

Ref. BEYOND/BKK-BS-023/2022

11 May 2022

Re: Management Discussion and Analysis (MD&A) for the First Quarter of 2022 Ended 31 March 2022
To: President of The Stock Exchange of Thailand
Fellow Shareholders and Investors

MANAGEMENT'S OUTLOOK

Bound and Beyond Public Company Limited ("the Company") has officially entered the hospitality business after the completion of investment in Four Seasons Hotel Bangkok at Chao Phraya River ("Four Seasons Hotel Bangkok") and Capella Bangkok on 11 November 2021. The first quarter of 2022 marks the first quarter that the Company recognized a full quarter of hotel operating results, following the fourth quarter of 2021 when the company recognized the operating results for only 51 days after the consolidation. Although it is anticipated that Thai tourism will continue to be impacted by COVID-19 pandemic, the overall situation has positively recovered since the end of 2021. The recovery is mainly supported by a strong recovery in domestic tourism following the easing of restrictions imposed to curb the spread of COVID-19, the constantly rising vaccination rate of Thai population, and the government stimulus to revitalize tourism industry of the country. Increasing number of international tourists after the easing of entry requirements also contributes to the recovery of Thailand's tourism industry. During the first quarter of 2022, tourists coming from European countries and the United States were Thailand's top source markets, as there is no need to quarantine upon returning to the country.

Supported by the aforementioned favorable factors, the Company's hotel operating performance has also continued to recover noticeably since the last quarter of 2021. The recovery was largely contributed by food and beverage revenue growth after the relaxation of restrictions on restaurants and large-scale events, including the lifting of the ban on dine-in services, allowing alcohol sales and consumption at restaurant, extending restaurant service and alcohol sales hours, and allowing large-scale events and consumption of alcoholic beverages at the venue. Unlocking these measures enables the Company's restaurants, bars, and banquet facilities at both hotels to fully resume its normal operations. Currently, more than 70% of the Company's hotel revenue is generated from food and beverage revenue, which is primarily driven by domestic demand. Even in situations when the number of international tourists visiting the country remains low, the Company continues to be able to generate revenue to grow constantly. The Company expects that the hotel business in the first half of 2022 will continue to rely primarily on domestic travel and consumption. The Company is confident that the products and services it has on hand would be able to attract domestic demand very well.

The hotel's performance has steadily improved since the fourth quarter of 2021

	The Company's investment				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
No. of keys	400	400	400	400	400
Average Occupancy Rate (%)	6%	5%	6%	18%	16%
ADR (THB)	9,199	10,223	9,375	12,220	14,060
RevPar (THB)	522	493	594	2,163	2,305
Total hotel revenue (THB mn)	139	69	60	288	328

This information is part of management report, released in addition to the audited financial statements for investors to understand the trends of the company's hotel performance that represents actual operations. Hotel performance in Q1 – Q3 of 2021 were the performance of both hotels before the company's investment.

In terms of room revenue, the Company continues to observe a rebound. However, current room revenue remains relatively modest compared to the full potential the two hotels can achieve because a substantial number of international tourist arrivals is necessary to considerably increase hotel occupancy rates. Recently, the number of international tourists entering Thailand has gradually increased. Nonetheless, it remains at a relatively low level compared to the period before the Covid-19 outbreak. Therefore, the Company's strategy has been emphasized on



maintaining a room rate per night (ADR), enhancing operational efficiency while preparing to welcome arriving guests at full capacity in the second half of the year.

In an effort to revitalize the tourism industry, the Thai government has implemented more welcoming entry requirements by canceling Test & Go program to fully re-open its border where quarantine and testing on arrival are no longer required. According to information released by the Immigration Bureau, during the first 7 days following the cancellation of the Test & Go program, more than 15,000 international tourists entered Thailand daily on average, an increase from the daily average of 9,000 people in March and April 2022. The rising number of international arrivals signals a positive outlook for Thailand's tourism industry. This year, the Tourism Authority of Thailand (TAT) targets 10 million international arrivals, and 20 million the following year.

The Company believes that if there is no outbreak of new severe variant of a virus, traveling between countries becomes more convenient, and there are fewer strict restrictions on re-entry from the country of origin, especially from Asian countries like China which was the largest source market for Thailand during the pre-pandemic period, the number of international tourists will grow rapidly in the second half of this year. Likewise, the Company expects a surge recovery for the Company's hotel operating results in 2022.

KEY BUSINESS UPDATES IN Q1 2022

1. To expand the variety of restaurant offerings and respond to modern lifestyles, the Four Seasons Hotel Bangkok has introduced Café Madeleine on 19 January 2022, with the concept of riverside neighborhood pastry shop. The cafe serves fresh and delicious desserts and snacks crafted from the finest quality ingredients.
 2. On 25 March 2022, the Company issued and offered debentures No. 1/2022 with a total issued amount of THB 894.7mn, divided into the first tranche of debentures with a maturity of 2 years, valued at THB 576.8mn, and the second tranche of debentures with a maturity of 3 years, valued at THB 317.9mn. Consequently, on 12 April 2022, the Company utilized proceeds from issuance of debentures in the amount of THB 660mn for an additional investment of 12.0% in Urban Resort Hotel Company Limited ("URH") and Waterfront Hotel Company Limited ("WFH"), bringing the Company's current holdings in URH and WFH to 88.0%.
 3. On 28 April 2022, BKK Social Club at the Four Seasons Hotel Bangkok was ranked No. 10 in Asia from Asia's 50 Best Bars 2022 Awards, making it the best bar in Thailand. At the same event, BKK Social Club also wins the Michter's Art of Hospitality Award, which recognizes a bar for its outstanding service and unique identity.
-

KEY OPERATING ASSETS

Four Seasons Hotel Bangkok at Chao Phraya River

299 rooms



6 restaurants and bars



YU TING YUAN

The only Chinese restaurant in Thailand to win a Michelin Star in 2022



RIVA DEL FIUME RISTORANTE



BRASSERIE PALMIER



BKK SOCIAL CLUB

The best bar in Thailand (no. 10 in Asia) and Michter's Art of Hospitality Award



CAFE MADELINE



THE LOUNGE

KEY OPERATING ASSETS (CONT.)

Capella Bangkok

101 rooms



4 restaurants and bars



CÔTE BY MAURO COLAGRECO

A Michelin star and Michelin Guide Service award in 2022



PHRA NAKHON



TEA LOUNGE



STELLA



Q1 2022 PERFORMANCE

Unit: THB mn	Q1 2021	Q1 2022	Change	% YoY
Revenues from hotel operations	-	327.89	N.A.	N.A.
Gain from sales of buildings and equipment	0.32	74.43	74.11	23,159.38
Other revenue ¹	18.47	34.53	16.06	86.95
Total revenues	18.79	436.85	418.06	2,224.91
Cost of hotel operations	-	(319.12)	N.A.	N.A.
Selling expenses	-	(44.81)	N.A.	N.A.
Administrative expenses	(41.16)	(97.75)	(56.59)	137.49
Other expenses ²	(5.94)	(2.45)	3.49	(58.75)
Total expenses	(47.10)	(464.13)	(417.03)	885.41
Operating loss	(28.31)	(27.28)	1.03	(3.64)
Finance cost	(14.97)	(83.47)	(68.50)	457.58
Others ³	139.79	8.08	(131.71)	(94.22)
Net profit (loss)	96.51	(102.67)	(199.18)	(206.38)
Earnings (loss) per share (THB)	0.43	(0.36)	(0.79)	(183.72)
EBITDA	114.72	49.12	(65.60)	(57.18)

¹ Other revenue includes revenue from sales and services (management of Padaeng industrial estate), dividend income and other income.

² Other expenses include cost of sales and services (management of Padaeng industrial estate) and loss on investment.

³ Others include share of loss from investments in joint ventures, finance income, income tax revenue and profit for the period from discontinued operation from recognised gain on sales of renewable energy business in Q1 2021.

Q1 2022 PERFORMANCE ANALYSIS COMPARED TO Q1 2021 PERFORMANCE

The Company has consolidated financial statements of Urban Resort Hotel Company Limited ("URH") and Waterfront Hotel Company Limited ("WFH") to the Company's consolidated financial statement on 11 November 2021 onwards. URH and WFH hold rights to use assets, land and related patents of Four Seasons Hotel Bangkok at Chao Phraya River and Capella Bangkok, respectively. The consolidation enables the Company to recognise revenues, costs, and expenses associated to hotel operations since the fourth quarter of 2021. The Company considered to consolidate financial statements of two companies by assuming that the Company has 100% holding, despite the fact that its actual holdings in both companies as at Q1 of 2022 were at 76.0% because the Company has full control and on process to acquire the remaining shares of in both companies (the Company acquired additional 12.0% in URH and WFH on 12 April 2022, bringing the Company's current holdings to 88.0%).

In Q1 2022, the Company reported **total revenues** of THB 436.85mn, a significant increase of THB 418.06mn or 2,224.91% from Q1 2021, primarily due to the recognition of revenues from hotel operations of THB 327.89mn after the consolidation of financial statements mentioned above. In addition, the Company recorded a gain from sales of buildings and equipment of THB 74.43mn from sales of head office building in this quarter.

The Company's **total expenses** for Q1 2022 were THB 464.13mn, an increase of THB 417.03mn or 885.41% YoY, mainly from the recognition of costs and expenses associated to hotel operations, which include cost of hotel operations of THB 319.12mn, selling expenses of THB 44.81mn, and an increase in administrative expenses of THB 56.59mn.

In Q1 2022, the Company incurred **finance cost** of THB 83.47mn, increasing by THB 68.50mn or 457.58% YoY, due to loans under hotel business of THB 5,000mn. Moreover, the Company issued debentures of THB 894.70mn on 25 March 2022 for additional investment in URH and WFH.

Consequently, the Company posted **net loss for the period** of THB 102.67mn, while the Company's loss per share stood at THB0.36. However, the Company had earnings before interest, taxes, depreciation, and amortization (EBITDA) of THB 49.12mn in Q1 2022.



FINANCIAL POSITION AS AT 31 MARCH 2022

ASSETS	31 December 2021		31 March 2022		Change	% change
	THB mn	% of assets	THB mn	% of assets		
Cash and cash equivalents	777.10	5.51	1,704.07	11.54	926.97	119.29
Trade and other receivables	35.90	0.25	27.50	0.19	(8.40)	(23.40)
Inventories	36.20	0.26	31.67	0.21	(4.53)	(12.51)
Other current financial assets	89.16	0.63	58.46	0.40	(30.70)	(34.43)
Other current assets	570.78	4.05	309.69	2.10	(261.09)	(45.74)
Total current assets	1,509.14	10.70	2,131.39	14.44	622.25	41.23
Restricted bank deposits	200.01	1.42	260.01	1.76	60.00	30.00
Investment properties	184.56	1.31	184.56	1.25	-	-
Property, plant and equipment	3,851.98	27.31	3,819.67	25.87	(32.31)	(0.84)
Right-of-use assets	8,306.68	58.89	8,301.26	56.21	(5.42)	(0.07)
Intangible assets	48.45	0.34	47.18	0.32	(1.27)	(2.62)
Other non-current assets	4.82	0.03	20.98	0.15	16.16	335.27
Total non-current assets	12,596.50	89.30	12,633.66	85.56	37.16	0.30
Total assets	14,105.64	100.00	14,765.05	100.00	659.41	4.67

Total assets of the Company as at 31 March 2022 stood at THB 14,765.05mn, an increase of THB 659.41mn or 4.67% from total assets as at 31 December 2021. The rise was primarily attributed to an increase in cash and cash equivalents of THB 926.97mn as a result of net cash received from the issuance of debentures of THB 882.09mn on 25 March 2022, cash received from a maturity of a bill of exchange of THB 30mn and proceeds received from the sales of assets held for sale (the Company's head office building) of THB 215.73mn. The increase was offset by a decrease in other current assets of THB 261.09mn, mostly owing to the decline in assets held for sale (the Company's head office building) previously mentioned.

LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2021		31 March 2022		Change	% change
	THB mn	% of assets	THB mn	% of assets		
Short-term loans from financial institution	985.17	6.98	985.49	6.67	0.32	0.03
Trade and other payables	190.90	1.35	183.09	1.24	(7.81)	(4.09)
Share subscription payable	1,460.25	10.35	1,460.25	9.89	-	-
Current portion of lease liabilities	133.92	0.95	138.31	0.94	4.39	3.28
Other current liabilities	256.26	1.83	151.35	1.03	(104.91)	(40.94)
Total current liabilities	3,026.50	21.46	2,918.49	19.77	(108.01)	(3.57)
Long-term loans from financial institution – net ¹	1,970.35	13.97	1,970.97	13.35	0.62	0.03
Long-term loans from related parties – net ¹	2,000.00	14.18	2,000.00	13.55	-	-
Long-term debenture	-	-	882.19	5.97	882.19	N.A.
Lease liabilities – net ¹	346.07	2.45	371.86	2.52	25.79	7.45
Deferred tax liabilities	302.32	2.14	254.26	1.72	(48.06)	(15.90)
Other non-current liabilities	47.92	0.34	34.34	0.23	(13.58)	(28.34)
Total non-current liabilities	4,666.66	33.08	5,513.62	37.34	846.96	18.15
Total liabilities	7,693.16	54.54	8,432.11	57.11	738.95	9.61
Total shareholders' equity	6,412.48	45.46	6,332.94	42.89	(79.54)	(1.24)
Total liabilities and shareholders' equity	14,105.64	100.00	14,765.05	100.00	659.41	4.67

¹ net of current portion

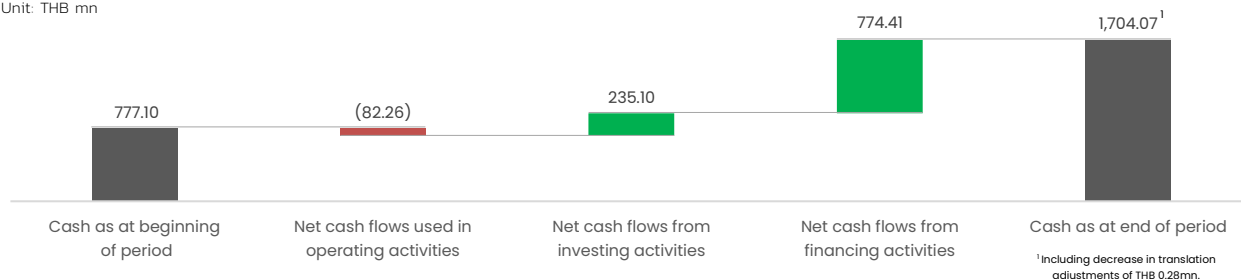
Total liabilities of the Company as at 31 March 2022 were THB 8,432.11mn, consisting of total current liabilities of THB 2,918.49mn, equivalent to 34.61% of total liabilities, and non-current liabilities of THB 5,513.62mn, equivalent to 65.39% of total liabilities. Total liabilities increased by THB 738.95mn or 9.61% from total liabilities as at 31 December 2021, mainly due to debentures of THB 882.19mn (net amount after subtracting fees associated with issuing of debentures) for the additional investment in URH and WFH as per the Company's investment plans.

Total shareholders' equity stood at THB 6,332.94mn as at 31 March 2022, decreased by THB 79.54mn or 1.24% from 31 December 2021, mainly due to net loss during the period.

As at 31 March 2022, the Company had total interest-bearing liabilities at THB 5,838.65mn and the interest-bearing liabilities to equity ratio was at 0.92 times¹. The Company's debt-to-equity ratio was 1.33 times.

LIQUIDITY AND CASH FLOW

Unit: THB mn



As at 31 March 2022, the Company's **cash and cash equivalents** stood at THB 1,704.07mn, increased significantly by 119.29% or THB 926.97mn from 31 December 2021. The Company reported **net cash flows used in operating activities** of THB 82.26mn mainly from adjustments to reconcile non-cash items. The Company's **net cash flows from investing activities** was THB 235.10mn, mainly from proceeds from sales of buildings and equipment of THB 215.73mn and redeem of bill of exchange of THB 30mn. **Net cash flows from financing activities** was THB 774.41mn, mainly due to net cash received from long-term debentures of THB 882.09mn, which was offset by higher restricted bank deposits of THB 60mn and interest paid of THB 47.44mn

Sincerely yours,

.....
Mrs. Kamonwan Wipulakorn
(Managing Director)
Bound and Beyond Public Company Limited

Investor Relations Division
Tel. +662 028 2626 Ext. 9414
E-mail ir@boundandbeyond.co.th

¹ The Company's interest-bearing liabilities includes short-term loans from financial institution, long-term loans from financial institution, long-term loans from related party and debentures.