Cost of sales increased by Baht 27.58 million related with sales increase and company cost control management. Cost of sales ratio at 85.85% (2021 : at 87.34%) which results in gross profit of Baht 23.44 million increasing from last year 41.03%.
- 4) Selling expenses increase amounting of Baht 1.68 million or 22.49% due to distribution charge which related to increased sales amount. In Quarter 1/2022 distribution charge amounting of Bath 3.89 million increased by 31.42% (2021 amounting of Baht 2.96 million).
- 5) Company record profit sharing in joint-venture by equity method of Baht 0.48 million decrease from last year by Baht 2.39 million (2021 : profit amounting of Baht 2.87 million).

Statement of Financial Position

Statement of Financial Position as at 31 March 2022, the company has total asset of Baht 1,577.91 million decreased from last year by Baht 15.85 million, total liabilities in Baht 396.25 million decreased from last year by Baht 12.35 million and shareholders' equity of Baht 1,181.62 million decreased from last year by Baht 4.97 million or 0.42%. The important essence detail of changing in asset, liabilities and shareholders' equity are as follows:

Assets

- Cash and cash equivalent increase by Baht 3.87 million or 33.28% from the company performance.
- Other current financial assets increase 17.80% from gain on derivatives instruments revaluation.
- Other current assets decrease by Baht 2.16 million or 19.12% due to corporate income tax refund was received from the revenue department.
- Right-of-use assets increase by 2.31 million or 69.57% from renew office rental contract 3 years total contract amounting of Baht 2.78 million.
- Other non-current assets increase by 31.44% which from assets reclassify.

Liabilities

- Bank overdraft and short-term loans from financial institutions decrease by Baht 3.20 million or 10.96% from loan repayment.
- Other current financial liabilities decrease by Baht 1.13 million or 100.00% due to the reversal of losses from derivative instruments which recognized losses as of December 31, 2021.
- Lease liabilities increase by Baht 2.21 million or 211.02% due to from renew office rental contract.

Shareholders' Equity

- Deficit decrease by 4.97 million or 9.18% due profit from financial results in Q1/2022.

Cash Flow Statement

Cash Flow Statement for the three months period ended 31 March 2022, the company has cash and cash equivalent transaction net increased from 31 December 2021 in Baht 3.87 million as follows:

- The Company has net cash flows from operating results amounting of Baht 10.78 million.
- Cash flows paid from fixed asset acquisitions amounting Baht 1.28 million.
- Cash flows used for loans from financial institutions repayment amounting of Baht 5.97 million.

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)
Chief Operating Officer