

**Management Discussion and Analysis**  
For Quarter 1 Ending March 31<sup>st</sup>, 2026

Unit: million baht

Performance	Q1/2569	%	Q1/2568	%	Change % YoY	Q4/2568	%	Change % QoQ
Total revenues	272.4	102.4	288.6	100.9	(5.6)	240.8	101.0	13.1
Revenue from sales	266.1	100.0	286.1	100.0	(7.0)	238.3	100.0	11.7
Other income	0.9	0.4	1.2	0.4	(25.0)	2.3	1.0	(60.9)
Net foreign exchange gain	5.4	2.0	1.3	0.5	315.4	0.2	0.1	2600.0
Cost of sales	248.5	93.4	275.2	96.2	(9.7)	229.1	96.1	8.5
Gross Profit	17.6	6.6	10.9	3.8	61.5	9.2	3.9	91.3
% GPM	6.6		3.8		2.8	3.9		2.7
Selling and administrative expenses	57.7	21.7	56.7	19.8	1.8	49.6	20.8	16.3
Distribution costs	21.4	8.0	25.9	9.1	(17.4)	19.4	8.1	10.3
Administrative expenses	36.3	13.6	30.8	10.8	17.9	30.2	12.7	20.2
SG&A	57.7	21.7	56.7	19.8	1.8	49.6	20.8	16.3
% SG&A to Sale	21.7		19.8		1.9	20.8		0.9
Profit from operating activities	(33.8)	(12.7)	(43.3)	(15.1)	(21.9)	(37.9)	(15.9)	(10.8)
Financial costs	3.3	1.2	1.2	0.4	175.0	2.6	1.1	26.9
Income tax expenses	(1.1)	(0.4)	(0.4)	(0.01)	175.0	(1.0)	(0.4)	10.0
Net Profit	(36.0)	(13.5)	(44.1)	(15.4)	(18.4)	(39.5)	(16.6)	(8.9)
% NPM	(13.5)		(15.4)		1.9	(16.6)		3.1
EBITDA	3.3	1.2	(11.6)	(4.1)	(128.4)	3.2	1.3	3.1

### Overview of business operations

Royal Plus Public Company Limited (“the Company”) reported its financial performance for the first quarter of 2026, recording total revenue of 272.4 million baht, representing a decrease of 5.6% compared to the same period of the previous year. Total revenue comprised sales revenue of 266.1 million baht, other income of 0.9 million baht, and a net foreign exchange gain of 5.4 million baht. Sales revenue decreased by 7.0% compared to the same period of the previous year. The decrease was primarily attributable to lower sales in North America, driven by economic conditions and persistently high inflation rates, which led to a higher cost of living and weakened purchasing power. In addition, labor measures and immigration control policies in the United States affected overall economic conditions and consumer confidence in certain areas. Meanwhile, sales in Asia declined due to lower sales of fruit juice beverages mixed with chia seeds, which were impacted by changing consumer behavior as consumers increasingly shifted their preference toward coconut-based beverages, resulting in slower demand for such product categories. Nevertheless, sales in the Middle East continued to grow despite the impact of geopolitical conflicts in the region, which caused certain product deliveries to be postponed and revenue recognition to be shifted to the following quarter. The Company continues to closely monitor the situation and actively coordinate with customers and logistics partners to effectively manage operations and ensure efficient product delivery.

Amid economic pressures affecting sales in the Company’s key regions, the Company continued to expand its distribution channels and carry out marketing activities in new markets, resulting in sales growth across other regions. Sales in Oceania increased significantly by 405.3%, while sales in the Middle East and Africa grew by 78.6% and 26.3%, respectively. In addition, domestic sales increased by 23.1%.

The cost of sales to sales revenue ratio for the first quarter of 2026 was 93.4%, representing an improvement of 9.7% compared to the same period of the previous year. Meanwhile, the gross profit margin improved to 6.6%, showing improvement both quarter-on-quarter (QoQ) and year-on-year (YoY). However, the first quarter is typically the low season, and the utilization rate of the Aseptic & Warm-fill production lines remained below the planned target, resulting in relatively high fixed costs. In addition, geopolitical conflicts contributed to higher costs of consumable materials, as well as increases in oil and fuel prices used in the production process.

Selling and administrative expenses for the first quarter of 2026 amounted to 57.7 million baht, representing 21.7% of sales revenue, an increase of 1.8% compared to the same period of the previous year, in which selling and administrative expenses were 56.7 million baht, or 19.8% of sales revenue. Selling and distribution expenses decreased by 4.5 million baht as a result of effective budget control and the reduction of non-essential activities, such as entertainment expenses, sales promotion expenses, and overseas business trip expenses. Meanwhile, administrative expenses increased by 5.5 million baht, primarily due to the implementation of the SMETA (Sedex Members Ethical Trade Audit) standard within the organization. The adoption of such standards enhanced the Company's operational practices in ethics, social responsibility, and environmental management, thereby strengthening customer confidence across various regions. As a result, the Company incurred additional expenses related to operational improvements and process development. In addition, expenses related to obsolete and deteriorated inventories increased in line with the Company's inventory provisioning policy based on storage age. Consequently, the Company reported a net loss of 36.0 million baht for the quarter, representing 13.5% of sales revenue.

### **Revenue from sales**

For the first quarter of 2026, the Company's total sales amounted to 266.1 million baht, representing a decrease of 20.0 million baht, or 7.0%, compared to the same period of the previous year. The decrease was primarily attributable to a 33.5% decline in sales in North America, driven by economic conditions and persistently high inflation rates, which weakened consumer purchasing power. Meanwhile, sales in Asia decreased by 9.2%, mainly due to slower sales of fruit juice beverages mixed with chia seeds, following changing consumer trends that increasingly favored coconut-based beverages. Nevertheless, the Company accelerated the expansion of its distribution channels into other regions, resulting in sales growth across several markets compared to the same period of the previous year. Sales in Oceania increased significantly by 405.3%, while sales in the Middle East grew by 78.6%, despite the impact of geopolitical conflicts in the region, which caused certain logistics and transportation processes to slow down. As a result, some purchase orders remained pending for delivery and are expected to be gradually recognized as revenue in the following quarter. In addition, sales in Africa increased by 26.3%, while domestic sales grew by 23.1%, mainly driven by the strong performance of "COCO ROYAL" 100% coconut water beverages.

### **Cost of sales**

The Company's total cost of sales for the first quarter of 2026 amounted to 248.5 million baht, a decrease of 26.7 million baht or 9.7% compared to the same period of the previous year. The decline was primarily attributable to lower sales volume, effective raw material cost management, and improvements in the production process, which helped reduce production losses compared to the previous year. In addition, scheduled preventive maintenance planning led to lower repair and maintenance expenses for equipment and machinery, resulting in a decrease in overall cost of sales compared to the same period of the previous year. However, the Company continued to incur certain high production-related expenses, resulting in the gross profit margin remaining below the Company's target level. Such expenses included salaries, wages and overtime expenses, depreciation expenses, production consumables, utilities expenses, as well as oil and fuel costs used in the production process. This was mainly due to

the plastic bottle production lines operating below full capacity utilization during the low season, resulting in relatively high fixed costs. In addition, geopolitical conflicts and war-related tensions toward the end of the first quarter contributed to higher production costs.

### Net gain (loss) in foreign exchange

The Company recorded a net foreign exchange gain of 5.4 million baht for the first quarter of 2026, representing 2.0% of sales revenue, an increase of 4.1 million baht, compared to same period of the previous year. The Company maintains a prudent and effective foreign exchange risk management policy, focusing on minimizing the impact of currency fluctuations to achieve the most favorable outcomes for the Company, rather than seeking gains from exchange rate movements.

### Gross Profit

The Company reported a gross profit of 17.6 million baht for the first quarter of 2026, representing 6.6% of sales revenue, compared to 3.8% in the same period of the previous year. The improvement was primarily attributable to effective raw material cost management and enhancements in the production process, which helped reduce production losses and resulted in a higher gross profit margin compared to the same period of the previous year.

### Selling and Distribution Expenses

The Company recorded administrative expenses of 21.4 million baht for the first quarter of 2026, a decrease of 4.5 million baht or 17.4% compared to the previous year. The decrease was mainly driven by effective budget management and cost control. The Company also adjusted its marketing activity plans appropriately, resulting in a reduction in certain expenses, such as entertainment expenses, overseas business trip expenses, sales promotion expenses, and product research and development expenses. However, certain expenses continued to increase, including export-related expenses, which were impacted by geopolitical conflicts that led to higher oil prices, as well as personnel expenses, which increased in line with the Company's annual compensation structure.

### Administrative Expenses

The Company recorded administrative expenses of 36.3 million baht for the first quarter of 2026, an increase of 5.5 million baht, or 17.9%, compared with the same period of the previous year. This was mainly due to higher personnel-related expenses, including annual salary structure adjustments, work permit fees for foreign employees in compliance with SMETA standards, and other expenses such as security service fees, system development expenses, depreciation expenses, and higher provisions for obsolete inventories in line with the Company's inventory aging policy. Nevertheless, the Company continued to emphasize effective administrative expense management, resulting in reductions in certain expenses, such as training expenses, consultancy fees, and charitable contributions.

### Net Profit (Loss)

The Company reported a net loss of 36.0 million baht for the first quarter of 2026, representing 13.5% of sales revenue, compared to a net loss of 44.1 million baht for the same period of the previous year. The improvement was mainly attributable to lower cost of sales and distribution expenses, resulting in a reduction in net loss compared to the previous year.

The Company's Statement of Financial Position

(Unit: Million Baht)	31 March 2026	31 December 2025	% change
Total current asset	358.4	355.9	0.7%
Total non-current asset	1,503.5	1,461.0	2.9%
<b>Total Assets</b>	<b>1,861.9</b>	<b>1,816.9</b>	<b>2.5%</b>
Total current liability	384.0	338.6	13.4%
Total non-current liability	316.9	281.3	12.7%
<b>Total Liabilities</b>	<b>700.9</b>	<b>619.9</b>	<b>13.1%</b>
Capital	1,008.7	1,008.7	0.0%
Accumulated profit	152.3	188.3	(19.1%)
<b>Total shareholders' equity</b>	<b>1,161.0</b>	<b>1,197.0</b>	<b>(3.0%)</b>

Assets

As of March 31, 2026, the Company had total assets of 1,861.9 million baht, an increase of 2.5% compared to the end of 2025. Current assets amounted to 358.4 million baht, an increase of 0.7%, primarily due to higher trade receivables and inventories, while cash and cash equivalents decreased as a result of repayments of the Company's current liabilities and investments in fixed assets. Non-current assets totaled 1,503.5 million baht, representing an increase of 2.9% from the end of 2025, mainly driven by additions to property, plant, and equipment, as well as increases in intangible assets in line with the Company's production capacity expansion plan.

Liabilities

As of March 31, 2026, the Company had total liabilities of 700.9 million baht, representing an increase of 13.1% compared to the end of 2025. Current liabilities amounted to 384.0 million baht, representing an increase of 13.4%, primarily due to increases in trade payables and other current payables arising from the procurement of raw materials to support production, investments in the Company's assets, and higher advance receipts from customers awaiting product delivery. Non-current liabilities totaled 316.9 million baht, representing an increase of 12.7%, mainly attributable to additional long-term borrowings from financial institutions, long-term lease liabilities under finance lease agreements for assets, and an increase in provisions for employee benefit obligations.

Shareholder's Equity

As of March 31, 2026, the Company's total shareholders' equity stood at 1,161.0 million baht, a decrease of 3.0% compared to the end of 2025. The decrease was primarily due to the net loss of 36.0 million baht in the first quarter of 2026.

### Key Financial Ratios

Financial Ratios	Quarter 1	
	2026	2025
GPM / Gross Profit Margin (%)	6.62	3.79
NPM / Net Profit Ratio (%) *	(13.23)	(15.28)
EPS / Earnings per share (Baht)	(0.05)	(0.07)
ROA / Return on Assets (%)	(3.82)	(0.81)
ROE / Return on Equity (%)	(5.95)	(1.07)
Current Ratio (times)	0.93	0.77
D/E Ratio / Debt to Equity Ratio (times)	0.60	0.36
BVPS / Book Value per Share (Baht)	1.73	1.90

\* Ratio of net profit to total revenue of the Company.

### Liquidity and Capital Resources

Cash Flow Statement (Million Baht)	Q1/2026	Q1/2025	% change
Cash flows from operating activities			
<b>Net cash flow from operating activities</b>	30.3	7.1	326.8%
Cash flows from investing activities			
<b>Net cash from (used in) investing activities</b>	(85.1)	(75.1)	12.4%
Cash flows from financing activities			
<b>Net cash from (used in) financing activities</b>	27.0	17.8	51.7%
<b>Cash and cash equivalents net increase</b>	(27.8)	(50.8)	(45.3%)
Cash and cash equivalents at beginning of period	93.5	77.5	20.6%
<b>Cash and cash equivalents at end of period</b>	<b>65.7</b>	<b>26.7</b>	<b>146.1%</b>

As of March 31, 2026, the Company had cash and cash equivalents totaling 65.7 million baht. Net cash provided by operating activities amounted to 30.3 million baht. Net cash used in investing activities totaled 85.1 million baht, primarily for deposits related to asset acquisitions, as well as purchases of machinery, equipment, tools, and software. Net cash used in financing activities amounted to 27.0 million baht, mainly comprising proceeds from long-term borrowings from financial institutions totaling 56.0 million baht to support machinery investments and the Company's working capital requirements. In addition, the Company made repayments of loan principal and related interest amounting to 29.0 million baht in accordance with the repayment schedules under the loan agreements.