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14 August 2026

Subject: Management Discussion and Analysis of Financial Position and Operating Results for the Second Quarter of 2026

To: President of the Stock Exchange of Thailand

TPCS Public Company Limited would like to clarify the operating results of the Company and its subsidiaries as reported in the Statement of Comprehensive Income for the second quarter and the six-month period ended June 30, 2026, compared with the same period of the previous year.

Economic Overview

During the second quarter and the first six months of 2026, both domestic and global economies overall experienced a slowdown, impacted by the conflict situation in the Middle East and uncertainty regarding international trade policies. These factors led to rising energy costs, which increased operating costs for the business sector and imposed additional financial burdens on consumers, resulting in more cautious spending. Nevertheless, economic uncertainty, energy prices, and geopolitical conditions remain key factors influencing consumer confidence and the Company's cost structure.

Under these economic conditions, the Company continues to place strong emphasis on driving quality-focused business growth, alongside comprehensive risk management and the adoption of technology to improve operational efficiency. Furthermore, the Company actively co-develops products with business partners and accelerates the expansion of sales channels to improve consumer reach and diversify revenue streams, operating strictly under a framework of responsibility and sustainability.

Overall Performance

Operating Results for the Second Quarter

In the second quarter of this year, the Company recorded total revenue of 329.52 million Baht, a decrease of 56.30 million Baht or 14.59% year-on-year (YoY), mainly due to reduced domestic and export sales revenues

Revenue from sales and services stood at 314.49 million Baht, representing a decrease of 49.72 million Baht or 13.65% YoY, consisting of:

Domestic sales of 258.17 million Baht, down 21.67 million Baht or 7.74% YoY, due to a decline in sales of industrial and hygiene product groups affected by the sluggish economic recovery, which led to reduced domestic automotive production and sales.

Export sales of 51.17 million Baht, down 18.42 million Baht or 26.47% YoY, primarily due to lower shipments to Asia and Africa impacted by conflict situations and international trade policy uncertainties.

Other income was 15.03 million Baht, down 6.57 million Baht or 30.42% YoY, mainly due to lower dividend income received.

Cost of sales and services totaled 230.72 million Baht, down 33.05 million Baht or 12.53% YoY, consistent with the decrease in production and sales volumes.

Selling and administrative expenses were 87.62 million Baht, an increase of 3.54 million Baht or 4.21% YoY, driven by higher selling-related expenses.

Unrealized gain amounted to 18.79 million Baht, up 15.55 million Baht or 479.79% YoY, resulting from the fair value measurement of assets.

Net profit for the period was 26.26 million Baht, a decrease of 11.32 million Baht or 30.12% YoY.

Cumulative Operating Results for 2026 (6-Month Period)

For the cumulative 6-month period of this year, total revenue reached 671.30 million Baht, down 105.90 million Baht or 13.63% YoY, due to reduced domestic and export sales.

Revenue from sales and services: stood at 637.19 million Baht, down 92.09 million Baht or 12.63% YoY, consisting of:

Domestic sales of 525.49 million Baht, down 46.15 million Baht or 8.07% YoY, impacted by the economic slowdown affecting domestic automotive production and sales, as well as reduced demand for industrial and hygiene products.

Export sales of 103.28 million Baht, down 35.42 million Baht or 25.54% YoY, due to lower delivery volumes to Asia and Africa stemming from geopolitical conflict and trade policy uncertainties.

Other income was 34.11 million Baht, down 13.81 million Baht or 28.82% YoY, due to a decrease in dividend income.

Cost of sales and services totaled 465.94 million Baht, down 56.35 million Baht or 10.79% YoY, in line with lower production and sales activities.

Selling and administrative expenses were 187.29 million Baht, an increase of 12.33 million Baht or 7.05% YoY, owing to increased selling expenses.

Unrealized gain stood at 41.28 million Baht, up 56.35 million Baht or 373.92% YoY, due to asset fair value measurements.

Net profit totaled 54.03 million Baht, a decrease of 10.78 million Baht or 16.63% YoY.

Summary of Operating Results

Summary of Operating Results	Unit	Quarter 2		Change	6-Month Period		Change
		2026	2025	%YoY	2026	2025	%YoY
Revenue from sales and services	Million Baht	314.49	364.21	-13.65%	637.19	729.28	-12.63%
Total revenue	Million Baht	329.52	385.82	-14.59%	671.30	777.19	-13.62%
Cost of sales and services	Million Baht	230.72	263.77	-12.53%	465.94	522.29	-10.79%
Gross profit	Million Baht	83.77	100.44	-16.60%	171.25	206.99	-17.27%
Selling and administrative expenses	Million Baht	87.62	84.08	4.21%	187.29	174.96	7.05%
Unrealized gain (loss)	Million Baht	18.79	3.24	479.94%	41.28	(15.07)	-373.92%
EBITDA	Million Baht	49.04	63.53	-22.81%	98.15	109.92	-10.71%

Summary of Operating Results	Unit	Quarter 2		Change	6-Month Period		Change
		2026	2025	%YoY	2026	2025	%YoY
Net profit	Million Baht	26.26	37.58	-30.12%	54.03	64.81	-16.63%
Profit attributable to owners of the parent	Million Baht	26.64	37.21	-28.41%	55.49	64.37	-13.80%
Earnings per share attributable to owners of the parent	บาท/หุ้น	0.25	0.34	-26.47%	0.51	0.60	-15.00%

Key Financial Ratios

Financial Ratios	Unit	Quarter 2		Change	6-Month Period		Change
		2026	2025	%YoY	2026	2025	%YoY
EBITDA Margin	%	14.88	16.47	-9.62%	14.62	14.14	3.38%
Net Profit Margin	%	7.97	9.74	-18.18%	8.05	8.34	-3.48%
Profit Margin Attributable to Parent	%	8.08	9.64	-16.17%	8.27	8.28	-0.20%
Return on Equity (Return on Equity)	%	0.98	1.40	-30.24%	2.04	2.43	-16.00%
Return on Total Assets (Return on Total Assets)	%	0.88	1.25	-30.24%	1.82	2.17	-16.01%

Note on Calculation Methods:

- Net Profit Margin = Net profit (loss) for the period / Total revenue
- Profit Margin Attributable to Parent = Profit attributable to owners of the parent / Total revenue
- Return on Equity (ROE) = Profit attributable to owners of the parent / Equity attributable to owners of the parent
- Return on Total Assets (ROA) = Profit attributable to owners of the parent / Total assets.

Total Assets

As of June 30, 2026, the Company reported total assets of 3,043.31 million Baht. This included cash, cash equivalents, and other current financial assets totaling 993.55 million Baht.

Total Liabilities and Equity

As of June 30, 2026, total liabilities stood at 304.02 million Baht, all of which were not yet due. Equity attributable to owners of the parent was 2,722.75 million Baht.

Financial Position Summary

Summary of Financial Position	Unit	30 June	30 December	Change
		2026	2025	%
Total Assets	Million Baht	3,043.31	3,004.95	1.28%
Total Liabilities	Million Baht	304.02	253.50	19.93%
Total Equity Attributable to the Parent Company	Million Baht	2,722.75	2,735.33	-0.46%
Debt to Equity Ratio	Times	0.11	0.09	20.48%

Sustainability Development

The Company continues to drive its sustainability operations under the Environmental, Social, and Corporate Governance (ESG) framework, focusing on enhancing personnel capabilities through technology and developing the organization into a reliable, modern, and sustainable brand.

In this quarter, priority was given to enhancing work efficiency and refining work processes to be faster, more transparent, and verifiable, as well as promoting business operations to support the Company's stable and sustainable growth.

Environmental: The Company emphasizes efficient resource and environmental management to minimize operational impacts and support the cost-effective use of resources, aligning with its goal to become a reliable and sustainable brand. In this quarter, the Company monitored greenhouse gas management data and performance, and improved work processes by transitioning from paper-based to digital systems. This initiative aims to increase efficiency, reduce costs, decrease paper usage, and enhance operational traceability.

Social: The Company focuses on personnel development, fostering an organizational culture that is adaptable to change, and increasing employee potential through greater use of technology, enabling the organization to become modern and reliable.

Governance: In Q2 2026, the Company achieved a full score of 100 on the Annual General Meeting (AGM) Checklist assessment. Additionally, the Board of Directors approved the Artificial Intelligence (AI) Governance Policy to support AI adoption, improving operational efficiency and effectiveness while ensuring appropriate risk management. The Company firmly adheres to good corporate governance, transparency, accountability, and business ethics, ensuring action plans align seamlessly with corporate strategies.

Furthermore, executives and employees at all levels are encouraged to strictly adhere to the Business Code of Ethics, Anti-Corruption Policy, and Corporate Governance Guidelines to instill confidence among all stakeholders and maintain long-term transparency and sustainability.

Management remains confident that the Company's strong business fundamentals, product diversification, and solid financial position will enable effective management through economic fluctuations and market competition.

Please be informed accordingly.

Sincerely yours,

Miss Darunee Supo

(Miss Darunee Supo)
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Authorized Person to Disclose Information

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