

(Translation)

IR 014/24

August 14, 2024

President and Director

The Stock Exchange of Thailand

Subject : To explain the reasons on the company's net profit (net loss) more than 20% from last year.

Dear Sir,

Karmarts Public Company Limited would like to submit financial statement for the period of 3 months ended June 30, 2024. The company's net profit is Baht 52.27 million. The profit decreased by Baht 76.67 million or 59.46% when compared to the net profit of last year. The main reasons are as follows.

1. The company had the sales revenue of Baht 739.76 million, increased from last year by Baht 170.42 million or 29.93% as the company had increased the sale of Cosmetics and Consumer Products. Income from warehouse rental services of Baht 6.53 million. Other Income of Baht 8.44 million increased from last year by Baht 3.68 million or 77.31%. Due to dividends received and income from managing joint venturer.

2. The company had the cost of sales and service of Baht 346.28 million, increased from last year by Baht 70.92 million or 25.76% because increased sales proportion.

3. The company had the selling and administrative expenses of Baht 205.66 million, increased from last year by Baht 66.15 million or 47.42% due to the following:

- The company had selling expenses of Baht 130.59 million, increased from last year by Baht 55.79 million or 74.59% due to advertising and sales promotion expenses increased by Baht 38.18 million. Employee expenses increased by Baht 7.32 million, rent increased by Baht 2.80 million, and other expenses increased by Baht 7.49 million.
- The administrative expenses of Baht 75.07 million, increased from last year by Baht 10.36 million or 16.01% increased from employee expenses Baht 4.75 million and increased from expenses under the contract Baht 5.61 million.

4. Loss on the change in fair value of investments in equity instruments stood at Baht 125.21 million, marking a significant increase of Baht 125.36 million. Is a result from changes in price of shares held by the Company which is unrealized.

5. Gain on sale of investments Baht 7.23 million increased from last year by Baht 7.07 million.

6. The company had the share of loss form investments in joint venture and associate of Baht 2.21 million, increased from last year by Baht 0.93 million, the associate's profit decreased from the previous year.

7. Finance income increased to Baht 7.76 million from the previous year's Baht 7.55 million. This increase can be attributed to the Company's heightened cash reserves resulting for capital increases, leading to higher interest income.

8. The company had the financial cost of Baht 4.76 million, increased from last year by Baht 0.94 million or 24.61%.

9. The company had Income Tax of Baht 33.61 million, increased from last year by Baht 1.91 million or 6.03% because the company's profit increased from the previous year.

Please be informed accordingly.

Sincerely yours,

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(Ms. Suwannee Tharacheevin)

Company's Secretary