

Subject Management Discussion and Analysis for the year ended 31 December 2023

Attention Directors and Managers
The Stock Exchange of Thailand

Pluk Phak Praw Rak Mae Public Company Limited (the “**Company**”) would like to inform the analysis of financial performance, financial positions and financial ratio for the year ended 31 December 2023. The details are as follows:

A summary of the key financial information for the year ended 31 December 2023

Item	For the year ended 31 December		Change	
	2022	2023		
	THB mm	THB mm	THB mm	%
Revenue from sales	1,210.4	1,712.8	502.4	41.5
Total Revenue	1,241.9	1,716.9	501.9	41.3
Cost of goods sold	692.1	939.4	247.3	35.7
Gross Profit	518.3	773.4	255.1	49.2
Net Profit	38.3	140.6	102.3	267.1

Revenue from sales

The following table sets forth a breakdown of revenue from sales by distribution channel

	For the year ended 31 December				Change	
	2022		2023			
	THB mm	%	THB mm	%	THB mm	%
Full-service Restaurant	1,123.3	92.8	1,614.3	94.2	491.0	43.7
Delivery and Kiosk	68.8	5.7	68.7	4.0	(0.1)	(0.1)
Café Amazon	9.7	0.8	20.2	1.2	10.5	108.2
Supermarket	8.6	0.7	9.6	0.6	1.0	11.6
Total revenue from sales	1,210.4	100.0	1,712.8	100.0	502.4	41.5

For the years ended 31 December 2022 and 31 December 2023, the Company’s revenue from sales was THB 1,210.4 million and THB 1,712.8 million, respectively.

The Company’s revenue from sales increased from THB 1,210.4 million in 2022 to THB 1,712.8 million in 2023, representing a growth rate of 41.5%. This increase was driven by the growth in revenue from existing branches and the additional revenue from the expansion of Full-service Restaurant branches. In 2023, the Company

significantly expanded its Full-service Restaurant branches by opening 11 new branches, increasing the total number from 18 branches at the end of 2022 to 29 branches at the end of 2023. Furthermore, the launching of new menu and new products and consistently push online marketing, leading to a positive customer feedback from both existing and new branches. Moreover, the growth in Café Amazon sales, along with the significant increase in distribution outlets from about 40 branches in 2022 to around 300 branches in 2023, this made the Company's products more accessible and widely available to customers. The number of branches and details of the Same-Store Sales Growth (“SSSG”) for the years ended 31 December 2022 and 31 December 2023 can be summarized as follows:

Operating Result	Unit	For the year ended 31 December		Change
		2022	2023	
Number of Full-service Restaurant at the end of the period	Branch	18	29	11
SSSG for Full-service Restaurant ⁽¹⁾	%	23.2	(1.3) ⁽²⁾	(24.5)
Number of Delivery and Kiosk at the end of the period	Branch	5	4	(1)
SSSG for Delivery and Kiosk ⁽¹⁾	%	(31.8)	2.1	33.9
Number of Café Amazon at the end of the period ⁽³⁾	Branch	40	300	260
Number of Supermarket at the end of the period	Branch	8	9	1

Remark:

- (1) SSSG for the same period in the previous year (e.g. 6 or 12 months) is calculated by dividing (a) the Company's same-store revenue for that period after deducting same-store revenue for the same period in the previous year by (b) same-store revenue for the same period in the previous year
- (2) In 2023, there was closure for renovation of a branch located in the heart of city for 1 month, along with political and economic factors at the beginning of the year and in the fourth quarter, causing slightly negative SSSG in 2023.
- (3) Number of branches that consistently sell the Company's products (Active branch)

Profitability Ratio

Financial Ratio	For the year ended 31 December	
	2022	2023
Gross Profit Margin (%) ⁽¹⁾	42.8	45.2
Net Profit Margin (%) ⁽²⁾	3.2	8.2

Remark:

- (1) Calculated as gross profit divided by revenue from sales
- (2) Calculated as net profit divided by total revenue

Cost of goods sold and Gross Profit

For the years ended 31 December 2022 and 31 December 2023, the Company's cost of goods sold was THB 692.1 million and THB 939.4 million, respectively. These amounts accounted for 57.2% and 54.8% of revenue from sales, respectively. The Company's cost of goods sold includes raw material costs, production overhead costs, labor costs, depreciation and amortization, etc. The main raw material costs include meat, soup, sauce, salad dressing, fruits, vegetables and salad, which comprise of seed costs and costs incurred from the cultivation process,

etc. and labor costs comprise of labor costs from the cultivation process, production at the central kitchen, to cooking at the branch.

In 2023, the Company's cost of goods sold increased from THB 692.1 million in 2022 to THB 939.4 million in 2023, representing a growth rate of 35.7%, in line with the increase in revenue from sales, which was a result of the significant opening of 11 new branches of Full-service Restaurant in 2023. However, the Company's gross profit margin increased from 42.8% in 2022 to 45.2% in 2023. The increase of gross profit margin in 2023 results from the adjustment of selling prices for some menu together with more efficient cost management, especially the costs management of raw material usage in production, which is a significant proportion of the Company's cost of goods sold.

Net profit and net profit margin

For the years ended 31 December 2022 and 31 December 2023, the Company's net profit was THB 38.3 million and THB 140.6 million, respectively. This resulted in net profit margins of 3.2% and 8.2%, respectively.

In 2023, the Company's net profit increased from THB 38.3 million in 2022 to THB 140.6 million in 2023, representing a growth rate of 267.1%. This growth was driven by increased revenue from existing branches, the opening of 11 new branches, and the expansion of revenue from other distribution channels. The net profit margin raised from 3.2% in 2022 to 8.2% in 2023. This improvement was due to the Company's gross profit margin increasing from 42.8% in 2022 to 45.2% in 2023, together with more efficient cost, selling and administrative expenses management.

Financial Positions

Financial Data	As of 31 December 2022	As of 31 December 2023	Change	
	THB mm	THB mm	THB mm	%
Total Assets	1,003.6	1,349.9	346.3	34.5
Total Liabilities	557.3	772.0	214.7	38.5
Shareholders' equity	446.3	577.9	131.6	29.5

Total Assets

As of 31 December 2023, the Company had total assets of THB 1,349.9 million. The Company's total assets mainly consist of property, plant and equipment, right of use, cash and cash equivalents, and inventories.

Total assets as of 31 December 2023, increased from THB 1,003.6 million as of 31 December 2022 to THB 1,349.9 million, representing a growth rate of 34.5%. This growth was largely attributed to the increase in cash and cash equivalents, property, plant and equipment from 11 new branches expansion in 2023 and the increase in inventories to support the branch expansion.

Total liabilities

As of 31 December 2023, the Company had total liabilities of THB 772.0 million. The Company's total liabilities mainly consisted of account payables and other payables, lease liabilities, and long-term loans from financial institutions.

Total liabilities as of 31 December 2023 increased from THB 557.3 million as of 31 December 2022 to THB 772.0 million, representing an increase of 38.5%. This was mainly due to the increase in account payables and other payables, which was in line with the increase in revenue from sales and inventories, resulting that the Company had to reserve higher level of raw materials and products for the production process.

Shareholders' equity

As of 31 December 2023, the Company's shareholders' equity was THB 577.9 million. Shareholders' equity as of 31 December 2023 increased from THB 446.3 million as of 31 December 2022 to THB 577.9 million as of 31 December 2023, mainly due to an increase in profit for the year 2023 of THB 140.6 million. However, in 2023, the Company paid dividends of THB 10.0 million in the second quarter, which were dividends from the 2022 financial year's profits.

Please be informed accordingly,

Sincerely yours,

- Ms. Phavitpen Hlaorattanapaiboon -

(Ms. Phavitpen Hlaorattanapaiboon)

Chief Financial Officer