

GLOCON-SET.026/2021

November 10, 2021

Subject: Management Discussion and Analysis for Q3/2021  
To: President  
The Stock Exchange of Thailand

**Management Discussion and Analysis**  
**Total Operating Results for the 3-month of Q3/2021**

For the 3-month period ended September 30, 2021  
Consolidated Statement of Profit or Loss of Global Consumer Public Company Limited's Group.

Unit: Million Baht

|   | Q3/2021 | Q3/2020 | YoY    | %YoY |
|---|---------|---------|--------|------|
| Revenue from sales of goods and services                | 163.92  | 145.77  | 18.15  | 12%  |
| Revenue from sales of food and beverage                 | 306.58  | 259.26  | 47.32  | 18%  |
| Total   | 470.50  | 405.03  | 65.47  | 16%  |
| Gross Profit  | 76.04   | 83.70   | (7.66) | (9%) |
| Profit (loss) from operating activities                 | 9.90    | 7.08    | 2.82   | 40%  |
| Profit (loss) for the periods                           | 9.90    | 7.08    | 2.82   | 40%  |
| Profit (loss) of Company's shareholders for the periods | 9.68    | 1.21    | 8.47   | 700% |

**Revenue and Profit**

Revenue from sales for 3 months ended September 30, 2021, was THB 470.50 million, increased by THB 65.47 million or 16 % when compared to the same period last year. The Company had a profit for 3months ended September 30, 2021, equaled to THB 9.90 million, increased by THB 2.82 million or 40%. During the period, the Company turned a profit because the sales growth was driven by both domestic and international.

For the 9-month period ended September 30, 2021

Consolidated Statement of Profit or Loss of Global Consumer Public Company Limited's Group.

Unit: Million Baht

|  | Q3/2021  | Q3/2020  | YoY     | %YoY   |
|--|----------|----------|---------|--------|
| Revenue from sales of goods and services               | 489.12   | 431.75   | 57.37   | 13%    |
| Revenue from sales of food and beverage                | 888.07   | 751.50   | 136.57  | 18%    |
| Total  | 1,377.19 | 1,183.25 | 193.94  | 16%    |
| Gross Profit   | 240.77   | 233.88   | 6.89    | 3%     |
| Profit (loss) from operating activities                | 23.93    | (5.23)   | 29.16   | 558%   |
| Profit (loss) from temporary investments               | -        | (0.22)   | 0.22    | 100%   |
| Profit from disposal of investment in subsidiary       | 17.32    | -        | 17.32   | 100%   |
| Loss from civil fines from the SEC                     | (23.30)  | -        | (23.30) | (100%) |
| Profit (loss) for the period                           | 17.95    | (5.45)   | 23.40   | 429%   |
| Profit (loss) of Company's shareholders for the period | 10.88    | (16.47)  | 27.35   | 166%   |

### Revenue and Profit

Sales revenue of Q3/2021 was equal to THB 1,377.19 million, increased by THB 193.94 million or 16% when compared to Q3/2020. The Company's profit in Q3/2021 was THB 17.95 million, increased by THB 23.40 million or 429% due to the group's performance has turned a profit from the growth of sales and has more efficient cost management. During the period, the Company has recognized profit from the disposal of investment in subsidiaries of THB 17.32 million and loss from civil fines from the SEC of THB 23.30 million.

Currently, there is a proportion of total income for the 9-month period from revenue from sales and services of THB 489.12 million, representing 35.52% of total revenue, and revenue from sales of food and beverage of THB 888.07 million, representing 64.48% of total revenue which are described separately from the operations in each business segment as summarized below;

### Packaging Business

Unit: Million Baht

| For the 3-month period                      | Q3/2021       | Q3/2020       | YoY           | %YoY        |
|---|---------------|---------------|---------------|-------------|
| Revenue from sales and packaging management | 160.87        | 141.17        | 19.70         | 14%         |
| <b>EBITDA</b>                               | <b>47.22</b>  | <b>18.14</b>  | <b>29.08</b>  | <b>160%</b> |
| <b>EBITDA Margin</b>                        | <b>29.35%</b> | <b>12.85%</b> | <b>16.50%</b> | <b>128%</b> |

**Packaging Business:** Total revenue for 3 months from sales was THB 160.87 million, increased by THB 19.70 million or 14% when compared to Q3/2020, by increasing from the existing customers in the snack group and increase of food since March 2021. Moreover, the Company started to penetrate new customers in cosmetics, complementary, and other groups with EBITDA in Q3/2021 at THB 47.22 million, increased by 160% which mainly due to efficient cost management and recognition of revenue from the insurance claim of THB 22.13 million.

Unit: Million Baht

| For the 9-month period                      | Q3/2021       | Q3/2020       | YoY          | %YoY       |
|---|---------------|---------------|--------------|------------|
| Revenue from sales and packaging management | 474.53        | 419.36        | 55.17        | 13%        |
| <b>EBITDA</b>                               | <b>86.36</b>  | <b>50.08</b>  | <b>36.28</b> | <b>72%</b> |
| <b>EBITDA Margin</b>                        | <b>18.20%</b> | <b>11.94%</b> | <b>6.26%</b> | <b>52%</b> |

**Packaging Business:** Total revenue for 9 months from sales was THB 474.53 million, increased by THB 55.17 million or 13% when compared to the same period last year with EBITDA in the first 9 months at THB 86.36 million, increased by 72% from the same period last year which mainly due to the increase of revenue from the packaging business, efficient cost management and recognition of revenue from the insurance claim of THB 22.13 million.

## Food Business

### Processed Food and Dried Fruit Business

Unit: Million Baht

| For the 3-month period               | Q3/2021       | Q3/2020       | YoY            | %YoY         |
|--------------------------------------|---------------|---------------|----------------|--------------|
| Revenue from sales of processed food | 171.54        | 138.49        | 33.05          | 24%          |
| Revenue from sales of dried fruit    | 114.19        | 91.10         | 23.09          | 25%          |
| <b>Total</b>                         | <b>285.73</b> | <b>229.59</b> | <b>56.14</b>   | <b>24%</b>   |
| <b>EBITDA</b>                        | <b>13.95</b>  | <b>22.46</b>  | <b>(8.51)</b>  | <b>(38%)</b> |
| <b>EBITDA Margin</b>                 | <b>4.88%</b>  | <b>9.78%</b>  | <b>(4.90%)</b> | <b>(50%)</b> |

**Processed Food Business:** Total revenue for 3 months from sales was THB 171.54 million, increased by THB 33.05 million or 24% when compared to Q3/2020, as a result of the growth of frozen ready-to-eat food products for the original menus and new menus that sent to major convenience stores and the increase in demand of frozen shrimp.

**Dried Fruit Business:** Total revenue for 3 months from sales was THB 114.19 million, increased by THB 23.09 million or 25% when compared to Q3/2020, due to the increase in export sales during the period and more efficient cost management of raw materials.

The 3-month EBITDA in Q3/2021 was at THB 13.95 million, decreased by 38% when compared to Q3/2020. Although, the main factors are from both domestic and international sales and more efficient cost management of raw materials: however; due to the COVID-19 epidemic situation, the dried fruit business has affected the production to temporarily suspended in Q3/2021, resulting in a decrease in EBITDA.

Unit: Million Baht

| For the 9-month period               | Q3/2021       | Q3/2020       | YoY            | %YoY         |
|--------------------------------------|---------------|---------------|----------------|--------------|
| Revenue from sales of processed food | 438.28        | 347.06        | 91.22          | 26%          |
| Revenue from sales of dried fruit    | 384.10        | 319.04        | 65.06          | 20%          |
| <b>Total</b>                         | <b>822.38</b> | <b>666.10</b> | <b>156.28</b>  | <b>23%</b>   |
| <b>EBITDA</b>                        | <b>57.52</b>  | <b>52.94</b>  | <b>4.58</b>    | <b>9%</b>    |
| <b>EBITDA Margin</b>                 | <b>6.99%</b>  | <b>7.95%</b>  | <b>(0.96%)</b> | <b>(12%)</b> |

**Processed Food Business:** Total revenue for 9 months from sales was THB 438.28 million, increased by THB 91.22 million or 26% when compared to the same period last year, as a result of the growth of frozen ready-to-eat food products for the original menus and new menus that sent to major convenience stores and the increase in demand of frozen shrimp.

**Dried Fruit Business:** Total revenue for 9 months from sales was THB 384.10 million, increased by 20% when compared to the same period last year due to the increase in export sales during the period and more efficient cost management of raw materials.

The first 9-month EBITDA of the year 2021 was at THB 57.52 million, increased by 9% when compared to the same period last year. The main factors are from both domestic and international sales and more efficient cost management of raw materials.

### Restaurant Business

Unit: Million Baht

| For the 3-month period                  | Q3/2021         | Q3/2020         | YoY            | %YoY         |
|---|-----------------|-----------------|----------------|--------------|
| Revenue from sales of food and beverage | 20.85           | 28.33           | (7.48)         | (26%)        |
| <b>EBITDA</b>                           | <b>(5.71)</b>   | <b>(5.05)</b>   | <b>(0.66)</b>  | <b>(13%)</b> |
| <b>EBITDA Margin</b>                    | <b>(27.39%)</b> | <b>(17.83%)</b> | <b>(9.56%)</b> | <b>(54%)</b> |

| For the 9-month period                  | Q3/2021         | Q3/2020         | YoY            | %YoY         |
|---|-----------------|-----------------|----------------|--------------|
| Revenue from sales of food and beverage | 65.69           | 85.40           | (19.71)        | (23%)        |
| <b>EBITDA</b>                           | <b>(22.34)</b>  | <b>(21.34)</b>  | <b>(1.00)</b>  | <b>(5%)</b>  |
| <b>EBITDA Margin</b>                    | <b>(34.00%)</b> | <b>(24.99%)</b> | <b>(9.01%)</b> | <b>(36%)</b> |

**Restaurant Business:** Total revenue from sales for 3 months and 9 months decreased from Q3/2020 because restaurants are affected by COVID-19 in January and February 2021, and began to recover in March. Moreover, by the end of February, the Company has closed six kitchen plus restaurants at a loss. During the year 2021, there is a severe spread of COVID-19 which led the government to issue announcements on the time to open and close the department stores and the ban on dining in restaurants, resulting in a reduced income.

EBITDA for the 3-month period was THB (5.71) million, decreased by 13% from Q3/2020, due to the impact of the ongoing COVID-19 situation. Moreover, the Company still has fixed expenses which shall be paid as usual, such as salaries, rental fee at some branches, etc. However, the Company has adjusted its strategy to focus on delivery sales and has changed the store layout to Dessert Corner at the Central Business District (CBD) points and Food Truck to reduce the burden of rent, administration costs and increase mobility that can respond to the needs of consumers in more area.

EBITDA for the 9-month period was THB (22.34) million, decreased by 5% from Q3/2020, due to the impact of the A&W restaurant that has adjusted its strategy to focus on delivery sales and more marketing expenses, and has changed the store layout to Dessert Corner at the Central Business District (CBD) points and Food Truck to reduce the burden of rent, administration costs and increase mobility that can response the needs of consumers in more area.

#### Other businesses

Unit: Million Baht

| For the 3-month period        | Q3/2021         | Q3/2020      | YoY             | %YoY            |
|-------------------------------|-----------------|--------------|-----------------|-----------------|
| Revenue from other businesses | 3.05            | 4.59         | (1.54)          | (34%)           |
| <b>EBITDA</b>                 | <b>(1.97)</b>   | <b>0.03</b>  | <b>(2.00)</b>   | <b>(6667%)</b>  |
| <b>EBITDA Margin</b>          | <b>(64.59%)</b> | <b>0.65%</b> | <b>(65.24%)</b> | <b>(10037%)</b> |

| For the 9-month period        | Q3/2021         | Q3/2020         | YoY           | %YoY         |
|-------------------------------|-----------------|-----------------|---------------|--------------|
| Revenue from other businesses | 14.59           | 12.38           | 2.21          | 18%          |
| <b>EBITDA</b>                 | <b>(1.81)</b>   | <b>(3.48)</b>   | <b>1.67</b>   | <b>(48%)</b> |
| <b>EBITDA Margin</b>          | <b>(12.41%)</b> | <b>(28.11%)</b> | <b>15.70%</b> | <b>56%</b>   |

**Other businesses:** Total revenue from sales for 3 months was THB 3.05 million, decreased by THB 1.54 million or 34% when compared to Q3/2020, and total revenue from sales for 9 months was THB 14.59 million, increased by THB 2.21 million or 18% when compared to the same period last year due to the expansion of the market for selling consumer goods into major convenience stores.

## Financial Statement

Unit: Million Baht

|   | September<br>30, 2021 | December<br>31, 2020 | Change  | %     |
|---|-----------------------|----------------------|---------|-------|
| <b>Assets</b>   |                       |                      |         |       |
| <b>Current assets</b>   |                       |                      |         |       |
| Cash and cash equivalents   | 158.08                | 99.83                | 58.25   | 58%   |
| Trade and other current receivables   | 323.02                | 223.91               | 99.11   | 44%   |
| Inventories   | 297.06                | 245.41               | 51.65   | 21%   |
| Other current assets <sup>1</sup>   | 108.03                | 71.88                | 36.15   | 50%   |
| <b>Non-current assets</b>   |                       |                      |         |       |
| Property, plant and equipment   | 526.27                | 435.19               | 91.08   | 21%   |
| Right-of-use assets   | 70.99                 | 128.24               | (57.25) | (45%) |
| Other intangible assets   | 111.06                | 118.35               | (7.29)  | (6%)  |
| Goodwill  | 103.49                | 103.49               | -       | 0%    |
| Other non-current assets <sup>2</sup>                                       | 37.99                 | 69.29                | (31.30) | (45%) |
| <b>Current liabilities</b>  |                       |                      |         |       |
| Bank overdrafts and short-term borrowings<br>from financial institutions    | 115.01                | 108.46               | 6.55    | 6%    |
| Trade and other current payables  | 293.88                | 177.83               | 116.05  | 65%   |
| Current portion of long-term borrowings<br>with payment due within one year | 20.58                 | 11.91                | 8.67    | 73%   |
| Current portion of lease liabilities<br>with payment due within one year    | 20.82                 | 20.72                | 0.10    | 0%    |
| Other current liabilities <sup>3</sup>                                      | 50.06                 | 57.19                | (7.13)  | (12%) |
| <b>Non-current liabilities</b>  |                       |                      |         |       |
| Long-term borrowings  | 77.00                 | 8.82                 | 68.18   | 773%  |
| Lease liabilities   | 33.49                 | 52.90                | (19.41) | (37%) |
| Other non-current liabilities <sup>4</sup>                                  | 39.04                 | 54.00                | (14.96) | (28%) |

<sup>1</sup> Consist of pledged bank deposits, VAT refundable, other current assets, and assets held for sale for discontinued operations.

<sup>2</sup> Consist of investment property, deposit for purchase of assets, deferred tax assets, and other non-current assets.

<sup>3</sup> Consist of defined benefit obligation with payment due within one year, cash dividends payable, income tax payable, other current assets, and assets held for sale for discontinued operations.

<sup>4</sup> Consist of defined benefit obligation, deferred tax liabilities, and other non-current assets.

## Comparative Financial Statement Analysis

### **Disposal of an Investment in a Subsidiary**

On March 24, 2021, the Board of Directors approved the sales of all ordinary shares in the subsidiary – Thai Flexible Pack Company Limited (“TFP”). That transaction resulted in all assets and liabilities in the subsidiary's consolidated financial statements which shall be removed from the consolidated financial statements of the Company. In particular, right-of-use assets will be reduced from the aforementioned transaction of THB 65.82 million (according to notes to financial statement no.11).

### **Property, Plant and Equipment and Long-Term Borrowings**

On May 11, 2021, the Board of Directors has approved NPP Food Service Co., Ltd., a subsidiary of the Company, to enter into a sales agreement of land with buildings, machinery, and equipment for use in the business of frozen processed food and ready-to-eat semi-finished food. The subsidiary has received credit support from a local bank and the transaction results in the Company having more property, plant, equipment, and long-term borrowings when compared to December 31, 2020.

### **The Exercise of the Rights under the Warrants to Purchase the Company's Ordinary Shares No.10 (GLOCON- W4)**

During June 23-29, 2021, the Company has determined that GLOCON-W4 warrant holders can submit a request to convert into ordinary shares. The GLOCON-W4 warrant holders have expressed their intentions totaling 139,216,888 shares, resulting in the Company's cash and cash equivalents, increased by THB 69.61 million.

### **The Exercise of the Rights under the Warrants to Purchase the Company's Ordinary Shares No.11 (GLOCON- W4)**

During September 22-29, 2021, the Company has determined that GLOCON-W4 warrant holders can submit a request to convert into ordinary shares. The GLOCON-W4 warrant holders have expressed their intentions totaling 67,554,200 shares, resulting in the Company's cash and cash equivalents, increased by THB 33.78 million.

Please be informed accordingly,

Yours sincerely,

(Ms. Louise Taechaubol)  
Chairwoman of the Executive Board