

February 25, 2025

Subject: Management Discussion and Analysis for the 4<sup>th</sup> quarter and the year ended  
December 31, 2024

To: President  
The Stock Exchange of Thailand

Sherwood Corporation (Thailand) Public Company Limited (“The Company”) and its subsidiary would like to submit herewith the audited consolidated financial statements for the year ended December 31, 2024, with the financial analysis compared to the same period last year. The performance can be summarized as follows;

The Company and its subsidiary had net profit of THB 30.03 million for the 4<sup>th</sup> quarter ended December 31, 2024, in which there was a profit attributable to equity holders of the Company of THB 25.76 million, increased by THB 13.95 million or 118.17% as compared to the same period in the previous year which was shown the net profit of THB 11.81 million.

The Company and its subsidiary had net profit of THB 126.58 million for the year ended December 31, 2024, in which there was a profit attributable to equity holders of the Company of THB 119.38 million, increased by THB 63.50 million or 113.64% as compared to the same period in the previous year which was shown the net profit of THB 55.88 million.

### **Results of Operation**

#### **Revenue:**

Sales Revenue for the 4<sup>th</sup> quarter ended December 31, 2024, was THB 445.45 million, increased by THB 47.13 million or 11.83% as compared to the same period in the previous year. This resulted mainly from the Company has continuously increased promotional activities in all product groups.

Sales Revenue for the year ended December 31, 2024, was THB 1,685.47 million, decreased by THB 24.22 million or 1.42% as compared to the same period in the previous year. This resulted mainly from the Company discontinued the selling of loss-making products in the food and beverage business, leading to a decline in revenue whereas sales revenue for the dairy business under the "Hokkaido" brand had increased by 14.60% as compared to the same period in the previous year. This growth was driven by the distribution of new products, along with the expansion of distribution channels to reach more consumers. However, the Company has continued to operate with a strategic focus on developing products across all categories to meet consumer demands effectively.

### **Cost of goods sold:**

Cost of goods sold for the 4<sup>th</sup> quarter ended December 31, 2024, decreased from 62.59% to 50.85% of sales revenue, resulting from the Company has focusing on selling products with high profit margins and more efficiently managing production costs.

Cost of goods sold for the year ended December 31, 2024, decreased from 64.34% to 59.01% of sales revenue, resulting from the Company has increased the selling price and revised sales promotion activities based on the market price and competitors' sales promotion in the same industry. Additionally, the Company focused on selling of high-margin products and has more efficiently to manage production costs.

### **Selling and distribution expenses:**

Selling and distribution expenses for the 4<sup>th</sup> quarter ended December 31, 2024, was THB 148.16 million, increased by THB 54.29 million or 57.84% as compared to the same period in the previous year, resulting from the Company has continuously organized marketing and promotional activities to build brand awareness towards the customers and continuously increased promotional campaigns to boost sales in all product groups as well.

Selling and distribution expenses for the year ended December 31, 2024, was THB 362.49 million, decreased by THB 3.65 million or 1.00% as compared to the same period in the previous year resulting from the control of expenses and revised advertising plan to align with marketing and promotional activities and focusing on targeted promotions that effectively reach the intended consumers in each distribution channel.

### **Administrative expenses:**

Administrative expenses for the 4<sup>th</sup> quarter ended December 31, 2024, was THB 32.93 million, increased by THB 3.10 million or 10.39% as compared to the same period in the previous year, resulting from accounting adjustments.

Administrative expenses for the year ended December 31, 2024, was THB 151.97 million, increased by THB 8.76 million or 6.12% as compared to the same period in the previous year, resulting from consultancy fees and accounting adjustments. During this year ended December 31, 2024, the Company recorded a full allowance for impairment loss on its investments in Lottofood (Thailand) Co., Ltd. ("the subsidiary"), totaling THB 6.99 million. The Company also considered indicators of impairment on investments in Hokkaido Food and Beverage Company Limited ("the subsidiary") and then setting up allowance for impairment on investments in subsidiary amounting for THB 50 million and allowance for impairment of loans to subsidiary as mentioned of THB 109 million. These impairments, a non-cash item, amounted to THB 166 million. Despite this impairment, the Company's overall business remains financially strong, with low debt levels. Moreover, the Company continues to be committed to improving profitability and enhancing profit margins across all business segments.

## **Asset Management Ability**

### **Assets:**

As of December 31, 2024, the Company has total assets of THB 1,133.22 million, decreased by THB 12.24 million or 1.07% as compared to the end of the previous year, mainly from the decrease of non-current assets in property, plant and equipment, and from right-of-use assets.

### **Liabilities:**

As of December 31, 2024, the Company has total liabilities of THB 357.68 million, decreased by THB 125.48 million or 25.97% as compared to the end of the previous year, mainly from the decrease of short-term loans from financial institutions and the lease liabilities, net of current portion.

### **Shareholders' equity:**

As of December 31, 2024, the Company has total shareholders' equity of THB 775.55 million, increased by THB 113.24 million or 17.10% as compared to the end of the previous year, resulting from increasing in dividend shares and unappropriated retained earnings.

Please be informed accordingly.

Sincerely yours,

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Thakerngbol Laobisuddhi

Authorized Signature