THAITHEPAROS
บริษัท ไทยเทพรส จำกัด (มหาชน)

Management Discussion and Analysis Translation

For the6 month ended June 30, 2026 and June 30,2025

Operating and Financial Status

Overview

Operating results of the company for the 6 month period ended June 30, 2026, net profit increased by Bt. 14.23 million or 3.75% from 2025.However,sales revenue for the 6 month period of 2026 decreased by Bt. 0.32 million or 0.02% compared to the same period in 2025. This decline was driven by the ongoing overall economic slowdown, which has affected consumer purchasing power.

Cost of sales for the 6 month period of 2026, amounted to Bt. 999.14 million, a decrease from 2025 by Bt.47.11 million or 4.50%, due to efficient cost management and lower cost of raw material, the gross profit margin increased to 42.10%, compared to 38.49% during the same period in 2025.

Distribution costs for the 6 month period of 2026,amounted to Bt.156.54million, an increased from 2025byBt. 9.11 million or 2.97%.

Administrative expenses for the 6 month period of 2026, amounted to Bt. 104.64million, an increased from 2025by Bt. 20.53 million or 24.41%.

Operating Analysis

Profitability

Thai Theparos Plc’s net profit for 3 month and 6 month ended June 30 2026 and June 30 2025.

		Q2 2025	Q2 2026	Change	%	6 Month 2025	6 Month 2025	Change	%
Net profit (Million Baht)		169.42	183.59	14.17	8.36	379.13	393.36	14.23	3.75
Gross Profit Margin	%	38.49	42.10	3.61		39.15	41.88	2.73	
Net Profit Margin	%	20.78	21.94	1.16		21.65	22.51	0.86	

(in million Baht)	Q2 2025	%	Q2 2026	%	Change	%	6 Month 2025	%	6 Month 2026	%	Change	%
Domestic Sales	626.10	76.12	642.99	76.59	16.89	2.70	1,356.53	77.14	1,350.68	77.21	(5.85)	(0.43)
Industrial Sales	104.48	12.70	108.72	12.95	4.24	4.06	215.34	12.25	217.30	12.42	1.96	0.91
Sales to associate	13.55	1.65	11.39	1.36	(2.16)	(15.94)	30.52	1.74	32.52	1.86	2.00	6.55
Export Sales	78.42	9.53	76.44	9.10	(1.98)	(2.52)	156.14	8.88	148.92	8.51	(7.22)	(4.62)
Total	822.55	100.00	839.54	100.00	16.99	2.07	1,758.53	100.00	1,749.42	100.00	(9.11)	(0.52)
Less volume rebates	(23.82)	(2.90)	(15.45)	(1.84)	8.37	(35.14)	(39.16)	(2.23)	(30.37)	(1.74)	8.79	(22.45)
Net Sales	798.73	97.10	824.09	98.16	25.36	3.18	1,719.37	97.77	1,719.05	98.26	(0.32)	(0.02)
Cost of Sales	491.31		477.16		(14.15)	(2.88)	1,046.25		999.14		(47.11)	(4.50)
% of total sales of goods	61.51		57.90		(3.61)		60.86		58.12		(0.95)	
Gross Profit Margin	307.42	38.49	346.93	42.10	39.51	12.85	673.12	39.15	719.91	41.88	46.79	6.95
Other income	16.48		12.83		(3.65)	(22.15)	32.12		28.43		(3.69)	(11.49)
Distribution Expenses	71.91		78.66		6.75	9.39	152.03		156.54		4.51	2.97
% of total sales of goods	9.00		9.55		0.54		8.84		9.11		0.27	
Administrative Expenses	43.00		62.32		19.32	44.93	84.11		104.64		20.53	24.41
% of total sales of goods	5.38		7.56		2.18		4.89		6.09		1.20	
Profit befor income tax	211.75		222.85		11.10	5.24	473.24		490.51		17.27	3.65
Tax expense	42.32		39.26		(3.06)	(7.23)	94.11		97.15		3.04	3.23
Net Profit	169.43		183.59		14.16	8.36	379.13		393.36		14.23	3.75
Earning Per Share	0.47		0.51				1.05		1.09			

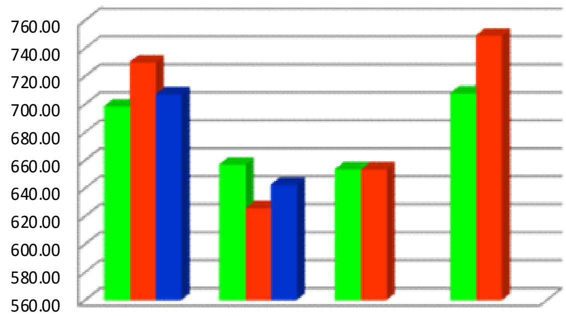
Operating Analysis

Profitability

Domestic sales in Q2/2026increased byBt.16.89 million, or 2.70% compared to same period in 2025,frommodern trade distribution channel increased by Bt.11.99 million, or 4.51%, traditional trade sales by Bt.10.76 million, or 4.40%, Van sales distribution channel increased by Bt. 2.81 million, or 4.91%,Distribution channels for trading firm decreased by Bt. 8.92 million, or 15.78%, primarily impacted by issues at the Thai-Cambodian border.

Domestic sales for 6 month period of2026decreasedfrom by Bt. 5.85 million, or 0.43% compared to same period in 2025,remaining comparable overall, decreased from distribution channels for trading firm by Bt. 18.77 million, or 15.83%, modern trade distribution channel decreased by Bt. 12.50 million, or 2.18%, traditional trade sales increased by Bt. 22.78 million, or 4.23%, Van sales distribution channel increased by Bt. 3.12 million, or 2.53%.

Domestic sales by Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	Annual
2024	698.78	657.43	653.97	708.28	2,718.46
2025	730.43	626.10	653.97	749.44	2,759.94
2026	707.69	642.99			1,350.68

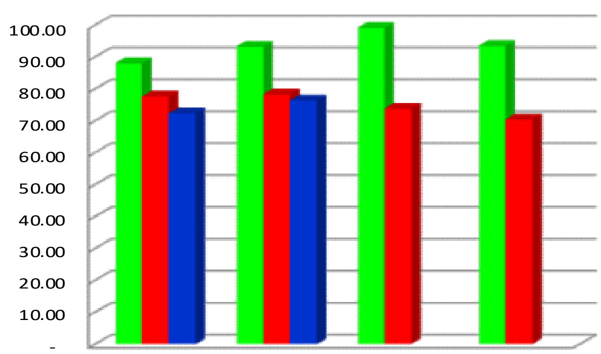
Sales in the industrial in Q2/2026 increased by Bt. 4.24 million, or 4.06%, compared to same period in 2025. The Company secured a new customer in the food processing industry, generating Bt. 5.90 million, in sales revenue from vinegar products. Existing clients in the restaurant sector expanded their orders of oyster sauce for cooking applications, contributing an additional by Bt. 3.11 million.

Sales in the industrial for 6 month period of 2026 increased from 2025 by Bt. 1.96 million, or 0.91%.

Export sales in Q2/2026 decreased by Bt.1.98 million, or 2.52%, compared to same period in 2025. This decline was primarily driven by Thai-Cambodia border issues and the internal political situation in Myanmar.

Export sales for the 6 month period of 2026 decreasedfrom 2025 by Bt. 7.22 million, or 4.62%.

Export sales by Quarterly (Million Baht)



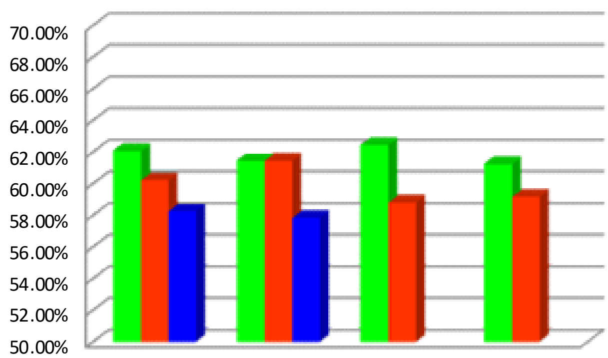
	Q1	Q2	Q3	Q4	Annual
2024	88.10	93.33	99.18	93.57	374.18
2025	77.72	78.42	73.90	70.52	300.56
2026	72.48	76.44			148.92

(Million Baht)	Q2 2025	Q2 2026	Change	%	6 Month 2025	6 Month 2026	Change	%
Exter (Thailand) Limited	13.55	11.39	(2.16)	(15.94)	30.52	32.52	2.00	6.55

Sales to associates in Q2/2026.The company had sales of products to Exter (Thailand) Limited in Q2/2025, decreased by Bt. 2.16million or 15.94%.

Sales to associates for 6 month 2026, sales to Exter(Thailand) Limited increased by Bt. 2 million or 6.55%, compared to the same period in 2025.

Cost of goods (% of sales) by Quarterly



	Q1	Q2	Q3	Q4	Annual
2024	62.12%	61.50%	62.50%	61.30%	64.67%
2025	60.28%	61.51%	58.87%	59.23%	62.26%
2026	58.32%	57.90%			58.12%

Cost of goods sold decreased from 61.51% percentage of sales in Q2/2025 compare to 57.90% percentage of sales in Q2/2026 decreased 3.61%. As the decrease in primary raw material costs outweighed the rise in packaging expenses, overall cost of goods sold remained largely unaffected.

Cost of goods sold for 6 month period of 2026decreased from 60.85% percentage of sales in 2025 compareto 58.12% percentage of sales in 2026 decreased 0.95%, due to the efficient manufacturing management,leading to improved cost efficiency.

Distribution expenses of sales increased from 9% percentage of sales in Q2/2025 compare to 9.55% percentage of sales in Q2/2026 increased 0.54%.The increase was primarily driven by higher fuel prices, directly raising transportation costs, marketing support activities and advertising expenses.

Distribution expenses of sales for 6 month period of 2026 increased from 8.84% percentage of sales in 2025 compare to 9.11% percentage of sales in 2026 increased 0.26%.The increase was primarily driven by higher fuel prices, directly raising transportation costs.

Administrative expenses increased from 5.38% percentage of sales in Q2/2025 compare to 7.56% percentage of sales in Q2/2026an increased 2.18%, mainly driven by a higher allowance for expected credit losses.

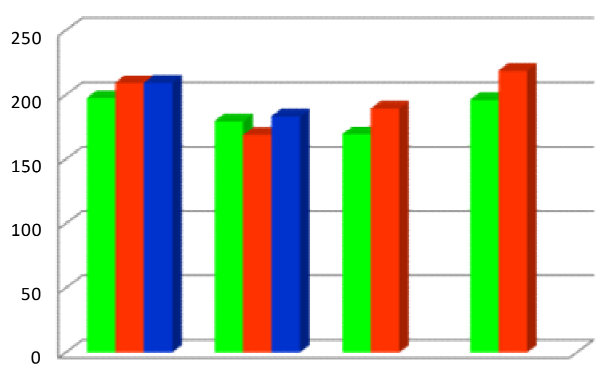
Administrative expenses for 6 month period of 2026 increased from4.89% percentage of sales in 2025. Compare to 6.09% percentage of sales in 2026 increased 1.20%.

For the above reasons performance for Q2/2026increased from Q2/2025. The company had a net profit of Bt. 14.16 million, or 8.36% and for 6 month period of 2026increased of Bt. 14.23 million or 3.75% in2025.

Sauce has earnings before income tax (EBT) for 3 month period and for 6 month period ended June 30, 2026 and June 30, 2025, as follows:-

	Q2 2025	Q2 2026	Change	%	6 month 2025	6 month 2026	Change	%
Earning before income tax expense (Million baht)	211.75	222.85	11.10	5.24	473.24	490.51	17.27	3.65
EBT Margin	25.97%	26.63%	0.66%		27.02%	28.07%	1.05%	

Net Profit (Million Baht) by Quarterly



	Q1	Q2	Q3	Q4	Annual
2024	197.88	179.80	169.77	196.40	743.85
2025	209.70	169.43	189.65	219.08	787.86
2026	209.77	183.59			393.36

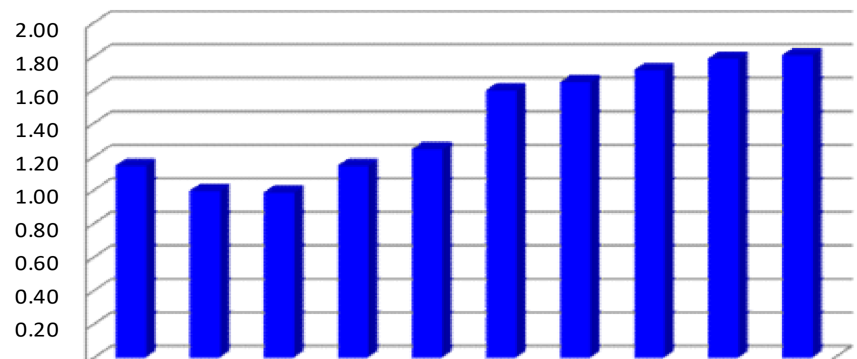
Dividend Policy

The Company has the policy to pay dividend to shareholders at not less than 50 percent of the net profit in each year and will be paid in the next year.

At the annual general meeting of the shareholders of the Company held on 23 April 2026, the shareholders approved the appropriation of dividend for 2025 amounting 360 million shares, and paid at Bt.1.81 per share, amounting to Bt. 651.60 million (payout ratio 82.61%). The shareholders must be listed on May 5, 2026to be eligible for dividend payout. The payment was scheduled on May19, 2026.

		2025	2026	Change	%
Net profit (Last year)		743.85	788.76	44.91	6.04
Dividends paid (Million Baht)		644.40	651.60	7.20	1.12
Dividends per share (Baht)		1.79	1.81	0.02	1.12
Dividends pay out	%	86.63	82.61		

Dividend payment by Annually (Baht)



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Dividend	1.15	1.00	0.99	1.15	1.25	1.60	1.65	1.72	1.79	1.81

Report and Analysis of Financial Position

Financial Structure

Debt Equity Ratios

Company have conservative financial policy which resulted in debt equity ratio 0.110 for 2026 and 0.097 for 2025. Have enough cash in order to prevent the price fluctuation of agricultural raw materials. Most of debt are current liabilities.

	December 31, 2025		June 30, 2026	
	Million Baht	%	Million Baht	%
Total liabilities	318.12	8.81	333.89	9.91
Equity	3,292.88	91.19	3,034.64	90.09
Total assets	**3,611.00**	**100.00**	**3,368.53**	**100.00**
Trade accounts payable	79.93	2.21	91.50	2.72
Income tax payable	100.07	2.77	101.16	3.00
Other accounts payable	98.90	2.74	98.40	2.92
Non current liabilities	39.22	1.09	42.83	1.27
Total liabilities	**318.12**	**8.81**	**333.89**	**9.91**
Issued and paid-up share capital	360.00	9.98	360.00	10.69
Premium on ordinary shares	615.60	17.05	615.60	18.28
Legal reserve retained earning	60.00	1.66	60.00	1.78
Unappropriated retained earning	2,257.28	62.51	1,999.04	59.34
Total equity	**3,292.88**	**91.19**	**3,034.64**	**90.09**
Debt Equity Ratios	0.097		0.110	

The company do not have long term loans for financing. The company uses most of its capital structure from shareholders' equity.

Liquidity

Cash flowsdecreased due to dividend payment in Q2

(Million Baht)	June 30, 2025	June 30, 2026	Change	%
Cash flows from operating activities	385.80	502.05	116.25	30.13
Net cash uses in investing activities	123.89	321.97	198.08	159.88
Net cash uses in financing activities	(644.40)	(651.60)	(7.20)	(1.12)
Net increase (decrease) in cash and cash equivalents	(134.71)	172.42	307.13	227.99

Cash flow from operating activities in 2026increased from 2025 in the amount of Bt. 116.25 million,or 30.13%. caused by changes to assets and liabilities, most of them were lower trade accounts receivable of Bt. 52.42 million, advance payment for raw materials of Bt.51.77 million, and incrrased trade accounts payables of Bt.11.58 million.

Net cash uses investing activities in 2026 increased from 2025 in the amount of Bt. 198.08 million, or 159.88%.The company managed its cash by investing in financial assets, including Kiatnakin open-ended funds and debentures.

Net cash uses in financing activities in 2026 increased from 2025 in the amount of Bt. 7.20 million. are for dividend payout in Q2.

(Million Baht)	December 31, 2025	June 30, 2026	Change	%
Current assets	2,579.09	2,353.66	(225.43)	(8.74)
Current liabilities	278.91	291.06	12.15	4.36
Current ratio (Time)	9.25	8.09	(1.16)	(12.55)

Current ratio

In 2026, Current ratio 8.09 times is decreased 9.25 times in 2025. This result from the decreased of current assets by Bt. 225.43 million, most of these are current investments Bt. 350.12 million, and current liabilities increased Bt. 12.15 million. Most of which were trade accounts payables of Bt. 11.58 million.

However, the company has strictly adhered to the financial management policy. The company has a high working capital ratio, there is no liquidity issue. As of June 30, 2026, the company has cash and cash equivalents of over Bt. 707.57million and overdraft loan facility which has not been used from bank around Bt. 97.50million to support the need for emergency funds.

The ability to pay debt and practice according to the loan

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities from trade account payable and accrued expenses. The company has performed its duty as a good debtor and paid debt in accordance with customer's trade agreement.

Quality of Assets

Change in Assets

As at June 30, 2026 Sauce has Bt. 3,368.53 million of total assets, the growth decreased6.71% compare to total assets of Bt. 3,611 million as atDecember 31, 2025.

(Million Baht)		December 31, 2025	June 30, 2026	Change	%
Current assets		2,579.09	2,353.66	(225.43)	(8.74)
Non current assets		1,031.91	1,014.87	(17.04)	(1.65)
Total assets		3,611.00	3,368.53	(242.47)	(6.71)
Current assets / Total assets	%	71.42	69.87	(1.55)	
Non current assets / Total assets	%	28.58	30.13	1.55	
Total assets	%	100.00	100.00	-	

As of June 30, 2026, company has current assets and non-current assets as 69.87% and 30.13% of the total assets compared to 71.42% and 28.58% as at December 31, 2025.

Main Part of Assets

	Million Baht December 31, 2025	%	Million Baht June 30, 2026	%
Property, plant and equipment	766.36	21.22	745.34	22.13
Cash and cash equivalent	535.16	14.82	707.57	21.01
Inventories	554.60	15.36	607.16	18.02
Current investments	909.25	25.18	559.13	16.60
Trade accounts receivable	424.58	11.76	372.77	11.07
Investment properties	210.23	5.82	210.23	6.24
Advance payment for raw materials	140.28	3.88	88.51	2.63
Investments in associate	45.96	1.27	45.28	1.34
Other current receivables	7.71	0.21	11.23	0.32
Deferred tax assets	3.48	0.10	8.18	0.24
Other current assets	6.51	0.18	7.29	0.22
Bank deposits pledged as collateral	4.59	0.13	4.59	0.14
Other non-current assets	0.88	0.02	0.81	0.02
Intangible assets	0.27	0.01	0.22	0.01
Current portion of long-term loans to associate	1.00	0.03	-	-
Investments in equity instruments	0.14	0.00	0.22	0.01
Total assets	3,611.00	100.00	3,368.53	100.00

Company's policy to set the time commercial credit (Term credit)

The company categorizes sales as follows:

1. Cash sell
2. Credit sell

- traditionaltrade sales and Export sales give credit 30-45 days.
- Modern trade and Industrial sales give credit 60 days.

Million Baht		March 31, 2026	June 30, 2026	Change	%
Net / Sales		894.96	824.09	(70.87)	(7.92)
Trade accouts receivable -Net		427.06	372.77	(54.29)	(12.71)
Accouts receivable Turnover/ Quarter	Times	2.10	2.06	(0.04)	(1.90)
Average debt Collection Period	Days	43	44	1.00	2.33
Inventories Turnover Period	Days	97	112	15.00	15.46
Repayment Period	Days	16	19	3.00	18.75
Cash Cycle Period	Days	124	138	14.00	11.29

In Q2/2026, payment is tracked and credit is carried out strictly to customers.

Overall, the Company's trade receivable collection period inQ2/2026 increased by 1 days compared to Q1/2026.The average sales period also increased by 15 days, resulting in higher inventories and slower inventory turnover.

For trade receivables, adequate allowance for doubtful accounts has been made based on the facts as of 30 June 2026, has an allowance for doubtful accounts decreased to Bt. 1.35 million from Bt. 1.49 million as of December 31, 2025.

(Million Baht)	December 31, 2025	June 30, 2026	Change	%
Related parties	32.54	26.48	(6.06)	(18.62)
Other parties	393.53	347.64	(45.89)	(11.66)
Total	426.07	374.12	(51.95)	(12.19)
Less allowance for doubtful accounts	(1.49)	(1.35)	0.14	(9.40)
Net trade accounts receivable	424.58	372.77	(51.81)	(12.20)

Inventory are not deterated or obsolete.

(Million Baht)	December 31, 2025	June 30, 2026	Change	%
Finished goods	98.75	131.08	32.33	32.74
Work in process	123.81	136.81	13.00	10.50
Raw materials	334.16	338.20	4.04	1.21
Suplies	0.57	1.07	0.50	87.72
Less allowance for decline in value	(2.69)	0.00	2.69	(100.00)
Total inventories	554.60	607.16	52.56	9.48

The Inventories of finished goods increased by Bt.32.33 million, to support future sales and distribution.

Long-term investment

(Million Baht)	December 31, 2025	June 30, 2026	Change	%
Investment in marketable equity security	0.14	0.22	0.08	57.14
Total long-term investment	0.14	0.22	0.08	57.14

TanawatWinyarat

(Mr. TanawatWinyarat)

Deputy Managing Director