

(Translation)

Ref.No. LEE 06/2026

8 May 2026

Subject : Management Discussion and Analysis for the first quarter ended 31 March 2026

To : President of The Stock Exchange of Thailand

Lee Feed Mill Public Company Limited and its subsidiaries (“the Company”) would like to explain the operating results for the year ended 31 March 2026, as follows:

1. Executive Summary

The Company is principally engaged in the manufacture and distribution of animal feed. The operating performance for the first quarter of 2026 was affected by economic conditions, animal feed raw material costs, purchasing power of customers in the livestock and aquaculture sectors, industry competition, as well as the Company’s continued management of production costs and operating expenses.

| Financial Highlights (Unit: Million Baht) | Quarter 1/2025 | Quarter 4/2025 | Quarter 1/2026 | YoY (%) | QoQ (%) |
|--|-------------------|-------------------|-------------------|------------|------------|
| Sales | 761 | 677 | 663 | -13% | -2% |
| Gross Profit | 98 | 91 | 88 | -10% | -3% |
| Gross Profit Margin | 13% | 13% | 13% | 0% | 0% |
| Net Profit | 54 | 43 | 41 | -24% | -5% |
| Cash flows from operation | 253 | (4) | 65 | | |

According to the consolidated financial statements for the first quarter ended 31 March 2026, the Company reported a net profit of Baht 41 million, equivalent to earnings per share of Baht 0.047. Net profit decreased by Baht 2 million, or 5%, compared with the fourth quarter of 2025, which recorded a net profit of Baht 43 million, equivalent to earnings per share of Baht 0.049. Net profit also decreased compared with the first quarter of 2025, which recorded a net profit of Baht 54 million, equivalent to earnings per share of Baht 0.061.

2. Business Overview, Economic and Industry Factors Affecting Operations

In the first quarter of 2026, the Thai economy expanded from the previous quarter, supported by exports, certain areas of private consumption, private investment, and government spending. However, towards the end of the quarter, uncertainties arising from international developments began to emerge, particularly the conflict in the Middle East, which affected energy costs, transportation costs, exchange rates, and business confidence.



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For the animal feed industry, demand for products was influenced by livestock farming conditions, prices of economic animals, and farmers' purchasing power. Meanwhile, production costs continued to be pressured by volatility in key raw material prices, such as feed corn, soybean meal, fishmeal, broken rice, and rice bran, some of which showed an upward trend. These factors may affect the cost of sales and gross profit margin of animal feed producers.

Therefore, the Company places importance on raw material cost management, procurement planning, production efficiency control, and adjustment of product strategies to suit market conditions in order to maintain competitiveness and mitigate the impact of cost volatility on the Company's operating performance. In addition, the Company continues to conduct its business prudently, with a focus on trade receivables risk management and the implementation of a prudent sales policy to support stable and sustainable business operations.

3. Significant Events and Developments

During the first quarter of 2026, the Company had no significant events or extraordinary transactions that materially affected its business operations, financial position, or operating performance. Nevertheless, the Company continued to closely monitor key factors, including raw material costs, exchange rates, and market conditions in the animal feed industry.

4. Operating Results for the first quarter of 2026

Statement of Comprehensive Income (Consolidated Financial Statements)

| Items (Unit: Million Baht) | Quarter | Quarter | Quarter | YoY | QoQ |
|-------------------------------------|-----------|-----------|-----------|-------------|------------|
| | 1/2025 | 4/2025 | 1/2026 | (%) | (%) |
| Sales | 761 | 677 | 663 | -13% | -2% |
| Cost of sales | (663) | (586) | (575) | -13% | -2% |
| Gross profit | 98 | 91 | 88 | -10% | -3% |
| Other income | 2 | 1 | 3 | 50% | 200% |
| Selling and Administrative expenses | (47) | (46) | (48) | 2% | 4% |
| Reversal (Impairment) on AR | 2 | 4 | 0 | N.M. | N.M. |
| Gain (Loss) on Financial Assets | (5) | (7) | 5 | N.M. | N.M. |
| Gain (Loss) on Biological Assets | 0 | 8 | 0 | 0% | N.M. |
| Operating profit | 50 | 51 | 48 | -4% | -6% |
| Finance income | 5 | 4 | 3 | -40% | -25% |
| Finance cost | (1) | (1) | (1) | 0% | 0% |



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| Items (Unit: Million Baht) | Quarter | Quarter | Quarter | YoY | QoQ |
|---------------------------------|---------|---------|---------|------|------|
| | 1/2025 | 4/2025 | 1/2026 | (%) | (%) |
| Profit before income tax | 54 | 54 | 50 | -7% | -7% |
| Income tax expenses | 0 | (11) | (9) | N.M. | -18% |
| Net profit | 54 | 43 | 41 | -24% | -5% |
| Profit attribute to the Company | 54 | 44 | 41 | -24% | -7% |
| Earnings per share (฿) | 0.061 | 0.049 | 0.047 | -23% | -4% |

Financial Ratios Relative to Sales

| Items | Quarter | Quarter | Quarter | YoY | QoQ |
|-------------------------|---------|---------|---------|-----|-----|
| | 1/2025 | 4/2025 | 1/2026 | (%) | (%) |
| Gross profit margin | 13% | 13% | 13% | 0% | 0% |
| S&A expenses to sales | 6% | 7% | 7% | 1% | 0% |
| Operating profit margin | 7% | 8% | 7% | 0% | -1% |
| Net profit margin | 7% | 6% | 6% | -1% | 0% |

Operating Results Analysis for the first quarter

Revenues from sales

The Company's revenue comprises 47% from aquaculture feed, 51% from livestock feed, 1% from pet food and 1% from animal breeds and agricultural plants.

Revenue from sales amounted to Baht 663 million, a decrease of 13% from the same period of the previous year and a decrease of 2% from the previous quarter. The decrease was mainly attributable to lower sales volume, together with the slowdown in economic conditions, which caused livestock farmers to be more cautious in managing farming costs and to place greater emphasis on the cost-effectiveness of animal feed. These factors affected both order volume and product selection to suit prevailing market conditions.

Cost of Sales and Gross Profit Margin

Cost of sales for the first quarter of 2026 amounted to Baht 575 million, representing 87% of sales revenue, which was at a level comparable to the same quarter of the previous year and the previous quarter. This was despite continued pressure on production costs from fluctuations in key raw material prices, including feed corn, soybean meals, fishmeal, rice bran, and broken rice, as well as higher energy costs during the quarter.



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Nevertheless, the Company continued to manage production costs effectively through raw material procurement planning, formulation management, control of production capacity utilization in line with order volume, and the use of energy generated from the solar rooftop project, which partially helped mitigate the impact of energy costs. As a result, the Company was able to maintain its gross profit margin at 13%, comparable to the same quarter of the previous year and the previous quarter.

The ability to maintain the gross profit margin at this level reflects the Company's capability in cost management and product mix adjustment to suit the competitive environment, despite the decrease in sales revenue and sales volume compared with the comparative periods.

↳ Other Income

Other income was Baht 3 million, an increase from Baht 2 million in the same period of the previous year and from Baht 1 million in the previous quarter. The increase was mainly attributable to higher dividend income from investments in financial assets. Such other income was not derived from the Company's core business operations.

↳ Selling and Administrative Expenses

Selling and administrative expenses for the first quarter of 2026 amounted to Baht 48 million, an increase of 2% from the same period of the previous year and an increase of 4% from the previous quarter. The increase was mainly due to transportation expenses, personnel expenses, and administrative expenses.

Although such expenses increased slightly, the ratio of selling and administrative expenses to sales revenue was 7%, which was close to the previous quarter and the same period of the previous year, both of which were at 6%. The Company continues to place importance on controlling expenses in line with revenue levels and market competition.

↳ Expected Credit Losses (Reversal) on Accounts Receivable

The Company recorded an allowance for doubtful accounts of Baht 0.3 million, while in the previous quarter and the same period of the previous year, the Company recorded reversals of allowance for doubtful accounts of Baht 7 million and Baht 5 million, respectively, as a result of collections from long-overdue trade receivables. Accordingly, in the first quarter of 2026, the Company did not benefit from a reversal of allowance for doubtful accounts as it did in the comparative periods. The Company continues to closely monitor the quality of trade receivables and assess the adequacy of the allowance for doubtful accounts on an ongoing basis.

↳ Gain (Loss) on Financial Assets at Fair Value through Profit or Loss

The Company recorded a gain of Baht 5 million from fair value changes in financial assets (FVTPL), compared with a loss of Baht 7 million in the previous quarter and a loss of Baht 5 million in the same period of the previous year. The change was attributable to the fair value measurement of investments in equity instruments of both listed and non-listed companies as of the end of the reporting period. Such gain represented an unrealized gain arising from the adjustment of fair value based on market value as of the reporting date.



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↳ Gain (Loss) arising from the Changes in Fair Value of Biological Assets

The Company recorded no gain from changes in the fair value of biological assets in the first quarter of 2026, similar to the same period of the previous year. In comparison, the previous quarter recorded a gain from such item of approximately Baht 8 million. Such gain or loss arises from changes in the fair value of biological assets at the end of the accounting period.

↳ Income Tax Expense

The Company recorded income tax expense of Baht 9 million, mainly attributable to current income tax arising from the Company's operating profit and the recognition of deferred tax items resulting from temporary differences and the reversal of temporary differences in accordance with applicable accounting standards.

5. Consolidated Financial Position as of March 31, 2026

| Statement of financial position | 31 Dec 2025 | | 31 Mar 2026 | | Change | |
|-------------------------------------|--------------|------------|--------------|------------|------------|------------|
| | Million | | Million | | Million | |
| | Baht | % | Baht | % | Baht | % |
| Assets | | | | | | |
| Cash and cash equivalents | 31 | 1 | 39 | 1 | 8 | 26 |
| Trade and other current receivables | 191 | 6 | 209 | 6 | 18 | 9 |
| Inventories | 610 | 19 | 615 | 18 | 5 | 1 |
| Other current financial assets | 1,364 | 42 | 1,421 | 42 | 57 | 4 |
| Other current assets | 15 | 0 | 21 | 1 | 5 | 31 |
| Total current assets | 2,211 | 68 | 2,305 | 69 | 93 | 4 |
| Investment properties | 14 | 0 | 14 | 0 | 0 | 0 |
| Property, plant and equipment | 973 | 30 | 959 | 29 | (14) | (1) |
| Right-of-use assets | 31 | 1 | 36 | 1 | 5 | 16 |
| Non-current biological assets | 24 | 1 | 24 | 1 | 0 | 0 |
| Other non-current assets | 10 | 0 | 10 | 0 | 1 | 11 |
| Total non-current assets | 1,052 | 32 | 1,043 | 31 | (8) | (1) |
| Total assets | 3,263 | 100 | 3,348 | 100 | 85 | 3 |



(Translation)

| Statement of financial position | 31 Dec 2025 | | 31 Mar 2026 | | Change | |
|---|--------------|------------|--------------|------------|-----------|-----------|
| | Million | | Million | | Million | |
| | Baht | % | Baht | % | Baht | % |
| Liabilities and shareholders' equity | | | | | | |
| Trade and other current payables | 141 | 4 | 168 | 5 | 27 | 19 |
| Income tax payable | 25 | 1 | 34 | 1 | 9 | 36 |
| Other current liabilities | 19 | 1 | 20 | 1 | 1 | 5 |
| Total current liabilities | 185 | 6 | 222 | 7 | 37 | 20 |
| Provision for employee benefits | 102 | 3 | 104 | 3 | 2 | 2 |
| Deferred tax liabilities | 36 | 1 | 36 | 1 | 0 | 0 |
| Other non-current liabilities | 23 | 1 | 28 | 1 | 5 | 22 |
| Total non-current liabilities | 161 | 5 | 168 | 5 | 7 | 4 |
| Total liabilities | 346 | 11 | 390 | 12 | 44 | 13 |
| Equity attributable to owners of the Company | 2,888 | 89 | 2,929 | 87 | 41 | 1 |
| Non-controlling interests | 29 | 1 | 29 | 1 | 0 | 0 |
| Total shareholders' equity | 2,917 | 89 | 2,958 | 88 | 41 | 1 |
| Total liabilities and shareholders' equity | 3,263 | 100 | 3,348 | 100 | 85 | 3 |

➤ **Total Assets**

As of March 31, 2026, the Company had total assets of Baht 3,348 million, comprising current assets of Baht 2,305 million, representing 69% of total assets, and non-current assets of Baht 1,043 million, representing 31% of total assets. Total assets increased by Baht 85 million, or 3%, compared with the end of 2025.

The Company's major assets consisted of financial assets, representing 42% of total assets; property, plant and equipment, representing 29%; inventories, representing 18%; and trade receivables, representing 6%. In the current quarter, the average collection period was approximately 27 days.

The Company has consistently emphasized a cash sales policy. Credit is granted only to customers with a good payment history and with collateral provided. The Company records allowance for doubtful accounts after deducting the value of collateral. These customers have continued to make installment repayments to the Company. Therefore, the Company believes that the allowance for doubtful accounts has been adequately provided.



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➤ **Total Liabilities**

As of March 31, 2026, the Company had total liabilities of Baht 390 million, comprising current liabilities of Baht 222 million, representing 57% of total liabilities, and non-current liabilities of Baht 168 million, representing 43% of total liabilities. Current liabilities mainly consist of trade payables arising from raw material purchases under normal trade credit terms. Total liabilities increased by Baht 44 million compared with the end of 2025, mainly due to an increase in trade payables.

The Company had no guarantees provided to third parties, contingent liabilities, investment commitments, or other similar obligations that could affect its financial position or operating performance, except for cross-guarantees of liabilities among companies within the Group.

The Company's debt-to-equity ratio was 0.13 times as at 31 March 2026 and 0.12 times as at 31 December 2025, which remained low compared with companies in the same industry.

➤ **Shareholders' Equity**

As of March 31, 2025, the Company had shareholders' equity of Baht 2,958 million, an increase of Baht 41 million, or 1%, compared with the end of 2025, mainly due to the operating profit generated in the first quarter.

The Company's return on equity (ROE) was 8.70%, while return on assets (ROA) was 7.65%.

➤ **Liquidity**

| Cash flow statement (Unit: Million Baht) | 31 March 2026 |
|--|---------------|
| Cash and cash equivalents as at 1 January 2026 | 31 |
| Net cash flows from (used in) operating activities | 65 |
| Net cash flows from (used in) investing activities | (53) |
| Net cash flows from (used in) financing activities | (4) |
| Cash and cash equivalents as at 31 March 2026 | 39 |

For the three-month period ended March 31, 2026, the Company's net cash flow increased by Baht 8 million. Net cash provided by operating activities amounted to Baht 65 million, while net cash used in investing activities was Baht 53 million, and net cash used in financing activities was Baht 4 million.

The Company maintained a current ratio of 10.40 times and 11.93 times as of March 31, 2026, and December 31, 2025, respectively.



(Translation)

➤ Key Financial Ratios

| Key Financial Ratios | | Quarter 1/2025 | Quarter 4/2025 | Quarter 1/2026 |
|----------------------------|-------|-------------------|-------------------|-------------------|
| Efficiency Ratio | | | | |
| Average Collecting Period | days | 25 | 26 | 27 |
| Average Sale Period | days | 91 | 97 | 89 |
| Profitability Ratio | | | | |
| Return on Assets | % | 5.64% | 8.25% | 7.65% |
| Return on Equity | % | 6.46% | 9.31% | 8.70% |
| Liquidity Ratio | | | | |
| Current Ratio | times | 12.66 | 11.93 | 10.40 |
| Leverage Ratio | | | | |
| Interest Coverage Ratio | times | 67.62 | 117.43 | 120.15 |
| Debt to Equity Ratio | times | 0.12 | 0.12 | 0.13 |
| Per share Ratio | | | | |
| Earnings per share | Baht | 0.061 | 0.049 | 0.047 |
| Book Value per Share | Baht | 3.15 | 3.27 | 3.32 |

6. Factors That May Affect Future Operations or Growth

● **Monitoring Goods by the Government**

The Ministry of Commerce's Department of Internal Trade, a government organization in charge of monitoring the selling prices declared by each business. However, producers may request authorization to modify prices in response to fluctuations in production costs. Nevertheless, price adjustments may not always occur in a timely manner to reflect increases in production costs.

● **Fluctuations in Raw Material Prices**

Approximately 80% of the company's production costs are attributed to raw materials such as maize, soybean meal, fish meal, rice bran, and broken rice. Prices for these materials are highly volatile, influenced by supply and demand dynamics, agricultural yields, and unpredictable weather conditions or natural disasters. In addition, geopolitical tensions also affect raw material prices and transportation costs.



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- **Foreign Exchange Rate Fluctuations**

Although some essential raw materials are imported from overseas, the Company's main source of revenue comes from domestic sales. As a result, the Company is exposed to foreign exchange rate risk. However, the Company cushions such risk by means of forward exchange rate contracts and continuous currency monitoring.

- **Energy Costs and Production Efficiency**

Electricity and energy costs are significant components of production costs. Therefore, the Company places importance on improving production efficiency, managing production capacity, and making investments that help reduce energy costs over the long term.

7. Sustainability Developments

In 2026, the Company continues to implement its environmental management approach, focusing on efficient energy consumption, control of waste generated from the production process, and development of greenhouse gas data systems to support the management of the organization's carbon footprint going forward.

Please be informed accordingly.

Yours faithfully,

(Mr. Nipon Leelasithorn)
Chairman of the Executive Director,
and Managing Director