

May 12, 2022

Subject Management Discussion and Analysis for the Period Ended 31 March 2022

 To Directors and Managers  
 The Stock Exchange of Thailand

Bioscience Animal Health Plc. ("Company") would like to submit herewith the explanation and analysis about our financial performance of the Management for the period ended 31 March 2022 as follows:

**Statement of Income**

Items	For the Period Ended					
	March 31, 2022		March 31, 2021		Change Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total Revenues</b>	<b>539.88</b>	<b>100.00</b>	<b>429.25</b>	<b>100.00</b>	<b>110.63</b>	<b>25.77%</b>
<i>Sales</i>	533.79	98.87	426.29	99.31	107.5	25.22%
<i>Interest revenue from financial lease</i>	0.04	0.01	0.12	0.03	(0.08)	(66.67%)
<i>Other income</i>	6.05	1.12	2.84	0.66	3.21	113.03%
<b>Total Expenses</b>	<b>(514.68)</b>	<b>(95.33)</b>	<b>(411.95)</b>	<b>(95.97)</b>	<b>(102.73)</b>	<b>24.94%</b>
<i>Cost of goods sold</i>	(451.15)	(83.56)	(353.69)	(82.40)	(97.46)	27.56%
<i>Cost of sales and distribution</i>	(40.15)	(7.44)	(35.86)	(8.35)	(4.29)	11.96%
<i>Administrative expense</i>	(23.38)	(4.33)	(22.4)	(5.22)	(0.98)	4.38%
<b>Operating Profit</b>	<b>25.2</b>	<b>4.67</b>	<b>17.3</b>	<b>4.03</b>	<b>7.90</b>	<b>45.66%</b>
Profit from investments in associates or joint ventures using the equity method	-	-	0.30	0.07	<b>(0.30)</b>	(100.00%)
Financing cost	(3.19)	(0.59)	(2.01)	(0.46)	(1.18)	58.71%
Corporate income tax	(5.08)	(0.94)	(4.05)	(0.94)	(1.03)	25.43%
<b>Net profit for the year</b>	<b>16.93</b>	<b>3.14</b>	<b>11.54</b>	<b>2.69</b>	<b>5.39</b>	<b>46.71%</b>

Note: 1. Determined using profit belonging to owners of the parent divided by weighted average number of shares.

Items	Unit	For the Period Ended	For the Period Ended	
		March 31, 2022	March 31, 2021	
Gross profit margin	%	15.48	17.03	
Net profit margin	%	3.17	2.71	
EPS	THB/Share	0.08	0.06	

## Revenue

In the 1st quarter of 2022 and 2021, the Company and subsidiaries has a sales revenue of THB 533.79 million and THB 426.29 million, respectively. The sales revenue of the company can be categorized into groups as follows:

Items	For the Period Ended March 31,			
	2022		2021	
	Million Baht	%	Million Baht	%
Revenue from Animal Health Products	115.09	21.56	129.55	30.39
Revenue from Nutrition Products	113.07	21.18	76.61	17.97
Revenue from Diagnostic Products	118.60	22.22	71.17	16.70
Revenue from Ingredient Products	94.42	17.69	60.46	14.18
Revenue from Complete Feed Products	83.17	15.58	88.37	20.73
Revenue from Other Product <sup>1</sup>	9.44	1.77	0.13	0.03
<b>Total Sales</b>	<b>533.79</b>	<b>100.00</b>	<b>426.29</b>	<b>100.00</b>

**Note:** 1. Other product composes of animal incinerator.

Sales revenue for the 1st quarter of 2022 increased by THB 107.50 million or 25.22% from the 1st quarter of previous year, the increasing coming from 3 main product groups, Diagnostic, Nutrition and Ingredients products. The Diagnostic group has the highest sales revenue increasing with THB 47.43 million from the strong domestic demand of ASF test kits for screening test to reduce the risk of ASF infection and disease control. The rising sales revenue of Nutrition and Ingredients products by THB 36.46 million and THB 33.96 million consecutively came from the demand rising due to the Logistic-related product shortages and market recovery from ASF pandemic. Moreover, the Company had increased revenue from the intragrated farm which were high potential clients.

### **Gross Profit**

In the 1st quarter of 2022, the gross profit margin increased by THB 10.05 million or 13.84% from the previous year. Gross profit margin however slightly fell to 15.48% as profit margin from Animal Health Products slightly decreased. With global Covid-19 pandemic and stringent state measures to curb the domestic outbreak, this has caused domestic economic slowdown. However, the Company had increased revenue from Ingredient Products with quite low profit margin.

### **Other Revenue**

Other revenue for the 1st quarter of 2022 increased by THB 3.48 million or 105.68% from the previous year as the result the Company gain on sale of assets amounted to THB 1.41 million.

### **Cost of Sales and Distribution**

Cost of sales and distribution for the first quarter of 2022 increased by THB 4.29 million or 11.96% from the previous year. Most Cost of sales and distribution vary according to sales. The major cost of sales and distribution are salary, bonus, sales staff's commission increased by THB 2.20 million. Travel and vehicle expense which increased by THB 1.15 million and sales promotion increased by THB 0.52 million.

### **Administrative Expense**

Administrative expense for the first quarter of 2022 increased by THB 0.98 million or 4.37% from the previous year. Increment were mostly incurred from salary and the salary base adjustment. In addition, there was an increase in the number of employees following the expansion of the business, Director's remuneration and other administrative expense.

### **Net Profit**

Net profit for the period ended March 31, 2021 and 2022 was THB 11.54 million and THB 16.93 million respectively, representing a respective net profit margin of 2.69% and 3.14%. Net profit margin for the first quarter of 2022 improved from the previous year due mainly to sales revenue increasing by 25.22% while the Cost of sales and distribution and the Administrative expense increased by 11.96% and 4.38% respectively (expense less increasing compare to the sales revenue growth) as a result, the improving operating profit margin of the company.

### Statement of Financial Position

Statement of Financial Position		Statement of Financial Position as of:					
		March 31, 2022		December 31, 2021		Change Increase / (Decrease)	
		Million Baht	%	Million Baht	%	Million Baht	%
Total Assets		961.55	100.00	919.11	100.00	42.44	4.62
Total Liabilities		765.54	79.70	652.28	70.97	113.26	17.36
Total Shareholders' Equity		196.01	20.30	266.82	29.03	(70.81)	26.54
Items	Unit	March 31, 2022		December 31, 2021			
Current Ratio	X	1.04		1.19			
ROE	%	29.27		28.61			
Debt-to-Equity	X	3.91		2.44			

### Financial Position

#### Total Assets

Total assets as of March 31, 2022 rose by THB 42.44 million or 4.62% from the end of 2021 due to increase in cash and cash equivalents and inventory for sale.

#### Total Liabilities

Total liabilities as of March 31, 2022 rose by THB 113.25 million or 17.36% from the end of 2021 due mainly to increase in accrued dividend.

#### Shareholders' Equity

Shareholders' equity as of March 31, 2022 decreased by THB 70.81 million or 26.54% from the end of 2021 due mainly to dividend announcement and increase in the Company's retained earnings.

Please be informed accordingly.

Yours sincerely,

- Dhanawat Khongjaroensombat -

(Mr. Dhanawat Khongjaroensombat)

Chief Executive Officer