

Executive Summary

i-Tail Corporation Public Company Limited (“i-Tail” or “the Company”) is one of the leading original equipment manufacturers (“OEMs”) in the wet pet food category and were ranked the second largest pet food company in Asia and one of the top 10 globally by annual revenue in 2021 by www.petfoodindustry.com. We manufacture and sell mainstream to premium quality pet food and treats for cats and dogs made from premium ingredients, primarily fish and chicken. We offer a wide array of appearances and textures of pet food products that come in a variety of forms and packaging sizes, and formats. We believe we have one of the largest portfolios of wet pet food products as compared to other OEM manufacturers of wet pet food products. We have over 435 customers worldwide in 45 countries. Apart from OEM, we also sell our pet food and pet treat products under our own brand names, includes Bellotta, Marvo, ChangeTer, Calico Bay and Paramount.

We manufacture our wet pet food products in two manufacturing plants with a total production capacity of 1,27,515 metric tons of finished products per year, as of December 31, 2021. We are in the process of constructing a new plant in the same area as our Samut Sakhon plant, which is expected to be completed and to commence commercial production in the third quarter of 2023.

About us

SET symbol: ITC

Market: SET

Sector: Food & Beverage

Registered & paid-up capital:
THB 3,000mn

Par value: THB 1

Shareholders, as of Dec 9, 2022:
Thai Union Group Plc. (“TU”) 78%,
Others 22%

Head office: Bangkok

Production plant locations:
Samut Sakhon province and
Songkhla province

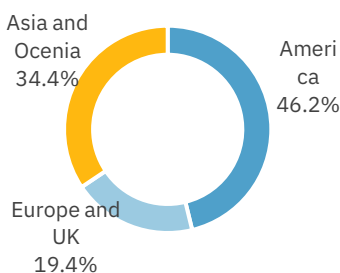
Website: www.i-Tail.com

IR: Ms Neroli Goldman (Lina)

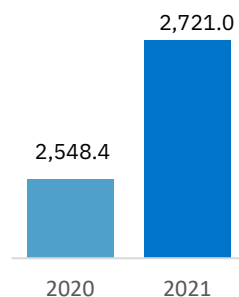
Email: itail_ir@thaiunion.com

Summary of 2021 pro forma financial information

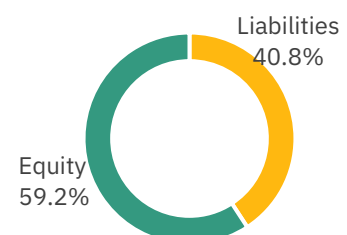
Pro forma sales
THB 14,529mn



Pro forma net profit
THB 2,721mn



Pro forma financial position
Assets THB 11,509mn



Industry Outlook

The global pet food market growth during 2016 and 2021 was at a CAGR of 5.5 to 5.8%, and with strong momentum, it is expected to grow at a CAGR of 7.1% from 2021 to 2026. With the ability to offer a wide array of pet food products tailored to customers' requirements, we are well-positioned to benefit from the humanization trend where pets have been treated as family members become increasingly popular. With the trend, pet owners are willing to pay a premium price for more functional and nutritious food, especially pet food that has the same appearance as human food. The other trend driving pet adoption is the increase of single households and childfree families.

Cat food and dog food markets in the USA, Europe (including the UK), China and Japan show signs of strong and robust growth, according to Frost & Sullivan, details in the table below. Considering that we are currently operating and distributing our products in those major markets, we are well-positioned to benefit from the strong and robust growth in those global markets.

	USA	Europe (including the UK)	China	Japan
2021 market size of cat food and dog food	USD 38,000mn	USD 16,100mn	USD 8,900mn	USD 4,600mn
Expected CAGR ¹ in 2021 to 2026	5.6%	2.9%	19.8%	2.1%

Our Sustainability Performance

i-Tail has the policy to operate our business in accordance with sustainable development guidelines by emphasizing the importance of the Environment, Society and Good Governance (ESG). As part of Thai Union Group, we have also adopted Thai Union's SeaChange® sustainability strategy that aims to drive positive change in the seafood industry. SeaChange® is organized into 4 programs: Safe & Legal Labor, Responsible Operation, Responsible Sourcing, and People & Communities.

In 2021, we had measurable sustainability performances, such as: -

- 1) Using Biomass Boiler with wood chips as fuel instead of fuel oil at the Songkhla production plant, reducing CO₂-eq² by more than 10,000 tons per year.
- 2) In 2021, a 1-megawatt solar rooftop was installed at the Songkhla production plant, reducing CO₂-eq by more than 600 tons per year.

Abbreviations referenced to related companies in this document

APC	- Asian-Pacific Can Co., Ltd., operates in the sales and manufacturing of packaging products in Thailand.
TUM	- Thai Union Manufacturing Co., Ltd., operates in selling and manufacturing seafood and pet food in Thailand.
YCC	- Yueh Chyang Canned Food Co., Ltd., a registered company operating a canned tuna and seafood business in Vietnam.
ITA	- i-Tail Americas Inc., a subsidiary that is a Holding Company in the USA.
USPN	- US Pet Nutrition, LLC., a subsidiary that operates in sales and import premium pet food in the USA

¹ a compounded annual growth rate

² CO₂-eq = carbon dioxide equivalent

2021 Financial Performance

The explanation of the following Financial Performance will be divided into 2 parts

1 Discussion and Analysis of 2021 Financial Information

are based on our 2021 Audited Consolidated Financial Statements, ending December 31, 2021. The summary recognizes the effect of the acquisition of a subsidiary as a business combination under common control as if the business combination had occurred since January 1, 2020.

2 Discussion and Analysis of 2021 Pro Forma Consolidated Financial Information

is to illustrate the effect of certain events or transactions entered into in connection with the Restructuring, as if such events or transactions had taken place on January 1, 2019.

Please see appendix 1 for Significant Assumptions Used in Compiling the Pro Forma Consolidated Financial Information.

1. Discussion and Analysis of 2021 Financial Information



Our Audited Consolidated Financial Statements for the year ended December 31, 2021, present the restated comparative consolidated financial information for the year ended December 31, 2020, which was translated to reflect the effects of an entity acquired from a business combination under common control from January 1, 2020 in accordance with TFRS. Accordingly, such comparative restated financial information for the year ended December 31, 2020 differs from the original historical Audited Consolidated Financial Statements for the year ended December 31, 2020 (not adjusted to give effect to the foregoing). In addition, we undertook certain business restructuring transactions, completed between December 2021 and February 2022. We did not restate the comparative financial information for the years ended December 31, 2020 for such transactions and did not reflect such business restructuring in the audited consolidated financial statements as of and for the year ended December 31, 2021.

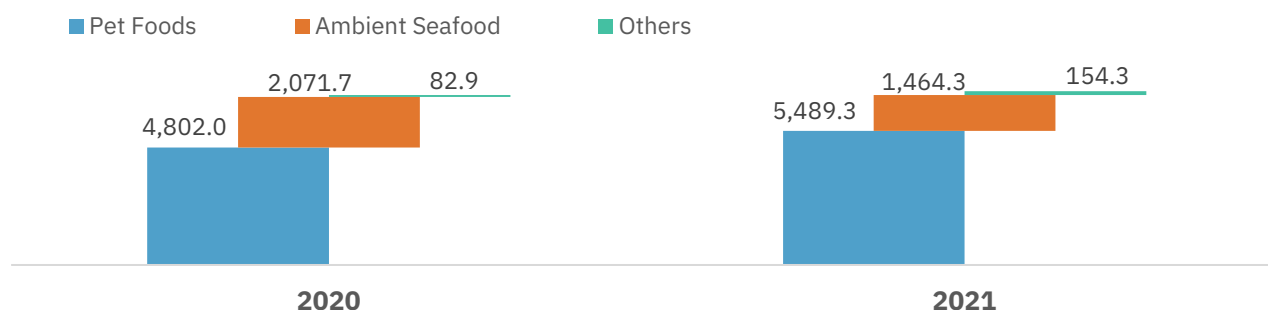




Income Statement

	2021		2020 (restated)		Changes	
	THB mn	%	THB mn	%	THB mn	%
Sales	7,107.9	100.0	6,956.6	100.0	151.3	2.2
Cost of Sales	6,043.1	85.0	5,377.9	77.3	665.2	12.4
Gross profit	1,064.8	15.0	1,578.7	22.7	(513.9)	(32.6)
Other income	84.3	1.2	75.9	1.1	8.4	11.1
Profit before expenses	1,149.1	16.2	1,654.6	23.8	(505.5)	(30.6)
Selling expenses	210.1	3.0	173.1	2.5	37.0	21.4
Administrative expenses	370.1	5.2	403.9	5.8	(33.8)	(8.4)
Reversal of (loss from) impairment of financial assets, net	(12.1)	(0.2)	22.8	0.3	(34.9)	(153.1)
Other gains (losses), net	142.2	2.0	14.9	0.2	127.3	854.4
Operating profit	699.0	9.8	1,115.3	16.0	(416.3)	(37.3)
Finance costs	24.7	0.3	26.3	0.4	(1.6)	(6.1)
Profit before income tax	674.3	9.5	1,089.0	15.7	(414.7)	(38.1)
Income tax	19.7	0.3	(10.2)	(0.1)	29.9	(293.1)
Profit for the periods from continuing operations	694.0	9.8	1,078.8	15.5	(384.8)	(35.7)
Profit for the period from discontinued operations	881.9	12.4	766.0	11.0	115.9	15.1
Profit for the periods	1,575.9	22.2	1,844.8	26.5	(268.9)	(14.6)

Sales



We generate sales primarily from the sale of our pet food products, ambient seafood products and from other businesses, which comprise sales of plant-based products, by-products from our seafood raw materials and packaging products.

In 2021, the revenue from sales were THB 7,107.9mn, an increase of THB 151.3mn or an increase of 2.2% from THB 6,956.6mn in 2020 primarily due to an increase in our sales volume driven by an increase in customer demand, the growth of our distribution channel and our introduction of new products.



The increase in sales was also attributable to the increase in our product price and the greater mix of premium products.

Revenue from sales of pet food products in 2021 was THB 5,489.3mn, an increase of THB 687.3mn or 14.3% from THB 4,802.0mn in 2020 primarily due to an increase in the demand for pet food as more people adopted pets during the COVID-19 pandemic and an increase in customer demand, which was partly driven by our introduction of new products for the United States market. The increase in sales was also attributable to the increase in the price of our pet food products on account of the increase in the cost of raw materials and inputs, and the greater mix of premium products.

In particular, 1) sales of wet cat food increased mainly due to high demand from the United States and European markets; 2) Sales of wet dog food increased mainly due to increased demand from the United States market; 3) Meanwhile, sales of pet treats increased mainly due to increased demand from global brands in the United States and the humanization trend whereby people use pet treats for enhanced engagement and participation with their pets.

Revenue from sales of ambient seafood in 2021 was THB 1,464.3mn, a decrease of THB 607.4mn, or 29.3%, from THB 2,071.7mn in 2020, primarily due to a reduction in the sales volume of ambient seafood, attributable to the temporary shutdown of our Songkhla plant in June 2021 after workers at the plant tested positive for COVID-19, which lowered production and sales volume. In addition, we are in the process of phasing out our ambient seafood business to focus on our pet food business.

Revenue from sales of others in 2021 was THB 154.3mn, an increase of THB 71.4mn, or 86.1%, from THB 82.9mn in 2020, primarily due to an increase in sales of our plant-based products for humans by up to THB 57.2mn and an increase in sales of fish scraps, by-products from seafood raw materials and other products.

Cost of Sales

Cost of sales in 2021 was THB 6,043.1mn, an increase of THB 665.2mn, or 12.4%, from THB 5,377.9 mn in 2020, primarily due to an increase in sales orders, the price of commodities, such as metal, which drove up packaging costs, as well as an increase in freight costs which translated to higher costs for imported raw material and ingredients. We also experienced higher employment expenses in the form of quarantine and medical expenses for workers that tested positive for COVID-19.

Gross profit

The gross profit in 2021 was THB 1,064.8mn, a decrease of THB 513.9mn, or 32.6%, from THB 1,578.7mn in 2020. As a result, our gross profit margin in 2021 decreased to 15.0% from 22.7% in 2020. The decrease in gross profit was primarily due to the voluntary shutdown of our Songkhla manufacturing plant for two weeks in June 2021 after workers at the plant tested positive for COVID-19. The shutdown resulted in lower production as well as higher employment expenses in the form of, among others, hotel quarantine expenses, medical expenses for workers that tested positive for COVID-19 and vaccination expenses.

Other income

Other income of the Company primarily includes income from compensation on customs duties and taxes (“tax coupon”), which is a subsidy from the government to compensate for customs duty paid on imported raw materials and supplies used in the production of our exported products, in addition to claims revenues received from customers and interest income.



Our other income in 2021 was THB 84.3mn, an increase of THB 8.4mn, or 11.1%, from THB 75.9mn in 2020, primarily due to an increase in tax coupons, attributable to the increase in export sales, as well as an increase in refunds of disposal raw material and packaging costs received from customers for the discontinuation of such products.

Selling expenses

Selling expenses primarily comprise marketing and advertising expenses, sales commissions paid to brokers and importers in relation to the sales of OEM products, export expenses such as freight, shipping, handling and warehousing expenses, management fee expenses relating to marketing services provided by TUM, personnel costs in relation to marketing sales personnel, depreciation and amortization expenses in relation to furniture, fixtures, computers and office equipment.

Selling expenses in 2021 were THB 210.1mn, an increase of THB 37.0mn, or 21.4%, from THB 173.1mn in 2020, primarily driven by an increase in sales commission paid to brokers and importers in relation to the increase in sales and an increase in export expenses and freight costs.

Administrative expenses

Our administrative expenses primarily comprise depreciation and amortization expenses related to our plant and equipment, administrative personnel costs and management fee expenses relating to administrative services provided by Thai Union.

Our administrative expenses in 2021 were THB 370.1mn, a decrease of THB 33.8mn, or 8.4%, from THB 403.9mn in 2020, primarily driven by the payment of penalties and duties on soya bean oil imported for use in our ambient seafood business in 2015, with such penalties being paid in 2020, in the amount of THB 87.0mn, which resulted in higher administrative expenses in 2020.

Other gains, net

Other gains, net in 2021 were THB 142.2mn, an increase of THB 127.3mn from THB 14.9mn in 2020, primarily driven by a gain on foreign exchange rates.

EBITDA

Our EBITDA is calculated as profit (loss) for the period, plus income taxes, finance costs and depreciation and amortization expenses. In 2021, we recorded the EBITDA from continuing operations of THB 934.6mn, a decrease of 30.6% from EBITDA from continuing operations of THB 1,346.7mn in the year 2020, primarily due to a decrease in profit for the period as the COVID-19 pandemic caused an increase in cost of sales exceeding the growth in sales, while the temporary closure of our Songkhla plant in June 2021 gave rise to additional expenses.

Finance costs

Our finance costs comprise interest expenses, interest expenses from lease liabilities and other finance costs. In 2021, the financial costs were THB 24.7mn, as compared to finance costs of THB 26.3mn in 2020. This is largely attributable to the refinancing of loans from banks into loans from Thai Union which are subject to lower interest rates and a partial repayment of a loan from Thai Union in 2021 which reduced our interest expenses.



Income tax

In 2021, we had income tax benefits from deferred tax assets of THB 19.7mn in 2021, as compared to tax expenses of THB 10.2mn in 2020.

Profit for the year

As a result of the foregoing factors, our profit for the year 2021 was THB 1,575.9mn, a decrease of THB 268.9mn, or 14.6%, from THB 1,844.8mn in 2020. Our profit for the year 2021 comprised profit for the period from continuing operations of THB 694.0mn, a decrease of THB 384.8mn, or 35.7%, from THB 1,078.8mn in 2020, due to a decrease in gross profit margin driven by the voluntary shutdown of our Songkhla manufacturing plant after workers at the plant tested positive for COVID-19 and an increase in higher employment expenses in relation to such event, as well as an increase in selling expenses due to higher sales commissions and export expenses.

Statements of Financial Position

	December 31, 2021		December 31, 2020 (restated)		Changes	
	THB mn	%	THB mn	THB mn	%	THB mn
Assets						
Cash and cash equivalents	3.3	0.02	21.6	0.2	(18.3)	(84.7)
Trade and other receivables, net	1,089.9	7.3	2,248.1	21.7	(1,158.2)	(51.5)
Inventories, net	3,844.6	25.7	3,706.6	35.8	138.0	3.7
Assets of disposal groups classified as held-for-sale from discontinued operations	4,894.6	32.9	-	-	4,894.6	100.0
Property, plant and equipment, net	4,171.4	27.9	3,855.0	37.2	316.4	8.2
Other assets	929.9	6.2	533.5	5.1	396.4	74.3
Total assets	14,933.7	100.0	10,364.8	100.0	4,568.9	44.1
Liabilities						
Bank overdrafts and loans from financial institutions	-	-	2,400.8	23.2	(2,400.8)	(100.0)
Loans from related parties	772.6	5.2	1,572.0	15.2	(799.4)	(50.9)
Trade and other payables	4,356.3	29.2	1,429.2	13.8	2,927.1	204.8
Liabilities of disposal groups classified as held-for-sale from discontinued operations	4,705.5	31.5	-	-	4,705.5	100.0
Other liabilities	767.9	5.1	638.9	6.2	129.0	20.2
Total liabilities	10,602.3	71.0	6,040.9	58.3	4,561.4	75.5
Equity	4,331.4	29.0	4,323.9	41.7	7.5	0.2
Total liabilities and equity	14,933.7	100.0	10,364.8	100.0	4,568.9	44.1



2021 Financial Statements



2021 Pro forma Financial Information

Total assets

As of December 31, 2021 had total assets of THB 14,933.7mn, increased from December 31, 2020, primarily driven by an increase in property, plant and equipment as we purchased additional machinery to support our business growth, including purchasing property, plant and equipment for the Samut Sakhon plant, in relation to the acquisition of the pet food business from TUM.



Cash and cash equivalents

Our cash and cash equivalents primarily comprise cash on hand and current and savings accounts. As of December 31, 2021, we had cash and cash equivalents of THB 3.3mn, decreased from the outstanding as of December 31, 2020, because of the cash payments made to repay short-term loans and the dividends paid to our shareholders net of the cash from operation during the period.

Trade and other receivables, net

Our trade and other receivables, net primarily comprise net trade receivables and other receivables, as well as prepaid expenses, tax coupons and advance payments. The credit terms of a majority of our trade receivables were 30 days to 60 days.

As of December 31, 2021, the Company had trade and other receivables, net of THB 1,089.9mn, a decreased of THB 1,158.2mn from THB 2,248.1mn as of December 31, 2020, primarily attributable to an increase in the collection of accounts receivables and the disposal of YCC and the reclassification of APC as held-for-sale from discontinued operations.

Inventories, net

Our inventories, net comprise finished goods, work in process, raw materials, ingredients and packaging, goods in transit and spare parts and supplies.

As of December 31, 2021, the Company had inventories, net amounting to THB 3,844.6mn, an increase of THB 138.0mn from THB 3,706.6mn as of December 31, 2020. The increase in inventories, net was aligned with the increase in sales, as well as the acquisition of finished goods from TUM as part of our acquisition of TUM's pet food business. This was partially offset by the disposal of YCC and the reclassification of APC as held-for-sale from discontinued operations which reduced inventories.



Assets and Liabilities as disposal groups classified as held-for-sale from discontinued operations

On August 6, 2021, our Board of Directors passed a resolution approving the restructuring of the business and operations of our Company, including the disposal of investments in two of our subsidiaries, APC and YCC, to a related company under common control with Thai Union. The sale of YCC was completed in December 2021, while the sale of APC was completed in February 2022.

As a result of the restructuring, we reclassified APC's assets and liabilities as assets and liabilities of disposal groups classified as held-for-sale from discontinued operations in the consolidated statement of financial position as of December 31, 2021. The operating results of YCC and APC for the years ended December 31, 2020 and 2021 have been reported as profit from discontinued operations in the consolidated statement of comprehensive income.

As of December 31, 2021, the Company had assets and liabilities as disposal groups classified as held-for-sale from discontinued operations of THB 4,894.6mn and THB 4,705.5mn respectively.

Property, plant, and equipment

As of December 31, 2021, the Company had property, plant, and equipment, net of THB 4,171.4mn, increased THB 316.4mn from THB 3,855.0mn as of December 31, 2020, primarily attributable to our purchase of additional machinery to support the expansion of our business, as well as the machinery and equipment transferred to us from TUM as part of the business restructuring, partly offset by a decrease in property, plant and equipment, net due to the disposal of YCC and the reclassification of APC as held-for-sale from discontinued operations.

Other assets

Other assets primarily comprise VAT refunds, prepaid income tax, unamortized discounts, net-deferred tax assets, advance payments for purchases of construction and equipment, deposits and guarantees, the amount due from a company under common control, right-of-use assets, computer programs and software and derivative assets. Our derivative assets are held for economic hedging purposes and not as speculative investments. Derivative assets are recorded when we have unrealized gains on fair value adjustments on derivatives that are not due.

As of December 31, 2021, the Company had other assets of THB 929.9mn, an increase of THB 396.4mn from THB 533.5mn as of December 31, 2020, primarily due to the increase in the short-term loans to a related party, amount of THB 555.7mn and the prepayments received from TUM to cover its employee benefit obligations to employees who were transferred to us upon their retirement. This was partially offset by the decreasing of other assets from the disposal of YCC and the reclassification of APC as held-for-sale from discontinued operations.

Total liabilities

As of December 31, 2021, the Company had total liabilities of THB 10,602.3mn, an increase of THB 4,561.4mn from THB 6,040.9mn as of December 31, 2020. The increase in the total liabilities was primarily attributable to an increase in trade payables from the purchase of inventories from TUM as part of the business transfer and derivative liabilities, as well as employee benefit obligations.



Bank overdrafts and loans from financial institutions and related parties

Bank overdrafts and loans from financial institutions and related parties are used as the Company's working capital. As of December 31, 2021, the Company did not have an outstanding loan from financial institutions as we have the refinancing of short-term loans from financial institutions with short-term loans from Thai Union. The decrease in the outstanding amount was also attributable to the repayment of certain loans from Thai Union and the disposal of YCC and the reclassification of APC as held-for-sale from discontinued operations.

Trade and other payables

As of December 31, 2021, the Company had trade and other payables of THB 4,356.3mn. The increase was primarily attributable to an increase in trade payables and fixed asset payables in relation to our acquisition of TUM's pet food business.

Other liabilities

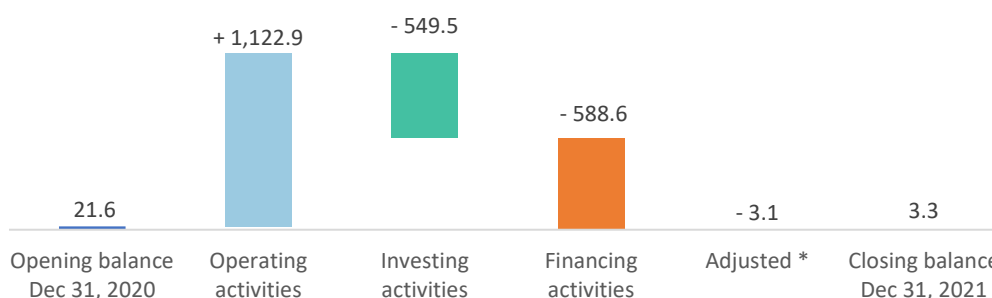
Other current liabilities mainly comprise withholding tax payable, income tax payable, derivative liabilities, net-lease liabilities, employee benefit obligations, refundable deposits placed by our contractors in relation to the installation of high-value machinery equipment and the construction of our facilities to guarantee their performance and down payments received from customers.

At the end of 2021, the Company had other current liabilities of THB 767.9mn, an increase of THB 129.0mn from THB 638.9mn at the end of 2020. The increase was primarily due to the increase in the size of our workforce, particularly in 2021, partly as a result of a transfer of personnel from TUM in December 2021 and the longer years of service of our existing staff.

Equity

As of December 31, 2021, the Company had equity of THB 4,331.4mn, an increase of THB 7.5mn from THB 4,323.9mn. The increase was primarily due to an increase in profit for the year and an increase in other comprehensive income, partially offset by a dividend payment in 2021.

Cash Flows



* Adjusted the value of net assets of the disposal group classified as held-for-sale from discontinued operations and exchange gain on cash and cash equivalents



As of December 31, 2021, the Company had a closing balance of cash and cash equivalents of THB 3.3mn, a decrease of THB 18.3mn from THB 21.6mn at the end of 2020. The details of the activities were as follows: -

Our net cash receipts from operating activities were THB 1,122.9mn, consisting of net cash receipts from operating activities of continuing operations of THB 602.3mn and net cash receipts from operating activities of discontinued operations of THB 520.6mn.

Our net cash payments for investing activities were THB 549.5mn, primarily consisting of THB 555.7mn in net cash payments for short-term loans to related parties, THB 380.9mn paid for purchases of property, plant and equipment, and THB 267.8mn in cash payment for business combination under common control, partially offset by net cash receipts from investing activities from discontinued operations of THB 654.2mn.

Our net cash payments for financing activities was THB 588.6mn, consisting of net cash payments for financing activities from continuing operations of THB 2,248.0mn and net cash receipts from financing activities from discontinued operations of THB 1,659.4mn.

2. Discussion and Analysis of 2021 Pro Forma Consolidated Financial Information



The objective of the pro forma consolidated financial information is to illustrate how certain completed transactions and events might have affected the unadjusted consolidated financial information had they occurred at January 1, 2019. Pro forma consolidated financial information does not represent an entity's actual financial position or results. It addresses a hypothetical situation and is prepared for illustrative purposes only. There is no independent examination of any of the underlying financial information, including the adjustments to our accounting policies, nor of the pro forma assumptions used as the basis of the adjustments to the pro forma consolidated financial information. Our historical results do not necessarily indicate results expected for any future periods. Our pro forma results have been compiled on the basis of certain assumptions for illustrative purposes only.

Our Pro Forma Consolidated Financial Information included elsewhere in this Offering Circular have been prepared in accordance with TSAE 3420 procedures and TFRS, including the guidelines promulgated by the Federation of Accounting Professions of Thailand. TFRS varies in certain significant respects from IFRS.

The pro forma consolidated financial information is based on our pro forma consolidated statements of comprehensive income, our pro forma consolidated statements of financial position and our pro forma consolidated statements of cash flows. The assumptions underlying the Pro Forma Consolidated Financial Information are described in the appendix 1, at end of this document.



Pro forma statement of comprehensive income

Pro Forma Year Ended December 31, 2021 Compared with Pro Forma Year Ended December 31, 2020

The pro forma data reflects the impact of the Transactions having occurred prior to each period.

	2021		2020		Changes	
	THB mn	%	THB mn	THB mn	%	THB mn
Sales	14,528.7	100.0	12,224.2	100.0	2,304.5	18.9
Cost of sales	11,172.7	76.9	9,048.2	74.0	2,124.5	23.5
Gross profit	3,356.0	23.1	3,176.0	26.0	180.0	5.7
Other income	120.6	0.8	132.3	1.1	(11.7)	(8.8)
Profit before expenses	3,476.6	23.9	3,308.3	27.1	168.3	5.1
Selling expenses	463.2	3.2	305.7	2.5	157.5	51.5
Administrative expenses	518.3	3.6	393.5	3.2	124.8	31.7
Other gain (loss), net	285.4	2.0	3.1	0.03	282.3	9,106.5
Operating profit	2,780.5	19.1	2,612.2	21.4	168.3	6.4
Finance costs	31.8	0.2	36.7	0.3	(4.9)	(13.4)
Profit before income tax	2,748.7	18.9	2,575.5	21.1	173.2	6.7
Income tax	27.7	0.2	27.1	0.2	0.6	2.2
Profit for the periods	2,721.0	18.7	2,548.4	20.8	172.6	6.8

Pro forma sales

In 2021, we recorded total pro forma sales of THB 14,528.7mn, an increase of THB2,304.5mn, or 18.9%, from THB12,224.2mn in 2020, primarily due to an increase in the demand for humanized pet food and premium pet food in the global market attributable to an increase in the pet population boosted by more home-centric lifestyles during the COVID-19 pandemic, as well as our customers' expansion of their product line-up to include additional products from us. The increase in pro forma sales was also attributable to the increase in our average selling prices of pet food products, driven by price adjustments made to account for increases in input costs and a greater mix of premium products .

Pro forma cost of sales

In 2021, the Company's pro forma cost of sales was THB 11,172.7mn, an increase of THB 2,124.5mn, or 23.5%, from THB 9,048.2mn in 2020, primarily due to increased purchases of raw materials to meet the increase in customer orders, the increased cost of imported raw materials, ingredients and USPN's imported finished goods for sale due to higher freight costs as a result of the supply chain disruption caused by the COVID-19 pandemic, and the increased packaging costs attributable to the increase in the price of commodities, such as metal. We also experienced higher employment expenses as a result of COVID-19 pandemic in the form of hotel quarantine expenses and medical expenses for daily workers that test positive for COVID-19 and vaccination expenses, among others, amounting to approximately THB 91.0mn.



Pro forma gross profit

In 2021, the Company's pro forma gross profit was THB3,356.0mn, an increase of THB 180.0mn, or 5.7%, from THB 3,176.0mn in 2020, due to an increase in our pro forma total sales by 18.9%. Our gross profit margin decreased from 26.0% in 2020 to 23.1% in the year 2021. Such decrease was attributable to the higher cost of imported raw materials and ingredients as a result of the COVID-19 pandemic and the increase in employment expenses.

Pro forma other income

In 2021, the Company had pro forma other income of THB 120.6mn a decrease of THB11.7mn, or 8.8%, from THB 132.3 mn in 2020, primarily due to a decrease in the compensation for taxes and duties on exported goods (tax coupons), attributable to a decrease in the applicable compensation rate from 1.4% in 2020 to 1.1% in 2021.

Pro forma selling expenses

In 2021, the Company had pro forma selling expenses of THB 463.2mn, an increase of THB 157.5mn, or 51.5%, from THB305.7mn in 2020, primarily driven by an increase in export expenses in 2021, including significantly higher maritime transport expenses and freight costs, in relation to certain export orders for which we are responsible for such expenses, by 81.7% from THB 124.9mn in 2020 to THB 227.0mn in 2021 as a result of the shortage in shipping containers during the COVID-19 pandemic and the higher cost of fuel. The pro forma revenue generated from customer orders where we are responsible for export expenses is approximately 10.0% to 12.0% of our total pro forma sales for each of the years ended December 31, 2020 and 2021. The increase in pro forma selling expenses was also attributable to an increase in sales commission paid to brokers and importers and an increase in personnel costs due to an increase in the number of employees to expand our sales team and customer development functions to support future business expansions.

Pro forma administrative expenses

In 2021, the Company had pro forma administrative expenses of THB 518.3mn an increase of THB124.8mn, or 31.7%, from THB393.5mn in 2020, primarily driven by one-time expenses incurred in relation to business preparing for the business restructuring and the Combined Offering, including professional advisor fees, legal fees and auditor fees, among others, business consulting fees for one of our business strategy projects and a SAP system consultant fee in relation to the business restructuring. The increase was also attributable to an increase in staff welfare from an adjustment to employee retirement benefits and the welfare for staff as a result of the COVID-19 pandemic.

Pro forma other gains, net

In 2021, the Company had net-pro forma other gains of THB 285.4mn an increase of THB282.3mn from THB3.1mn in 2020, primarily driven by a gain on foreign exchange rates.

Pro forma EBITDA

In the year 2021, the Company recorded pro forma EBITDA of THB 3,316.6mn, an increase of 7.3% from pro forma EBITDA of THB 3,091.8mn in 2020, primarily due to increased profit for the period attributable to



increased sales, a greater mix of high-margin products and foreign exchange rate gains, as well as an increase in our depreciation and amortization expenses arising from additional fixed assets acquired to support our business operations.

In 2021, the Company recorded pro forma adjusted EBITDA of THB3,484.4mn, an increase of THB392.6mn, or 12.7%, from the year 2020, which was in line with the change in pro forma EBITDA due to the aforementioned reasons.

Pro forma finance costs

In 2021, the Company had pro forma finance costs of THB 31.8mn, a decrease of THB 4.9 mn, or 13.4%, from THB 36.7mn in 2020 mainly due to the refinancing of bank loans into loans from Thai Union, which are subject to lower interest rates, and a partial repayment of a loan from Thai Union in 2021.

Pro forma profit for the year

In 2021, the Company had pro forma profit for the year of THB 2,721.0mn, an increase of THB 172.6mn, or 6.8%, from THB2,548.4mn in 2020. Pro forma net profit margin in 2021 was 18.7%, a decrease from 20.8% in 2020. The increase in net profit for the year 2021 was in line with the increase in sales. However, our net profit margin in 2021 decreased from that in 2020 due to a decrease in the gross profit margin and an increase in selling expenses and administrative expenses, attributable to an increase in export expenses and freight costs.

PRO FORMA FINANCIAL POSITION

Pro forma total assets

As of December 31, 2021 we had pro forma total assets of THB 11,508.5 mn, an increase of THB 755.6mn, or increased 7.0% from THB 10,752.9mn as of December 31, 2020. The increase in pro forma total assets was primarily driven by an increase in inventories in line with the increase in customer orders and the additional investment in property, plant and equipment to support our sales expansion.

Pro forma cash and cash equivalents

Our pro forma cash and cash equivalents primarily comprise cash on hand and current and savings accounts. As of December 31, 2021, the company had pro forma cash and cash equivalents of THB 702.6 mn a decrease of 1,409.0mn or 66.7% from THB 2,111.6mn as at end of 2020. The decrease was primarily attributable to cash payments made to repay short-term loans and the dividends paid to our shareholders net of the cash from operation during the period.

Pro forma trade and other receivables, net

Our pro forma trade and other receivables, net primarily comprise net trade receivables and other receivables, as well as prepaid expenses, tax coupons and advance payments. In general, the credit terms of a majority of our trade receivables are 30 days to 60 days. In 2021, the Company had average collection period 53 days.

As of December 31, 2021, we recorded the pro forma trade and other receivables, net of THB 2,162.5mn, an increase of THB 89.9 mn or increase 4.2% from 2,117.2 mn at end of 2020. The increase was primarily due to the increase in order from customers.



	December 31, 2021		December 31, 2020		Changes	
	THB mn	%	THB mn	%	THB mn	%
Assets						
Cash and cash equivalents	702.6	6.1	2,111.6	19.6	(1,409.0)	(66.7)
Trade and other receivables, net	2,207.1	19.2	2,117.2	19.7	89.9	4.2
Inventories, net	3,497.9	30.4	2,230.9	20.7	1,267.0	56.8
Property, plant and equipment, net	4,171.4	36.3	3,961.6	36.8	209.8	5.3
Other assets	929.5	8.1	331.6	3.1	597.9	180.3
Total Assets	11,508.5	100.0	10,752.9	100.0	755.6	7.0
Liabilities						
Bank overdrafts and loans from financial institutions	-	-	1,159.1	10.8	(1,159.1)	(100.0)
Loans from related parties	2,300.0	20.0	2,300.0	21.4	-	-
Trade and other payables	1,576.0	13.7	1,166.2	10.8	409.8	35.1
Other liabilities	815.0	7.1	544.7	5.1	270.3	49.6
Total Liabilities	4,691.0	40.8	5,170.0	48.1	(479.0)	(9.3)
Total Equity	6,817.5	59.2	5,582.9	51.9	1,234.6	22.1
Total liabilities and equity	11,508.5	100.0	10,752.9	100.0	755.6	7.0

Pro forma inventories, net

Our pro forma inventories primarily comprise finished goods, work in process, raw materials, ingredients and packaging, goods in transit, and spare parts and supplies

As of December 31, 2021, the Company recorded Pro forma inventories, net of THB 3,497.9 mn, an increase of THB 1,267.0 mn or 56.8% from THB 2,230.9 mn at the end of 2020. The increase was primarily due to the adjustment of our inventory reserve policy for raw materials, ingredients and packaging to prevent shortages in the supply of raw materials in light of the global shipping container shortage, as well as to support our higher sales volumes. We also purchased more sea-based raw materials due to forecasted increases in market prices.

Pro forma property, plant and equipment, net

As of December 31, 2021, the Company recorded Pro forma property, plant and equipment, net of THB 4,171.4 mn, an increase of THB 209.8 mn or 5.3% from THB 3,961.6 mn as at the end of 2020. The increase was primarily attributable to our purchase of land in 2021 and additional machinery to support the expansion of our business, as well as the construction of our new plant in the same area as our Samut Sakhon plant.



Pro forma other assets

Our pro forma other assets primarily comprise short-term loan to related parties, pro forma VAT refunds, prepaid expenses, pro forma tax coupons and advance payments, pro forma derivative assets, net-pro forma intangible assets, net-pro forma computer software, net-pro forma right-of-use assets, net-pro forma deferred tax assets, for example.

As of December 31, 2021, we had pro forma other current assets of THB 929.5mn, an increase of THB 597.9mn or 180.3% from THB 331.6mn in 2020, primarily due to the increase in the pro forma short-term loans to related party of THB 555.7mn.

Pro forma total liabilities

As of December 31, 2021, the Company recorded pro forma total liabilities of THB 4,691.0mn, a decrease of THB 479mn or 9.3% from THB 5,170.0mn as at the end of 2020, primarily attributable to a decrease in bank overdrafts and short-term loans from financial institutions.

Pro forma bank overdrafts and loans from financial institutions

As of December 31, 2021, the Company did not have an outstanding loan from financial institutions. The pro forma outstanding loans from financial institutions reduce from the pro forma outstanding loan of THB 1,159.1mn in 2020 due to the repayment of the short-term loans during the year 2021.

Pro forma current and non-current portions of long-term loans from a parent company

As of December 31, 2021, the Company recorded pro forma non-current portion of long-term loans from a parent company was THB 2,300.0mn.

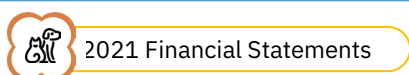
Pro forma trade and other payables

As of December 31, 2021, the Company recorded pro forma trade and other payables of THB 1,576.0mn, an increase of THB 409.8mn or 35.1% increased from THB 1,166.2mn at the end of the year 2020. The Company generally have credit terms of 30 days to 60 days for our trade payables, and our days payable outstanding was 34 days as of December 31, 2021. The increase in pro forma trade and other payables was primarily attributable to an increase in trade payables in relation to USPN due to freight payable.

Pro forma other liabilities

Our pro forma other liabilities primarily comprise pro forma income tax payable, pro forma withholding tax, pro forma derivative liabilities, pro forma refundable deposits placed by our contractors and pro forma employee benefit obligations. Our derivative assets are held for economic hedging purposes and not as speculative investments. Pro forma derivative liabilities are recorded when the Company has an unrealized loss on fair value adjustments on derivatives that are not due. Most of our derivative contracts are foreign currency forward contracts.

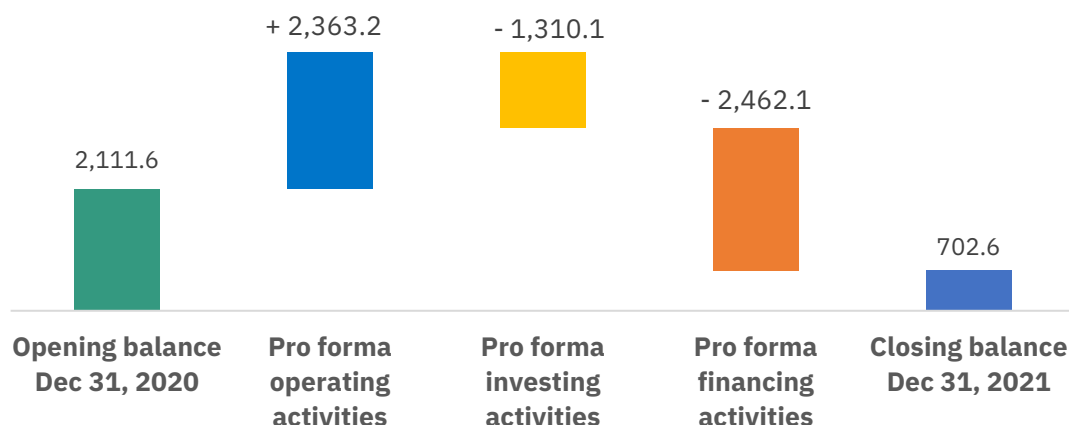
As of December 31, 2021, the Company recorded pro forma other liabilities of THB 815.0mn, an increase of THB 270.3mn or 49.6% increased from THB 544.7mn at the end of the year 2020. The increase was mainly attributed to pro forma derivative liabilities and the pro forma employee benefit obligations resulting from the transfer of employees from TUM in connection with the business restructuring.



Pro forma equity

As of December 31, 2021, the Company recorded pro forma equity of THB 6,817.5 mn, an increase of THB 1,234.6 mn or 22.1% increased from THB 5,582.9 mn at the end of the year 2020 mainly due to an increase in profit for the year and the Company restructuring.

Pro forma cash flows



As of December 31, 2021, the Company had pro forma cash and cash equivalents – ending balance of THB 702.6mn, a decrease of THB 1,409.0mn as at the end of the year 2020. The details of each activity are as follows: -

Pro forma net cash receipts from operating activities in 2021 were THB 2,363.2mn, consisting of pro forma cash flows receipts from operations of THB 2,392.5 mn, partially offset by pro forma income tax paid of THB 29.3mn

Pro forma net cash payments for investing activities in 2021 was THB 1,310.1mn, primarily consisting of THB 555.7mn in net cash payments for short-term loans to related parties and THB 753.8mn paid for purchases of property, plant and equipment.

Pro forma net cash payments for financing activities was THB 2,462.1mn, primarily consisting of dividends paid to our shareholders of THB 1,257.2mn and net cash payments for bank overdrafts and short-term loans from financial institutions of THB 1,159.1mn.



Pro forma financial ratios

	2021	2020
<u>Profitability Ratios</u>		
Gross profit margin (%) ⁽¹⁾	23.1	26.0
EBITDA margin (%) ⁽²⁾	22.6	25.0
Operating margin (%) ⁽³⁾	16.3	20.3
Net profit margin (%) ⁽⁴⁾	18.6	20.6
Return on Equity (%) ⁽⁵⁾	43.9	54.0
<u>Liquidity Ratios</u>		
Current ratio (times) ⁽⁶⁾	1.7	2.8
Quick ratio (times) ⁽⁷⁾	0.7	1.8
Days sales outstanding (days) ⁽⁸⁾	53	54
Days of inventory outstanding (days) ⁽⁹⁾	96	78
Days payable outstanding (days) ⁽¹⁰⁾	34	29
<u>Profitability Ratios</u>		
Return on assets (%) ⁽¹¹⁾	24.4	26.3
Asset turnover (times) ⁽¹²⁾	1.3	1.3
<u>Financial Policy Ratios</u>		
Debt to equity ratio (times) ⁽¹³⁾	0.7	0.9
Interest bearing debt to equity ratio (times) ⁽¹⁴⁾	0.3	0.6
Interest coverage ratio (times) ⁽¹⁵⁾	104.4	84.3

Note:

- (1) Gross profit margin is calculated as gross profit (loss) divided by sales, multiplied by 100.
- (2) EBITDA margin is calculated as EBITDA divided by total sales ⁽¹⁶⁾, multiplied by 100.
- (3) Operating margin is calculated as operating profit exclude other income and other gain (loss) divided by sales, multiplied by 100.
- (4) Net profit margin is calculated as profit (loss) for the period divided by total sales⁽¹⁶⁾, multiplied by 100.
- (5) Return on equity is calculated as profit (loss) for the period attributable to owners of the parent divided by average total shareholders' equity attributable to owners of the parent, multiplied by 100.
- (6) Current ratio is calculated as total current assets divided by total current liabilities.
- (7) Quick ratio is calculated as the combined total of cash and cash equivalents, short-term investments and trade and other receivables, net divided by total current liabilities.
- (8) Days sales outstanding is calculated as 365 divided by account receivable turnover. Account receivable turnover is calculated as sales divided by average trade receivables before allowance for losses.
- (9) Days of inventory outstanding is calculated as 365 divided by inventory turnover. Inventory turnover is calculated as cost of sales divided by average inventories.
- (10) Days payable outstanding is calculated as 365 divided by account payable turnover. Account payable turnover is calculated as the cost of sales divided by the average trade payable.
- (11) Return on assets is calculated as profit (loss) for the period divided by average total assets, multiplied by 100.
- (12) Assets turnover is calculated as total sales ⁽¹⁶⁾ divided by average total assets.
- (13) Debt to equity ratio is calculated as total liabilities divided by total shareholders' equity.

(14) Interest-bearing debt to equity is calculated as total interest-bearing debt divided by total shareholders' equity.

(15) Interest coverage ratio is calculated as EBITDA divided by finance costs.

(16) Total sales is calculated as the sum of sales and other income.

Appendix 1

Significant Assumptions Used in Compiling the Pro Forma Consolidated Financial Information

(1) Business Restructuring

In 2021, our management approved a business restructuring plan to (i) dispose of investments in certain subsidiaries to related companies under common control of Thai Union, (ii) dispose of a discontinued business relating to the manufacture and export of other ambient food, (iii) effect a business combination under common control and (iv) acquire a pet food business from a related company under common control, which can be summarized as follows.

The pro forma consolidated financial information reflects what our financial statements for the years ended December 31, 2019, 2020 and 2021 and for the nine months ended September 30, 2021 and 2022 would have been had the following transactions (collectively, the “**Transactions**”) occurred at January 1, 2019: -

- a) We entered into a share purchase agreement with Thai Union dated February 9, 2022, for the sale of all of our investments in APC, or 99.00% of the issued shares of APC, for a consideration of THB351.4 mn. The sale was completed in February 2022;
- b) We entered into a capital contribution transfer agreement with a related company under common control of Thai Union dated December 15, 2021, for the sale of all of our investments in YCC, or 100% of the issued shares of YCC, for a consideration of VND350,000.0mn (THB503.3mn). The sale was completed in December 2021;
- c) Pursuant to a resolution of our Board of Directors dated November 16, 2021 approving the discontinuation of our business of manufacturing and distributing ambient seafood products, ready-to-eat food products and plant-based human products, we have ceased the manufacture of such products as of the date of this Offering Circular, and plan to completely cease sales of such products by the end of 2022 and transfer such business to Thai Union. We have no plans to sell any assets or lay off employees in relation to the discontinued business segment because those items can be used in the Company’s operations and production;
- d) Our subsidiary, i-Tail Americas, Inc., entered into a membership interest purchase agreement dated December 31, 2021, to acquire USPN, a U.S. subsidiary under common control of Thai Union, for a consideration of US\$4.5 mn (THB170.6 mn). The acquisition was completed in December 2021; and
- e) We entered into a business transfer agreement with TUM dated December 31, 2021 to purchase its pet food business, including the Samut Sakhon plant, and acquire employees involved in such business for a consideration of THB 2,224.4mn, which is equivalent to the carrying amount of the net assets acquired, comprising property, plant and equipment, computer software and employee benefit obligations. The transfer was largely completed in December 2021, while the remaining product inventory was transferred in January 2022.

Pursuant to the aforementioned acquisitions, the Pro Forma Consolidated Financial Information contemplates our Company’s subsidiaries to include USPN and i-Tail Americas, Inc., both of which are wholly-owned subsidiaries, as well as Japan Pet Nutrition Co., Ltd., a new entity incorporated in Japan in 2021.

(2) Disposal of Investments to a Related Company Under Common Control of the Parent Company

We recognized the disposal of our investments in APC and YCC as if it had occurred since January 1, 2019 and recognized the consideration received from such disposals as part of cash flows in the divestment period in the Pro Forma Consolidated Financial Information for the year ended December 31, 2019. We did not recognize dividend income received from APC and YCC after January 1, 2019 in this Pro Forma Consolidated Financial Information.

(3) Discontinued Manufacture and Export of Other Ambient Seafood Business

We adjusted significant items relating to the discontinued ambient seafood manufacturing and export businesses to reflect such transaction in the Pro Forma Consolidated Financial Information. Items specific to the discontinued businesses were determined based on the activities related to the discontinued businesses while operational activities indirectly related to the discontinued businesses were adjusted partly on an allocation basis relating to the nature of those items and partly based on company records. The significant items adjusted in the Pro Forma Consolidated Financial Information are trade receivables, inventories, trade payables, corporate income tax payable and related business performance.

We recognized the pro forma adjustments related to the allocated operating performance of the discontinued business as if no related income and expenses of such business were included in the pro forma consolidated statement of comprehensive income for the years ended December 31, 2020 and 2021 and the nine months ended September 30, 2021 and 2022. We recognized pro forma adjustments to allocate the discontinued business' assets and liabilities on the basis described above and retained earnings arising from the operating results of the discontinued business from January 1, 2019, which is the date on which we assume the business was discontinued, until December 31, 2020 and 2021, with the remaining difference for each year recognized as cash and cash equivalents.

(4) Business Combination Under Common Control

We recognized the investment in USPN as if it had been our subsidiary since January 1, 2019. We recognized this purchase transaction as part of cash outflows in the acquisition period.

The fair value of net liabilities assumed, after netting with assets acquired in connection with the business acquisition as of January 1, 2019 is approximately THB262.8 mn. When compared to the consideration paid for the acquisition of THB146.7mn, there is a difference with business combination under common control of THB409.4 mn, which has been presented as part of other components of equity.

In compiling the Pro Forma Consolidated Financial Information, we eliminated transactions and balances between the Company and USPN incurred in the years ended December 31, 2020 and 2021. Income tax and deferred tax belonging to USPN in the Pro Forma Consolidated Financial Information are presented in line with the amounts previously recognized by USPN, without recalculation, for the years ended December 31, 2020 and 2021.

(5) Pet Food Business Acquisition From a Related Company Under Common Control

For the transfer of the pet food business from TUM, we recognized assets acquired and liabilities assumed, consisting of property, plant and equipment, computer software and employee benefit obligations at the carrying amounts as of January 1, 2019. The purchase

consideration was at the carrying amount of net assets and liabilities acquired so there was no excess arising from business combination under common control.

In addition, we adjusted significant financial items relating to the pet food business to reflect the nature of the business operation and its performance.

- a) Items specific to the pet food business were determined based on the activities directly related to such business,
- b) operating activities indirectly related to the pet food business were adjusted partly on an allocation basis relating to the nature of those items and partly based on company records.

The significant financial items adjusted in the pro forma financial statements include trade receivables, inventories, property, plant and equipment and related advance payments, computer software, trade payables, accrued expenses, unearned income, payable balances from the purchase of property, plant and equipment and other payables, employee benefit obligations and related business performance.

We recognize the pro forma adjustments related to the pet food business' operating performance as if it had been part of the pro forma consolidated statement of comprehensive income for the years ended December 31, 2020 and 2021. We recognized pro forma adjustments to allocate the pet food business' assets and liabilities on the basis described above, and retained earnings arising from the operating results of such business from January 1, 2019, which is the date the pet food business is assumed to have been acquired, until December 31, 2021, with the remaining difference for each year recognized as cash and cash equivalents in the pro forma consolidated statements of financial position.

(6) Sources of Funding and Interest Expenses

In preparing our Pro Forma Consolidated Financial Information as of and for the years ended December 31, 2020 and 2021, we assumed we would have a long-term borrowing agreement with Thai Union for a THB2,300.0mn loan with an effective date of January 1, 2019 and a repayment date of December 31, 2022, subject to an interest rate of 0.88% per annum.

These funds provide financial support for the Business Restructuring. The funding and interest expenses are recognized as if we had entered into funding agreements since January 1, 2019. Interest expenses in the pro forma consolidated statement of profit or loss for the years ended December 31, 2020 and 2021 were calculated based on the previously mentioned sources of funding, which amounted to THB20.2mn each year. The corporate income tax rate for such interest expenses was calculated using the Company's average effective tax rate for each period.

(7) Income Taxes

We have adjusted our corporate income taxes related to the Business Restructuring based on our effective tax rate and profit before tax of each period. We adjusted the income tax in the pro forma consolidated statement of comprehensive income and income tax payable in the pro forma consolidated statement of financial position. However, we have not made deferred tax adjustments because its impact is considered insignificant.

Appendix 2

Adjustments to the proforma consolidated statement of comprehensive income for the year ended December 31, 2021

Year ended December 31, 2021				
	i-Tail's separate financial statements	Pro forma adjustments	Elimination	Pro forma consolidated financial information
	THB mn	THB mn	THB mn	THB mn
Sales	6,790.3	11,197.7	(3,459.3)	14,528.7
Cost of Sales	(5,760.6)	(8,854.4)	3,442.3	(11,172.7)
Gross profit	1,029.7	2,343.3	(17.0)	3,356.0
Dividend income	2,261.5	(2,261.5)	-	-
Other income	97.0	40.9	(17.3)	120.6
Profit before expenses	3,388.2	122.7	(34.3)	3,476.6
Selling expenses	(172.2)	(291.0)	-	(463.2)
Administrative expenses	(294.6)	(241.9)	18.2	(518.3)
Other gain (loss), net	142.2	144.6	(1.4)	285.4
Gain (loss) from the disposal of investment in a subsidiary	(76.7)	76.7	-	-
Operating profit	2,986.9	(188.9)	(17.5)	2,780.5
Finance costs	(11.5)	(20.3)	-	(31.8)
Profit before income tax	2,975.4	(209.2)	(17.5)	2,748.7
Income tax	19.2	(46.9)	-	(27.7)
Profit for the year	2,994.6	(256.1)	(17.5)	2,721.0
Other comprehensive income (expenses) for the year, net of income tax	(234.1)	1.3	7.6	(225.2)
Total comprehensive income for the year	2,760.5	(254.8)	(9.9)	2,495.8

Appendix 3

Adjustments to the pro forma consolidated statement of comprehensive income for the year ended December 31, 2020

	Year ended December 31, 2020			
	i-Tail's separate financial statements	Pro forma adjustments	Elimination	Pro forma consolidated financial information
	THB mn	THB mn	THB mn	THB mn
Sales	6,799.3	7,074.6	(1,649.7)	12,224.2
Cost of Sales	(5,413.4)	(5,291.2)	1,656.4	(9,048.2)
Gross profit	1,385.9	1,783.4	6.7	3,176.0
Dividend income	85.2	53.3	(6.2)	132.3
Other income	1,471.1	1,836.7	0.5	3,308.3
Profit before expenses	(102.9)	(202.8)	–	(305.7)
Selling expenses	(337.6)	(62.1)	6.2	(393.5)
Administrative expenses	14.9	(3.9)	(7.9)	3.1
Other gain (loss), net	1,045.5	1,567.9	(1.2)	2,612.2
Gain (loss) from the disposal of investment in a subsidiary	(11.0)	(25.7)	–	(36.7)
Operating profit	1,034.5	1,542.2	(1.2)	2,575.5
Finance costs	(10.2)	(16.9)	–	(27.1)
Profit before income tax	1,024.3	1,525.3	(1.2)	2,548.4
Income tax	69.8	(1.2)	1.3	69.9
Profit for the year	1,094.1	1,524.1	0.1	2,618.3

Appendix 4

Forma financial position

	December 31, 2020		December 31, 2021	
	THB	%	THB	%
Assets				
Current assets				
Cash and cash equivalents	2,111.6	19.6	702.6	6.1
Trade and other receivables, net	2,117.2	19.7	2,207.1	19.2
Short-term loans to related party	-	-	555.7	4.8
Inventories, net	2,230.9	20.7	3,497.9	30.4
Derivative assets	80.6	0.8	6.5	0.1
Other current assets	34.4	0.3	65.1	0.5
Total current assets	6,574.7	61.1	7,034.9	61.1
Non-current assets				
Property, plant and equipment, net	3,961.6	36.8	4,171.4	36.3
Right-of-use assets, net	18.6	0.2	31.7	0.3
Computer software, net	9.8	0.1	8.8	0.1
Derivative assets	-	-	2.0	0.0
Deferred tax assets, net	5.9	0.1	36.5	0.3
Other non-current assets	182.3	1.7	223.2	1.9
Total non-current assets	4,178.2	38.9	4,473.6	38.9
Total Assets	10,752.9	100.0	11,508.5	100.0
Total liabilities and equity				
Current Liabilities				
Bank overdrafts and short-term loans from financial institutions	1,159.1	10.8	-	-
Trade and other payables	1,166.2	10.8	1,576.0	13.7
Current portion of long-term loans from a parent company	-	-	2,300.0	20.0
Current portion of lease liabilities, net	8.5	0.1	9.6	0.1
Income tax payable	23.2	0.2	47.0	0.4
Derivative liabilities	7.6	0.1	123.8	1.0
Other current liabilities	6.4	0.1	8.1	0.1
Total current liabilities	2,371.0	22.1	4,064.5	35.3
Non-current Liabilities				
Long-term loans from parent company	2,300.0	21.4	-	-
Lease liabilities, net	10.3	0.1	22.5	0.2
Employee benefit obligations	478.0	4.4	578.3	5.0
Derivative liabilities	-	-	1.9	0.1

	December 31, 2020		December 31, 2021	
	THB	%	THB	%
Other non-current liabilities	10.7	0.1	23.8	0.2
Total non-current liabilities	2,799.0	26.0	626.5	5.5
Total Liabilities	5,170.0	48.1	4,691.0	40.8
Equity				
Share capital				
Authorized share capital				
3,000,000,000 ordinary shares at a par value of Baht 1 per share (31 December 2021: 36,000,000 ordinary shares at a par value of Baht 10 per share)	360.0	3.4	360.0	3.1
Issued and fully paid-up share capital				
2,400,000,000 ordinary shares at a par value of Baht 1 per share (31 December 2021: 36,000,000 ordinary shares at a par value of Baht 10 per share)	360.0	3.4	360.0	3.1
Premium on share capital	240.0	2.2	240.0	2.1
Retained earnings				
Appropriate - legal reserve	36.0	0.3	36.0	0.3
- other reserve	0.0	0.0	0.0	0.0
Unappropriated.....	5,075.5	47.2	6,513.1	56.6
Surplus (differences) arising from the business combination under common control	(409.4)	(3.8)	(409.4)	(3.6)
Other components of equity	280.8	2.6	77.8	0.7
Total equity attributable to owners of the parent	5,582.9	51.9	6,817.5	59.2
Non-controlling interests.....	-	-	-	-
Total equity	5,582.9	51.9	6,817.5	59.2
Total liabilities and equity	10,752.9	100.0	11,508.5	100.0

Appendix 5

Summary unaudited pro forma consolidated statements of comprehensive income

	For the Year Ended			
	December 31, 2020		December 31, 2021	
	THB mn	%	THB mn	%
Sales	12,224.2	100.0	14,528.7	100.0
Cost of Sales	(9,048.2)	(74.0)	(11,172.7)	(76.9)
Gross profit	3,176.0	26.0	3,356.0	23.1
Other income	132.3	1.1	120.6	0.8
Profit before expenses	3,308.3	27.1	3,476.6	23.9
Selling expenses	(305.7)	(2.5)	(463.2)	(3.2)
Administrative expenses	(393.5)	(3.2)	(518.3)	(3.6)
Other gain (loss), net	3.1	0.0	285.4	2.0
Operating profit	2,612.2	21.4	2,780.5	19.1
Finance costs	(36.7)	(0.3)	(31.8)	(0.2)
Profit before income tax	2,575.5	21.1	2,748.7	18.9
Income tax	(27.1)	(0.3)	(27.7)	(0.2)
Profit for the periods	2,548.4	20.8	2,721.0	18.7
Other comprehensive income (expenses) for the periods, net of income tax	69.9	0.6	(225.2)	(1.5)
Total comprehensive income for the periods	2,618.3	21.4	2,495.8	17.2

Appendix 6

Pro forma cash flows

The following table summarizes pro forma net cash flows and key metrics related to liquidity for the periods presented.

	2020	2021
	THB mn	THB mn
Net cash receipts from/ (payments for) operating activities	2,030.3	2,363.2
Net cash receipts from/ (payments for) investing activities	(340.0)	(1,310.1)
Net cash receipts from/ (payments for) financing activities	(694.0)	(2,462.1)
Net increase in cash and cash equivalents	996.3	(1,409.0)
Cash and cash equivalents - opening balance	1,118.4	2,111.6
Exchange gain (loss) on cash and cash equivalents	(3.1)	(0.0)
Cash and cash equivalents - closing balance	2,111.6	702.6