

February 23, 2022

Subject: Management Discussion and Analysis for the 4th quarter and the year ended
December 31, 2022

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, 2022, 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 4.63 million for the 4th quarter ended December 31, 2022, in which there was a profit attributable to equity holders of the Company of THB 2.10 million, decreased by THB 50.38 million or 95.99% as compared to the same period in the previous year which was shown the net profit of THB 52.48 million.

The Company and its subsidiary had net profit of THB 23.64 million for the year ended December 31, 2022 in which there was a profit attributable to equity holders of the Company of THB 17.26 million, decreased by THB 128.94 million or 88.20% as compared to the same period in the previous year which was shown the net profit of THB 146.20 million.

Revenue:

Sales Revenue for the 4th quarter ended December 31, 2022, was THB 474.04 million, decreased by THB 97.94 million or 17.12% as compared to the same period in the previous year. This resulted mainly from pricing competition in household and industrial chemical products which other players constantly have promotion pricing activities.

Sales Revenue for the year ended December 31, 2022, was THB 1,694.08 million, decreased by THB 132.37 million or 7.25% as compared to the same period in the previous year. This resulted mainly from consumers are affected by the rising cost of living both necessary products for daily usage and also the continuously rising of transportation costs that affected to the demand for chemical products together with other players continued on price competition, resulting in lower revenue for the household chemical product category. However, the Company has continuously increased promotional activities in all product groups by choosing the distribution channel that suited to each product categories as well as enhanced the efficiency for product visibility and product placement in all channels in order to maintain market share. Furthermore, the Company has also emphasized online platform channel. For food and beverage business, the revenue growth has continued its pace as a result of new product launching and distribution expansion covering more stores nationwide. For the year ended

December 31, 2022, the Company has sales revenue in the household chemical products decreased mainly from traditional trade channel. However, the Company has revenue growth from modern trade channel, industrial channel, agrochemical channel, online channel, and export channel. Sales revenue in modern trade channel has increased 2.65%, resulting from the promotional activities to boost sales growth and increasing the distribution for flying insecticide product as well as launching new products Chaindrite Power Trap, Teepol Pure with pack size 330 ml. and Teepol Dish Super Lemon to expand distribution channels and serve customer demand. Sales revenue in industrial channel has increased 18.89% resulting from increasing promotional activities and improve product formulation including the change in sales strategies and customer expansion in cleaning and insecticide products. Sales revenue in agro channel has increased 67.87% resulting from the promotional activities in agrochemical and fertilizer products. The Company has strong revenue growth 247.05% in online platform channel as compared to the same period in the previous year. Sales revenue in export channel has increased 13.98% from Australia export which has revenue increased 26.70% resulting from increasing promotion activities and new product launching. While revenue in industrial export channel has revenue increased 40.24%. Furthermore, food and beverage industry have revenue growth which comprised of revenue from peanut product under “Marucho” trademark has increased 25.73% as compared to the same period in the previous year resulting from distribution expansion covering more stores nationwide and launching of new packaging for Marucho with hanging type that can enhance more distribution in the provincial areas. For dairy products under “Hokkaido” trademark, the revenue has increased 5.34% as compared to the same period in the previous year due to availability for sale in Supermarkets to expand distribution channels and serve customer demands. Sales revenue from beverage products under “SuperFight” trademark has increased 75.17% as compared to the same period in the previous year due to market expansion and the launching of new product SuperFight size 100 ml. which is enhance more product distribution toward customers.

Cost of goods sold:

Cost of goods sold for the 4th quarter ended December 31, 2022, increased from 61.13% to 65.78% of sales revenue resulting from the price of raw materials and packaging have increased as a result of higher oil prices which the main ingredient of chemical products.

Cost of goods sold for the year ended December 31, 2022, increased from 59.12% to 66.57% of sales revenue resulting from the price of raw material and packaging material have increased as a result of higher oil prices as well as higher freight cost. However, The Company has increased the selling price and adjusted sales promotion activities based on market price and competitors' sales promotion activities in same industry.

Selling and distribution expenses:

Selling and distribution expenses for the 4th quarter ended December 31, 2022, was THB 109.66 million, increased by THB 6.99 million or 6.81% as compared to the same period in the previous year resulting from the Company has increased advertising media across food and beverage products to build brand awareness towards the customer and continuously boost

strong sales growth. Including, the company has continuously increased marketing and sales promotion activities to build brand awareness and increasing the opportunity to trial the products which contribute to customer expansion and strong sales growth.

Selling and distribution expenses for the year ended December 31, 2022, was THB 356.61 million, decreased by THB 23.08 million or 6.80% as compared to the same period in the previous year resulting from the control of expenses and revised advertising plan to be more consistent with marketing and sales promotion activities, focusing on the activities that enhance more product distribution toward customers.

Administrative expenses:

Administrative expenses for the 4th quarter ended December 31, 2022, was THB 34.03 million, decreased by THB 13.53 million or 28.44% as compared to the same period in the previous year resulting from the control of expenses.

Administrative expenses for the year ended December 31, 2022, was THB 155.40 million, decreased by THB 3.83 million or 2.40% as compared to the same period in the previous year resulting from the control of expenses during the periods of economic uncertainty.

Asset Management Ability

Assets:

As of December 31, 2022, The Company has total assets of THB 1,273.54 million, increased by THB 56.34 million or 4.63% as compared to the end of the previous year, mainly from the increasing of Current asset in cash and cash equivalents from proceeds of issuing share capital and non-current asset increasing from the property, plant and equipment as well as the right-of-use assets.

Liabilities:

As of December 31, 2022, The Company has total liabilities of THB 554.12 million, increased by THB 50.77 million or 10.09% as compared to the end of the previous year, mainly from short-term loans from financial institutions.

Shareholders' equity:

As of December 31, 2022, The Company has total shareholders' equity of THB 719.42 million, increased by THB 5.57 million or 0.78% as compared to the end of the previous year, resulting from increasing in share capital and interim dividend payment.

Please be informed accordingly.

Sincerely yours,

Thakerngbol Laobisuddhi

Authorized Signature