

May 12, 2026

Subject: Management Discussion and Analysis for the 1<sup>st</sup> quarter ended March 31, 2026

To: President

The Stock Exchange of Thailand

Sherwood Corporation (Thailand) Public Company Limited (“The Company”) and its subsidiary would like to submit herewith the reviewed consolidated financial statements for the 1<sup>st</sup> quarter ended March 31, 2026, with the financial analysis compared to the same period last year. The performance can be summarized as follows;

The Company and its subsidiary had net profit of THB 30.77 million for the 1<sup>st</sup> quarter ended March 31, 2026, in which there was a profit attributable to equity holders of the Company of THB 28.05 million, increased by THB 0.38 million or 1.38% compared with the same period last year which was shown the net profit of THB 27.67 million.

### **Results of Operation**

In the first quarter of 2026, the Thai economy maintained its expansionary trajectory, albeit at a moderated pace. Growth was primarily underpinned by a recovery in the export and industrial sectors, which improved in alignment with rebounding global demand. Conversely, domestic consumption slowed markedly in March, while purchasing power in the agricultural sector remained precarious, dampened by volatile commodity prices and rising production costs. This fragility was further compounded by elevated household debt and a rising cost of living, which continued to suppress consumer purchasing power. While the tourism sector remained a key economic driver, it has faced headwinds from the intensifying conflict in the Middle East since late February. This geopolitical instability has not only dampened the global economic outlook but has also exerted a clear downward pressure on the domestic economy. Notably, as a net energy importer, Thailand is highly susceptible to global energy price shocks, which have directly inflated logistics and transportation costs for both industrial and household sectors. These volatile external factors have exacerbated Thailand's existing structural challenges, resulting in more cautious and limited private consumption and investment. Although the service sector continues to play a vital role in sustaining overall economic activity, Thailand's aggregate growth remains below its full potential.

Amidst the economic slowdown and the energy price crisis, the Company remains steadfast in driving business growth by expanding the sales mix of high-margin products. The Company has also enhanced production cost efficiency and implemented stringent operating expense controls to maximize returns for all stakeholders. Furthermore, the Company is committed to achieving its strategic objectives by adding value through continuous new product launches, aimed at expanding its customer base and addressing evolving consumer behaviors. This is coupled with the strengthening of distribution channel management to ensure sustainable growth under these challenging circumstances.

### **Revenue:**

Sales Revenue for the 1<sup>st</sup> quarter ended March 31, 2026 totaled THB 331.11 million, an increase of THB 29.23 million (9.68%) compared with the same period last year. This increase was primarily driven by rising domestic revenue across the Household Chemicals business and the Food and Beverage business. This performance resulted from the successful execution of strategic objectives to enhance product value through continuous innovation, aimed at meeting consumer demands, creating market opportunities, and expanding the customer base. Within the Household Chemicals business, the Company accelerated the aggressive distribution of new products, including 'Kung Fu' insecticide spray and mosquito coils, 'Kleansy' cleaning products, and 'Mos Away' mosquito repellent spray, all of which achieved nationwide retail coverage. In the Food and Beverage business, the Company introduced 'Migoto' a new sparkling beverage which was similarly distributed

across all channels nationwide. Furthermore, the 'Hokkaido' dairy business recorded growth, driven by expanded supermarket presence and an increased number of outlets, effectively broadening consumer accessibility.

**Cost of goods sold:**

For the 1<sup>st</sup> quarter ended March 31, 2026, the cost of goods sold (COGS) decreased from 57.97% to 57.44% of total sales, This improvement reflects the Company's strategic commitment to driving the sale of higher-margin products and implementing more efficient production cost management practices. These initiatives have contributed to stronger overall profitability and maximized returns for the organization.

**Selling and distribution expenses:**

For the 1<sup>st</sup> quarter ended March 31, 2026, selling and distribution expenses amounted to THB 45.84 million, a decrease of THB 1.97 million (4.11%) compared with the same period last year, This decrease was driven by disciplined expense management through the optimization of advertising and public relations plans. By synchronizing these efforts with proactive, highly targeted promotional activities, the Company precisely engaged its target audience and remained agile within the current competitive landscape.

**Administrative expenses:**

For the 1<sup>st</sup> quarter ended March 31, 2026, administrative expenses totalled THB 57.97 million, an increase of THB 16.63 million (40.21%) compared with the same period last year, This increase was mainly attributable to the expansion of the sales force to ensure coverage across all distribution channels, as well as increased headcount to support business expansion. Furthermore, the Company recorded increases in product development and registration expenses, along with accounting adjustments.

**Asset Management Ability**

**Assets:**

As of March 31, 2026, the Company reported total assets of THB 1,391.52 million, an increase of THB 33.77 million (2.49%) compared with the end of the previous year, This growth was primarily driven by an increase in current assets, underpinned by an increase in cash and cash equivalents and inventories.

**Liabilities:**

As of March 31, 2026, the Company reported total liabilities of THB 553.48 million, an increase of THB 0.35 million (0.06%) compared with the end of the previous year, The increase was primarily driven by current liabilities, resulting from a rise in corporate income tax payable.

**Shareholders' equity:**

As of March 31, 2026, the Company's total shareholders' equity stood at THB 838.04 million, an increase of THB 33.42 million (4.15%) compared with the end of the previous year, This increase was primarily attributed to an increase in unappropriated retained earnings.

Please be informed accordingly.

Sincerely yours,

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Thakerngbol Laobisuddhi

Authorized Signature