
**UPDATE ON THE GROUP'S FIRST QUARTER
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

The Board of Directors and Management of Delfi Limited (the "Company" or the "Group") would like to take this opportunity to provide a brief update on the Group's operations for the first quarter of 2026 ("1Q 2026").

Despite the macroeconomic pressures stemming from the Middle East conflict, and its subsequent impact globally on energy costs, supply chains, currency volatility, and consumer sentiment, the Group achieved a strong performance for the start of the year, driven mainly by its Own Brands business. Delfi reported 1Q 2026 Net Sales of US\$159.1 million, representing a robust 6.2% Y-o-Y increase in US Dollar terms.

The strong growth in consolidated Net Sales were driven by a 19.6% Year-on-Year ("Y-o-Y") increase in Own Brands across the region, sustaining the momentum from late 2025, led mainly by strong performance in Indonesia. However, the overall result was impacted by a decrease in Agency Brands sales due to the strategic termination of an agency account. However, this segment remains robust on a comparable basis. Excluding the impact of this termination in 3Q 2025, Agency Brands sales would have grown 30.4% Y-o-Y.

(US\$ Million)	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	Y-o-Y Change 1Q '26 vs 1Q '25	Y-o-Y Change @ Constant Rate 1Q '26 vs 1Q '25
Net Sales	149.8	109.7	124.8	115.7	159.1	6.2%	5.4%
Indonesia	99.3	62.6	74.2	65.1	101.9	2.5%	5.6%
Regional Markets*	50.5	47.1	50.6	50.6	57.2	13.3%	5.0%
Gross Profit Margin	28.0%	26.9%	25.4%	22.9%	26.6%	(140 bps)	(120 bps)
EBITDA	17.0	7.3	10.2	24.7	16.8	(0.8%)	1.0%

*Note: * Comprises Malaysia, the Philippines and Singapore.*

In Indonesia, despite a weaker currency, Own Brands maintained strong growth momentum increasing by 20.5% Y-o-Y. This was propelled by the strong performance of our core premium brands and our deep relationships with retail customers. The strong gains in Own Brands were partially offset by the strategic termination of an Agency Brands account.

Within Regional Markets, Own Brands delivered robust growth driven by strong sales in Malaysia and the Philippines. Meanwhile, the Agency Brands segment in Malaysia posted positive Y-o-Y growth, as strong organic performance and contributions from new agency accounts more than offset the impact from a 2025 account termination in that same market.

The Group's Gross Profit Margin ("GPM") for 1Q 2026 was 26.6%, down 140 basis points ("bps") Y-o-Y, primarily due to the impact of the weaker Indonesian Rupiah and the absorption of higher cocoa costs in the cost base from earlier forward contracts. Consequently, 1Q 2026 EBITDA softened slightly to US\$16.8 million (vs. US\$17.0 million in 1Q 2025), reflecting the lower GPM and slightly higher operating costs.

The Group generated US\$28.7 million in net cash from operations (after working capital), a portion of which was used to fund US\$2.0 million in capital expenditures and fixed asset advances, reflecting the Group's disciplined approach to capital investment. Working capital stood at US\$134.9 million, an increase of US\$1.1 million compared to year-end December 2025, driven by a US\$22.0 million reduction in trade payables, and US\$5.7 million increase in trade receivables, partially offset by a US\$26.6 million reduction in inventories.

The Group's cash balance increased by US\$25.9 million to US\$93.8 million at end-March 2026, up from US\$68.0 million at end-December 2025. This balance excludes the US\$10.3 million final dividend for FY2025, which was paid on 15 May 2026.

Balance Sheet as at	31 Mar 2026	31 Dec 2025	Change in
	<u>US\$ Million</u>	<u>US\$ Million</u>	<u>US\$ Million</u>
Cash and Cash Equivalents	93.8	68.0	25.8
Working Capital ¹	134.9	133.9	1.0
Property, Plant & Equipment and Intangible Assets	115.8	119.0	(3.2)
Total Assets	441.6	436.5	5.1
Borrowings	16.9	14.5	2.4
Foreign Currency Translation Reserves	(42.3)	(39.6)	(2.7)
Shareholders' Equity	286.4	279.2	7.2
Current Ratio	2.22	2.10	
Average Inventory Days	81	124	
Average Receivable Days	47	60	
Average Payable Days	38	58	
	<u>31 Mar 2026</u>	<u>31 Mar 2025</u>	
Free Cash Flow generated	24.9	34.4	(9.5)

Note: ¹ Working capital is equal to accounts receivable plus inventories less accounts payable.

Outlook

While the cocoa market has retreated from its 2025 peaks on expectations of a supply recovery, the outlook remains volatile. This coincides with an increasingly complex global environment, where the ongoing conflict in the Middle East has heightened macroeconomic uncertainty and triggered volatility in energy costs and global currencies, including those in our key markets. We anticipate the ongoing Middle East conflict to exert upward pressure on some of our operating costs. To mitigate these risks, we are proactively managing our supply chain and strategically increasing our inventory of essential raw materials.

We remain vigilant on potential long-term pressures on production costs and consumer demand, and we continue reinforcing our market leadership through targeted investments in our core brands and product innovation. With our manufacturing efficiency, deep retail partnerships, and strict financial discipline, we remain confident that our strong balance sheet and cash flow provide the resilience to navigate these uncertainties.

By Order of the Board

Lee Wei Hsiung/Check Hui Yee
Company Secretaries

19 May 2026