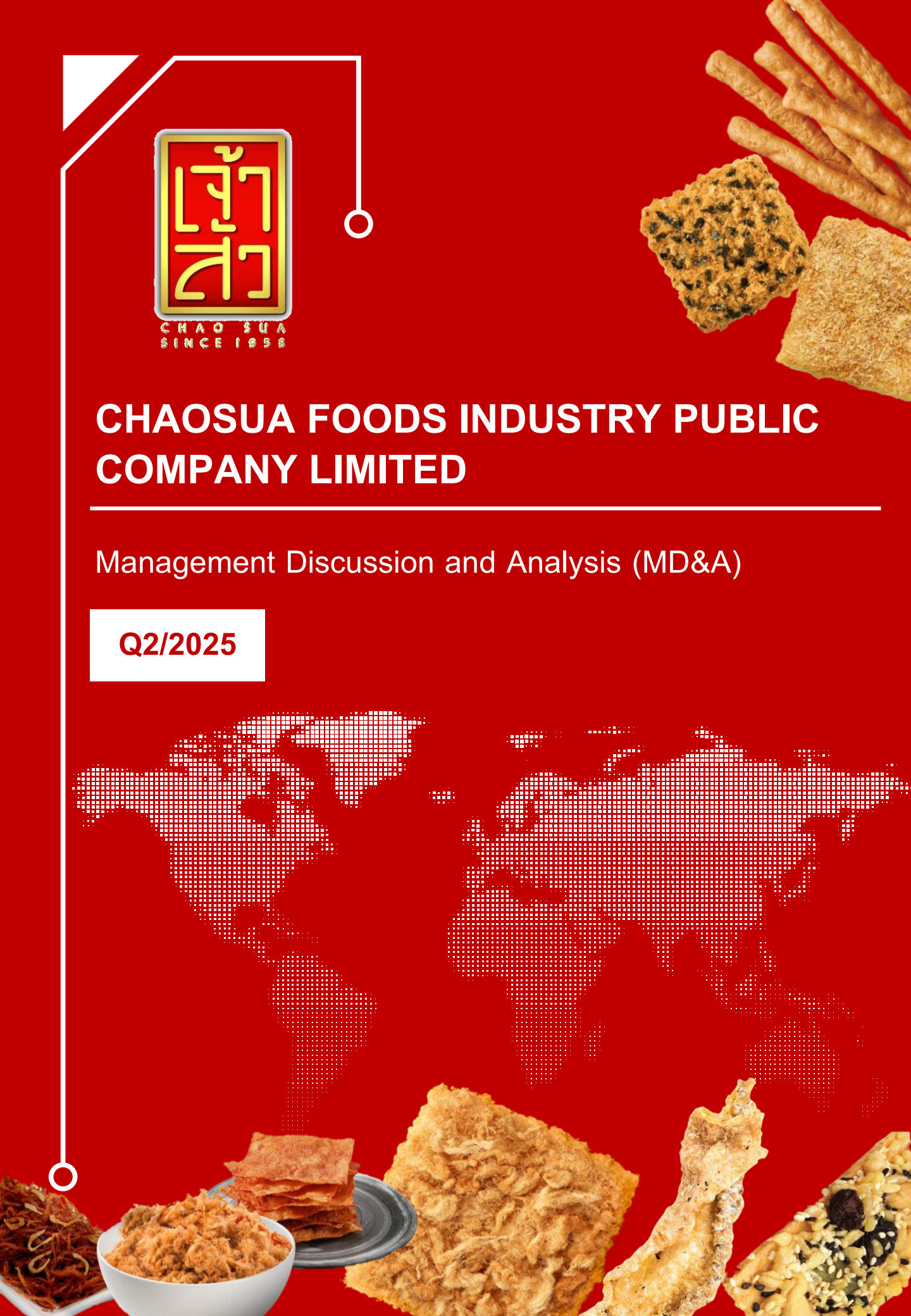




CHAOSUA FOODS INDUSTRY PUBLIC COMPANY LIMITED

Management Discussion and Analysis (MD&A)

Q2/2025





Executive Summary

In Q2/2025, Chaosua Foods Industry Public Company Limited ("the Company") reported operating revenue of THB 340.2 million, increased by THB 16.9 million or 5.2% from Q1/2025, mainly due to 1) Higher domestic sales resulting from the shift to direct-to-wholesaler distribution model and the expansion into new retail channels and 2) Increased international sales, especially in the United States, led by the cereal cracker product category and the expansion of distribution through Asian supermarket chain networks, which operates over 100 branches nationwide.

The Company ensures to prioritize domestic market development, focusing on expanding its distribution channels to ensure broader coverage and meet the needs of all target consumer groups. By implementing a 360° Marketing Strategy, the Company effectively integrates online and offline channels to enhance customer reach and strengthen brand-consumer relationships. The Company remains committed to both retaining its existing customer base and expanding its customer base, aiming to increase market share through new product development and enhanced customer experience. At the same time, the Company continues to adopt sustainable development principles (ESG) while maintaining its market leadership and actively seeking new business opportunities within the country.

In 2H/2025, the Company will continue to seek opportunities in high-potential new markets aligned with the brand's strengths, focusing on expanding international markets as a core strategy to diversify risk and drive sustainable growth through tailored strategies based on each market's characteristics and consumer behavior. The Company plans to continuously launch new products and expand domestic distribution channels by increasing product presence in traditional trade and strengthening strategic partnerships with modern trade and department stores, while also shifting to a wholesaler model since early this year, which has effectively increased in-store sales and allow the Company to effectively expand SKUs. In addition, the Company has initiated a strategic collaboration with Taokaenoi Food & Marketing Public Company Limited in both distribution and joint product development to enhance cost efficiency and broaden sales channels through Taokaenoi's retail network going forward. For international markets, the United States shows promising growth driven by the expansion through the Asian Supermarket network, which continues to grow robustly, and although tariffs on some items have increased, the Company believe that the price will remain at a competitive level compared to other regions due to similar tariff structures. In China, the Company has commenced a joint product development project with a key strategic partners and plans to elevate this collaboration into a long-term partnership to enhance sustainability and competitive advantage in the future.

Results Overview	Q2/24	Q1/25	Q2/25	Change +/-	
Unit: Million THB				%YoY	%QoQ
Operating Revenue	342.9	323.3	340.2	(0.8%)	5.2%
Gross Profit	129.5	109.1	115.0	(11.2%)	5.4%
EBITDA	48.8	28.6	15.6	(68.1%)	(45.6%)
Net (Loss) Profit	33.1	11.5	1.7	(95.0%)	(85.6%)
Gross Profit Margin (%)	37.8%	33.8%	33.8%	(10.4%)	0.2%
EBITDA Margin (%)	14.0%	8.7%	4.5%	(67.7%)	(48.0%)
Net (Loss) Profit Margin (%)	9.5%	3.5%	0.5%	(94.9%)	(86.3%)

Notes: Values may differ by one decimal point due to rounding

The Company's Overview Performance Q2/2025

- In Q2/2025, the Company reported total **Operating Revenue** of THB 340.2 million, decreased by THB 2.7 million or 0.8% from Q2/2024, mainly due to a slowdown in international sales, especially in China, which the previous year had a high sales base from a major promotional campaign. In addition, the new product launched in China this year was launched in Q2/2025, resulting in revenue recognition starting in Q3/2025, unlike the previous year when the product was launched in Q1/2024 and full revenue was recognized in Q2/2024. However, compared to Q1/2025, operating revenue increased by THB 16.9 million, or 5.2%, mainly due to 1) Higher domestic sales resulting from the shift to direct-to-wholesaler distribution model and the expansion into new retail channels and 2) Increased international sales, especially in the United States, led by the cereal cracker product category and the expansion of distribution through Asian supermarket chain networks, which operates over 100 branches nationwide.
- Gross Profit** was THB 115.0 million, decreased by THB 14.4 million or 11.2% from Q2/2024, mainly due to a significant increase in raw material costs, especially the price of pork, which is a key raw material, along with exchange rate volatility. While Gross Profit increased by THB 14.4 million, or 5.4%, compared to Q1/2025, mainly due to higher operating revenue both domestically and internationally, resulting from the Company's successful shift in its wholesale distribution model.
- Net Profit** was THB 1.7 million, decreased by THB 31.5 million or 95.0% from Q2/2024, and decreased by THB 9.9 million or 85.6% from Q1/2025 mainly due to the significant increase in raw material costs, exchange rate volatility, and intensified marketing and promotional activities aimed at supporting future sales growth.

Significant Event in Q2/2025:

"CHAOSUA" Launches Two New Innovative Flavors, Reinforcing its Position as a Market Leader

Chaosua Foods Industry Public Company Limited continues to pursue its market leadership strategy by launching two innovative rice cracker flavors: "Pork Floss Stir-Fried Crab Chili Paste" and "Shrimp Floss". These innovative products were crafted to meet a bold and unique taste experience that caters to modern consumers seeking distinctive products, marking another significant step in reinforcing Chaosua's leadership in the rice cracker market, inspiring innovation in Thailand's snack industry, and sustainably expanding its consumer base both domestically and internationally.

Successfully Shifted to a Direct-to-Wholesaler Business Model

Chaosua Foods Industry Public Company Limited has accelerated its expansion into the traditional trade by implementing a Direct-to-Wholesaler strategy. This shift enhances the strength of its distribution network by streamlining the sales process and improving product reach across the country. The strategy enables CHAO to effectively penetrate traditional trade channels while fostering long-term relationships with wholesale partners nationwide. As a result, the Company has successfully expanded its market base and significantly improved its competitive positioning.

Driving Growth Through Strategic Collaboration and Innovation with Taokaenoi (TKN)

Chaosua Foods Industry Public Company Limited continues to pursue a sustainable growth through a strategic partnership with Taokaenoi Food & Marketing Public Company Limited. The collaboration focuses on enhancing product distribution efficiency via the traditional trade channel, allowing both companies to broaden consumer reach nationwide. In addition, CHAO is advancing growth through innovation, with plans to launch a new co-developed product in Q4/2025. This new flavor, jointly developed with Taokaenoi, aims to meet the evolving preferences of modern consumers and further strengthen brand positioning.



CHAOSUA Business Strategy

01 Marketing Excellence

- Top of mind brand awareness
- Brand modernization

02 Product Innovation & Diversification

- Continuously launching NPDs
- Growing the "Better-for-you snack" segment
- Exploring new categories with high growth potentials

03 Distribution Channel Reinforcement

- Strengthening MT and TT Channels (Merchandising Development)
- Enhancing online presence
- Explore new potential channels

04 International Market Expansion

- Establishing a global brand as "Better-for-you" snack
- Strengthening foothold in newly penetrated markets
- Expanding to new markets (including Halal countries)

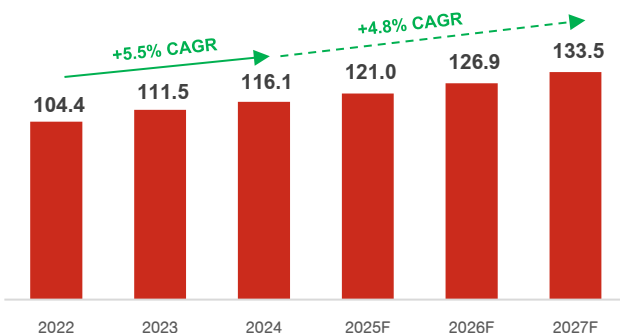
Operational Efficiency

- Continuous Margin Improvement
- Efficient Cost Management
- Process Improvement - Automation
- Solar Rooftop



Thailand Snack Market Value

Unit: Billion Baht



In 2024, the snack market in Thailand continued to show steady growth, driven by several key factors such as rising consumer awareness of health and well-being, the ongoing development of premium products, and the increasing trend of snacking during travel and in daily life. Product categories with particularly strong growth potential include rice crackers and processed pork snacks, which are expected to see an average annual growth rate (CAGR) of approximately 4.8% during 2024–2027, with total market value reaching THB 133.5 billion by 2027. This reflects the significant business opportunities that remain open for snack and food manufacturers to innovate and meet the evolving needs of consumers.

Source: Euromonitor



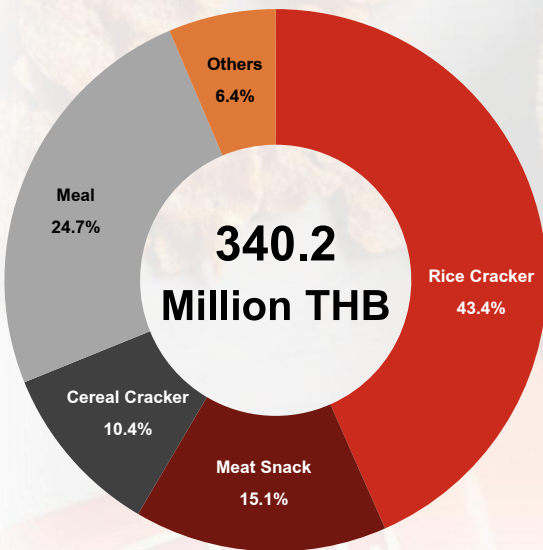
The Company's Operating Result

Overall Operating Result	Q2/24	Q1/25	Q2/25	Change +/-	
Units: Million THB				%YoY	%QoQ
Operating Revenue	342.9	323.3	340.2	(0.8%)	5.2%
Cost of Good Sold	213.4	214.1	225.2	5.5%	5.1%
Gross Profit	129.5	109.1	115.0	(11.2%)	5.4%
Other Income	6.4	7.0	5.2	(18.9%)	(24.9%)
Selling & Distribution Expenses	54.1	57.5	60.0	10.9%	4.3%
Administrative Expenses	10.9	6.5	19.9	83.1%	207.3%
Other Expenses	31.6	35.7	37.1	17.4%	3.8%
Financial Cost	1.5	2.0	0.9	(36.9%)	(53.0%)
Profit (Loss) before Income Tax	37.9	14.4	2.4	(93.6%)	(83.2%)
Income Tax (Expenses)	4.8	2.9	0.8	(84.1%)	(73.4%)
Net Profit (Loss)	33.1	11.5	1.7	(95.0%)	(85.6%)

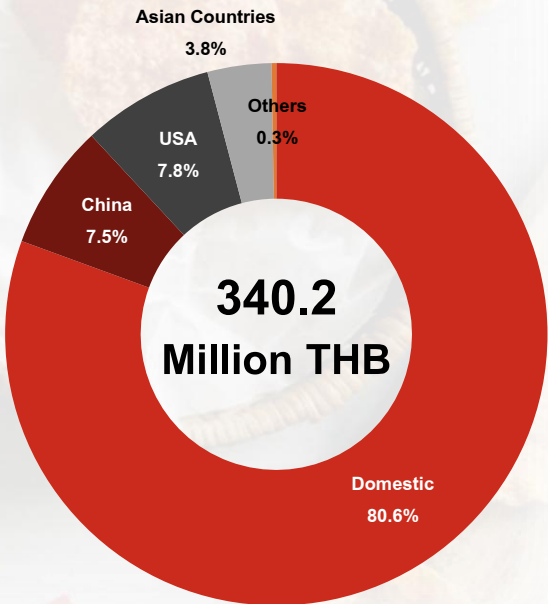
Notes: Values may differ by one decimal point due to rounding

Q2/2025 Operating Revenue Structure

Revenue Breakdown by Product Categories



Revenue Breakdown by Channel



Note: *Asian countries exclude China

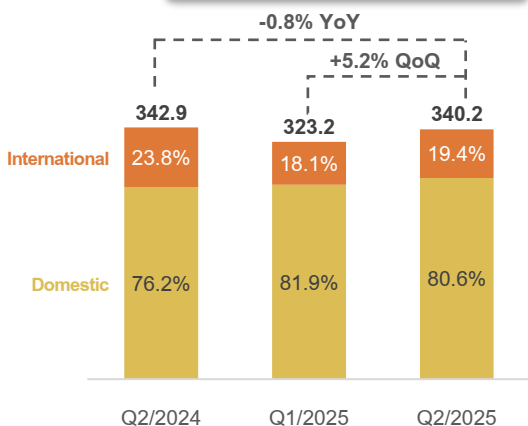
Q2/2025 Operating Results



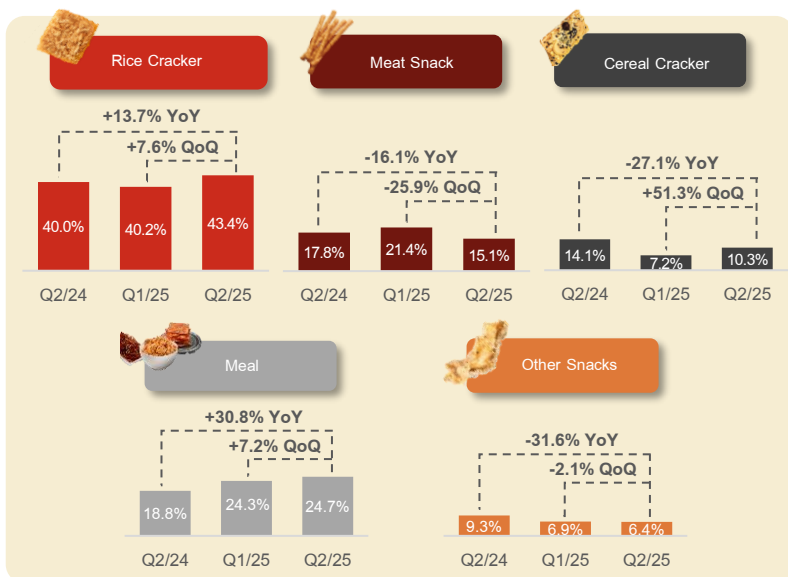
Operating Revenue Breakdown by Product

Unit: Million THB, %

Operating Revenue



Note: Fish skin products are classified under the other snacks category



YoY: Q2/2025 vs Q2/2024

-0.8%

In Q2/2025, the Company reported operating revenue of THB 340.2 million, a decrease of THB 2.7 million or 0.8% from Q2/2024, mainly due to the following factors:

- Domestic sales** contributed for 80.6% of total operating revenue in Q2/2025, experienced an increase of 5.0% from Q2/2024, mainly due to 1) The change in the Company's distribution model of wholesale customers, from originally 'Selling through distributor' to wholesale customers, to 'Direct-to-wholesaler' model, resulting in a significant increase in sales compared to Q2/2024 2) Expansion of traditional trade store coverage 3) Penetration into new retail channels, especially fresh product chain stores, focusing on the rice cracker product category, and 4) Increased revenue from meal products, supported by the launch of new items such as Chinese sausage and shredded pork, as well as improved distribution coverage that effectively reaches target consumers.
- International sales** contributed for 19.4% of total operating revenue in Q2/2025, experienced a decrease of 19.2% from Q2/2024, mainly due to 1) The decreased sales in China, as a result of a major promotional campaign held at Sam's Club covering June to July 2024, leading to a YoY sales decrease in Q2/2025 and 2) The new product launched in China this year was launched in Q2/2025, resulting in revenue recognition starting in Q3/2025, unlike the previous year when the product was launched in Q1/2024 and full revenue was recognized in Q2/2024. However, the Company continues to expand its market presence, especially in the United States, by launching additional rice cracker products beyond its core cereal line to broaden its consumer base and penetrate new markets, as well as expanding its distribution through a network of Asian chain supermarkets with over 100 branches nationwide, which is expected to support strong growth in 2H/2025. Furthermore, the Company plans to penetrate the European market to support long-term sustainable international growth.

QoQ: Q2/2025 vs Q1/2025

+5.2%

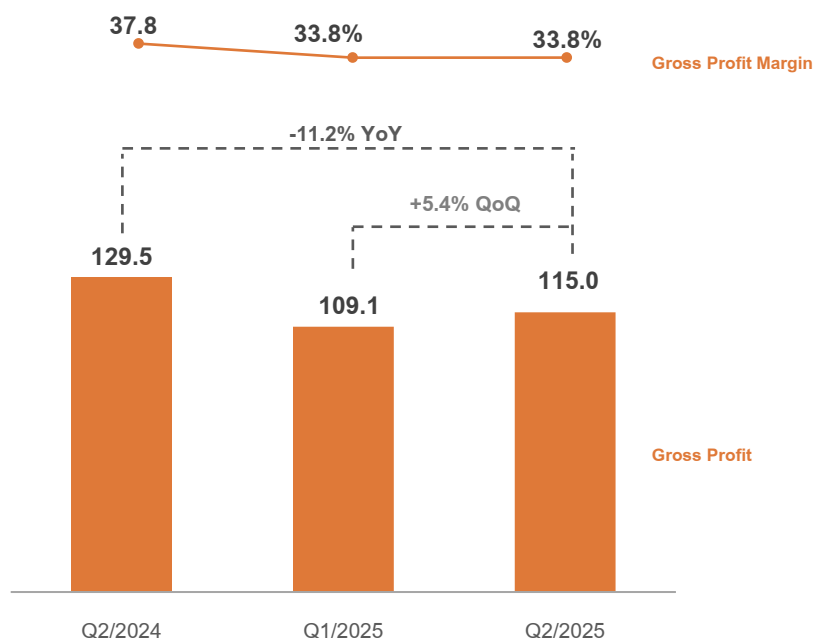
In Q2/2025, the Company reported operating revenue of THB 340.2 million, an increase of THB 16.9 million or 5.2% from Q1/2025, mainly due to the following factors:

- Domestic sales** contributed for 80.6% of total operating revenue in Q2/2025, experienced an increase of 3.5% from Q1/2025, mainly due to 1) The change in the Company's distribution model of wholesale customers, from originally 'Selling through distributor' to wholesale customers, to 'Direct-to-wholesaler' model, resulting in a significant increase in sales compared Q1/2025. 2) The expansion into new retail channels, especially in the fresh product chain stores, focusing on the rice cracker product category.
- International sales** contributed for 19.4% of total operating revenue in Q2/2025, experienced an increase of 13.1% from Q1/2025, mainly due to sales growth in the United States, especially in the cereal cracker product category, along with the expansion of distribution channels to the Asian chain supermarket network, having over 100 branches nationwide, which is expected to support strong growth in 2H/2025



Gross Profit and Gross Profit Margin

Unit: Million THB, %



YoY: Q2/2025 vs Q2/2024

-11.2%

Gross Profit: In Q2/2025, the Company reported gross profit of THB 115.0 million, decreased by THB 14.4 million or 11.2% from Q2/2024, mainly due to the following factors:

- 1) There was a significant increase in raw material costs, especially the price of pork, which is a key raw material. However, raw material costs in the upcoming quarter show positive signs, especially with pork prices beginning to decline in early Q3, which is expected to help restore the gross profit margin to a more stable level in 2H/2025.
- 2) Other raw material costs and factory expenses also increased. However, the Company has proactively implemented ongoing cost management measures, including productivity improvements within the factory and waste reduction in the production process.
- 3) Exchange rate volatility has impacted the recognition of international operating income. The Company continues to closely monitor exchange rate fluctuations and has prepared risk management plans to maintain sustainable profitability over the long term.

Gross Profit Margin was 33.8% in Q1/2025, decreased by 3.9% from Q2/2024, mainly due to the decrease in international sales proportion which has a higher gross profit margin than domestic sales.

QoQ: Q2/2025 vs Q1/2025

+5.4%

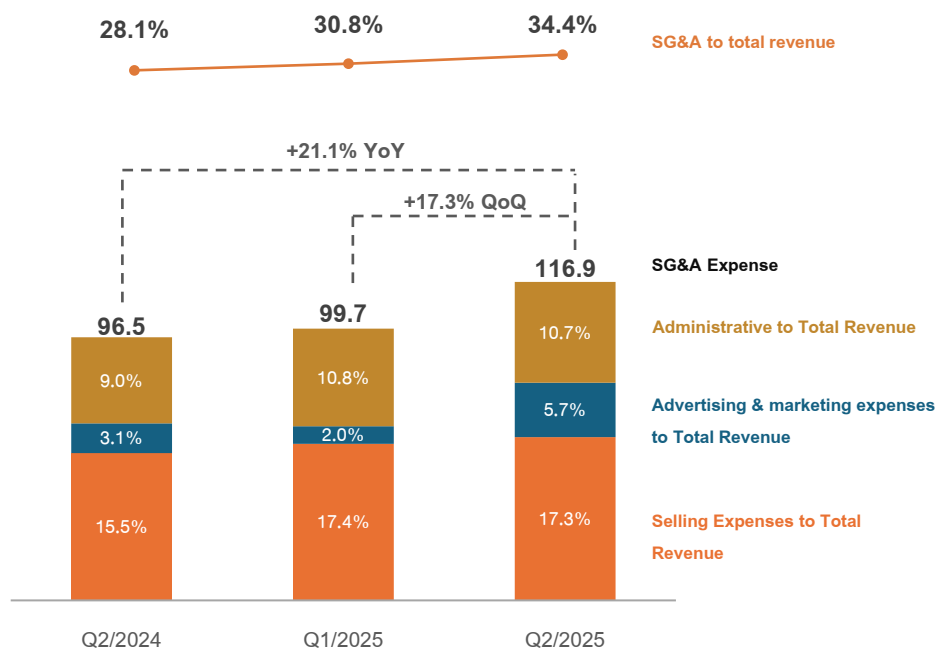
Gross Profit: In Q2/2025, the Company reported gross profit of THB 115.0 million, increased by THB 14.4 million or 5.4% from Q2/2025, mainly due to increased operating revenue both domestically and internationally, as the Company has successfully changed the Company's distribution model of wholesale customers, from originally 'Selling through distributor' to 'Direct-to-wholesaler' model, enabling more effective pricing and cost management as well as strengthening direct relationships with key customers.

Gross Profit Margin was 33.8% in Q2/2025, unchanged from Q1/2025, mainly due to the Company's ability to efficiently manage costs despite fluctuations in raw material prices and exchange rates.



Selling and Administrative Expenses

Unit: Million THB, %



YoY: Q2/2025 vs Q2/2024 +21.1%

QoQ: Q2/2025 vs Q1/2024 +11.3%

In Q2/2025, the Company reported selling and administrative expenses of THB 116.9 million, increased by THB 20.4 million or 21.1% from Q2/2024, and increased by THB 17.2 million or 17.3% compared to Q1/2025, mainly due to higher marketing and promotional activities, especially for the Company's core product groups, as the period overlapped with the launch of new products during Q2/2025, aimed at strengthening brand awareness and supporting future sales growth. Meanwhile, other operating expenses continued to be efficiently managed. As a result, **selling and administrative expenses to total revenue** in Q2/2025 was 34.4%, increased by 6.3% from Q2/2024 and increased by 3.6% from Q1/2025.

- Selling and distribution expenses** In Q2/2025, the Company reported selling and distribution expenses of THB 60.0 million, increased by THB 5.9 million or 10.9% from Q2/2024 and increased by THB 2.5 million or 4.3% from Q1/2025, mainly due to the expansion of domestic distribution partners, especially in the traditional trade channel, which enhanced consumer reach corresponding to the increase in revenue from the traditional trade channel during the quarter.

As a result, **selling and distribution expenses to total revenue** in Q2/2025, was 17.3%, slightly increased by 1.8% from Q2/2024 and unchanged from Q1/2025, reflecting the Company's ability to efficiently manage selling and distribution expenses.

- Advertising and marketing expenses:** In Q2/2025, the Company reported advertising and marketing expenses of THB 19.9 million, increased by THB 9.0 million or 83.1% from Q2/2024 and increased by THB 13.4 Million or 207.3% from Q1/2025, mainly due to increased marketing activities, along with the shift in the wholesale channel (Wholesale Remodel), which significantly enhanced the effectiveness of the Company's marketing efforts.

As a result, **advertising and marketing expenses to total revenue** in Q2/2025, was 5.7%, increased by 2.6% from Q2/2024 and increased by 2.0% from Q1/2025.

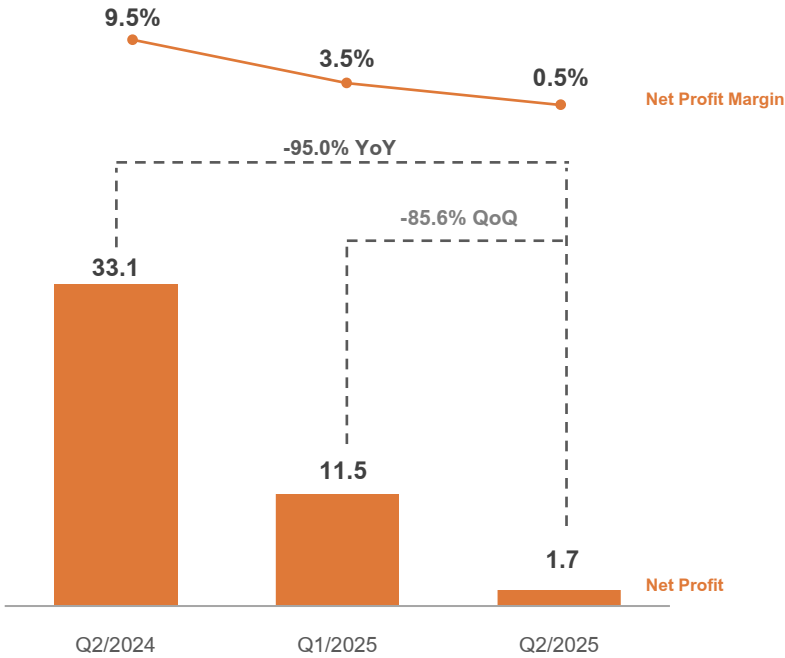
- Administrative Expenses:** In Q2/2025, the Company reported administrative expenses of THB 37.1 million, increased by THB 5.5 million or 17.4% from Q2/2024 and increased by THB 1.3 million or 3.8% from Q1/2025, mainly due to the increase in expenses related to consultancy fees and fair value expenses associated with the Company's warrants.

As a result, **administrative to total revenue** in Q2/2025 was 10.7%, slightly increased by 1.7% from Q2/2024 and unchanged significantly from Q1/2025, reflecting the Company's ability to efficiently manage administrative expenses.



Net Profit and Net Profit Margin

Unit: Million THB, %



YoY: Q2/2025 vs Q2/2024 -95.0%

QoQ: Q2/2025 vs Q1/2025 -85.6%

In Q2/2025, the Company reported net profit of THB 1.7 million, decreased by THB 31.5 million or 95.0% from Q2/2024 and decreased by THB 9.9 million or 85.6% from Q1/2025, mainly due to

- 1) There was a significant increase in raw material costs, especially the price of pork, which is a key raw material along with higher costs of other raw materials and factory expenses
- 2) Exchange rate volatility and
- 3) Increased marketing and promotional activities, especially for the Company's core product groups, as the period overlapped with the launch of new products during Q2/2025, aimed at strengthening brand awareness and supporting future sales growth

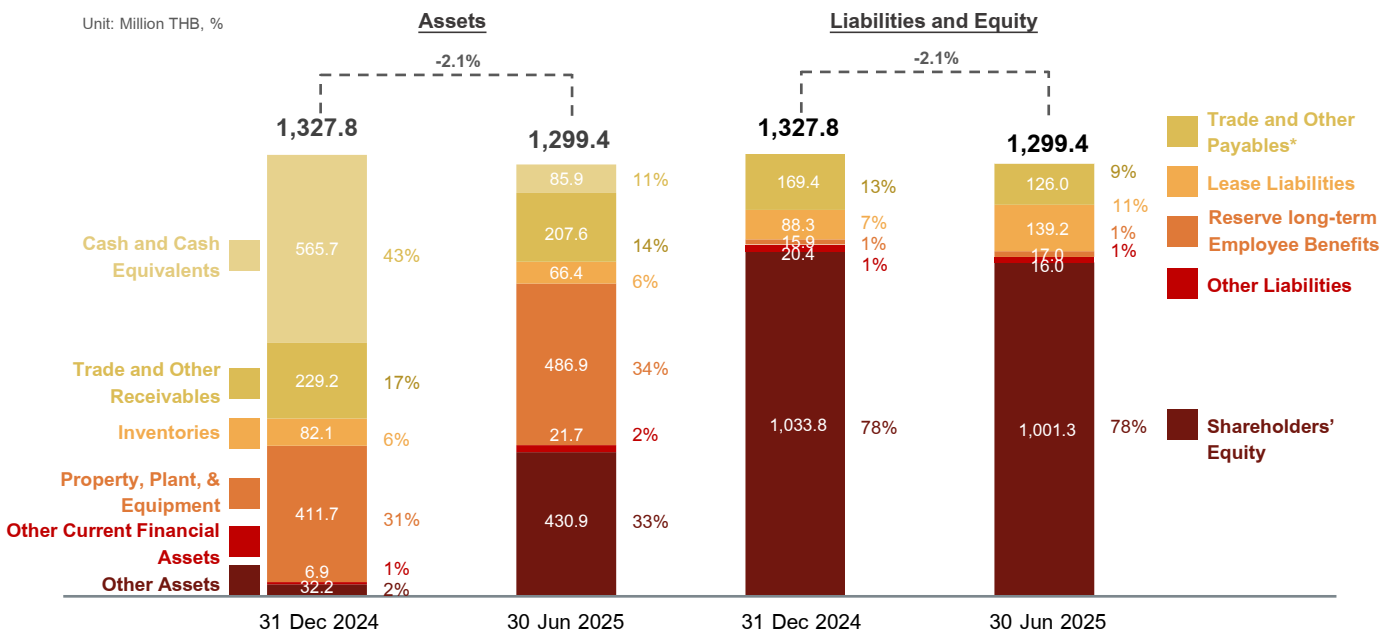
As a result, **net profit margin** in Q2/2025 was 0.5%, decreased from 9.5% and 3.5% from Q2/2024 and Q1/2025, respectively.

However, the Company believes that the strategic investments made during this quarter will generate clear returns in 2H/2025, especially through customer base expansion, strengthening of distribution channels, and fostering long-term sustainable growth. At the same time, the Company continues to implement rigorous internal cost and efficiency management measures, including productivity improvements within the manufacturing facilities and waste reduction throughout the production process. These efforts are aimed at restoring the gross profit margin to a more stable level in the coming periods.



Statement of Financial Position

Unit: Million THB, %



*Note: Trade and other payables, including Department of Revenue payables

-2.1%

Total Assets

As of 30 Jun 2025, the Total Assets of the Company was THB 1,300.4 million, decreased by THB 27.4 million or 2.1% from 31 December 2024, driven by the following key changes:

- Other Assets:** was THB 430.9 million, increased by THB 399.7 million, due to an increase in temporary investments.
- Cash and Cash Equivalents:** was THB 85.9 million, decreased by THB 479.8 million, mainly due to the cash spent in temporary investments.
- Property, Plant, & Equipment:** was THB 486.9 million, increased by THB 75.2 million, due to the increase in investment for construction to expand production capacity for each product categories.

+1.7%

Total Liabilities

As of 30 Jun 2025, the Total Liabilities of the Company was THB 298.1 million, increased by THB 4.1 million or 1.4% from 31 December 2024, driven by the following key changes:

- Lease liabilities:** was THB 139.2 million, increased by THB 50.9 million, from the lease contract to construct the second Wholesome Factory.

-3.1%

Total Shareholders' Equity

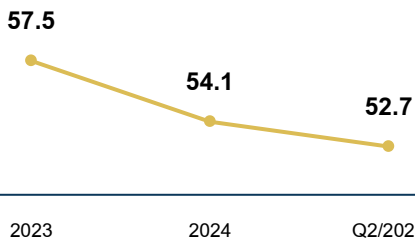
As of 30 Jun 2025, the **Total Equity** of the Company was THB 1,001.3 million, decreased by THB 32.5 million or 3.1% from 31 December 2024, mainly due to a decrease in retained earnings resulting from the dividend payment in Q2/2025 at the rate of THB 0.17 per share.



Key Financial Ratios

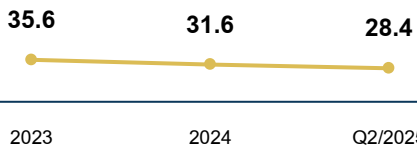
Account Receivable Days

Unit: Days



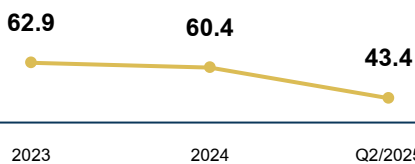
Inventory Days

Unit: Days



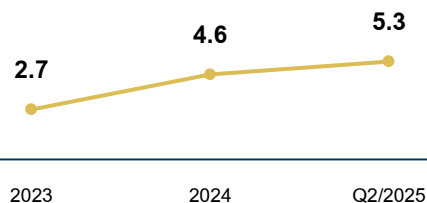
Account Payable Days

Unit: Days



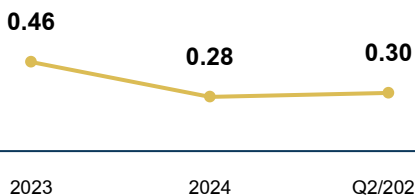
Current Ratio

Unit: Times



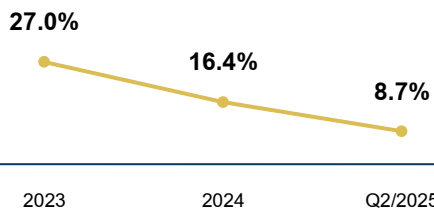
D/E Ratio

Unit: Times



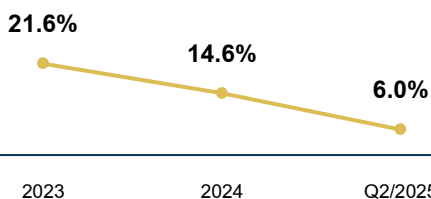
ROE

Unit: %



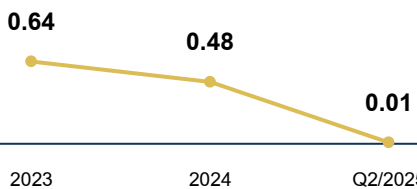
ROA

Unit: %



EPS

Unit: baht per share





Corporate social responsibility or CSR

Throughout 2025, Chao Sua - Wholesome has continuously carried out CSR activities to support local communities, foster strong relationships between the organization and society. These activities have helped foster employee pride, boost morale, and promote a culture of volunteerism within the organization. This commitment highlights the Company's dedication to advancing Environmental, Social, and Governance (ESG) principles, particularly focusing on the Social (S) and Governance (G) dimensions. From Q1/2025 to Q2/2025, the Company successfully carried out the following activities:



Employee Well-being & Pride



"Providing meals and nutritional supplements to students at Nakhon Ratchasima School for the Blind."



"Organized almsgiving activities to celebrate the Thai New Year 2025."



"United in donating blood to save lives."



"Supporting education and nutrition for students at Panyanukul School."



"Enhancing employee welfare during Songkran 2025."



Volunteerism & Organizational Culture



"Supporting Children's Day activities for communities and municipalities in Nakhon Ratchasima province."



"Supporting the 2025 Annual Red Cross Charity Event with the Company's products."



(Safety & Health Promotion)



"Providing drinking water at PTT Khok Kruad gas station and community service points in Suranari Municipality."



"Donated Company products and drinking water to support Nakhon Ratchasima Labor Day event."