ACE_26_08_063

August 13, 2026

Subject: Management Discussion and Analysis of Financial Position and Operating Results for the three month and six month period ended 30 June 2026

To: President

The Stock Exchange of Thailand

President Bakery Public Company Limited would like to submit Clarification of operating results for the three month and six month period ended 30 June 2026 which has been reviewed by the auditor. The financial statement of the Company, as shown by Consolidated financial statements. The Company would like to clarify such significant changes as below,

Performance of the Company

(Unit: million Baht)

	Q2/2026	%	Q2/2025	%	Increase (Decrease)	
					Amount	%
Sales	1,658.39	99.29	1,694.73	99.47	(36.34)	(2.14)
Total revenues	1,670.19	100	1,703.72	100	(33.53)	(1.97)
Cost of Sales	912.25	55.01	940.57	55.50	(28.32)	(3.01)
Gross Profit	746.14	44.99	754.16	44.50	(8.02)	(1.06)
Selling and Administrative expenses	489.45	29.31	469.67	27.57	19.78	4.21
Profit for the period	255.62	15.30	287.05	16.85	(31.43)	(10.95)
Profit for the period (Baht)	0.57		0.64		(0.07)	

	For the 6 month period ended 30 June 2026	%	For the 6 month period ended 30 June 2025	%	Increase (Decrease)	
					Amount	%
Sales	3,355.33	98.93	3,382.72	98.90	(27.39)	(0.81)
Total revenues	3,391.56	100	3,420.18	100	(28.62)	(0.84)
Cost of Sales	1,853.07	55.23	1,862.02	55.05	(8.95)	(0.48)
Gross Profit	1,502.26	44.77	1,520.70	44.95	(18.44)	(1.21)
Selling and Administrative expenses	956.51	28.20	913.50	26.71	43.01	4.71
Profit for the period	551.49	16.26	628.56	18.38	(77.07)	(12.26)
Profit for the period (Baht)	1.23		1.40		(0.17)	

Remark: Percentage in Statement of comprehensive income derived from total revenues, while percentage of cost of sales and gross profit from sales

Operating Results

Sales revenue

The Company had sales revenue in Q2/2026 of 1,658.39 million baht, decrease of 36.34 million baht or 2.14% compared to the quarter of 2025. For the first half of the year 2026 ended on June 30, total sale revenue stood at 3,355.33 million baht, or decreasing by 0.81% from the same period last year, due to the economic slowdown, increased competition and price reductions in line with the decrease in the price of main raw materials.

Cost of Sales

The cost of sales of the Company in Q2/2026 stood at 912.25 million baht, decrease of 28.32 million baht or 3.01% from the same quarter of 2025. As a result, the gross profit margin of the Company stood at 44.99% increasing from 44.50% in the same quarter last year.

For the first half of the year 2026 ended on June 30, the cost of sales stood at 1,853.07 million baht, decreasing by 8.95 million baht or 0.48% from the same period last year, Due to a decrease in sales and a decrease in the price of main raw materials. However, the costs of fat-based raw materials and packaging have increased.

Some of which increased due to the cost of machinery maintenance, depreciation of new production line machinery and energy related expenses. As a result, the gross profit margin decreased to 44.77% from 44.95% in the same period last year.

Selling and Administrative Expenses

The selling and administrative expenses in Q2/2026 amounted to 489.45 million baht, increasing by 19.78 million baht accounting for 29.31% of total revenue, or 4.21% from the same quarter of 2025 and half-year ended on June 30, 2026 and 2025 the selling and administrative expenses were accounted for 28.20% and 26.71% respectively, increasing by 4.71% from the same period last year.

The increase was mainly due to depreciation expenses of the distribution center building which was completed and ready for use, depreciation expenses of delivery trucks purchased to replace aging vehicles that had reached the end of their useful lives, depreciation expenses of vending. Factors such as legally mandated wage increases and rising oil prices driven by wartime conditions. In this regard, advertising and sales promotion activities have been reduced.

Profit for the period

The Company had the profit for the period of 255.62 million baht for the three month period ended 30 June 2026, or decreasing by 10.95% from the same period last year and recorded net profit of 551.49 million baht in the first half of 2026, or decreasing by 12.26% from the same period last year. Moreover, the Company has recognized the share of loss from investment in joint venture for the 6 month period ended 30 June 2026 in the amount of 2.11 million baht.

Financial Position of the Company

(Unit: million Baht)

	June 30, 2026	%	December 31, 2025	%	Increase (Decrease)	
					Amount	%
Total Assets	14,085.33	100.00	14,074.36	100.00	10.97	0.08
Total Liabilities	1,013.90	7.20	1,214.34	8.63	(200.44)	(16.51)
Shareholders' Equity	13,071.43	92.80	12,860.02	91.37	211.41	1.64
Total Liabilities and Shareholders' Equity	14,085.33	100.00	14,074.36	100.00	10.97	0.08

Financial Position

Assets

The total assets of the Company as of June 30, 2026 amounted to 14,085.33 million baht, increasing by 10.97 million baht, or 0.08% from December 31, 2025. The main reason was that cash and cash equivalents increased by 69.99 million baht, other current financial assets increased by 198.83 million baht, or 56.36% of total assets and long term loan to related party increased by 39.05 million baht in proportion to the shareholding.

The trade and other receivables of the Company accounted for 3.85% of total assets, decreasing by 387.69 million baht from December 31, 2026. The decrease in trade receivables was mainly attributable to lower sales and timely debt repayments by customers.

Liabilities

The liabilities of the Company as of June 30, 2026 totaled to 1,013.90 million baht, accounting for 7.20% of total Liabilities and Shareholders' Equity and decreasing by 200.44 million baht or 16.51% from December 31, 2025. The main reason was the decrease in trade and other current payables due to the purchase of less raw materials in line with sales and the payment of some machinery. The average payment period was 69 days and the total debt to equity ratio was 0.08 times.

Shareholders' Equity

The Shareholders' Equity of the Company as of June 30, 2026 amounted to 13,071.43 million baht, accounting for 92.80% of Liabilities and Shareholders' Equity and increasing by 211.41 million baht from December 31, 2025. This increase from an operating profit and dividend payments paid from net profit for 1 July 2025 to 31 December 2025. As a result, the book value of the Company stood at 29.05 Baht per share, increasing from 28.58 Baht per share in 2025.

Liquidity and suitability of investment structure

Liquidity

The net cash from operating activities of the Company in half-year ended on June 30, 2026 amounted to 936.69 million baht, increasing by 38.95 million baht or by 3.99% from the previous year.

The net cash used for investing activities totaled to 504.27 million baht, increasing by 27.02 million baht. Due to the increase in long term loan to related party by 39.05 million baht.

The cash flow used in financing activities amounted to 362.43 million baht, due to the dividend payment of 355.50 million baht and the payment of lease liabilities of 6.14 million baht.

As a result, the Company recorded cash and cash equivalents of 572.08 million baht as of June 30, 2026, increasing by 69.99 million baht.

As of June 30, 2026, the Company maintained the current ratio at 8.90 times, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 40 days, and the average days of debt repayment was at 69 days. As a result, the cash cycle of the Company was at 28 days.

Suitability of Capital Structure

As of 30 June 2026, the Company had a debt-to-equity ratio of 0.08 times, which remained low, along with an interest coverage ratio of 803.44 times, reflecting stable financial strength and a suitable capital structure. and Debt service coverage.

This is to be informed for your acknowledgement

Yours respectfully,

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(Miss Petcharat Anantawichai)

Director and Senior Management Accounting Department

and Finance Department Manager

Company Secretary