



Thai Parcels Public Company Limited บริษัท ไทยพาร์เซล จำกัด (มหาชน)

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Management Discussion and Analysis

For the three-month period ended March 31, 2026

No. TPL-013/2026

May 13, 2026

Subject: Management Discussion and Analysis of Financial Performance for the three-month period ended March 31, 2026

To: The Board of Directors and Manager, The Stock Exchange of Thailand

Thai Parcels Public Company Limited (the “Company”) would like to provide an explanation regarding the Company’s operating results for the three-month period ended March 31, 2026, which were approved by the Board of Directors on May 13, 2026. The details are as follows:

1. Business Overview

The first quarter of 2026 marks the beginning of a new chapter for the Company, transitioning from a parcel delivery service provider to a comprehensive freight and passenger transport platform. This is the first quarter in which the Company officially recognizes a full quarter of operating results from the FT Group and CPC Group, following the implementation of its business restructuring strategy in the prior year. The entry into the passenger transport business represents a strategically significant expansion of business scope, both in terms of leveraging the Company’s expertise in fleet management, diversifying risk away from sole reliance on the parcel delivery business, and establishing new revenue streams with a long-term contractual nature that enhance the stability of the overall revenue structure.

The operating performance for this quarter transparently reflects the costs of transition. Although the consolidated financial statements still report a net loss, primarily attributable to the full-quarter recognition of vehicle fleet depreciation as a high-level fixed cost, fleet utilization that remains in the volume-building phase, together with a temporary slowdown in the tourism industry, such characteristics are commonly observed during the first year following a major business combination. Nevertheless, when considered through the lens of EBITDA after lease obligations (EBITDA ROU), the Group continues to maintain a positive position, reflecting that the acquired assets retain revenue-generating potential and are in the post-merger rebalancing phase. Meanwhile, the Company's logistics segment continues to clearly demonstrate its profitability capability, returning to a net profit of 11.1 million Baht with a gross profit margin improving from 16.7 percent to 21.8 percent. This is the result of customer portfolio restructuring and disciplined cost control, serving as a clear affirmation of the Company's capability to manage a business that requires substantial fleet investment to deliver returns at a structural level.

The operational direction for the next phase is built upon a clearly defined strategic framework, with three key milestones established to drive value in the medium to long term. Firstly, transferring the proven cost management model from the logistics segment for application to both passenger transport business groups, with a focus on increasing the vehicle Utilization Rate—a primary variable in converting fixed costs into a driving force for margin expansion—coupled with reviewing the pricing structure for service contract customers to align with current costs in order to preserve revenue quality in the long term. Secondly, creating Group Synergy through centralized maintenance, shared asset management, and centralized support systems, which will help reduce unit costs through Economies of Scale and elevate the Group's asset utilization efficiency. Thirdly, diversifying the revenue base into a broader range of industries to reduce volatility arising from dependence on any single customer group while strengthening the long-term revenue structure. Such proactive initiatives serve as critical mechanisms in elevating the Group's profitability and form the foundation for transitioning from a specialized transportation operator to a comprehensive integrated transport platform with the potential to generate sustainable returns over the long term.

2. Performance Results

Statement of Comprehensive Income

For the three-month periods ended March 31, 2026 and 2025

Item	Consolidated		Investment using Equity Method		Separate		Separate		Separate	
	Q1'2026 (3-Month)		Q1'2025 (3-Month)		Q1'2026 (3-Month)		Q1'2025 (3-Month)		Increase / (Decrease)	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Income from rendering of services	343,657	99.3%	120,986	100.0%	115,643	100.0%	120,986	100.0%	(5,343)	-4.4%
<i>B2B Revenue</i>	18,074	5.2%	25,892	21.4%	18,087	15.6%	25,892	21.4%	(7,805)	-30.1%
<i>B2C Revenue</i>	65,887	19.0%	61,975	51.2%	65,887	57.0%	61,975	51.2%	3,912	6.3%
<i>C2C Revenue</i>	27,752	8.0%	28,306	23.4%	27,752	24.0%	28,306	23.4%	(554)	-2.0%
<i>COD Revenue</i>	2,207	0.6%	3,000	2.5%	2,207	1.9%	3,000	2.5%	(793)	-26.4%
<i>SME Revenue</i>	1,360	0.4%	1,105	0.9%	1,360	1.2%	1,105	0.9%	255	23.0%
<i>Service Revenue</i>	350	0.1%	708	0.6%	350	0.3%	708	0.6%	(358)	-50.6%
<i>Revenue from FT Group</i>	106,055	30.6%	-	-	-	-	-	-	-	-
<i>Revenue from Chalermapat Group</i>	121,972	35.2%	-	-	-	-	-	-	-	-
Revenue from sales	2,385	0.7%	-	-	-	-	-	-	-	-
Total revenue from sales and services	346,042	100.0%	120,986	100.0%	115,643	100.0%	120,986	100.0%	(5,343)	-4.4%
Cost of services rendered	(322,446)	-93.2%	(100,735)	-83.3%	(90,467)	-78.2%	(100,735)	-83.3%	10,268	-10.2%
Cost of sales	(1,892)	-0.5%	-	-	-	-	-	-	-	-
Total cost from sales and services	(324,338)	-93.7%	(100,735)	-83.3%	(90,467)	-78.2%	(100,735)	-83.3%	10,268	-10.2%
Gross profit	21,704	6.3%	20,251	16.7%	25,176	21.8%	20,251	16.7%	4,924	24.3%
Other income	9,513	2.7%	663	0.5%	3,809	3.3%	663	0.5%	3,146	474.3%
Selling expenses	(2,886)	-0.8%	(828)	-0.7%	(829)	-0.7%	(828)	-0.7%	(1)	0.1%
Administrative expenses	(46,297)	-13.4%	(18,820)	-15.6%	(15,285)	-13.2%	(18,820)	-15.6%	3,535	-18.8%
Profit (loss) from operating activities	(17,965)	-5.2%	1,267	1.0%	12,871	11.1%	1,267	1.0%	11,604	916.1%
Finance costs	(16,148)	-4.7%	(1,073)	-0.9%	(1,277)	-1.1%	(1,073)	-0.9%	(204)	19.0%
Share of loss from associates using equity method	-	-	(1,829)	-1.5%	-	-	-	-	-	-
Profit (loss) before income tax	(34,113)	-9.9%	(1,635)	-1.4%	11,594	10.0%	194	0.2%	11,401	5890.2%
Income tax income/(expenses)	(85)	0.0%	(674)	-0.6%	(469)	-0.4%	(674)	-0.6%	205	-30.5%
Net profit (loss) for the period	(34,198)	-9.9%	(2,309)	-1.9%	11,125	9.6%	(480)	-0.4%	11,606	-2415.5%

Summary of Business Performance

Income from rendering of services

In the first quarter of 2026, the Company's total service revenue amounted to 115.7 million Baht, a decrease from the previous year which stood at 120.9 million Baht, representing a decrease of 5.2 million Baht. However, the change in revenue during this period is consistent with the direction of the qualitative customer base restructuring established by the Company. Revenue from the B2B customer group decreased by 30.1 percent (from 25.9 million Baht to 18.1 million Baht), which was a result of terminating services for customer groups with non-profitable returns. On the other hand, revenue from the B2C customer group, which is a strategic target group, grew by 6.3 percent (from 62.0 million Baht to 65.9 million Baht), resulting in the B2C revenue proportion increasing to 56.9 percent of total revenue (compared to 51.2 percent in the same period of the previous year). This confirms that the customer base restructuring is proceeding according to the direction set by the Company. Additionally, revenue from the SME customer group grew well by 23.0 percent; although it remains a small base (a proportion of 1.2 percent of total revenue), it reflects the opportunity to expand the new customer base in the next phase.

In the consolidated financial statements, the Group's total service revenue amounted to 343.7 million Baht, a significant increase from the same period of the previous year which stood at 121.0 million Baht, or an increase of 222.7 million Baht. The primary increase came from the full-quarter performance recognition of the FT Group and CPC Group, which were not yet consolidated as subsidiaries in the same period of the previous year. In this regard, revenue from the passenger transport business and service contract work in this quarter is still in the phase of accelerating work volume for said business groups.

Due to the FT Group being affected by the slowdown in the tourism industry, particularly the Inbound Asia market (China, Vietnam, Taiwan, Korea) where the number of tourists decreased according to economic conditions and the shift in travel behavior from Group Tours to Free Independent Travelers (FIT) more frequently. Performance in the Worldwide Outbound routes increased higher than the budget by more than 89 percent, which the Company will use as an opportunity to expand the revenue base in the next stage. Meanwhile, the CPC Group continues to recognize revenue primarily from long-term service contract

customers (a proportion of over 91 percent of the group's revenue), especially the Electronics customer group which has a long-standing business relationship.

The Group recognizes such challenges and is currently implementing continuous measures to accelerate the recovery of revenue and utilization for the FT Group and CPC Group. The management has prepared a new estimation plan (Re-forecast) alongside measures for price restructuring and the selection of new high-potential customer groups, in order to ensure that the large asset base of the new business groups can generate returns that fully reflect their true value in the following quarters.

Cost of Services rendered

For the consolidated financial statements, the Group had total service costs of 322.4 million Baht, increasing in accordance with the expanding business size. The primary factor affecting the overall cost structure is the fixed cost burden of the FT Group, particularly vehicle depreciation from past investments, which is a cost that cannot be reduced in proportion to revenue during the tourism off-season. This is compounded by the vehicle utilization rate, which is still in the phase of accelerating work volume. However, the management views that such matters reflect opportunities to increase efficiency and generate significant incremental revenue once the customer base recovery plan is executed according to target.

Regarding the CPC Group, the management has implemented a detailed Customer-level Margin Analysis system. In this regard, the Group continues to move forward with the continuous integration of infrastructure and shared management to maximize the benefits of the business merger and elevate the Group's long-term profitability.

The management expects to see clearer results from synergies in the next quarter through 4 key strategies: (1) Centralized Maintenance to manage internal resources and spare parts with maximum efficiency; (2) Elevating the fleet utilization rate of the FT and CPC Groups from current levels to reduce fixed costs per trip; (3) Shared Services management through a central support system to reduce redundant administrative expenses (SG&A); and (4) Cross-selling by offering integrated logistics and passenger transport solutions to the existing customer base to create continuous and sustainable revenue growth.

Gross Profit and Gross Profit Margin

In the first quarter of 2026, the Company's gross profit from services according to the standalone financial statements totaled 25.2 million Baht, an increase from the same period of the previous year which stood at 20.2 million Baht, representing an increase of 5.0 million Baht or 24.9 percent. Meanwhile, the Gross Profit Margin increased from 16.7 percent to 21.8 percent, an improvement of 5.1 percent.

In the consolidated financial statements, the Group's total gross profit for this quarter amounted to 21.7 million Baht, representing a gross profit margin of 6.3 percent. The key factor stems from the fixed cost burden regarding the depreciation of vehicles that were highly invested in the past, which have not yet been fully depreciated according to accounting periods, coupled with the fleet utilization which is still in the phase of accelerating work volume. In this regard, the management expects that once the revenue base is restored and the utilization of both business groups is elevated according to plan, the Group's gross profit margin in the consolidated financial statements will significantly improve in the next period. Implementing the Company's efficient cost management model in conjunction with the asset bases of both groups will be a key positive factor in driving the Group's future profitability.

Selling Expenses

In the first quarter of 2026, the Company's selling expenses amounted to 0.83 million Baht, which is at a level close to the same period of the previous year, reflecting disciplined expense control. The Company continues to emphasize managing the sales cost structure to be flexible by converting fixed costs into variable costs in the form of commissions, in order to create incentives for expanding the target customer base more efficiently.

Regarding the consolidated financial statements, selling expenses stood at 2.9 million Baht, an increase from the previous year in accordance with the larger business size. The primary reason comes from the first-time full-quarter recognition of selling expenses from the FT Group and CPC Group.

Administrative Expenses

In the first quarter of 2026, the Company's administrative expenses according to the standalone financial statements amounted to 15.3 million Baht, a decrease from 18.8 million Baht in the same period of the previous year, or a decrease of 18.8 percent. The primary reason is that in the previous year, there was a recording of one-off expenses, which were costs related to the initiation of the acquisition deals for the FT Group and CPC Group, while there were no such special items in this quarter. Additionally, the Company continues to consistently prioritize the control of general expenses.

Finance Costs

The Company's financial costs according to the standalone financial statements for the first quarter of 2026 and 2025 amounted to 1.3 million Baht and 1.1 million Baht, respectively, representing a slight increase of 0.2 million Baht. This was primarily a result of interest on loans under promissory notes used by the Company for working capital.

In the consolidated financial statements, the Group's total financial costs amounted to 16.1 million Baht, an increase from the same period of the previous year which stood at 1.1 million Baht. This was a direct result of including the financial institution loan obligations of the FT Group used for past business operations, as well as financial costs from lease liabilities of the vehicle fleets of both business groups. In this regard, the Group continues to prioritize managing the financial structure and interest costs at appropriate levels to maintain the balance between business expansion and the Group's long-term financial liquidity.

Income Tax Expenses

In the first quarter of 2026, the Group and the Company had income tax expenses of 0.09 million Baht and 0.47 million Baht, respectively. In the current period, the Company still possesses tax benefits from tax loss carryforwards not exceeding 5 years, resulting in no significant current income tax liability to be paid. The income tax expenses shown in the financial statements are primarily deferred income tax expense items, which arise from changes in temporary differences between the carrying amounts and the tax bases of assets and liabilities.

EBITDA

EBITDA	Investment using		Separate	Separate	Separate	
	Consolidated	Equity Method			Increase / (Decrease)	
	Q1'2026 (3-Month)	Q1'2025 (3-Month)			Q1'2026 (3-Month)	Q1'2025 (3-Month)
Information from Cash Flow Statement						
Depreciation – property, plant and equipment	48,861	6,440	5,246	6,440	(1,193)	-18.5%
Depreciation – right-of-use assets	29,246	3,918	4,536	3,918	618	15.8%
Amortisation – intangible assets	162	92	14	92	(78)	-85.0%
(Reversal) Expected credit loss	394	(74)	(56)	(74)	18	24.8%
Profit from operating activities	(17,965)	1,267	12,871	1,267	11,604	916.1%
EBITDA (TFRS9)	60,698	11,642	22,611	11,642	10,969	94.2%
Depreciation – right-of-use assets	29,246	3,918	4,536	3,918	618	15.8%
Interest expenses - lease liabilities	2,318	2,126	511	2,126	(1,615)	-76.0%
EBITDA (Cash)	31,452	7,724	18,075	7,724	10,351	134.0%

In the first quarter of 2026, the Company's EBITDA in the standalone financial statements amounted to 22.6 million Baht, a decrease of 8.0 million Baht or 26.2 percent from the same period of the previous year, which stood at 30.6 million Baht. This decrease was a result of the high comparison base in Q1/2025 prior to the acquisition of the FT Group and CPC Group.

In the consolidated financial statements, the Group's EBITDA amounted to 60.7 million Baht, an increase of more than 5 times from 11.6 million Baht in the same period of the previous year. This was a result of including the performance of the FT Group and CPC Group for the full quarter for the first time, reflecting the ability to generate operating cash flow from the new business groups following the merger.

However, the overall consolidated financial statements continue to face pressure from high depreciation, particularly depreciation of property, plant, and equipment of 48.9 million Baht and depreciation of right-of-use assets of 29.2 million Baht. These are primarily fixed cost burdens of First Transport Co., Ltd. (FT Group) from the fleet of vehicles invested in 2019 with a total value of approximately 1,300 million Baht, which have not yet been fully depreciated. This resulted in an operating loss in the consolidated financial statements of 18.0 million Baht.

Even though the overall Group performance in this quarter shows a net accounting loss, when considering the cash flow dimension, it is found that the Group still possesses the ability to generate operating cash flow at a good level, as shown in the following comparison table:

Financial information for the three-month period Q1'2026	Amount (Million Baht)	Category
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	60.7	Cash (Cash Flow Item)
Depreciation & Amortization	(78.3)	Accounting (Non-cash Item)
Finance Cost	(16.1)	Cash/Accounting
Net Loss	(34.2)	
Operating Cash Flow	+41.4	Actual Net Cash Received

Nevertheless, the Group remains confident in the potential of the Group, viewing such high depreciation burdens as an accounting factor that will gradually decrease until fully depreciated in the year 2029. This will become a key factor in significantly increasing profitability and generating cash flow for the Group in the future, alongside the strategic synergy of utilizing shared central resources to achieve maximum cost-effectiveness moving forward.

Net profit (loss) for the period

In the first quarter of 2026, the Company had a net profit according to the standalone financial statements of 11.1 million Baht, a significant improvement compared to the same period of the previous year which had a net loss of 0.5 million Baht, representing a positive change of 11.6 million Baht. The turnaround to profitability this quarter reflects the results of the strategy to restructure the customer base and a 10.2 percent reduction in cost management. The net profit margin improved from -0.4 percent in the first quarter of 2025 to 9.6 percent in the current quarter.

However, in the consolidated financial statements, the Group still reported a net loss of 34.2 million Baht, compared to the same period of the previous year which had a net loss of 2.3 million Baht. The primary cause of the net loss in the consolidated financial statements this quarter comes from the full-quarter performance recognition of the FT Group and CPC Group, which are still in the post-acquisition rebalancing phase. This is especially true for the FT Group, which has been affected by the slowdown in the tourism industry and a high fixed-cost burden, as well as the CPC Group, which is in the process of reviewing its price structure and customer segments. The management has established proactive measures to accelerate the recovery of performance for both groups, including increasing utilization, restructuring prices, reviewing existing customer contracts, and expanding the new customer base in high-margin target groups. It is expected that the results of these measures will begin to concretely reflect in the performance of the following quarters.

3. Financial Position

3.1 Assets

Assets	Consolidated	Consolidated	Separate	Separate	Separate	
	Mar 31, 2026	Dec 31, 2025	Mar 31, 2026	Dec 31, 2025	Increase / (Decrease)	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%
Current assets						
Cash and cash equivalents	91,345	102,791	45,423	69,256	(23,834)	-34.4%
Trade and other current receivables	194,615	200,107	33,588	32,736	852	2.6%
Current contract assets	58,498	46,941	37,453	27,579	9,874	35.8%
Short-term loans to related parties	-	2,550	125,000	120,000.00	5,000	4.2%
Inventories	27,163	20,829	-	-	-	-
Other current assets	837	1,737	212	202	10	4.9%
Total current assets	372,457	374,956	241,676	249,773	(8,097)	-3.2%
Non-current assets						
Bank deposits – pledged as collateral	5,242	5,242	1,902	1,902	0	0.0%
Investments in associates	-	-	-	-	-	-
Investments in subsidiaries	-	-	1,142,390	1,144,685.00	(2,295)	-0.2%
Property, plant and equipment	1,040,369	1,084,575	464,144	461,820	2,324	0.5%
Right-of-use assets	183,009	157,073	47,026	50,809	(3,783)	-7.4%
Intangible assets	5,117	5,279	3,386	3,400	(14)	-0.4%
Goodwill	1,133,476	1,133,476	-	-	-	-
Deferred tax assets	2,445	2,894	2,141	2,609	(469)	-18.0%
Deposits and guarantees	13,079	24,498	2,074	1,984	90	4.5%
Other non-current receivables	29,400	25,203	9,099	8,247	852	10.3%
Other non-current assets	-	-	-	-	-	-
Total non-current assets	2,412,137	2,438,240	1,672,161	1,675,455	(3,295)	-0.2%
Total assets	2,784,594	2,813,196	1,913,837	1,925,229	(11,392)	-0.6%

As of March 31, 2026, the Group had total assets amounting to 2,784.6 million Baht, a decrease from the end of 2025 which stood at 2,813.2 million Baht, representing a decrease of 28.6 million Baht or 1.0 percent. Meanwhile, the Company had total assets according to the standalone financial statements of 1,913.8 million Baht, a decrease from the end of 2025 which stood at 1,925.2 million Baht, representing a decrease of 11.4 million Baht or 0.6 percent.

3.2 Liabilities

Liabilities	Consolidated	Consolidated	Separate	Separate	Separate	
	Mar 31, 2026	Dec 31, 2025	Mar 31, 2026	Dec 31, 2025	Increase / (Decrease)	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%
Current liabilities						
Bank overdrafts and short-term loans						
from financial institutions	25,839	51,797	11,031	31,739	(20,708)	-65.2%
Trade and other payables	180,976	181,420	39,005	40,436	(1,431)	-3.5%
Contract liabilities	10,774	9,056	-	-	-	-
Other payables – acquisition of subsidiaries		-	-	-	-	-
Short-term loans from related persons/parties	53,160	53,160	-	-	-	-
Long-term loans from financial institutions						
– current portion	148,421	158,055	13,887	15,020	(1,133)	-7.5%
Long-term lease liabilities						
– current portion	106,225	107,118	16,358	17,292	(935)	-5.4%
Income tax payable	404	482	-	-	-	-
Provisions	143	1,643	143	143	-	-
Total current liabilities	525,942	562,730	80,423	104,629	(24,206)	-23.1%
Long-term loans from financial institutions	434,180	425,168	16,361	19,840	(3,480)	-17.5%
Long-term lease liabilities	95,781	63,492	30,910	25,834	5,076	19.6%
Employee benefit obligations	33,974	32,376	3,692	3,477	215	6.2%
Deferred tax liabilities	18,648	19,134	-	-	-	-
Other non-current liabilities	11,695	11,721	8,278	8,400	(123)	-1.5%
Total non-current liabilities	594,278	551,892	59,241	57,552	1,689	2.9%
Total liabilities	1,120,220	1,114,623	139,664	162,181	(22,518)	-13.9%

As of March 31, 2026, the Group had total liabilities amounting to 1,120.2 million Baht, an increase from the end of 2025 which stood at 1,114.6 million Baht, representing an increase of 5.6 million Baht or 0.5 percent. Meanwhile, the Company had total liabilities according to the standalone financial statements of 139.7 million Baht, a decrease from the end of 2025 which stood at 162.2 million Baht, representing a decrease of 22.5 million Baht or 13.9 percent.

3.3 Shareholders' Equity

Shareholders' equity	Consolidated	Consolidated	Separate	Separate	Separate	
	Mar 31, 2026	Dec 31, 2025	Mar 31, 2026	Dec 31, 2025	Increase / (Decrease)	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%
Issued and paid-up share capital	984,230	984,230	984,230	984,230	0	0.0%
Warrants	125,211	125,211	125,211	125,211.25	0	0.0%
Premium on share capital	601,318	601,318	601,318	601,318	0	0.0%
Legal reserve	15,750	15,750	15,750	15,750	0	0.0%
Retained earnings	(64,957)	(30,758)	47,663	36,538	11,125	30.4%
Equity attributable to owners of the parent	1,661,553	1,695,751	1,774,173	1,763,048	11,125	0.6%
Non-controlling interests	2,822	2,822	-	-	-	-
Total shareholders' equity	1,664,375	1,698,573	1,774,173	1,763,048	11,125	0.6%

As of March 31, 2026, the Group had total shareholders' equity amounting to 1,664.4 million Baht, a decrease from the end of 2025 which stood at 1,698.6 million Baht, representing a decrease of 34.2 million Baht or 2.0 percent. This decrease was primarily caused by the net loss in the consolidated financial statements of 34.2 million Baht in this quarter. Meanwhile, the Company had shareholders' equity according to the standalone financial statements of 1,774.2 million Baht, an increase from the end of 2025 which stood at 1,763.1 million Baht, representing an increase of 11.1 million Baht in accordance with the net profit in this quarter of the logistics segment. In this regard, during the quarter, there were no changes in registered capital, share premium, or additional warrants of any kind.

4. Cash Flow Statement

Cash Flow Statement	Investment using		Separate	Separate	Separate	
	Consolidated	Equity Method			Increase / (Decrease)	
	Q1'2026 (3-Month)	Q1'2025 (3-Month)	Q1'2026 (3-Month)	Q1'2025 (3-Month)	Thousand Baht	%
Cash flows from operating activities	41,356	23,088	11,366	23,088	(11,722)	-50.8%
Cash flows from investing activities	11,757	(101)	662	(101)	763	-755.7%
Cash flows from financing activities	(64,559)	(40,940)	(35,862)	(40,940)	5,077	-12.4%
Total net cash flow	(11,446)	(17,953)	(23,834)	(17,953)	(5,881)	32.8%

In the first quarter of 2026, the Group had a net decrease in cash and cash equivalents of 11.4 million Baht in the consolidated financial statements, and a decrease of 23.8 million Baht in the standalone financial statements.

The overview of this quarter reflects cash flow management in 3 main areas: the continuous generation of positive OCF (Operating Cash Flow), the reduction of new investments to increase the efficiency of existing assets, and the reduction of debt obligations according to plan to maintain the financial stability of the Group.

From the above information, it can be seen that although the Group reported an accounting loss in the first quarter of 2026, the ability to generate operating cash flow remained strongly positive at 41.4 million Baht. This reflects that the majority of the losses are accounting items that do not affect cash flow, particularly depreciation and amortization from the expansion of the vehicle fleet.

5. Working Capital

Working capital	Consolidated	Consolidated	Separate	Separate	Separate	
	Mar 31, 2026	Dec 31, 2025	Mar 31, 2026	Dec 31, 2025	Increase / (Decrease)	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%
Current assets	372,457	374,956	241,676	249,773	(8,097)	-3.2%
Current liabilities	525,942	562,730	80,423	104,629	(24,206)	-23.1%
Working capital	(153,485)	(187,775)	161,253	145,144	16,109	11.1%

As of March 31, 2026, the Company had working capital according to the standalone financial statements of 161.3 million Baht, an increase of 16.1 million Baht from the end of 2025 which stood at 145.1 million Baht. This increase reflects the Company's liquidity management, particularly the repayment of short-term loans from financial institutions and the decrease in other current liabilities during the quarter.

Regarding the Group, as of March 31, 2026, total current assets were 372.5 million Baht and total current liabilities were 525.9 million Baht, resulting in negative working capital of 153.5 million Baht. This is an improvement from the negative 187.8 million Baht at the end of 2025, or an improvement of

34.3 million Baht, resulting from the repayment of short-term loans and the portion of long-term loans due within one year of subsidiaries according to normal repayment schedules. However, said negative working capital is structural in nature, resulting from the consolidation of current liabilities from the FT Group and CPC Group, particularly the classification of the portion of long-term loans from financial institutions due within one year amounting to 148.4 million Baht. The Group has continuous plans to secure working capital sources and refinancing to maintain business liquidity according to plan.

In this regard, the management expects that once the performance recovery of the FT Group and CPC Group proceeds according to plan, coupled with the ongoing increase in fleet utilization and price restructuring, the Group's ability to generate operating cash flow will continuously improve and will help restore the Group's working capital to normal levels in the following period.

6. Debt-to-Equity Ratio

Debt-to-Equity Ratio	Consolidated		Separate		Separate	
	Mar 31, 2026	Dec 31, 2025	Mar 31, 2026	Dec 31, 2025	Increase / (Decrease)	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%
Total liabilities	1,120,220	1,114,623	139,664	162,181	(22,518)	-13.9%
Shareholders' equity	1,664,375	1,698,573	1,774,173	1,763,048	11,125	0.6%
Debt-to-Equity Ratio (times)	0.67	0.66	0.08	0.09	(0.01)	-14.4%

As of March 31, 2026, the Company's Debt-to-Equity (D/E) ratio according to the standalone financial statements stood at 0.08 times, a decrease from 0.09 times at the end of 2025. The primary factor was the continuous repayment of short-term loans and the portion of long-term loans from financial institutions due according to the repayment schedule, resulting in a decrease in total liabilities of 22.5 million Baht during the quarter. This was coupled with an increase in shareholders' equity of 11.1 million Baht following the net profit of the logistics segment this quarter, reflecting the Company's persistently strong financial structure and high debt-servicing capacity.

Regarding the consolidated financial statements, the Group's Debt-to-Equity (D/E) ratio was 0.67 times, a slight increase from 0.66 times at the end of 2025. This was due to the decrease in total shareholders' equity of 34.2 million Baht following the net loss this quarter, while total liabilities increased by only 5.6 million Baht. Said ratio remains at a low level, reflecting a financial structure with sufficient flexibility to support the Group's future expansion. In this regard, the management expects that once the performance of the FT Group and CPC Group improves according to the recovery plan, this ratio will continue to improve.

7. Business Risks

The Group and the Company face several risks that may impact business operations and financial performance. The primary risks include:

7.1 Risk from Competition

In the first quarter of 2026, the domestic economic conditions continued to slow down continuously, coupled with the market expansion of multinational logistics capital groups, resulting in high price competition to compete for large-scale customer segments with strong financial status. The Company, therefore, focused on a qualitative customer base restructuring strategy by reducing the proportion of the low-margin B2B customer segment and continuously accelerating the expansion of the B2C customer base, which offers higher revenue quality. This was done alongside highlighting strengths in delivery quality and precision, while expanding the scope of assembly and installation services integrated with delivery in a single trip, in order to create maximum satisfaction for end customers and generate incremental revenue that is difficult to compete with through price alone.

7.2 Risk of Over-Reliance on Major Customers

The Company operates its transport service business with a small number of major customers contributing a significant proportion of its revenue. The Group recognizes this risk and has established a systematic management approach by requiring the sales department to analyze and determine appropriate pricing structures to ensure the Company maintains its target gross profit margin while remaining competitive with other market players simultaneously. In the first quarter of 2026, the Company began recognizing the full-quarter results of its business expansion through the acquisition of the FT Group and CPC Group for the first year. This has helped diversify the revenue structure risk into the tourism sector and a wider variety of industrial estate factory groups. Specifically, the CPC Group possesses a large Electronics customer base primarily under long-term service contracts (accounting for over 91 percent of the group's revenue), while the FT Group helps increase the revenue base from the tourism and passenger transport sectors. In this regard, the management continues to build upon value-added services alongside transportation, while enhancing service value to attract new target customer segments. This integration of both business expansion and service value enhancement not only helps mitigate the risk of relying on a small number of major customers but also strengthens the revenue base and increases the Group's profitability capacity.

7.3 Risk from Fuel/Energy Costs

Diesel fuel costs are considered a significant variable with a substantial impact on the Group's gross profit. During the late first quarter of 2026, domestic energy prices rose significantly due to geopolitical pressures from escalating tensions in the Middle East, which caused a sharp increase in diesel prices in the Singapore market. Coupled with the liquidity constraints of the Oil Fuel Fund, which had to bear a high compensation burden, the Oil Fuel Fund Policy Committee (OFFPC) resolved to reduce the fuel price subsidy. This resulted in domestic retail diesel prices increasing by a total of approximately 9 Baht per liter in March 2026 (from approximately 32 Baht per liter at the beginning of the month to approximately 39 Baht per liter at month-end), with a continued upward trend expected in the second quarter of 2026.

The impact of said fuel price increase on the Group's performance in the first quarter of 2026 remained limited, as the hike occurred during the final week of the quarter. However, the management expects this to begin reflecting as a significant cost burden from the second quarter of 2026 onwards, particularly for the FT Group, which uses diesel as a primary cost for passenger transport services, and the CPC Group, which operates a large fleet of freight transport vehicles.

The Company has managed such risks through three key measures: (1) an automatic Fuel Surcharge adjustment mechanism based on actual costs to maintain profitability; (2) implementing an aggressive post-merger synergy strategy by allocating subsidiary parking depots as close to customer service areas as possible to reduce "Dead Miles" and fuel consumption per work cycle; and (3) increasing the Fleet Utilization of the FT Group and CPC Group to average out fixed costs and distribute the fuel cost burden per service cycle most efficiently. These are crucial factors in maintaining the Group's liquidity and financial stability amidst energy price volatility.

7.4 Risk from Government's Minimum Wage Increase

The minimum wage increase policy directly impacts labor costs in the transport sector. The Company, therefore, manages this by utilizing outsourced providers to support the temporary high demand during festivals or e-commerce promotions, alongside developing daily-wage employees into permanent staff with expertise who receive compensation higher than the minimum wage. This is aimed at increasing operational efficiency and creating personnel stability for the organization. In this regard, the Company focuses on providing professional handling training programs to enhance specialized skills in managing large-scale and high-care products. Even if revenue decreases at a lower rate, this approach not only helps increase operational efficiency and reduce product damage rates but also establishes personnel stability and prepares for expanding the customer base into groups requiring high service standards. This will help create a competitive advantage and increase the organization's profitability capacity sustainably.

8. Business Direction and Outlook for 2026

For the remaining of 2026, the Group has operational plans to elevate performance toward quality growth by driving four proactive strategies in parallel: (1) restoring the revenue base of the FT Group and CPC Group through a "Re-forecast Outlook" to align with actual market conditions, while accelerating the search for demand in the Worldwide Outbound market and new emerging markets; (2) increasing the Asset Utilization of the vehicle fleet by expanding the long-term contract base with industrial estate customers and Electronics MNC groups, with a target to continuously elevate the Utilization Rate during the second half of 2026; (3) centralizing fleet management, maintenance centers, and central services (Shared Services Model) to reduce redundant expenses and create internal synergy; and (4) managing energy price volatility through the implementation of the Fuel Surcharge mechanism alongside route management and the integration of parking depots to reduce fuel consumption rates. In this regard, the management expects that executing these strategic plans will be a key factor in driving the Group's performance back to quality growth and creating sustainable added value for shareholders.

The Company respectfully submits this information for acknowledgement.

Best regards.

Sincerely,

Thai Parcels Public Company Limited

(Ms. Nawaporn Songsri)

Vice President of Accounting and Finance Department