

February 27, 2023

Subject: Management discussion and analysis of the operating results for the year 2022

Attn: President
The Stock Exchange of Thailand

Please find the Audited Financial Statement for the year ended 31 December 2022 which had been audited by Certified Auditor and has been approved by the Board of Director.

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

Operating Result

Company's Financial Statement for the year 2022 has net profit amount to Baht 26.2 million or Baht 1.49 per share compared to the net profit of Baht 9.3 million in year 2021. Our book value per share as at 31 December 2022 stood at 68.24 Baht

Significant changing is as follows:

- 1) Revenue from sale Baht 734.8 million increased by Baht 112.7 million, or 18.1% year-over-year (2021 Revenue from sales Baht 622.1 million).
- 2) Cost of sales increased by Baht 90.0 million due to price of raw materials and packaging increasing. Cost of sales ratio at 84.7% (2021 : at 85.2%) which results in gross profit of Baht 112.7 million increasing from last year 22.5%.
- 3) Company record profit sharing in joint-venture by equity method of Baht 7.7 million increase from last year by Baht 2.9 million (2021 : profit amounting of Baht 4.8 million).
- 4) Income tax expenses decrease from last year amounting of Baht 3.5 million (40.5%) due to write off deferred income tax asset which is expired within year 2022 (2021 : amounting of Baht 8.6 million).

Statement of Financial Position

Statement of Financial Position as at 31 December 2022, the company has total asset of Baht 1,572.4 million decreased from last year by Baht 12.9 million, total liabilities in Baht 369.7 million decreased from last year by Baht 38.9 million and shareholders' equity of Baht 1,202.8 million increased from last year by Baht 26.1 million or 2.2%. The important changes in asset, liabilities and shareholders' equity are as follows:

Assets

- Other current financial assets increase amounting of Baht 1.7 million from gain from derivative instruments which recognized profit as of December 31, 2022.

- Other non-current financial assets decrease 100.0% from the redemption of deposits used as collateral from finance institution.
- Investment in associate decrease by Baht 6.7 million or 6.6% due to dividend received from associate company amounting of Baht 13.6 million.
- Other non-current assets increase amounting of Baht 17.3 million or 1,586.3% due to deposit of Solar Roof project has been paid amounting of Baht 15.0 million.

Liabilities

- Short-term loans from financial institutions decrease by Baht 7.7 million or 26.4% from loan repayment.
- Other current financial liabilities increase by Baht 1.1 million or 100.0% due to gain from derivative instruments which recognized profit as of December 31, 2022.
- Long-term loans from financial institutions decrease by Baht 29.4 million or 67.6% from loan repayment.

Shareholders' Equity

- Deficit decrease by 26.1 million or 48.2% due profit from financial results for year 2022.

Cash Flow Statement

Cash Flow Statement for the year ended 31 December 2022, the company has cash and cash equivalent transaction net decreased from 31 December 2021 in Baht 1.6 million by separate cash flow to each activity as follows:

- The Company has net cash flows from operating results amounting of Baht 30.0 million.
- Cash flow from dividend received amounting of Baht 13.6 million
- Cash flows used for loans from financial institutions repayment amounting of Baht 38.9 million.

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)
Chief Operating Officer