

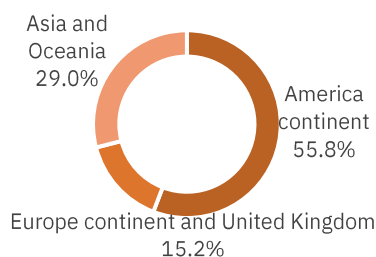
Executive Summary

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 was ranked the second largest pet food company in Asia. Also, i-Tail was ranked 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.

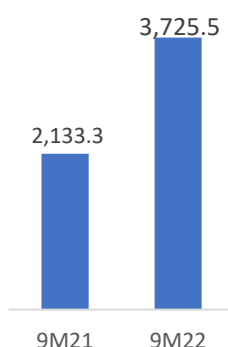
We manufacture our wet pet food products in two manufacturing plants located in the Samut Sakhon province and the Songkhla province with a total production capacity of 127,515 metric tons of finished products per year, as of December 31, 2021. We are in the process of constructing a new plant in the same area as our Samut Sakhon plant, which is expected to be completed and to commence commercial production in the third quarter of 2023.

Summary of financial position and pro forma operating results for the period ended September 30, 2022.

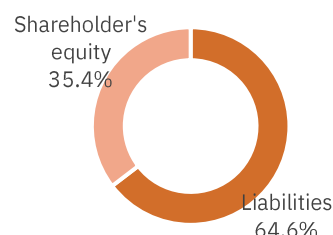
Pro forma revenue
15,828.8 million Baht



Pro forma net profit
3,725.5 million Baht



Pro forma financial position
Total assets 16,838.1 million Baht



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%

Management teams' perception and future plans

The Thai Union Group, a major shareholder of the Company, sees the growth of the company and pet food business over the years as well as see the trend of the pet food industry that will grow even higher in the future. In addition, to make the business structure of Thai Union Group clear and not cause conflicts of interest, Thai Union's Board of Directors has resolved to approve the company as flagship company in the business of manufacturing and selling pet food and products related to pets. The company therefore restructured its business in 2021, focusing on the production and distribution of pet food products only. Then, in the past 9 months of 2022, the company offered ordinary shares to the public to raise funds and guided the company to be listed on the Stock Exchange of Thailand to support the growth of the company as mentioned. The funds raised will be used between 2022 and 2025 to invest in increasing production efficiency and expanding production infrastructures. Also, they will be used to invest in warehousing and labeling systems, to invest in a new factory in the same area as the factory in Samut Sakhon. For development aspects, they will also be used to invest in research and development projects (R&D), innovation, technology and invest in overseas business expansion while also repay the loans from financial institutions. The remaining funds will be used as working capital in business operations.

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.

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 the sales and manufacturing processes of seafood and pet food in Thailand.
YCC	- Yueh Chyang Canned Food Co., Ltd. operates in the sales and manufacturing of tuna cans and seafood cans 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

9M2022 Financial Performance

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

- 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.
- Discussion and Analysis of 2021 Pro Forma Consolidated Financial Information** is to illustrate the effect of certain events or transactions are in sync 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 a compounded annual growth rate

1. Discussion and Analysis of 9M2022 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

	9M2022		9M2021		Changes	
	THB mn	%	THB mn	%	THB mn	%
Sales	15,828.8	100.0	10,377.1	100.0	5,451.7	52.5
Cost of Sales	11,730.2	74.1	7,936.0	76.5	3,794.2	47.8
Gross profit	4,098.6	25.9	2,441.1	23.5	1,657.5	67.9
Other income	139.6	0.9	96.7	0.9	42.9	44.4
Profit before expenses	4,238.2	26.8	2,537.8	24.5	1,700.4	67.0
Selling expenses	392.2	2.5	302.3	2.9	89.9	29.7
Administrative expenses	505.8	3.2	342.3	3.3	163.5	47.8
Reversal of (loss from) impairment of financial assets, net	441.0	2.8	274.4	2.6	166.6	60.7
Other gains (losses), net	3,781.2	23.9	2,167.6	20.9	1,613.6	74.4
Operating profit	52.5	0.3	25.0	0.2	27.5	110.0
Finance costs	3,728.7	23.6	2,142.6	20.6	1,586.1	74.0
Profit before income tax	3.2	0.0	9.3	0.1	-6.1	-65.6
Income tax	3,725.5	23.5	2,133.3	20.6	1,592.2	74.6
Profit for the periods from continuing operations	15,828.8	100.0	10,377.1	100.0	5,451.7	52.5
Profit for the period from discontinued operations	11,730.2	74.1	7,936.0	76.5	3,794.2	47.8
Profit for the periods	4,098.6	25.9	2,441.1	23.5	1,657.5	67.9

Sales

Sales is comprised of sales from our pet food products, ambient seafood products and from other businesses, which comprise sales of plant-based products and by-products from our seafood raw materials.

In the nine months ended September 30, 2022, we recorded total sales of THB16,763.7 million (US\$442.2 million), an increase of THB11,536.8 million, or 220.7%, from THB5,226.9 million in the nine months ended September 30, 2021, primarily due to the sales from the Samut Sakhon plants following our acquisition of TUM's pet food business in connection with the business restructuring, an increase in customer orders largely driven by our introduction of new products, our acquisition of new customers and the increased availability of shipping containers and container space which boosted our exports.

In particular, sales of cat food increased mainly due to new product launches with high sales orders from global pet food brands and global pet food retailers and an increase in the average selling price of our products. Sales of dog food increased mainly due to new product launches with our customers and an expansion of our customer base, such as expansions within supermarket chains in the United States under our customers' private labels. Sales of cat treats and dog treats increased mainly due to new product launches with our customers, a greater mix of premium products and an increase in our product prices.

In the nine months ended September 30, 2022, we recorded sales of ambient seafood of THB709.8 million (US\$18.7 million), a decrease of THB370.2 million, or 34.3%, from THB1,080.0 million in the nine months ended September 30, 2021, primarily due to our transition away from the ambient seafood business to focus on the pet food business. Sales of ambient seafood as a percentage of total sales decreased from 20.7% in the nine months ended September 30, 2021 to 4.2% in the nine months ended September 30, 2022.

Cost of sales

Our cost of sales was THB12,607.7 million (US\$332.6 million) in the nine months ended September 30, 2022, an increase of THB8,315.1 million, or 193.7%, from THB4,292.6 million in the nine months ended September 30, 2021, in line with the increase in sales, and attributable to an increase in the market price of fish and packaging and shipping costs, the latter of which further fueled the increase in imported raw material costs. We also recorded cost of sales of others of THB276.2 million (US\$7.3 million), an increase of THB155.2 million, or 128.3%, from THB121.0 million in the nine months ended September 30, 2021, primarily due to the cost of providing cold storage and warehousing services at the Samut Sakhon factory to TUM.

Gross profit

Our gross profit in the nine months ended September 30, 2022 was THB4,156.0 million (US\$109.6 million), an increase of THB3,221.7 million, or 344.8%, from THB934.3 million in the nine months ended September 30, 2021, due to the acquisition of a pet food business from TUM. Our gross profit as a percentage of our total sales was 17.9% and 24.8% in the nine months ended September 30, 2021 and 2022, respectively, due to the greater mix of premium pet food products.

Other income

Our other income in the nine months ended September 30, 2022 was THB140.3 million (US\$3.7 million), an increase of THB71.9 million, or 105.1%, from THB68.4 million in the nine months ended September 30, 2021, primarily due to increased tax coupons attributable to increased export sales.

Selling & Administrative 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.

Our selling expenses in the nine months ended September 30, 2022 were THB410.6 million (US\$10.8 million), an increase of THB250.4 million, or 156.3%, from THB160.2 million in the nine months ended September 30, 2021, primarily driven by an increase in sales commission paid to brokers and importers in relation to the increase in sales, in addition to an increase in freight expenses and personnel costs in relation to the employees transferred from TUM.

Our administrative expenses in the nine months ended September 30, 2022 were THB518.8 million (US\$13.7 million), an increase of THB261.2 million, or 101.4%, from THB257.6 million in the nine months ended September 30, 2021, primarily driven by a one-time payment of expenses relating to the Combined Offering, such as financial advisory fees and auditor fees for the review of our pro forma consolidated financial information. In addition, we incurred a one-time payment of business consulting fees in relation to our pet food business strategy projects. We also incurred higher employee compensation in relation to the additional administrative personnel to support the growing business, some of whom were transferred together with TUM's pet food business, and management fees paid to Thai Union and TUM.

Other gains (losses), net

We recognized other gains, net in the nine months ended September 30, 2022 of THB473.4 million (US\$12.5 million), an increase of THB331.4 million from the nine months ended September 30, 2021, primarily due to an increase in gain on foreign exchange rates.

Finance costs

Our finance costs in the nine months ended September 30, 2022 were THB52.3 million (US\$1.4 million), as compared to finance costs of THB19.9 million in the nine months ended September 30, 2021 mainly due to additional loans and additional interest expenses incurred in connection thereto.

Income tax

We had income tax benefit of THB21.4 million (US\$0.5 million) in the nine months ended September 30, 2022, as compared to income tax expense of THB1.2 million in the nine months ended September 30, 2021 due to an adjustment on deferred tax assets from an increase in our gross profit on the ending inventories of USPN which were purchased from ITC.

Profit for the period

As a result of the foregoing factors, our profit for the nine months ended September 30, 2022 was THB3,799.6 million (US\$100.2 million), an increase of THB2,344.2 million, or 161.1%, from THB1,455.4 million in the nine months ended September 30, 2021. Our profit for the nine months ended September 30, 2022 comprised profit for the period from continuing operations in the amount of THB3,760.1 million (US\$99.2 million), an increase of THB3,051.9 million, or 430.9%, from THB708.2 million in the nine months ended September 30, 2021. The increase in profit was due to the aforementioned increase in gross profit and gross profit margin, which exceeded the increase in selling expenses and administrative expenses arising from higher freight costs as well as one-time expenses incurred in relation to the Combined Offering.

Financial positions

	30 September 2022		31 December 2021		Change	
	THB mn	%	THB mn	%	THB mn	%
Assets						
Cash and cash equivalents	33.9	0.2	3.3	0.0	30.6	927.3
Trade and other receivables, net	3,996.9	27.7	1,089.9	7.3	2,907.0	266.7
Inventories, net	5,169.1	35.9	3,844.6	25.7	1,324.5	34.5
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	4,489.2	31.2	4,171.4	27.9	317.8	7.6
Other assets	720.7	5.0	929.9	6.2	(209.2)	(22.5)
Total assets	14,409.8	100.0	14,933.7	100.0	(523.9)	(3.5)
Liabilities						

	30 September 2022		31 December 2021		Change	
	THB mn	%	THB mn	%	THB mn	%
Bank overdrafts and loans from financial institutions	6,336.3	44.0	-	-	6,336.3	100.0
Loans from related parties	-	-	672.3	4.5	(672.3)	(100.0)
Trade and other payables	2,686.1	18.6	4,356.3	29.2	(1,670.2)	(38.3)
Liabilities of disposal groups classified as held-for-sale from discontinued operations	-	-	4,705.5	31.5	(4,705.5)	(100.0)
Other liabilities	1,880.5	13.1	868.2	5.8	1,012.3	116.6
Total liabilities	10,902.9	75.7	10,602.3	71.0	300.6	2.8
Equity	3,506.9	24.3	4,331.4	29.0	(824.5)	(19.0)
Total liabilities and equity	14,409.8	100.0	14,933.7	100.0	(523.9)	(3.5)

Total assets

The decrease in total assets from December 31, 2021 to September 30, 2022 was primarily attributable to the sale of APC.

Current assets

Our cash and cash equivalents primarily comprise cash on hand and current and savings accounts and as of September 30, we had cash and cash equivalents of THB33.9 million (US\$0.9 million). The increase in cash and cash equivalents from December 31, 2021 to September 30, 2022 was primarily due to cash received from a short-term loan from financial institutions to fund our working capital.

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 September 30, 2022, our average collection period was 39 days.

As of September 30, 2022 we had trade and other receivables, net of THB3,996.9 million (US\$105.4 million). The increase in trade and other receivables, net from December 31, 2021 to September 30, 2022 was primarily attributable to the increase in sales from the Samut Sakhon plant following our acquisition of TUM's pet food business.

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 September 30, 2022 we had inventories, net amounting to THB5,169.1 million (US\$136.4 million) and the increase in inventories, net from December 31, 2021 to September 30, 2022 was in line with the increase in customer orders.

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

As a result of the business restructuring involving the plan to dispose of APC by the end of the first quarter of 2022, 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.

Property, plant and equipment, net

Our property, plant, and equipment comprise land and land improvement, buildings and building improvements, machinery and equipment, furniture, fixtures and office equipment, vehicles and assets under construction.

As of September 30, 2022 we had property, plant, and equipment, net of THB4,489.2 million (US\$118.4 million) and the increase was primarily due to an increase in assets under construction, comprising the construction of a new plant in the same vicinity as our Samut Sakhon plant and the renovation of our Samut Sakhon plant, as well as the purchase of additional machinery to support the expansion of our business.

Other assets

Other assets are comprised of our right-of-use assets which is our right, as a lessee, to use land and land improvements, building and building improvements and machinery and equipment and refunds on value added tax (“**VAT refunds**”), prepaid income tax and other assets, such as unamortized discounts. Furthermore, they are also comprised of our intangible assets, net, mainly comprise computer programs and software and the derivative assets which 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 September 30, 2022, the Company had other assets of THB 720.7mn, an increase of THB 209.2mn from THB 929.9mn as of December 31, 2021, 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 as well as VAT refunds from higher gross profit from USPN’s outstanding inventories and prepaid equipment related to construction to construct a new factory in the same area as our current factory in Samut Sakhon.

Total liabilities

As of September 30, 2022 we had total liabilities of and THB10,902.9 million (US\$287.6 million) and the increase in total liabilities from December 31, 2021 to September 30, 2022 was primarily attributable to a short-term loan from financial institutions to fund our working capital.

Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions comprise short-term loans and trust receipts and packing credits. As of September 30, 2022 we had bank overdrafts and short-term loans from financial institutions in the amounts of THB6,336.3 million (US\$167.1 million) The increase from December 31, 2021 to September 30, 2022 was primarily attributable to an increase in short-term loans from financial institutions to replace loans from a related party. Proceeds from the loan were used to finance the purchase of machinery, the acquisition of a pet food business in connection with the Restructuring, and our working capital.

Trade and other payables

Our trade and other payables primarily comprise trade payables, net, other payables and accrued expenses. As of September 30, 2022 we had trade and other payables of THB2,686.1 million (US\$70.9 million) and the decrease in trade and other payables from December 31, 2021 to September 30, 2022 was primarily attributable to the repayment of payables owed to TUM in relation to the purchase of the pet food business.

Other liabilities

Other liabilities are comprised of withholding tax payable and down payments received from customers as well as our derivative contracts are foreign currency forward contracts. Derivative liabilities are recorded when we have unrealized loss on fair value adjustments on derivatives that are not due.

As of September 30, 2022, the Company recorded derivative contract liabilities totaling 1,130.3 million baht, an increase of 1,004.6 million baht from the end of 2021. There were also employee benefit obligations of 613.1 million baht, an increase of 34.8 million baht from an increase in the number of employees and increased work life of employees. Income tax payable also increased by 64.9 million baht from the end of 2021 from USPN's income tax payable and increased income tax expense from the portions that did not receive tax privileges from the Board of Investment.

Equity

As of September 30, 2022 we had equity of THB3,506.9 million (US\$92.5 million) and the decrease in equity from December 31, 2021 to September 30, 2022 was primarily due to a dividend payment of THB3,600.0 million in April 2022 and an interim dividend payment of THB2,100.0 million that was paid to our shareholders on August 30, 2022.

In addition, an interim dividend payment of THB1,980.0 million was approved at the Board of Directors' meeting No.7/2022 held on October 25, 2022 and was paid to our shareholders on November 4, 2022. Such interim dividend payment was funded by proceeds from short-term loans from financial institutions. The interim dividend payment resulted in an increase in our debt-to-equity ratio (calculated as the sum of our total liabilities and the amount of such dividend payment, divided by total shareholders' equity, and minus the amount of the dividend payment, based on our financial position as of September 30, 2022 and excluding our operating results after such date) from 3.1 times to 8.4 times. As our loan agreements do not impose any financial covenants relating to our debt-to-equity ratio, such increase in our debt to equity ratio did not affect our existing loans.

Cash flows

As of September 30, 2022, the company had a closing balance of cash and cash equivalents of THB 33.9mn which increased by THB 22.6 mn from THB 3.3mn at December 31, 2022.

Net Cash Receipts from/(Payments for) Operating Activities

For the nine months ended September 30, 2022, our net cash receipts from operating activities were THB533.4 million (US\$14.1 million), consisting of net cash receipts from operating activities of continuing operations of THB223.1 million (US\$5.9 million) and net cash receipts from operating activities from discontinued operations of THB310.3 million (US\$8.2 million). Our net cash receipts from continuing operations primarily consisted of profit before income taxes from continuing operations of THB3,781.5 million (US\$99.7 million), adjusted for non-cash transactions in the amount of THB394.8 million (US\$10.4 million), primarily comprising depreciation expenses of THB427.5 million (US\$11.3 million) which were partially offset by a gain on exchange rates of THB198.0 million (US\$5.2 million), changes in operating assets and liabilities of THB3,931.5 million (US\$103.7 million) and income tax paid of THB21.7 million (US\$0.6 million). Changes in operating assets and liabilities consisted primarily of an increase in trade and other receivables of THB2,621.1 million (US\$69.1 million), an increase in inventories of THB1,158.9 million (US\$30.6 million) and an increase in other current assets of THB105.7 million (US\$2.8 million).

Net Cash Receipts from/(Payments for) Investing Activities

For the nine months ended September 30, 2021, our net cash receipts from operating activities were THB903.3 million, consisting of net cash receipts from operating activities of continuing operations of THB507.3 million and net cash receipts from operating activities of discontinued operations of THB396.0 million. Our net cash receipts from operating activities of continuing operations primarily consisted of profit before income taxes from continuing operations of THB707.0 million, adjusted for non-cash transactions in the amount of THB240.5 million, primarily comprising depreciation expenses of THB174.7 million, and partially offset by changes in operating assets and liabilities from continuing operations of THB423.3 million and income tax paid of THB16.9 million. Changes in operating assets and liabilities consisted primarily of an increase in inventories of THB553.5 million and a decrease in trade and other payables of THB214.9 million, partially offset by a decrease in trade and other receivables of THB361.0 million.

Net Cash Receipts from/(Payments for) Financing Activities

For the nine months ended September 30, 2022, our net cash receipts from financing activities was THB1,688.3 million (US\$44.5 million), consisting of net cash receipts from financing activities from continuing operations of THB1,811.1 million (US\$47.7 million) partially offset by net cash payments for financing activities from discontinued operations of THB122.8 million (US\$3.2 million). Net cash receipts from financing activities from continuing operations primarily consists of net cash receipts for short-term loans from financial institutions of THB6,336.3 million (US\$167.1 million) and cash received from issuance of common stock of THB2,040.0 million (US\$53.8 million), partially offset by dividend payable to the owners of our parent company of THB5,691.4 million (US\$150.1 million), net cash payments for short-term loans from the parent company of THB706.1 million (US\$18.6 million) and repayments for long-term loans from the parent company of THB105.3 million (US\$2.8 million).

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 September 30, 2022 Compared with Pro Forma Year Ended September 30, 2021.

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

	9M22		9M21		Changes	
	THB mn	%	THB mn	%	THB mn	%
Sales	15,828.80	100	10,377.10	100	5,451.7	52.5
Cost of sales	11,730.20	74.1	7,936.00	76.5	3,794.2	47.8
Gross profit	4,098.60	25.9	2,441.10	23.5	1,657.5	67.9
Other income	139.6	0.9	96.7	1.0	42.9	44.4
Profit before expenses	4,238.20	26.8	2,537.80	24.5	1,700.4	67.0
Selling expenses	392.2	2.5	302.3	2.9	89.9	29.7
Administrative expenses	505.8	3.2	342.3	3.3	163.5	47.8
Other gain (loss), net	441	2.8	274.4	2.6	166.6	60.7
Operating profit	3,781.20	23.9	2,167.60	20.9	1,613.6	74.4
Finance costs	52.5	0.3	25.0	0.2	27.5	110.0
Profit before income tax	3,728.70	23.6	2,142.60	20.7	1,586.1	74.0
Income tax	3.2	0.1	9.3	0.1	(6.1)	(65.6)
Profit for the periods	3,725.50	23.5	2,133.30	20.6	1,592.2	74.6
Other comprehensive income (expenses) for the periods, net of income tax	(933.2)	(5.9)	(343.8)	(3.3)	(589.4)	171.4
Total comprehensive income for the periods	2,792.30	17.6	1,789.50	17.3	1,002.8	56.0

Pro forma sales

In the nine months ended September 30, 2022, we recorded pro forma sales of THB15,828.8 million (US\$417.5 million), an increase of THB5,451.7 million, or 52.5%, from pro forma sales of THB10,377.1 million in the nine months ended September 30, 2021, primarily due to an increase in sales orders from certain of our key customers for new products, the acquisition of new customers and the increased availability of shipping containers and container space which boosted our exports. The increase in our pro forma sales was also due to the increase in the average selling price of our products to reflect the increase in the cost of raw materials and packaging, and the depreciation of the Thai Baht against U.S. dollars.

In particular, sales of cat food increased by 48.6% from THB7,669.8 million in the nine months ended September 30, 2021 to THB11,397.7 million in the nine months ended September 30, 2022 mainly due to new product launches with high sales orders from global pet food brands and global pet food retailers and an increase in the average selling price of our products. Sales of dog food increased by 36.0% from THB1,372.4 million in the nine months ended September 30, 2021 to THB1,867.0 million in the nine months ended September 30, 2022 mainly due to new product launches with our customers and an expansion of our customer base, such as expansions within supermarket chains in the United States under their private labels. Sales of cat treats increased by 61.1% from THB837.1 million in the nine months ended September 30, 2021 to THB1,348.1 million in the nine months ended September 30, 2022 mainly due to new product launches with our customers, a greater mix of premium products and an increase in our product prices. Sales of dog treats increased by 130.2% from THB496.8 million in the nine months ended September 30, 2021 to THB1,143.8 million in the nine months ended September 30, 2022 mainly due to new product launches with our customers, a greater mix of premium products and an increase in our product prices.

Pro forma cost of sales

Our pro forma cost of sales was THB11,730.2 million (US\$309.4 million) in the nine months ended September 30, 2022, an increase of THB3,794.2 million, or 47.8%, from pro forma cost of sales of THB7,936.0 million in the nine months ended September 30, 2021, primarily due to an increase in the market price of fish and packaging and freight costs, the latter of which further fueled the increase in imported raw material costs and the cost of USPN's imported finished goods for sale, and an increase in input costs as a result of the payment of service fees to TUM for the use of various shared production support services at the Samut Sakhon plant, including labelling, warehousing and various operational functions.

Pro forma gross profit

Our pro forma gross profit in the nine months ended September 30, 2022 was THB4,098.6 million (US\$108.1 million), an increase of THB1,657.5 million, or 67.9%, from pro forma gross profit of THB2,441.1 million in the nine months ended September 30, 2021, due to the aforementioned reasons. Our gross profit margin was 23.5% and 25.9% for the nine months ended September 30, 2021 and 2022, respectively. The increased pro forma gross profit is primarily due to the higher selling prices of our products to reflect an increase in the cost of raw materials and packaging prices, higher freight costs as well as the greater mix of premium products with high profit margins.

Pro forma other income

Our pro forma other income in the nine months ended September 30, 2022 was THB139.6 million (US\$3.7 million), an increase of THB42.9 million, or 44.4%, from pro forma other income of THB96.7 million in the nine months ended September 30, 2021, due to an increase in compensation for taxes and duties on exported goods (tax coupons), attributable to the increase in export sales.

Pro forma Selling & Administrative expenses

Pro forma selling expenses

Our pro forma selling expenses in the nine months ended September 30, 2022 were THB392.2 million (US\$10.3 million), an increase of THB89.9 million, or 29.7%, from pro forma selling expenses of THB302.3 million in the nine months ended September 30, 2021, primarily driven by an increase in sales commissions paid to brokers and importers, higher freight costs for the export of our products to certain customers for which we are responsible for covering the relevant freight costs, whose order terms included the freight costs, an increase in marketing and advertising expenses arising from the cost of redesigning our key customers' product packaging and brand awareness marketing campaigns.

Pro forma administrative expenses

Our pro forma administrative expenses in the nine months ended September 30, 2022 were THB505.8 million (US\$13.3 million), an increase of THB163.5 million, or 47.8%, from pro forma administrative expenses of THB342.3 million in the nine months ended September 30, 2021, primarily driven by one-time expenses incurred in relation to the Combined Offering, including professional advisor fees, legal fees and auditor fees for the review of our pro forma consolidated financial information, expenses incurred for the further development of our corporate website and video presentation, consulting fees in relation to our business strategy projects, office rental expenses, SAP system license fees and administrative expenses in relation to our business in Japan.

Pro forma other gain (loss), net

Our pro forma other gains, net in the nine months ended September 30, 2022 was THB441.0 million (US\$11.5 million), an increase of THB166.6 million, or 60.7%, from pro forma other gain, net of THB274.4 million in the nine months ended September 30, 2021, primarily driven by the increase in gain from foreign currency and financial instruments, mainly from the appreciation of the Japanese yen and U.S. dollar currencies.

Pro forma finance costs

Pro forma finance costs in the nine months ended September 30, 2022 was THB52.5 million (US\$1.3 million), an increase of THB27.6 million, or 110.9%, from THB25.0 million in the nine months ended September 30, 2021 mainly due to additional short-term borrowings from financial institutions and additional interest expenses incurred in connection thereto.

Pro forma income tax

Pro forma income tax benefit in the nine months ended September 30, 2022 was THB3.2 million (US\$0.1 million), as compared to income tax expenses of THB9.3 million in the nine months ended September 30, 2021 mainly due to an adjustment on deferred tax assets from an increase in gross profit on the ending inventories of USPN which were purchased from ITC.

Pro forma profit for the period

Our profit for the period in the nine months ended September 30, 2022 was THB3,725.5 million (US\$98.3 million), an increase of THB1,592.2 million, or 74.6%, from pro forma profit for the period of THB2,133.3 million in the nine months ended September 30, 2021. Net profit margin was 20.4% and 23.3% in the nine months ended September 30, 2021 and 2022, respectively. The increase in net profit margin was attributable to the increase in pro forma sales by 52.5% together with the increase in gross profit margin from 23.5% to 25.9% for the same period, regardless of the increase in our selling and administrative expenses as mentioned above.

EBITDA

For the nine-month period ended September 30, 2022, the Company had pro-forma EBITDA of THB 4,210.0mn, an increase of 60.9% from pro-forma EBITDA of THB 2,616.8mn in the same period last year. This was mainly due to an increase in profit for the period. Adjusted EBITDA for the period was THB 4,279.7mn, an increase of THB 1,545.8mn or 56.6% increase from the same period last year which is in line with the pro forma EBITDA .

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	September 30, 2022		31 December 2022		Change	
	THB mb	%	THB mb	%	THB mb	%
Assets						
Cash and cash equivalents	2,543.5	15.1	702.6	6.1	1,840.9	262.0
Trade and other receivables, net	3,975.1	23.6	2,207.1	19.2	1,768.0	80.1

Management discussion and analysis (MD&A)

For financial performance of Quarter 3 ended September 30, 2022



Inventories, net	5,096.6	30.3	3,497.9	30.4	1,598.7	45.7
Property, plant and equipment, net	4,489.2	26.7	4,171.4	36.2	317.8	7.6
Other assets	733.7	4.4	929.5	8.1	(195.8)	(21.1)
Total Assets	16,838.1	100.0	11,508.5	100.0	5,329.6	46.3
Liabilities						
Bank overdrafts and loans from financial institutions	6,336.3	37.6	-	-	6,336.3	100.0
Trade and other payables	2,669.4	15.9	1,576.0	13.7	1,093.4	69.4
Loans from related parties	-	-	2,300.0	20.0	(2,300.0)	(100.0)
Employee benefit obligations	613.1	3.6	578.3	5.0	34.8	6.0
Other liabilities	1,263.2	7.5	815.0	7.1	448.2	55.0
Total Liabilities	10,882.0	64.6	4,691.0	40.8	6,191.0	132.0
Total Equity	5,956.1	35.4	6,817.5	59.2	(861.4)	(12.6)
Total liabilities and equity	16,838.1	100.0	11,508.5	100.0	5,329.6	46.3

Pro forma total assets

As of December 31, 2019, 2020 and 2021 and September 30, 2022, we had pro forma total assets of THB8,624.3 million, THB10,752.9 million, THB11,508.5 million (US\$303.6 million) and THB16,838.1 million (US\$444.2 million), respectively. The increase in pro forma total assets from December 31, 2019 to September 30, 2022 was primarily driven by an increase in cash and cash equivalents, the increase in trade receivables primarily attributable to higher sales orders and higher trade activities, 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 September 30, 2022, we had pro forma cash and cash equivalents of THB2,543.5 million (US\$67.1 million). The increase in pro forma cash and cash equivalents from December 31, 2021 to September 30, 2022 was primarily driven by the increase in profit from business operations and the additional loans.

Pro forma trade receivables, net & other receivables

Our pro forma receivables comprise trade receivables, prepaid expenses, tax coupons and advance payments and in general, the credit terms of a majority of our trade receivables is 30 days to 60 days. As of September 30, 2022 our average collection period was 51 days with 84.9% of our trade accounts receivable before deducting allowance for losses from trade accounts receivable being not yet due. As of September 30, 2022 we had pro forma trade receivables of THB3,696.5 million (US\$97.6 million) and was primarily due to higher sales orders.

Pro forma inventories, net

As of September 30, 2022 we had pro forma inventories, net amounting to THB5,096.6 million (US\$134.4 million) and the increase in pro forma inventories, net from December 31, 2021 to September 30, 2022 was in line with the increase in customer orders in the third quarter of 2022, as well as the increase in finished goods and higher inventory backlogs to support the higher sales orders for the third quarter of 2022.

Pro forma property, plant and equipment, net

As of September 30, 2022 we had pro forma property, plant, and equipment, net of THB4,489.2 million (US\$118.4 million) and the increase in pro forma property, plant and equipment, net from December 31, 2020 to September 30, 2022 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 are comprised our right-of-use assets which is our right, as a lessee, to use land and land improvements, building and building improvements and machinery and equipment, refunds on value added tax (“**VAT refunds**”), prepaid income tax and other assets, such as unamortized discounts. Furthermore, they are also comprised of our intangible assets, net, mainly comprise computer programs and software as well as derivative assets which 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.

Our pro forma other assets consist of short-term loans to related parties. VAT refund pending Prepaid income tax Discounts that have not been written off and derivative assets advance payment net intangible assets computer program net deferred tax assets, etc. As of September 30, 2022, the Company had pro forma other assets of THB 733.7mn, a decrease of THB 195.8mn from THB 929.5mn at the end of 2021. The main item was short-term loans to related parties, decreased by THB 555.7mn, from 1) increase in prepaid income tax due to sales revenue of the Company 2) higher VAT refunds arising from TUM's acquisition of pet food production 3) pro forma net right-of-use assets increased from the rental of machinery used in the Company's operations. increase to support business growth and forklift rental to support production; 4) an increase in pro forma net deferred income tax from gross profit from USPN's end-of-year inventories, which USPN purchased from the Company; and 5) increased advance payment for the purchase of additional equipment to support business expansion and the construction of a new factory in the same area as the factory in Samut Sakhon.

Pro forma total liabilities

As of September 30, 2022, we had pro forma total liabilities of THB10,882.0 million (US\$287.0 million) and the increase in pro forma total liabilities from December 31, 2021 to September 30, 2022 was primarily attributable to additional short-term loans from financial institutions to replace the loan from our parent company to fund our operation as well as an increase in trade and other payables relating to increased orders of raw materials.

Pro forma bank overdrafts and short-term loans from financial institutions

As of September 30, 2022 we had pro forma bank overdrafts and short-term loans from financial institutions in the amounts of THB6,336.3 million (US\$167.1 million) and the increase from December 31, 2021 to September 30, 2022 was primarily due to loans obtained from financial institutions to replace the loan from our parent company.

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

As of September 30, the pro forma current portion of long-term loans from a parent company was THB0.0 million as the long-term loan from Thai Union amounting to THB2,300.0 million was repaid on January 31, 2022. As of September 30, 2022, we repaid a long-term loan from our parent company in full.

Pro forma trade and other payables

We generally have credit terms of 30 days to 60 days for our trade payables, and our days payable outstanding was 35 days. As of September 30, we had pro forma trade and other payables of THB2,669.4 million (US\$70.4 million) and the increase in pro forma trade and other payables from December 31, 2021 to September 30, 2022 was primarily attributable to increased purchases of raw materials in line with increased sales.

Pro forma employee benefit obligations

As of September 30, 2022 we had pro forma employee benefit obligations of THB613.1 million (US\$16.2 million) The increase in pro forma employee benefit obligations was primarily due to the increase in the size of our workforce and the longer years of service of our existing staff.

Pro forma other liabilities

Our pro forma other liabilities are comprised of withholding tax payable and down payments received from customers as well as our derivative contracts are foreign currency forward contracts. Derivative liabilities are recorded when we have unrealized loss on fair value adjustments on derivatives that are not due.

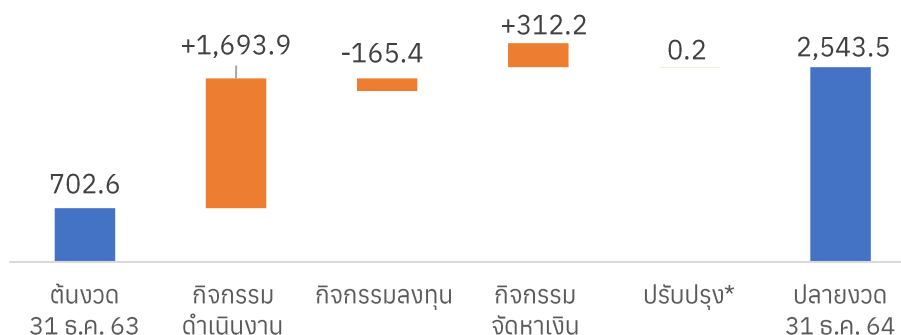
As of 30 September 2022, the Company had other pro forma liabilities of THB 1,263.2mn, an increase of THB 448.2mn from THB 815.0mn at the end of 2021, mainly from an increase in derivative liabilities and income tax payable which increased from the income of USPN that the Company acquired. Furthermore, it is also due an increase in the part of income tax that is not eligible for tax exemption from the Board of Investment, of which is offset with the deposit to be repaid to the contractors which has been gradually reimbursed to the Company's contractors that carry out the installation of high-value machinery and equipment and the construction of the company's factory to insure the construction.

Pro forma equity

As of September 30, 2022 we had pro forma equity of THB5,956.1 million (US\$157.1 million) and the decrease in pro forma equity from December 31, 2021 to September 30, 2022 was primarily due to a dividend payment of THB3,600.0 million in April 2022 and an interim dividend payment of THB2,100.0 million that was paid to our shareholders on August 30, 2022.

In addition, an interim dividend payment of THB1,980.0 million was approved at the Board of Directors' meeting No.7/2022 held on October 25, 2022 and was paid to our shareholders on November 4, 2022. Such interim dividend payment was funded by proceeds from short-term loans from financial institutions. The interim dividend payment resulted in an increase in our debt to equity ratio (calculated as the sum of our total liabilities and the amount of such dividend payment, divided by total shareholders' equity, and minus the amount of the dividend payment, based on our financial position as of September 30, 2022 and excluding our operating results after such date) from 1.8 times to 3.2 times. As our loan agreements do not impose any financial covenants relating to our debt to equity ratio, such increase in our debt to equity ratio did not affect our existing loans.

Pro forma cash flows



*Gain (loss) from foreign exchange on cash and cash equivalents

As of September 30, 2022, the company recorded pro forma cash and cash equivalents total of THB 2,543.50mn which increased THB 1,840.7mn from THB 702.6mn at December 31, 2022 as follow:

Pro Forma Net Cash Receipts from (Payments for) Operating Activities

For the nine months ended September 30, 2022, our pro forma net cash payments for operating activities was THB1,693.9 million (US\$44.8 million), consisting of pro forma cash flow payments for operations of THB1,753.5 million (US\$46.3 million), partially offset by pro forma income tax paid of THB59.6 million (US\$1.6 million). Our pro forma cash flow payments for operations primarily consisted of pro forma profit before income taxes of THB3,728.7 million (US\$98.4 million), adjusted for non-cash transactions such as pro forma depreciation and amortization expenses of THB428.8 million (US\$11.3 million), and offset by pro forma changes in operating assets and liabilities of THB2,495.6 million (US\$65.8 million). Pro forma changes in operating assets and liabilities consisted primarily of an increase in pro forma trade and other receivables of THB1,627.1 million (US\$42.9 million) and an increase in pro forma inventories of THB1,623.3 million (US\$42.8 million), partially offset by an increase in pro forma trade and other payables of THB891.7 million (US\$23.5 million).

Pro Forma Net Cash Receipts from (Payments for) Investing Activities

For the nine months ended September 30, 2022, our pro forma net cash payments for investing activities were THB165.4 million (US\$4.4 million), primarily consisting of THB736.9 million (US\$19.4 million) paid for property, plant and equipment, partially offset by THB555.7 million (US\$14.7 million) for net cash receipts from short-term loans to the parent company.

Pro Forma Net Cash Receipts from (Payments for) Financing Activities

For the nine months ended September 30, 2022, our pro forma net cash receipts from financing activities was THB312.2 million (US\$8.2 million), consisting of net cash receipts from short-term loans from financial institutions of THB6,336.3 million (US\$167.1 million) and cash received from the issuance of common stock of THB2,040.0 million (US\$53.8 million), partially offset by a dividend payment to our shareholders of THB5,691.4 million (US\$150.1 million) and repayments of long-term loans from the parent company of THB2,300.0 million (US\$60.7 million).

Pro forma financial ratios

	9 Month 2022	9 month 2021
<u>Profitability Ratios</u>		
Gross profit margin (%) ⁽¹⁾	25.9	23.5
EBITDA margin (%) ⁽²⁾	26.4	25
Operating margin (%) ⁽³⁾		17.3
Net profit margin (%) ⁽⁴⁾	23.3	20.4
Return on Equity (%) ⁽⁵⁾	77.8 ⁽¹⁷⁾	n/a
<u>Liquidity Ratios</u>		
Current ratio (times) ⁽⁶⁾	1.2	n/a
Quick ratio (times) ⁽⁷⁾	0.6	n/a
Days sales outstanding (days) ⁽⁸⁾	51	n/a
Days of inventory outstanding (days) ⁽⁹⁾	103	n/a
Days payable outstanding (days) ⁽¹⁰⁾	35	n/a
<u>Profitability Ratios</u>		
Return on assets (%) ⁽¹¹⁾	35.0 ⁽¹⁷⁾	n/a
Asset turnover (times) ⁽¹²⁾	1.5 ⁽¹⁷⁾	n/a
<u>Financial Policy Ratios</u>		
Debt to equity ratio (times) ⁽¹³⁾	1.8	n/a
Interest bearing debt to equity ratio (times) ⁽¹⁴⁾	1.1	n/a
Interest coverage ratio (times) ⁽¹⁵⁾	80.2	n/a

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.
- (17) The financial ratios are annualized for comparative purposes.

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.

- (a) 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:
- (b) 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 million. The sale was completed in February 2022;
- (c) 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 VND350,000.0 million (THB503.3 million). The sale was completed in December 2021;
- (d) 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;
- (e) 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 million (THB170.6 million). The acquisition was completed in December 2021; and
- (f) 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 THB2,224.4 million, 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, 2019, 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, 2019, 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 million. When compared to the consideration paid for the acquisition of THB146.7 million, there is a difference with business combination under common control of THB409.4 million, 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, 2019, 2020 and 2021 and transactions between the Company and USPN incurred in the nine months ended September 30, 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, 2019, 2020 and 2021. For the pro forma consolidated financial information for the nine-month period ended September 30, 2022, we included USPN's financial information for such period as pro forma adjustments, using the same approach used in the preparation of the interim consolidated financial information for the nine-month period ended September 30, 2022 as we acquired USPN since December 31, 2021. The pro forma consolidated statement of financial position as of September 30, 2022 includes a pro forma adjustment in relation to retained earnings arising from the operating results of USPN from January 1, 2019, the date on which we assumed the acquisition of USPN, until December 31, 2021, against cash and cash equivalents in the pro forma consolidated statement of financial position as of September 30, 2022.

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. Items specific to the pet food business were determined based on the activities directly related to such business, while 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 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, 2019, 2020 and 2021 and the nine months ended September 30, 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. No pro forma adjustments for the operating results of the pet food business were recognized in the pro forma consolidated statement of comprehensive income for the nine months ended September 30, 2022, as the business was acquired since December 31, 2021.

6) Sources of Funding and Interest Expenses

In preparing our Pro Forma Consolidated Financial Information as of and for the years ended December 31, 2019, 2020 and 2021, we assumed we would have a long-term borrowing agreement with Thai Union for a THB2,300.0 million 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. However, in the preparation of our Pro Forma Consolidated Financial Information as of and for the nine months ended September 30, 2021 and 2022, we instead assumed that we would have repaid the total loan balance in January 2022.

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, 2019, 2020 and 2021 and the nine months ended September 30, 2021 were calculated based on the previously mentioned sources of funding, which amounted to THB20.2 million 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 period ended September 30, 2022

	Period ended September 30, 2022			
	i-Tail's separate financial statements	Pro forma adjustments	Elimination	Pro forma consolidated financial information
	THB mn	THB mn	THB mn	THB mn
Sales	14,868.0	4,771.5	(3,810.7)	15,828.8
Cost of Sales	(10,975.9)	(4,490.0)	3,735.7	(11,730.2)
Gross profit	3,892.1	281.5	(75.0)	4,098.6
Dividend income	168.4	(0.7)	(28.1)	139.6
Other income	4,060.5	280.8	(103.1)	4,238.2
Profit before expenses	(350.5)	(46.3)	4.6	(392.2)
Selling expenses	(454.6)	(51.2)	-	(505.8)
Administrative expenses	475.5	(15.8)	(18.7)	441.0
Other gain (loss), net	65.8	(65.8)	-	-
Gain (loss) from the disposal of investment in a subsidiary	3,796.7	101.7	(117.2)	3,781.2
Operating profit	(52.5)	(23.2)	23.2	(52.5)
Finance costs	3,744.2	78.5	(94.0)	3,728.7
Profit before income tax	(27.5)	(4.5)	28.8	(3.2)
Income tax	3,716.7	74.0	(65.2)	3,725.5
Profit for the year	(897.5)	(30.5)	(5.2)	(933.2)
Other comprehensive income (expenses) for the year, net of income tax	2,819.2	43.5	(70.4)	2,792.3

Appendix 3

Adjustments to the pro forma consolidated statement of comprehensive income for the period ended

September 30, 2021

	Period ended September 30, 2021			Pro forma consolidated financial information
	i-Tail's separate financial statements	Pro forma adjustments	Elimination	
	THB mn	THB mn	THB mn	
	4,878.8	7,277.1	(1,778.8)	10,377.1
Sales.....	(4,102.5)	(5,597.7)	1,764.2	(7,936.0)
Cost of Sales.....	776.3	1,679.4	(14.6)	2,441.1
Gross profit	1,663.2	(1,663.2)	-	-
Dividend income.....	69.4	36.7	(9.4)	96.7
Other income	2,508.9	52.9	(24.0)	2,537.8
Profit before expenses	(128.5)	(183.8)	10.0	(302.3)
Selling expenses.....	(203.3)	(138.4)	(0.6)	(342.3)
Administrative expenses.....	142.0	145.2	(12.8)	274.4
Other gain (loss), net.....	2,319.1	(124.1)	(27.4)	2,167.6
Gain (loss) from the disposal of investment in a subsidiary.....	(10.0)	(15.0)	-	(25.0)
Operating profit	2,309.1	(139.1)	(27.4)	2,142.6
Finance costs	1.2	(10.5)	-	(9.3)
Profit before income tax	2,310.3	(149.6)	(27.4)	2,133.3
Income tax	(328.1)	(18.1)	2.4	(343.8)
Profit for the year	1,982.2	(167.7)	(25.0)	1,789.5

Appendix 4

Forma financial position

	December 30, 2021		September 30, 2022	
	THB	%	THB	%
Assets				
Current assets				
Cash and cash equivalents	702.6	6.1	2,543.5	15.1
Trade and other receivables, net	2,207.1	19.2	3,975.1	23.6
Short-term loans to related party	555.7	4.8	-	-
Inventories, net	3,497.9	30.4	5,096.6	30.3
Derivative assets	6.5	0.1	9.7	0.1
Other current assets	65.1	0.5	196.5	1.1
Total current assets	7,034.9	61.1	11,821.4	70.2
Non-current assets				
Property, plant and equipment, net	4,171.4	36.3	4,489.2	26.7
Right-of-use assets, net	31.7	0.3	46.8	0.3
Computer software, net	8.8	0.1	8.4	0.1
Derivative assets	2.0	0.0	-	-
Deferred tax assets, net	36.5	0.3	81.6	0.5
Other non-current assets	223.2	1.9	390.7	2.2
Total non-current assets	4,473.6	38.9	5,016.7	29.8
Total assets	11,508.5	100.0	16,838.1	100.0
Bank overdrafts and short-term loans from financial institutions				
Trade and other payables				
Current portion of long-term loans from a parent company	-	-	6,336.3	37.6
Current portion of lease liabilities, net	1,576.0	13.7	2,669.4	15.9
Income tax payable	2,300.0	20.00	-	-
Derivative liabilities	9.6	0.1	15.4	0.1
Other current liabilities	47.0	0.4	60.6	0.4
Total current liabilities	123.8	1.0	1,036.2	6.1
	8.1	0.1	6.6	0.0
Non-current liabilities	4,064.5	35.3	10,124.5	60.1
Long-term loans from parent company				
Lease liabilities, net	-	-	-	-
Employee benefit obligations	22.5	0.2	31.7	0.2
Derivative liabilities	578.3	5.0	613.1	3.6
Other non-current liabilities	1.9	0.1	94.1	0.6

	December 30, 2021		September 30, 2022	
	THB	%	THB	%
Total non-current liabilities	<u>23.8</u>	<u>0.2</u>	<u>18.6</u>	<u>0.1</u>
Total liabilities	<u>626.5</u>	<u>5.5</u>	<u>757.5</u>	<u>4.5</u>
Equity	<u>4,691.0</u>	<u>40.8</u>	<u>10,882.0</u>	<u>64.6</u>
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)				
Issued and fully paid-up share capital	360.0	3.1	3,000.0	17.8
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)				
Premium on share capital	360.0	3.1	2,400.0	14.3
Retained earnings	240.0	2.1	240.0	1.4
Appropriate - legal reserve				
Appropriate - other reserve	36.0	0.3	300.0	1.8
Unappropriated	0.0	0.0	0.0	0.0
Surplus (differences) arising from the business combination under common control	6,513.1	56.6	4,460.0	26.4
Other components of equity	(409.4)	(3.6)	(409.4)	(2.4)
Total equity attributable to owners of the parent	<u>77.8</u>	<u>0.7</u>	<u>(1,034.3)</u>	<u>(6.1)</u>
Non-controlling interests	6,817.5	59.2	5,956.3	35.4
Total equity	-		(0.2)	(0.0)
Total liabilities and equity	<u>6,817.5</u>	<u>59.2</u>	<u>5,956.1</u>	<u>35.4</u>
Current assets	<u>11,508.5</u>	<u>100.0</u>	<u>16,838.1</u>	<u>100.0</u>

Appendix 5

Summary unaudited pro forma consolidated statements of comprehensive income

	For the period ended September 30, 2022			
	September 30, 2021		September 30, 2022	
	THB mn	%	THB mn	%
Sales	10,377.1	100.0	15,828.8	100.0
Cost of Sales	(7,936.0)	(76.5)	(11,730.2)	(74.1)
Gross profit	2,441.1	23.5	4,098.6	25.9
Other income	96.7	1.0	139.6	0.9
Profit before expenses	2,537.8	24.5	4,238.2	26.8
Selling expenses	(302.3)	(2.9)	(392.2)	(2.5)
Administrative expenses	(342.3)	(3.3)	(505.8)	(3.2)
Other gain (loss), net	274.4	2.6	441.0	2.8
Operating profit	2,167.6	20.9	3,781.2	23.9
Finance costs	(25.0)	(0.2)	(52.5)	(0.3)
Profit before income tax	2,142.6	20.7	3,728.7	23.6
Income tax	(9.3)	(0.1)	(3.2)	(0.1)
Profit for the periods	2,133.3	20.6	3,725.5	23.5
Other comprehensive income (expenses) for the periods, net of income tax	(343.8)	(3.3)	(933.2)	(5.9)
Total comprehensive income for the periods	1,789.5	17.3	2,792.3	17.6
Profit (loss) per share (Fully Diluted) ⁽¹⁾ (THB)	0.89		1.55	

Note: (1) Calculated with the number of shares as of September 30, 2022, 2,400,000,000 shares.

Appendix 6

Pro forma cash flows

	For the period ended December 31, 2021	For the period ended September 30, 2022
	THB mn	THB mn
Net cash receipts from/ (payments for) operating activities	2,363.2	1,693.9
Net cash receipts from/ (payments for) investing activities	(1,310.1)	(165.4)
Net cash receipts from/ (payments for) financing activities	(2,462.1)	312.2
Net increase in cash and cash equivalents	(1,409.0)	1,840.7
Cash and cash equivalents - opening balance	2,111.6	702.6
Exchange gain (loss) on cash and cash equivalents	(0.0)	0.2
Cash and cash equivalents - closing balance	702.6	2,543.5