



24 February 2023

At Tor For. 2/2023

Re : (1) Submission of the Financial Statements for the year 2022, as at December 31, 2022
(2) Management Discussion and Analysis
(3) The impact of the economic slowdown

To : The President of the Stock Exchange of Thailand

Far East Fame Line DDB Public Company Limited would like to submit the Company's financial statements and the consolidated financial statements for the year ended 2022, as at December 31, 2022, which have been audited by the auditor and approved by the Board of Directors. Furthermore, we would like to clarify operating performance of the Company for the year 2022, which can be summarized as follows:

Management Discussion and Analysis

From the consolidated financial statements for the year ended December 31, 2022, the Company had a net profit of 35.50 million baht, a decrease from 2021 amount of 25.14 million baht or 41.46%, with the following details:

1. Revenue from the rendering of service and commissions amount of 495.55 million baht, an increase of 119.82 million baht or 31.89%. Costs of service and commission amount of 335.22 million baht, an increase of 107.40 million baht or 47.14% from the previous year. The increase of cost came from the increase in revenue. The operating result was decreased, due to the impact of the economic slowdown. Many major clients have reduced their advertising budgets, mostly the clients have their own agencies to organize marketing activities and buy online media which establishing by themselves this cost less than outsourcing. In 2022, advertising in online media has decreased by approximately 65.85%. Thus, the effect was decreasing the net profit. While the cost management policy, the Company still has the policy to control the cost of production significantly.

2. Service and administrative expenses of the consolidated financial statements amount of 136.07 million baht, an increase of 12.62 million baht or 10.22% from the previous year. The expenses are increasing, the main reason is from the increase in employee expenses and employee benefits. Besides, the Company has increased employees from media digital expansion.
3. Other incomes in 2022 that have a significant decrease are dividend income and private fund return, amount of 6.96 million baht, a decrease from previous year of 17.35 million baht or 71.37%
4. The profit from investment in associated companies of the consolidated financial statements was 15.84 million baht, a decrease amount of 1.33 million baht or 7.75%, compared to the same year of 2021, due to the decrease in the operation of associated companies.

From the above operating results, there are unrealized losses from fair value measurement of other current financial assets and private fund amount of 12.94 million baht, an increase loss of 8.27 million baht or 177.03 % compared to the previous year.

The impact of the economic slowdown and business risk

1. The impact on the growth of the advertising media industry directly, due to many sectors having unemployment occur. And the consumer purchasing power has decreased.
2. Losing a major client, due to a change in the policy of selecting the advertising agency and advertising budget limited. It affects the Company's revenue inevitably.
3. Liquidity of the client company, there is a risk of overdue payment or cannot collecting money. And may bad debts occur in the future.
4. Accepting new clients or finding new clients is difficult, because consumer behavior in the digital era has changed dramatically. Consumers spend more time on digital media, online, and the internet to do many activities. It causes many clients to think about the worth of product advertising budgets in traditional channels.



From the effect situation, the Company's performance and its subsidiaries have been affected. The company has revised its operational strategy for advertising activities of digital online that is more interesting and catches the eyes of the consumer. Such as the creation of advertising content, communication channel, and adapting presentations. In addition, the Company have an invention for new business or new product with existing and new clients. In order to expand and increase opportunities for new business. Personnel development training, set up the Grace Change Agent program that supports and promotes corporate culture, as well as developing into a change leader, developing knowledge and ability to work more efficiently. And resulting in modification to strategic plans for entering new businesses in the future.

Kindly be informed accordingly.

Yours sincerely,

Malee Leelasiriwong
(Mrs. Malee Leelasiriwong)
Director