

28 February 2024

Subject : Management Discussion and Analysis For the operating results of 2023 (Revised)

Attention : The President

The Stock Exchange of Thailand

PP Prime Public Company Limited would like to deliver the explanation and analysis of the management for the operating results of 2023 as follows:

### Performance overview

In 2023, PP Prime Public Company Limited (“the Company”) and its subsidiaries had total sales of Baht 1,304.38 million, comprising of aquatic feed business and pet food business was Baht 791.68 million and Baht 512.70 million, respectively, which accounted for 60.69% and 39.31% of total revenue from sales, respectively. Revenue from sales was increased by 9.06 % compared to the previous year.

In 2023, the Company and its subsidiaries had a total net loss of Baht 251.49 million, decreased 48.45% compared to the previous year. This was mainly due to decreased in loss from disposal of the subsidiary's assets.

<b>PP Prime Public Company Limited and its subsidiary Statement of comprehensive income (Unit: Million Baht)</b>	<b>2023</b>	<b>2022</b>	<b>Change increase (decrease)</b>	<b>Percentage</b>
Revenue from sales	1,304.38	1,196.04	108.34	9.06
Other incomes	19.48	17.06	2.42	14.19
<b>Total revenues</b>	<b>1,323.86</b>	<b>1,213.10</b>	<b>110.76</b>	<b>9.13</b>
Cost of sales	1,255.40	1,188.48	66.92	5.63
Selling and administrative expenses	210.70	203.37	7.33	3.60
Loss expected credit loss	14.97	16.03	(1.06)	(6.61)
Loss (profit) on disposals of property, plant and equipment	(1.16)	227.29	(228.45)	(100.51)
Other loss, net	55.45	24.15	31.30	129.61
Finance costs	12.90	42.33	(29.43)	(69.53)
<b>Total expenses</b>	<b>1,548.26</b>	<b>1,701.65</b>	<b>(153.39)</b>	<b>(9.01)</b>
<b>Loss before income tax expenses</b>	<b>(224.40)</b>	<b>(488.55)</b>	<b>(264.15)</b>	<b>(54.07)</b>
Expenses (Incomes) tax expenses	27.09	(0.67)	27.76	4,143.28
<b>Loss for the year</b>	<b>(251.49)</b>	<b>(487.88)</b>	<b>(236.39)</b>	<b>(48.45)</b>

## **Explanation and analysis of financial status and operating results for 2023**

### **1.1 Revenue**

#### **Aquatic business selling**

In 2023, the Company gained revenue from the aquaculture feed business of Baht 791.68 million with an increase of 46.06% , compared to the previous year due to increased purchasing power from the chinese market from the reopening of the country. This included fresh and frozen shrimp as well as new products such as giant freshwater prawns (for consumption). As a result, farmers in Thailand increased the amount of shrimp farming to support such orders. The situation of the aquaculture feed business was better than the previous year. Consequently, sales revenue increased, compared to the previous year.

#### **Pet Food Business**

The Company gained revenue from the pet food business of Baht 512.70 million with a decrease of 20.37%, compared to the previous year. Due to the situation of pet food, there has been a slowdown in orders since the end of 2022.

#### **Electric Power Business**

Since subsidiaries in Japan have sold 13 power plants out of 15 plants, in 2023, the subsidiaries gained no revenue from the business of the production and distribution of electricity from geothermal energy

### **1.2 Other incomes**

Other incomes in 2023 was Baht 19.48 million with an increase of 2.42 million baht, compared to the previous year, accounting for 14.19%. Mainly caused by the sale of waste materials.

### **1.3 Cost of Sales**

Most of the Company's cost of sales is generated from the cost of raw materials in the production. In 2023, the Company had a total cost of sales of Baht 1,255.40 million, consisting of the cost of selling aquaculture feed of Baht 758.10 million and the cost of selling pet food of Baht 492.00 million with a increase of 9.06 % , compared to the previous year. This is in accordance with the increased revenue from pet food and the production cost of the power plant business was Baht 5.30 million with a decrease of 87.46% , compared to the previous year because in July 2022, Subsidiaries have sold 13 power plants out of 15 plants.

### **1.4 Selling and administrative expenses**

Selling and management expenses in 2023 were Baht 210.70 million with a increase of Baht 7.33 million or 3.60%, compared to the previous year. Mainly due to transportation expense with a increase of Baht 10.52 million. This is in accordance with the increased revenue from pet food.

### **1.5 Other loss, net**

Other loss, net in 2023 was Baht 55.45 million with a increase of Baht 31.30 million or 129.61% , compared to the previous year. Mainly due to exchange rate of subsidiaries companies.

## **1.6 Finance costs**

Financial cost in 2023 was Baht 12.90 million with a decrease of Baht 29.43 million or 69.53%, compared to the previous year. The reason for the decreased in finance costs was mainly from repayment of loans from financial institutions and redemption of debentures before their maturity.

## **1.7 Net Profit (loss)**

In 2023, the Company and its subsidiaries experienced a net loss of Baht 251.49 million or a net loss of Baht 0.022 per share.

## **2. Financial status**

### **2.1 Asset**

As of 31 December 2023, the Company and its subsidiaries owned total assets of Baht 1,134.42 million with a decrease from 31 December 2022, of Baht 297.33 million or an decrease of 20.77%, mainly due to a decrease in deposits at banks as collateral of Baht 65.59 million and inventories a decrease by Baht 53.13 million due to the Company's policy about lower inventory stock.

### **2.2 Liabilities**

As of 31 December 2023, the Company and its subsidiaries owned total liabilities of Baht 596.06 million with a decrease from 31 December 2022, of Baht 229.56 million, or 27.80%, decrease from loan payments to financial institutions with an amount of Baht 162.63 million and the Company redeemed debentures amount of Baht 44 million.

The ratio of debt to equity as of 31 December 2023, and 31 December 2022, was 1.11 times and 1.36 times, respectively.

### **2.3 Equity**

As of 31 December 2023, the Company and its subsidiaries held shareholders' equity of Baht 538.36 million with a decrease from 31 December 2022, of Baht 67.77 million or 11.18%, primarily due to total operating losses in 2023 with an amount of Baht 251.49 million.

## **Liquidity**

In 2023, the Company and its subsidiaries owned a net cash flow used in operating activities of Baht 68.86 million, cash flows generated from investing activities of Baht 48.63 million, cash flows used in financing activities of Baht 72.12 million, and the impact from exchange rates increased by Baht 60.16 million. Therefore, the Company's cash and cash equivalents decreased by Baht 32.19 million. As of 31 December 2023, the Company and its subsidiaries held cash and cash equivalents at the end of Baht 13.13 million.

## **Other**

### **Advance payment for construction of geothermal power plants**

The advanced payment is a deposit for land to build geothermal power plants. Sumo Power Company Limited, a subsidiary of the Company, paid a deposit of JPY 103 million for land to construct two power plants to two private companies.

Then, Sumo Power Company Limited entered a land transfer agreement for a plot of land located in Beppu, Oita, Japan with the first private company. The first private company transferred the plot of land to the second private company. However, the first private company was obligated to transfer this plot of land to Sumo Power Company Limited. The total asset transfer price was JPY 300 million. Sumo Power Company Limited has already paid the private company JPY 50 million.

On 26 May 2020, Sumo Power Company Limited took legal action against the second company regarding the transfer of ownership of the land and a claim for JPY 1 million in damages from the first company.

On 5 September 2022, the Company assigned the lawyer to withdraw the case and on 14 September 2022, the court judged that the Company's claims were dismissed. Therefore, the case is finalised and completed

### **Advanced payment for hot spring rights**

The advanced payment is a deposit for the royalties from four units of hot spring from the construction of geothermal power plants project, worth JPY 120 million. S-Power Company Limited and Otomeyama Energy Co., Ltd., the subsidiaries, paid the deposit in June 2016.

### **Advance payment for Riverside Project**

The advanced payment is a deposit of JPY 210 million, for a joint venture in a mixed-use real estate project under the Riverside Tower Project ("Riverside Project") in Da Nang, Vietnam. The Company will invest in the amount not exceeding JPY 3,100 million, as part of a joint investment in the project. The Company would have the right to sell and receive all returns from the sale of the project's condominium units, which accounted for at least 50% of the project's total residential area. The Company would be guaranteed a minimum investment return of 6% per year of unsold condominium units. The Company would pay the rest of the investment when the conditions specified in the investment contract were met. However, if the conditions weren't completely fulfilled within the specified period, the Company would have the right to request the deposit be paid back in full.

On 2 July 2018, the Company entered a memorandum of understanding with the joint investment company's shareholders. The shareholders agreed to transfer all their shares to the Company at its par value (JPY 10 million) as collateral for the Company's JPY 210 million deposit payment. The Company has already paid JPY 10 million for the shares used as collateral.

On 30 July 2019, the Company issued a letter to cancel the investment and requested for the deposit to be refunded in full. This is due to the delay in the development of the project and the higher cost of developing such a project.

In November 2019 and May 2020, the Company received JPY 171 million and JPY 5 million of the deposit, respectively, as a refund with JPY 44 million remaining. The Company was in the process of collecting the rest of the money and consider would continue to take legal action.

### **Advanced payment for wind power plant**

The advanced payment is for investment in the construction of seven units of wind power plants in Japan, with a total value of JPY 247 million. In 2017, the Group's subsidiary paid the advance payment of JPY 232 million to Aura Green Energy Co., Ltd. (a Japanese juristic person joint venture with PPSN Co., Ltd.). The seven wind power plants were in operation and have made sales revenue since 2017.

In December 2019, the Company assigned its legal advisor to send a notice to Aura Green Energy Co., Ltd. regarding the transfer of ownership in the wind power plants but Aura Green Energy Co., Ltd. opposed that the power plants had been handed over to the subsidiary, which doesn't match the facts. As at 30 May 2022, the Company filed Aura Green Energy Co., Ltd., the contracting party, to hand over the power plants and any electricity charges received earlier to the Group's subsidiary.

Subsequently, on 24 October 2022, Aura Green Energy Co., Ltd. filed a counter argument by referring to a memorandum of understanding dated 25 June 2022 which specified that PPSN Co., Ltd. does not have any claims against Aura Green Energy Co., Ltd. and will withdraw the lawsuit. However, the Company's legal advisor gave the opinion to file a counter argument for the validity of the memorandum of understanding. Currently, it is in the process of examination of evidence relating to the memorandum of understanding. Currently, it is in the process of examination of evidence relating to the memorandum of understanding.

On 12 May 2023, the court considered the evidence of PPSN Co., Ltd. relating to the payments for the construction of wind power plants to Aura Green Energy Co., Ltd. Currently, it is in the process of examination of evidence relating to the payments. The court scheduled for the next hearing on 16 April 2024. **The company will report further progress.**

### **Short-term loan from and loan to Aulux Power Co., Ltd.**

Loan from Aulux Power Co., Ltd. amount of THB 0.24 million, which related company bear interest at the rate of 3 percent p.a. and has maturity on January 2020. The company will not make a new contract and in the future this will be offset with loan to related company.

Loan to Aulux Power Co., Ltd. amount of THB 72.57 million, which related company bear interest at the rate of 3 percent p.a. and has maturity in 2020 - 2021. When the company has better liquidity, the company will continue to follow up by using legal counsel.

The Group's management has assessed the expected credit loss of short-term borrowings by considering the ability to pay the debt of those related parties. As a result, the Company has a risk for uncollectible borrowings in the total amount. Therefore, the loss allowance for short-term borrowings were recognized in the financial statements.

### **Advance received from sales contract of geothermal power plants**

**On 21 June 2018, the Company entered a preliminary agreement on the sale of 15 geothermal power plants, which are commercially operated. The total purchase price was approximately JPY 4,800 million and was paid to Relocation House Corporation (Relocation Group), a company established under Japanese law (the buyer). The Company considered disposing the power plant projects by either selling shares in the Company's subsidiary who owned the power plant projects or disposing of the assets of the power plant projects. The Company received a deposit of JPY 200 million. According to a preliminary agreement (Memorandum of Understanding), the buyer (Relocation Group), was required to pay the remaining amount of JPY 4,600 million by February 2019.**

Subsequently, in February 2019, Relocation Group transferred its rights and obligations under the preliminary agreement to Beppu Forest Power Co., Ltd. (BF Power), who shared directors with the asset seller subsidiary until 30 June 2019, and PPSN Co., Ltd. (PPSN), a subsidiary. BF Power entered a contract to purchase 15 power plant projects (“Power Plant Project”) (Contract No. 1) on 25 February 2019. It was agreed that BF Power would pay a deposit of JPY 400 million and transfer 25% of BF Power's shares to PPSN on 15 March 2019. PPSN would transfer ownership of four power plants (part of the 15 plants above) to BF Power within 15 days of completing the payment.

On 5 April 2019, PPSN entered a contract to sell four power plants (Contract No. 2) to BF Power at a total price of JPY 800 million. This involved JPY 400 million to be paid within two weeks of the contract date and another JPY 400 million to be paid within one year of the contract date. PPSN has already received the deposit of JPY 400 million. The Group received a total deposit of JPY 600 million, represented as deposit received, and the transfer must be approved by the Board of Directors. The memorandum stated that BF Power has the right to terminate the contract if the transfer wasn't approved by the Board of Directors. The contract was created for four parties: BF Power, PPSN, Lena Power Station No.1 LLC (LENA) and the Company. BF Power and PPSN were the only party to sign the contract. The Company's legal advisor gave the following opinions on the second contract as follows .:

1. If LENA could prove that it didn't authorise PPSN to sign the contract on its behalf, LENA wouldn't be bound to the contract.
2. If the Company could prove that it didn't authorise PPSN to sign the contract on its behalf, the Company wouldn't be bound to the contract.

The second former director at that time confirmed he didn't sign the contract, but the first former director signed it on his behalf. The legal advisor in Japan advised that this is a matter of true intention of entering a contract, according to Japanese law. If it conflicted with the intention of a signatory, this contract would be void. If it could be proven that the second former director didn't sign this contract, but the first former director signed it, this contract wouldn't be binding for PPSN.

In December 2019, the Company sent a notice requesting BF Power to pay the remaining amount of JPY 4,200 million to the Company by 31 January 2020. If BF Power failed to pay the rest of the money, the Company would exercise their right to terminate the contract and confiscate the deposit of JPY 600 million. The Company confirmed that they would sell the power plants at JPY 320 million each and didn't accept the contract that BF Power made later to buy the four power plants at JPY 200 million each.

During January 2020, PPSN and LENA were notified by the electricity buyers of subsidiaries in the electricity generating group totaling four power plants that the electricity charges paid to the subsidiaries for the period of January 2020 onwards has been placed at the Oita Legal Affairs Bureau, which currently has money deposited in the amount of JPY 11,383,944 and JPY 16,599,528.

On 18 June 2020, PPSN received a letter from BF Power referring to the second contract dated 5 April 2019 by BF Power to cancel the purchase of two power plants owned by LENA, a subsidiary of the Company. On 17 July 2020, PPSN received “a summons to report on the date of the first verbal statement and a request letter for a response letter” from BF Power. It demanded that PPSN should pay BF Power JPY 40,540,542 plus 3% of accrued interest per year, starting from 2 May 2020 until the payment was completed, and the cost of litigation. However, “the summons to report on the date of the first verbal statement and a request letter for a response letter” required PPSN to submit the testimony on 27 August 2020.

On 6 August 2020, PPSN received two copies of an order for a temporary seizure of assets from the Tokyo District Court in Japan. The orders are summarised below.

1. According to order no. 1 for the temporary seizure of assets, the court ordered the temporary seizure of two of PPSN's plots of land where one power plant is located (power plant unit B). BF Power was required to place a guarantee of JPY 300,000. If PPSN could pay a security deposit of JPY 1,404,131, PPSN could request to suspend or withdraw the order.
2. According to order No. 2 on the temporary seizure of assets, the court ordered the temporary suspension of revenue from the sale of electricity generated by power plant unit B from 17 July 2020 to 16 July 2021. It also required BF Power to pay a guarantee of JPY 7.90 million. If PPSN could pay a security deposit of JPY 39,433,306, PPSN could request to suspend or withdraw the order.

In response, the Company assigned a lawyer to the case to file a petition to counter the two orders.

On 8 June 2021, an offset of debt and expenses of JPY 40.5 million was added with the next hearing date scheduled on 26 July 2021, which BF Power didn't file a counter argument as it was in the process of settlement negotiations. The next hearing date was scheduled on 20 January 2022.

During the year 2022, BF Power didn't file a counter argument because it was still in the process of settlement negotiations and the Company has negotiated with BF Power for the sale of 2 power plants of PPSN. However, the conditions and obligation of the mentioned purchase will be presented for the settlement negotiations as the court scheduled for the next hearing on 29 March 2023.

During the year 2023, the Company is still in the negotiation process which the conditions and obligation of the mentioned purchase will be presented for the settlement negotiations as the court scheduled for the next hearing on 12 December 2023 and 26 December 2023. However, there was no conclusion from both parties for the conditions and obligations; therefore, the court scheduled for the next hearing on 10 January 2024.

On 10 January 2024. The Company presented the conditions and obligation of the mentioned sale agreement to BF Power for consideration. BF Power proposed to change some conditions. The mentioned settlement agreement will be effective once it is signed by both parties. The settlement agreement is expected to sign within the first quarter of 2024.

### **Summary of Shrimp Industry Situation in 4Q2023**

Domestic shrimp farming production is expected to be delayed in the second half of 2023 due to decreased demand in key markets around the world. Also, buyers' supply prices are lower than farmers' production costs. In contrast, Ecuador, the main producer and exporter of white shrimp, could produce 1.5 million tons of shrimp in 2023. Although exports to China, its main market, have increased in volume, prices are still lower than last year.

The amount of shrimp farming in Q4 decreased compared to the same period in 2022 due to decreased shrimp prices throughout Q4. Therefore, farmers extended shrimp farming to wait and see if the selling price might increase. Some farmers encountered problems in farming as the production had not been as planned.

The problem of energy costs is caused by electricity costs increased and farmers have no alternatives as they have to use electricity to run the blades to increase oxygen 24 hours a day. In addition, alternative energy is still expensive.

Increasing food of shrimp prices are caused by increased costs of raw materials, leading to fewer discounts or not being given discounts at all. Therefore, farming costs increase.

For shrimp species problems during the past Q4, farming results were not being as planned, leading to premature death of the shrimp. Therefore, farmers want more disease-resistant species.

Thai shrimp production in Q4/2023 from October to December is approximately 54,468 tons, divided into 49,575 tons of white leg shrimp and 4,893 tons of tiger prawn.

Thai shrimp production tends to increase and is not in accordance with the quantity of shrimp larvae released. It is calculated that the shrimp release trend during Q4 decreased as the price still decreased. On the other hand, shrimp farming is their main occupation. They still have to continue raising them in the hope that the price will improve in early 2024 and there is an expectation that more tourists will come to travel in Thailand during festivals, such as the New Year Festival and Chinese New Year Festival. As the price seems to improve, more shrimp are released.

### **Shrimp Industry Trends in 1Q2024**

1. Shrimp raised for a long time for increased price have all been caught during this time.
2. The release of new shrimp is expected to decrease due to the continuously decreasing price.
3. The winter season results in decreased growth and diet of shrimp. Also, in the southern region, it is the monsoon period with a lot of rain, leading to inappropriate salinity.
4. During the winter, white spot disease is common every year.
5. New tiger prawns are added. Farmers must invest during this period as productivity is good. The Chinese market is open to import orders but it may not greatly affect sales.
6. Customers are resting their ponds as they have been raising them continuously and some of them have improved their farms to increase production and reduce costs of farming.

### **Summary of Fish Industry Situation in 4Q2023**

**Nile tilapia:** In 2023, the total farm area in the country is 533,066 rai, decreasing by 1.59% compared to last year, while the annual production per rai is 481 kilograms, decreasing by 3.22%, compared to last year. The total national production volume was 256,484 tons, decreasing by 4.79% as farmers' selling prices decreased from last year. The climate is not facilitative to farming as there was a drought from the beginning to the middle of 2023, causing insufficient water in natural water sources for farming. Therefore, it is expected that farmers would delay the release of fish fry and reduce the farming cycle. It is expected that the yield per rai would decrease since some farmers have reduced the amount of fish released due to higher food costs. In addition, from the end of September to the beginning of October 2023, many areas in the northern, northeastern, and central regions experienced flooding. This caused damage to Nile tilapia farming. Therefore, the national production decreased.

**Catfish:** In 2023, the total farm area in the country is 78,831 rai, decreasing by 1.51% from last year while the annual production per rai is 1,136 kilograms per rai, decreasing from last year by 2.91%. The total national production volume was 89,525 tons, decreasing by 4.36%. Due to the higher price of production and costs of farming, a drought situation from the beginning until May 2023, insufficient rain volume, and water in water sources, farmers reduced their farming area.

Production per rai decreased due to production factors, such as expensive catfish food, causing farmers to reduce the amount of fish released and reduce the amount of fish food. Moreover, from the end of September to the beginning of October 2023, in many areas in the northern, northeastern, and central regions, farmers encountered flooding, causing damage to catfish farming. Therefore, the overall national production decreased.

**Sea bass:** In Thailand with the highest production of amphidromous fish, Asian sea bass production is 21.81% of the quantity of sea bass in the country. In 2023, the quantity of sea bass was 54.4 thousand tons with a value of about 6.4 billion baht. Thailand is the 16th exporter of sea bass in the world, but the farming situation during over 10 years (2013-2023) showed that sea bass sold by farmers decreased by 0.43%. Key barriers are still present, including the cost of food, energy, labor costs for catching aquatic animals, and the problem of smuggling large amounts of fish into the country, affecting the quality and domestic consumption. In addition, disease outbreaks have been found in sea bass and in many farms, GAP standards were not met.

#### **Fish Industry Trend in Q1/2024**

**Nile tilapia:** The situation of production and export of Nile tilapia showed that in Thailand, there was an opportunity to export to generate income for the country due to the high demand for consumption around the world and Thailand's small market share. Nile tilapia is a freshwater fish that is easy to raise and grows quickly. Key fish in the Thai economy include Nile tilapia and red tilapia. Thai tilapia products were more than 200,000 tons per year, mostly consumed domestically, and exports were 5,000-10,000 tons per year. In 2022, Thailand was the number 8 exporter in the world with a market share of 1.1%, inferior to China. So, there are still a lot of channels for export. Key export products include frozen whole Nile tilapia. The export market includes the United States and the United Arab Emirates. For fresh or frozen whole Nile tilapia, the export market includes Cambodia and Myanmar. For frozen boneless Nile tilapia fillets and fresh or frozen whole red tilapia, the export market is Malaysia. For live red tilapia, the export market is Malaysia.

**Catfish:** Production per rai is expected to decrease since production costs greatly increased as well as ready-made pellets. This is because catfish are carnivorous and are fed ready-made pellets in their farming mainly during the small fry stage. Then, crushed chicken bones and chicken intestines are fed until the final product. However, the fish may not grow as they should and may not reach the size the market desires. Therefore, farmers reduced the amount of fish released although in some provinces the yield per rai increases in the northern region due to commercial farming by a private company with systematic management, and in the northeast region due to increasing demand for consumption in the province. The farmers' selling prices are good, motivating farmers to pay more attention. For the central region, for example, due to commercial farming and the location close to chicken processing plants, food such as ground chicken bones and chicken intestines that can be found locally has been used, which is considered to save the cost of ready-made pellet food. However, overall national catfish production decreased.

**Sea bass:** The problem is sea bass imported from Malaysia has a lower price than Thai fish by about 20 baht per kilogram. Malaysia has lower production costs than Thailand. This causes the sea bass to remain in the pond and cannot be utilized and the fish get bigger. It was found that farmers' selling price decreased from 93 baht per kilogram, decreasing by 14% compared to the same period last year. The price of size 0.4-0.9 kg. of Thai sea bass was 80 baht and 60-70 baht per kilogram in Malaysia. The cost of Thai farming is 89 baht per kilogram while the cost in Malaysia is 60 baht per kilogram.

Currently, the price of buying sea bass from the pond is 85 baht/kg with increased production costs such as food, electricity, labor, etc. Therefore, the selling price is close to the production cost.

### **Summary of Pet Industry Situation in 4Q2023**

Thai pet food exports in 2023 started to expand again at the end of 2023 after declining since the beginning of the year. Most recently in November 2023, pet food exports were 222 million US dollars, growing 3% from the same period last year. The main export markets include the United States, Japan, Malaysia, Italy and Australia, respectively. According to the 2023 global consumer behavior survey, key trends affected behavior and demand for food purchasing and pet care products for consumers in this period as follows:

- (1) A priority to pets as one of the family members
- (2) A priority to the health of pets as well as the owner's
- (3) The Distribution of food and pet care products through online and offline channels simultaneously
- (4) A priority to the environment and sustainability by using packaging that focuses on sustainability and

environmentally friendly manner

Although Thai pet food products can grow and are still in demand from consumers around the world, exporters still need to prioritize import requirements, standards of the destination country, and demand trends as well as the behavior of prospective consumers.

### **Pet Industry Trends in 1Q2024**

The pet food market may be delayed due to economic issues and various events, resulting in decreased growth opportunities for both exports and domestic trading. The proportion of Thai pet food exports is approximately 17% of the entire world market. The main exports include America, Japan, Italy, and Malaysia, respectively, which have grown more every year since 2017 until now. The majority of pet food production is mainly for export and some are sold domestically. Directions of the global and domestic economy must be considered to see if they affect the demand for pet food. From the trend in the second half of 2023, more orders are seen.

Yours sincerely,

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