

Interfood Shareholding Company
Lot 13, Tam Phuoc IZ, Tam Phuoc Ward
Bien Hoa City, Dong Nai

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness
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No : 276 /CV/IFS/2024

Dong Nai, 18th October 2024

To : - State Securities Commission (SSC)
- Hanoi Stock Exchange (HNX)

(Re: Explanatory for Business results of 3rd Quarter 2024)

First we would like to thank you for your continued support.

We would like to provide the result of income statement for the 3rd Quarter of year 2024 as following:

Unit: VND'000

| Descriptions | 3rd Quarter 2024 | 3rd Quarter 2023 | Varianc e | YTD2024-Q3 | YTD2023-Q3 | Varianc e |
|-------------------------------------|---------------------|---------------------|--------------|----------------------|----------------------|--------------|
| Revenue from sale of goods | 497,380,978 | 497,925,695 | 0% | 1,534,915,405 | 1,426,341,982 | 8% |
| Deductions | 32,720,705 | 29,789,061 | 10% | 98,428,834 | 86,105,963 | 14% |
| <i>% of Deductions</i> | 7% | 6% | | 6% | 6% | |
| Net revenue | 464,660,273 | 468,136,634 | -1% | 1,436,486,571 | 1,340,236,019 | 7% |
| Cost of sales | 298,094,919 | 291,335,253 | 2% | 922,551,092 | 858,387,547 | 7% |
| <i>Cost of sales %</i> | 64% | 62% | | 64% | 64% | |
| Gross profit | 166,565,354 | 176,801,381 | -6% | 513,935,479 | 481,848,472 | 7% |
| <i>Gross profit %</i> | 36% | 38% | | 36% | 36% | |
| Financial income | 7,005,000 | 8,451,327 | -17% | 15,891,987 | 28,800,416 | -45% |
| Financial expenses | 134,640 | 67,636 | 99% | 361,825 | 140,718 | 157% |
| <i>In which: interest expense</i> | - | - | | - | - | |
| Selling expenses | 107,026,549 | 95,943,033 | 12% | 301,993,613 | 273,748,099 | 10% |
| <i>Selling expenses %</i> | 23% | 20% | | 21% | 20% | |
| General and administration expenses | 11,399,302 | 10,047,094 | 13% | 35,542,042 | 29,663,207 | 20% |
| Operating profit | 55,009,863 | 79,194,945 | -31% | 191,929,986 | 207,096,864 | -7% |
| Other income | 1,076,291 | 674,352 | 60% | 2,037,057 | 1,846,116 | 10% |
| Other expenses | 2,160,350 | 472,994 | 357% | 5,569,357 | 2,035,051 | 174% |
| Profit before tax | 53,925,804 | 79,396,303 | -32% | 188,397,686 | 206,907,929 | -9% |
| CIT for the current year | 11,376,883 | 19,040,399 | -40% | 38,102,130 | 40,201,299 | -5% |
| Deferred CIT | (152,380) | (3,046,615) | -95% | 2,603,060 | 1,625,217 | 60% |
| Profit after tax | 42,701,301 | 63,402,519 | -33% | 147,692,496 | 165,081,413 | -11% |
| <i>Profit after tax %</i> | 9% | 14% | | 10% | 12% | |

In the third quarter of 2024, the company achieved a profit after tax of 42 billion VND, a decrease of approximately 33% compared to the third quarter of 2023. The company would like to explain this as follows:

Net revenue decreased by 1% compared to the same period last year, primarily due to the partial impact of natural disasters in the northern region in late Q3 2024. However, the company has made consistent efforts to recover its sales plan, focusing strongly on key product lines and strategic products.

Cost of goods sold in Q3 2024 increased to 64% of net revenue, compared to 62% in the same period last year. This rise is attributed to fluctuations in raw material prices during the quarter, which contributed to higher product costs.

Financial revenue decreased due to a reduction in deposit interest rates compared to the same period in the previous year.

The increase in selling expenses is mainly related to the company's enhanced promotional programs and communication campaigns aimed at promoting key strategic products to drive sales growth during this period.

Administrative expenses increased this quarter, largely due to investments in technology aimed at supporting the company's growth objectives.

Other income mainly stems from compensation received from certain suppliers.

Other expenses are primarily associated with taxes incurred and compensation payments to suppliers.

Above are some main factors explaining the result of a difference of over 10% in business activities in the third quarter of 2024 compared to the same period last year.

Thanks and best regards.

ONBEHALF OF THE COMPANY




Daisuke Hattori
General Director