



บริษัท ปาโตเคมีอุตสาหกรรม จำกัด (มหาชน)

PATO CHEMICAL INDUSTRY PUBLIC CO., LTD.

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May 15, 2026

President

The Stock Exchange of Thailand

The consolidated financial statements of Pato Chemical Industry Plc. and its subsidiary for the period ended March 31, 2026, and the operational performance are as follows:

Unit: Million Baht

	Comparison Q1/2026 and Q1/2025		
	Amount	Increase (Decrease)	% Change
Total sales	104.34	(13.66)	(11.58)
Cost of Sales	75.74	(4.34)	(5.42)
Gross Profit	28.60	(9.32)	(24.58)

Main reasons for the above performance are as follows:

1. The factors affecting the global economy stem from wars among many countries. In particular, the conflicts in the Middle East have continuously caused severe global effect such as oil shortages, oil price volatility, and rising inflation rate. The overall raw material prices tended to increase during the first quarter following the outbreak of the war in late February, leading to higher import costs due to rising oil prices and transportation costs. The price of chemical fertilizers increased significantly, including pesticides, whose use processes are related to the use of chemical fertilizers. As a result, pesticide costs have tended to move in the same direction, and also being affected by fluctuations of the Thai baht. Therefore, the company has to conservatively take into consideration the seasonal timing of imports for production and distribution, so that they do not lead to overstocking and eventually getting stuck with unworkable high cost that reduces sales performance and ability to make profit.
2. The economic slowdown is attributed to a decline in tourism sector, private consumption and investment also decreased. Household and business debt remain at high levels. However, agricultural product prices have declined, particularly the prices of in-season rice and off-season rice which continuously decreased from the previous year. In 2026, agricultural production slightly increased due to favorable weather conditions. The volume of irrigation water, which is the main water source,



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increased and was sufficient for cultivation. However, the average cost of raw materials increased due to the impact of the war on global oil prices, resulting in higher transportation costs and products in the oil supply chain costs such as plastic pellets used as raw materials for packaging production, and solvents used in the manufacturing process. The company remains affected by the volatility of the baht. In addition, the company has to formulate products to meet market demand. Labor costs and other production overheads have increased, causing the production cost per unit to rise. Therefore, it is a factor in considering importing goods for production and distribution, taking into account the seasonal use period in order not to produce excessive inventory, so that they do not lead to overstocking and eventually getting stuck with unworkable high cost.

3. From the above factors, it has been observed that farmers have to face the situation where the price of chemical fertilizers, an essential input in the cultivation process, has increased beyond the normal level, along with supply shortages, resulting in higher production costs for farmers. Meanwhile, prices of in-season rice and off-season rice have dropped, and farmers' purchasing power has declined. Therefore, farmers mitigated the impact of increased production costs by reducing the use of fertilizers and chemical pesticides and omitting certain procedures where possible in order to reduce costs. Consequently, purchase orders decreased, leading to the decline of the company's total sales.
4. In addition, price competition intensity in the market increased compared to last year. The overall import cost price tends to increase. In order to maintain market share, the company has to adjust selling prices according to current market conditions, resulting in reduced profits. Current market conditions, multinational suppliers have entered the competition at dealer customers level in Thailand which are the company's main target group. As a result, price competition to maintain market share is even more intense and affect the performance of the company.

The above factors result in total sales of Q1/2026 decrease. The cost of sales decreased but at the lower level than the rate of decrease in sales. Consequently, gross profit margin decreased by 24.58% y-o-y.



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Unit: Million Baht

	Comparison Q1/2026 and Q1/2025		
	Amount	Increase (Decrease)	% Change
Gain from Investment	4.17	4.36	2,197.62
Forex Gain (Loss)	(0.05)	(1.39)	(104.10)
Other Revenue	0.03	(0.006)	18.08

Income from investments in Q1/2026 increased. There were fluctuations of stock market SET index as of March 31, 2026 closed at 1,448.14 which is higher than the closing SET index as of December 30, 2025 of 1,259.67 or an increase of 188.42 points. While SET index at the end of Q1/2025 closed at 1,158.09. Due to the impact of the domestic political situation, the stock market has seen increased investor confidence. The economic situation under wars between Russia and Ukraine and in many Middle East countries causes global inflation. As a result, income from investments, most of which are gain from the sale of investments see an increase, while the unrealized gain from changes in the value of investments and dividend received see a decrease compared to last year. The Company has to cover the exposure with forward contracts of both baht and dollar T/R to mitigate the impact of fluctuation of the exchange rate. However, due to continuous appreciation of the baht since the last quarter, the exchange rate fluctuated between 30.92-32.24 baht to a dollar resulting in an increase in forex loss. Additionally, other income increased from the selling of obsolete packaging materials.

Unit: Million Baht

	Comparison Q1/2026 and Q1/2025		
	Amount	Increase (Decrease)	% Change
Cost of Sales	6.49	(1.11)	(14.64)
Administrative Cost	9.84	(1.01)	(9.31)
Financial Cost	0.11	0.22	(67.55)
Income Tax	2.44	(1.02)	(1.02)

Selling Expenses in Q1/2026 see a decrease due to the decrease in sales resulting from decreased market demand. Price competition increased in intensity according to market conditions to maintain market share. Selling expenses decreased at a higher rate than the rate of decrease in sales. Selling expenses, such as sales person welfare, promotional expenses, transportation, commission, and registration expenses, see a decrease. Administrative expenses, such as employee benefits, depreciation of assets, and other miscellaneous expenses on current



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administrative cost from obligations under the employee retirement benefit plan, see a decrease at a lower rate than the rate of decrease in sales.

Financial Cost in Q1/2026 shows a decrease when compared to the same period of the previous year resulting from the continuous fluctuation of the baht. Currency exchange rate strengthened to between 30.92-31.11 baht per dollar at the end of quarter. This gave the company an opportunity to expedite T/R payments, which reduced T/R period. The company has the policy to cover the exposure with forward contracts and extended T/R payment for both baht and dollar T/R to mitigate the impact of fluctuation of the exchange rate, and resulting in interest burden. T/R interest rates also decline compared to last year. The net interest cost obligations related to employee retirement benefit plans was also included in financial costs.

Income Tax in Q1/2026 slightly decreased y-o-y. The decrease in sales and other income compared to the previous year resulting in a decrease in income before tax.

From the reasons mentioned above, the company sees a net profit as of March 31, 2026 of 13.86 million baht or 13.29% of sales, a decrease of 2.98 million baht represents a difference of 17.70% y-o-y.

Unit: Million Baht

	Comparison Ended March 31, 2026 and December 31, 2025		
	Amount	Increase (Decrease)	% Change
Total Assets	583.79	41.69	7.69
Total Liabilities	92.24	27.30	42.05
Shareholders' Equity	491.55	14.39	3.02

Total assets increased from the change in cash, cash equivalents, account receivables, other receivables, and inventories. Other current financial assets saw a decrease due to the decrease in sales. The purchase of raw materials decreased to be at appropriate quantity for current production and to meet market demand in the next quarter. Expediting T/R repayments when favorable timing and opportunities are available to avoid impact from the currency exchange rate fluctuation, cash balance increased consequently. Furthermore, the increase in other non-current financial assets was from gains on changes in fair value due to volatility of stock market with upward trend resulted in a decrease in deferred tax. Fixed assets decreased due to higher depreciation expenses from the installation of both electric and diesel-driven fire pump systems, as well as the laying of a new fire protection piping system throughout the entire factory. Intangible assets slightly decreased from less toxicity studies and efficacy field trials.

Total liabilities such as short-term loan from financial institutions and trade creditors increased due to the volatility and depreciation of the baht. The company therefore needs to do forward contracts and T/R to mitigate



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the impact of the exchange rate. T/R interest rate also decreased in 2026. T/R settlement was done at favorable timing to minimize the impact from currency exchange rate fluctuations. Imported and domestic raw materials purchased decreased to appropriated quantity. Meanwhile, domestic purchases of raw materials and packaging materials have increased due to the impact of the war in the Middle East, which significantly drove up costs. Corporate income tax payable increased due to higher profits before tax. In addition, an increase in the provision for retirement benefits including service cost and interest resulting in an increase in total liabilities.

Shareholders' equity saw an increase. The Company's performance and its subsidiary's yielding higher net profit, and other items of shareholders' equity which are unrealized loss from other non-current financial assets of 20.17 million baht from the fair value adjustment at the end of the period, due to stock market volatility with an upward index in this quarter, the share value has increased.

The company has a strong financial structure with a current ratio of 7.55 and debt-to-equity ratio of 0.19.

Yours faithfully,

(Dr. Viwat Trillit)

Chief Executive Officer

