

May 12, 2023

Subject: Clarification of Operating Result for the first quarter ending 31 March 2023
To: The President
Stock Exchange of Thailand

Univanich Palm Oil PCL hereby submits a discussion and clarification of the financial statements of the company and its subsidiaries for the first quarter ending 31st March 2023.

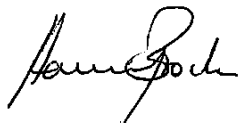
The first quarter consolidated net profit after tax of **Baht 400.77 million** was 18.4% higher than Baht 338.42 million in the same period of the previous year. The main factors leading to this higher result were:

1. The volume of fruit processed by our five factories in Thailand was 56.5% higher than in the previous year. This increase in fruit volume is a result of the favorable rainfall received throughout 2022, which allowed the palms to yield higher. This has been further supported by the increased plantings over recent years which is adding additional volume from the younger palms now coming into production. The improved rainfall in 2022 has also provided for an improved oil extraction rate for 1st quarter.
2. Our palm oil sales volume increased by 44.2% in 2023, due to the above production increase. However, this has been offset with a decrease in trading of third-party oil for export, and an increase in inventory at the end of the period.
3. The average selling price of Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) were respectively 39.5% and 60.7% lower than the previous year. From 2nd half of 2022 onwards, the palm oil price has been steadily declining, as the global supply for vegetable oils began to recovery. The increased supply of palm oil has meant that inventory levels have been restored, and with limited demand, palm oil prices have been pushed down from the very high levels in the first half of last year.
4. As a result of the lower palm oil prices, and subsequent lower FFB prices, the profit contribution from our plantations has decreased by 43.6%.
5. Our seed and seedling sales have been significantly higher than last year, due to the earlier buoyant oil prices, resulting in growers wanting to expand their plantings and replant their old stands of oil palm with new advanced performance material.
6. Univanich Carmen Palm Oil Corporation, our joint venture subsidiary in The Philippines, contributed a profit of Baht 7.54 million, compared to Baht 21.24 million of last year. The reasons for lower result are due to the decrease in palm oil prices and lower oil extraction rates (seasonal effect). Added to this, is the timing of sales, with Q1 ending in a higher inventory level, with sales to be realised in Q2.

Overall gross margin in the first quarter increased from 12.4% to 18.5% mainly due to the higher extraction rates for operations in Thailand and improved contribution from the seeds and seedlings business.

Earnings per share from the 2023 consolidated net profit were **Baht 0.43 per share**, compared to Baht 0.36 per share in the previous year.

Yours faithfully,
Univanich Palm Oil Public Co., Ltd.



Chief Executive Officer

cc: The Secretary-General
The Securities and Exchange Commission