

Management Discussion and Analysis

This interim MD&A report has been prepared based on the consolidated of GFPT Public Company Limited (“GFPT” or “the Company”) and its subsidiaries (collectively, “GFPT Group”) for the 1st Quarter 2022 as well as included any significant transactions occurred during the 1st Quarter 2022.

GFPT Group operates fully vertical-integrated chicken production covering feed production, grandparent farm, breeder farm, broiler farm, production and distribution of chicken meat, cooked chicken products, and other chicken-related products under customers’ and the Company’s brand name for both domestic and international markets.

GFPT’s strategy is committed to being a leading poultry business focusing on quality and international food safety standards. Furthermore, GFPT Group maintains its competitive advantage by concentrating on its own farm policy and cost advantage through economies of scale.

A summary of the key operational matters and events for the 1st Quarter 2022

Financial Highlights	1Q 2022		1Q 2021		Change	
	THB million	% Sales	THB million	% Sales	THB million	%
Revenue from Sales	4,008.51	100.00	3,303.99	100.00	704.52	21.32
Gross Profit	568.75	14.19	320.54	9.70	248.20	77.43
EBITDA	835.37	20.84	420.27	12.72	415.10	98.77
Net Profit	455.74	11.36	60.62	1.84	395.12	651.83

The overall performance of GFPT Group in 1Q2022 has clearly recovered from food business especially higher revenue from export sales of processed chicken and domestic sales of chicken parts comparing to 1Q2021, thanks to cooked chicken production capacity of 2,500 tons per month from our 5 new production lines together with higher selling price of domestic chicken parts and chicken by-products.

As a result, GFPT Group had total revenue from sales of THB 4,008.51 million in 1Q2022, representing an increase of THB 704.52 million or 21.32% up from 1Q2021 mainly from higher revenue of food business which increased by THB 703.87 million or 45.24% up comparing to 1Q2021.

The consolidated gross profit was THB 568.75 million in 1Q2022, increased by THB 248.20 million or 77.43% up from 1Q2021 from higher revenue from sales. The consolidated gross profit margin contributed of 14.19% in 1Q2022, increased from 9.70% in 1Q2021.

The participating profit from associates was THB 192.09 million in 1Q2022, increased by THB 160.25 million or 503.19% up comparing to 1Q2021. In addition, the consolidated EBITDA in 1Q2022 was THB 835.37 million, increased by THB 415.10 million or 98.77% up from 1Q2021.

Finally, consolidated net profit in 1Q2022 accounted for THB 455.74 million or equal to EPS of THB 0.36 per share, or 651.83% up from 1Q2021. For capital structure of the Group, as of March 31, 2022, the consolidated debt to equity ratio was 0.45 time.

Overall Financial Performance and Profitability

Business Segment of GFPT Group	1Q 2022		1Q 2021		Change	
	THB million	%	THB million	%	THB million	%
Food Segment	2,259.57	56.37	1,555.70	47.09	703.87	45.24
Farm Segment	1,084.73	27.06	1,079.48	32.67	5.25	0.49
Feed Segment	664.21	16.57	668.81	20.24	(4.60)	(0.69)
Revenue from Sales	4,008.51	100.00	3,303.99	100.00	704.52	21.32

Revenue from Sales

The consolidated revenue from sales for 1Q2022 were THB 4,008.51 million, increased by THB 704.52 million or 21.32% up from 1Q2021, mostly from higher revenue of food business which increased by THB 703.87 million or 45.24% up comparing to 1Q2021.

The consolidated revenue from sales in 1Q2022 consisted of food segment represented 56.37%, farm segment represented 27.06%, and feed segment represented 16.57%.

Food Segment

Revenue from food business in 1Q2022 consisted of revenue from direct export cooked chicken products and fresh frozen chicken meat, indirect export of chicken meat, domestic sales of chicken parts, chicken by-products, and processed food product such as chicken sausage, all together represented 56.37% of revenue from sales, amounting THB 2,259.57 million, increased by THB 703.87 million or 45.24% up from 1Q2021. Revenue from direct export increased by THB 419.16 million, export volume of processed chicken products in 1Q2022 was 7,700 tons, increased by 2,200 tons or 40.00% up from 1Q2021 especially to Japan, the United Kingdom, and the European Union.

Revenue from domestic sales of chicken parts increased by THB 184.91 million or 42.65% up primarily attributable to higher selling price and sales volume of domestic sales of chicken parts and chicken by-products while revenue from indirect export increased by THB 50.86 million from higher selling price of indirect export.

Farm Segment

Revenue from farm business consisted of revenue from selling live broilers to GFN, our joint venture, selling day-old-chicks to both international and domestic market, and selling cage-free eggs to domestic market, represented 27.06% of revenue from sales in 1Q2022.

In 1Q2022, revenue from farm business was THB 1,084.73 million, increased by THB 5.25 million or 0.49% up from 1Q2021 mainly from higher revenue from selling live broilers from higher selling price of live broilers.

Feed Segment

Revenue from feed business consisted of revenue from animal feed, fish feed, and shrimp feed, represented 16.57% of revenue from sales in 1Q2022, amounting THB 664.21 million, decreased by THB 4.60 million or 0.69% down from 1Q2021. Revenue from animal feed in 1Q2022 decreased by THB 31.82 million or 9.07% down from 1Q2021 mostly from lower sales volume of animal feed.

Cost of Sales and Gross Profit

Cost of sales for in 1Q2022 was THB 3,439.76 million, increased by THB 456.32 million or 15.29% up from 1Q2021 while gross profit in in 1Q2022 was THB 568.75 million, increased by THB 248.20 million or 77.43% up from 1Q2021 primarily from higher revenue from sales.

Cost of sales for in 1Q2022 contributed of 85.81% of revenue from sales, decreased from 90.30% in 1Q2021 while gross profit margin contributed about 14.19% in 1Q2022, increased from 9.70% in 1Q2021.

Other Income

The consolidated other income in 1Q2022 was THB 109.61 million, increased by THB 37.36 million or 51.71% up from 1Q2021, predominantly from selling miscellaneous (spare parts). The consolidated other income in 1Q2022 was 2.73% of revenue from sales, gradually increased from 2.19% in 1Q2021.

Selling General and Administrative Expenses

The consolidated SG&A expenses in 1Q2022 equaled to THB 385.13 million, increased by THB 41.76 million or 12.16% up from 1Q2021. The Consolidated SG&A expenses increased since higher freight cost comparing to 1Q2021. The consolidated SG&A expenses in 1Q2022 were 9.61% of revenue from sales, decreased from 10.39% in 1Q2021.

Share of Profit from Associated Companies

The consolidated share of profit from associated companies based on the equity method in 1Q2022 was THB 192.09 million, increased by THB 160.25 million, or 503.19% up from 1Q2021 mainly from GFN's profit contribution was THB 101.17 million, increased by THB 153.17 million or 294.57% up comparing to 1Q2021 mainly from higher selling price of domestic sales of chicken parts. Besides, McKey's profit contribution was THB 90.92 million, increased by THB 7.08 million or 8.44% up from 1Q2021 mainly from higher export volume of cooked chicken products.

Financial Costs

Financial costs of the group include the interest paid to financial institutions and related persons. The Company's financial costs in 1Q2022 were THB 20.77 million, increased by THB 2.12 million or 11.34% up from 1Q2021 mainly from higher interest expense paid to related persons as the loan outstanding increased from 1Q2021. The consolidated financial costs of the group in 1Q2022 were 0.52% of revenue from sales, slightly decreased from 0.56% in 1Q2021.

Income Tax Expenses

The income tax expense of the Group in 1Q2022 was THB 37.10 million, increased by THB 16.11 million or 76.72% up from 1Q2021 mainly from higher profit in 1Q2022 therefore resulting in higher corporate income tax expense comparing to 1Q2021.

Net Profit

The consolidated net profit in 1Q2022 was THB 455.74 million, increased in amount of THB 395.12 million or 651.83% up from THB 60.62 million in 1Q2021. The EPS of 1Q2022 was THB 0.36 per share. The increase in consolidated net profit was primarily driven from higher revenue from sales and higher share of profit from associated

companies comparing to 1Q2021. The consolidated net profit margin in 1Q2022 was 11.36% of revenue from sales, improved from 1.84% in 1Q2021.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Unit: Million Baht

	1Q 2022	1Q 2021	Change	% Change
EBIT	514.13	101.69	412.44	405.62
Depreciation Expense	317.60	314.78	2.82	0.89
Amortization Expense	3.64	3.80	(0.16)	(4.18)
EBITDA	835.37	420.27	415.10	98.77
EBITDA Margin (%)	20.84	12.72		8.12

The consolidated EBITDA in 1Q2022 was THB 835.37 million, increased by THB 415.10 million or 98.77% up from 1Q2021. The increasing in consolidated EBITDA resulted from higher revenue from sales. The EBITDA margin in 1Q2022 was 20.84%, increased from 12.72% in 1Q2021.

Financial Position
Assets

For the consolidated financial statements as of March 31, 2022, total assets of the GFPT Group equal to THB 21,923.75 million including THB 6,214.06 million (28.34% of total assets) in current assets, THB 10,889.73 million (49.67% of total assets) in property, plant and equipment (PP&E), THB 3,465.37 million (15.81% of total assets), in investments in associated companies, THB 556.01 million (2.54% of total assets) in non-current biological assets and THB 798.59 million (3.64% of total assets) in investment in property and other non-current assets.

Total assets as of March 31, 2022, increased in amount of THB 699.65 million or 3.30% up from December 31, 2021, from an increase in cash and cash equivalents of THB 415.61 million.

Liabilities

As at March 31, 2022, total liabilities of the Company and its subsidiaries was THB 6,782.32 million comprising of current liabilities of THB 3,553.85 million (52.40% of total liabilities), long-term loans from related persons of THB

2,220.00 million (32.73% of total liabilities), provision for employees benefit of THB 574.52 million (8.47% of total liabilities), deferred rental income of THB 98.61 million (1.45% of total liabilities), lease liabilities of THB 322.61 million (4.76% of total liabilities), and other non-current liabilities of THB 12.74 million (0.19% of total liabilities).

The total liabilities as of March 31, 2022, increased by THB 243.39 million or 3.72% up from December 31, 2021, primarily from long-term loans from related persons increased in amount of THB 720.00 million, however, current portion of long-term loans from related persons decreased in amount of THB 400.00 million. All short-term and long-term loans of the Group are in THB currency only, thus; The Company has no exposure in foreign currency borrowings.

As of March 31, 2022, trade and other payables of the Company and its subsidiaries was THB 1,185.47 million, increased in amount of THB 82.98 million or 7.53% up from December 31, 2021.

The consolidated interest-bearing liabilities as of March 31, 2022, were THB 4,500.00 million, increased from December 31, 2021, in total amount of THB 169.50 million mainly from long-term loans from related persons.

Shareholders' Equity

As of March 31, 2022, the consolidated shareholders' equity in amount of THB 15,141.43 million, an increase of THB 456.27 million or 3.11% up from December 31, 2021; primarily from the increase in retained earnings in amount of THB 455.74 million. The consolidated book value as of March 31, 2022, was THB 12.08 per share, slightly increased from THB 11.71 per share as of December 31, 2021.

Liquidity

Cash Flow Activities

For the three-month period ended March 31, 2022, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 532.62 million, decreased by THB 67.41 million from the same period last year, the Company and its subsidiaries used net cash in its investing activities in amount of THB 259.35 million, decreased by THB 235.73 million and the Company and its subsidiaries generated net cash from its financing activities in an amount of THB 142.34 million, increased by THB 99.72 million.

As of March 31, 2022, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 1,378.35 million, increased by THB 43.32 million from the same period last year.

Liquidity Ratios

As of March 31, 2022, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations and had strong financial position. As of March 31, 2022, the consolidated current ratio was 1.75 times, slightly increased from 1.43 times as of December 31, 2021. The quick ratio was 0.60 time, slightly increased from December 31, 2021, at 0.42 time.

Short-term Debt Maturity

As of March 31, 2022, the Company and its subsidiaries' current liabilities of THB 3,553.85 million comprise of short-term loans from financial institutions of THB 1,320.00 million, trade payables and other payables of THB 1,185.47 million, current portion of long-term loans from related persons of THB 960.00 million and other current liabilities of THB 88.38 million.

Due to its strong position in cash flow and liquidity, the Company and its subsidiaries can repay the debt obligations including trade payables and other payables, short term loans, the current portion of long-term loans from financial institutions, and interest expenses. The repayment can be made from cash flow from operation activities. As of March 31, 2022, the consolidated current ratio was 1.75 times, the net debt to equity ratio was low at 0.30 time.

The Company and its subsidiaries still had available credit line of the revolving short-term borrowings with financial institutions including bank overdraft in amount of THB 242.00 million and short-term loans, letters of credit, trust receipts, packing credit in amount of THB 6,919.07 million and forward foreign exchange contract in amount of THB 941.65 million.

Capital Structure

The Company and its subsidiaries had strong financial position. As of March 31, 2022, the consolidated debt to equity ratio was 0.45 time, same level as of December 31, 2021.

As of March 31, 2022, the consolidated interest-bearing liabilities were THB 4,500.00 million, increased from THB 4,330.50 million as of December 31, 2021. The net debt to equity of the Group was considerably low at 0.30 time, slightly increased from 0.29 time as of December 31, 2021. In summary, the Company had appropriate capital structure.

GFPT Group Expansion Plan

In the future, the Company has planned to grow organically by investing in greenfield projects. We focus on capacity expansion along the stream of our vertical integrated chicken production. We are constructing the new chicken

processing plant with a capacity of 150,000 birds per day as well as its supporting facilities such as water reservoir, water treatment, wastewater treatment, and worker residences. The further processing plant will be in the next phase of construction to produce cooked product for export with capacity of 24,000 metric tons per year. At the same time, the Company plans to expand the production capacity of chicken feed to accommodate the growth of our chicken integration.

The investment budget for these projects is estimated to be around THB 1,200 - 1,500 million per year. However, this expansion plan can be adjusted depending on changes of future situation.

Interim Management Discussion and Analysis for the 1st Quarter 2022

Consolidated statement of financial position of GFPT Public Company Limited and its subsidiary companies

As of March 31, 2022 and December 31, 2021

	As of Mar 31, 2022		As of Dec 31, 2021		Change	
	MB	%	MB	%	MB	%
Cash and Cash Equivalent	1,378.35	6.29	962.73	4.54	415.61	43.17
Trade and Other Receivable	834.53	3.81	780.06	3.68	54.46	6.98
Inventories	3,454.51	15.76	3,498.59	16.48	(44.08)	(1.26)
Current Biological Assets	490.12	2.24	454.53	2.14	35.60	7.83
Other Current Assets	56.55	0.26	57.11	0.27	(0.56)	(0.99)
Total Current Assets	6,214.06	28.34	5,753.03	27.11	461.03	8.01
Investment in Associated Companies	3,465.37	15.81	3,284.49	15.48	180.88	5.51
Non-Current Biological Assets	556.01	2.54	548.15	2.58	7.86	1.43
Investment Property	274.84	1.25	276.60	1.30	(1.76)	(0.64)
Property, Plant and Equipment	10,889.73	49.67	10,830.20	51.03	59.52	0.55
Right-of-Use Assets	351.68	1.60	354.43	1.67	(2.75)	(0.78)
Deferred Tax Assets	115.06	0.52	121.02	0.57	(5.96)	(4.93)
Other Non-Current Assets	57.01	0.26	56.17	0.26	0.84	1.50
Total Non-Current Assets	15,709.69	71.66	15,471.07	72.89	238.63	1.54
Total Assets	21,923.75	100.00	21,224.09	100.00	699.65	3.30
Short-Term Loans from Financial Institutions	1,320.00	6.02	1,310.00	6.17	10.00	0.76
Short - Term Loans from Subsidiary & Related Persons	-	-	160.50	0.76	(160.50)	(100.00)
Trade and Other Payable	1,185.47	5.41	1,102.48	5.19	82.98	7.53
Current Portion of Long-Term Loans from RPT	960.00	4.38	1,360.00	6.41	(400.00)	(29.41)
Current Portion of Lease Liabilities	19.79	0.09	19.47	0.09	0.32	1.64
Current Portion of Deferred Rental Income	10.95	0.05	10.95	0.05	-	-
Derivative Liabilities	1.07	0.00	26.08	0.12	(25.01)	(95.91)
Income Tax Payable	44.78	0.20	18.47	0.09	26.31	142.42
Other Current Liabilities	11.80	0.05	24.07	0.11	(12.27)	(50.98)

Interim Management Discussion and Analysis for the 1st Quarter 2022

	As of Mar 31, 2022		As of Dec 31, 2021		Change	
	MB	%	MB	%	MB	%
Total Current Liabilities	3,553.85	16.21	4,032.02	19.00	(478.17)	(11.86)
Long-Term Loans from Related Persons	2,220.00	10.13	1,500.00	7.07	720.00	48.00
Lease Liabilities	322.61	1.47	325.63	1.53	(3.03)	(0.93)
Employee benefit obligations	574.52	2.62	567.36	2.67	7.16	1.26
Advance Received for Rental Income	98.61	0.45	101.04	0.48	(2.44)	(2.41)
Other Non-Current Liabilities	12.74	0.06	12.87	0.06	(0.13)	(1.03)
Total Non-Current Liabilities	3,228.47	14.73	2,506.91	11.81	721.56	28.78
Total Liabilities	6,782.32	30.94	6,538.94	30.81	243.39	3.72
Total Shareholders' Equity	15,141.43	69.06	14,685.16	69.19	456.27	3.11
Total Liabilities and Shareholders' Equity	21,923.75	100.00	21,224.09	100.00	699.65	3.30

Interim Management Discussion and Analysis for the 1st Quarter 2022

Consolidated Income Statement of GFPT Public Company Limited and its subsidiary companies

For the three-month period ended March 31, 2022 and 2021

	1Q 2022		1Q 2021		Change	
	MB	%	MB	%	MB	%
Revenue from Sales	4,008.51	100.00	3,303.99	100.00	704.52	21.32
Cost of Sales	(3,439.76)	(85.81)	(2,983.45)	(90.30)	456.32	15.29
Gross Profit	568.75	14.19	320.54	9.70	248.20	77.43
Other Income	109.61	2.73	72.25	2.19	37.36	51.71
Loss from exchange rate	(0.65)	(0.02)	(12.54)	(0.38)	(11.89)	(94.84)
Gain from derivative	29.46	0.73	32.96	1.00	(3.50)	(10.61)
Selling Expenses	(180.60)	(4.51)	(133.16)	(4.03)	47.44	35.62
Administrative Expenses	(204.53)	(5.10)	(210.21)	(6.36)	(5.68)	(2.70)
Profit from operating activities	322.04	8.02	69.84	2.12	252.20	361.12
Share of Profit from Associates	192.09	4.79	31.85	0.96	160.25	503.19
Financial Costs	(20.77)	(0.52)	(18.65)	(0.56)	2.12	11.34
Profit before Income Taxes	493.37	12.29	83.03	2.52	410.33	494.19
Income Tax Expenses	(37.10)	(0.93)	(20.99)	(0.64)	16.11	76.72
Profit for The Period	456.27	11.36	62.04	1.88	394.23	635.46
Non-Controlling Interests	(0.53)	(0.00)	(1.42)	(0.04)	(0.89)	(62.74)
Net Profit	455.74	11.36	60.62	1.84	395.12	651.83

Consolidated Cash Flows Statement of GFPT Public Company Limited its subsidiary companies
For the three-month period ended March 31, 2022 and 2021

	Y 2022	Y 2021	Change
	MB	MB	MB
Net Cash Received from Operating Activities	532.62	600.03	(67.41)
Net Cash Used in Investing Activities	(259.35)	(495.08)	(235.73)
Net Cash Received from Financing Activities	142.34	42.62	99.72
Net Increase in Cash and Cash Equivalents	415.61	147.57	268.04
Cash and Cash Equivalent at the Beginning of the Period	962.73	1,187.46	(224.73)
Cash and Cash Equivalent at the Ending of the Period	1,378.35	1,335.03	43.32

Financial Ratios of GFPT Public Company Limited and its subsidiaries

	Y 2022	Y 2021
Current Ratio ¹ (times)	1.75	1.43
Quick Ratio ² (times)	0.60	0.42
Gross Profit Margin ³ (%)	14.19	9.70
Operating Profit Margin ⁴ (%)	12.83	3.08
Net Profit Margin ⁵ (%)	10.99	1.78
Debt/Equity Ratio ⁶ (times)	0.45	0.45
Net Debt/Equity Ratio ⁷ (times)	0.30	0.29

Remark:

- 1) Current Ratio = Current Assets / Current Liabilities
- 2) Quick Ratio = (Cash + Short-term Investments + Accounts Receivable) / Current Liabilities
- 3) Gross Profit Margin = (Gross Profit / Sales) * 100
- 4) Operating Profit Margin = (EBIT / Sales) * 100
- 5) Net Profit Margin = (Net Profit / Total Revenue) * 100
- 6) Debt/Equity Ratio = Total Debt / Equity
- 7) Net Debt/Equity Ratio = Net Debt / Equity