11 August 2026

Subject Management Discussion and Analysis for the Financial Statements for Q1 Fiscal Year 2026/2027 Ended 30 June 2026

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statements for the first quarter of fiscal year 2026/2027 ended 30 June 2026 of Eastern Polymer Group Public Company Limited (the "Company"), which have been reviewed by the Company's auditor and reviewed by the Audit Committee, the Company would like to provide the following additional clarification:

1. Overview of Business Operations, Key Developments, and Summary of Performance Results.

The Company's operating results for Q1 FY2026/2027 ended 30 June 2026 showed significant changes as follows:

Unit: Million Baht				YoY		QoQ	
	Q1 2026/27	Q4 2025/26	Q1 2025/26	Increase (Decrease)		Increase (Decrease)	
	Apr 26 - Jun 26	Jan 26 - Mar 26	Apr 25 - Jun 25				
Revenue from sale of goods	3,642.2	3,414.5	3,335.3	306.9	9.2%	227.7	6.7%
Cost of Good sold	2,291.9	2,265.2	2,204.2	87.6	4.0%	26.7	1.2%
Gain (Loss) on Exchange	-2.2	97.3	-32.9	30.7	93.4%	-99.5	-102.2%
Selling and administrative expense	919.5	839.8	855.4	64.1	7.5%	79.7	9.5%
Expected credit loss on a forward looking basis	46.8	54.9	44.4	2.4	5.5%	-8.1	-14.7%
Finance costs	36.0	74.9	36.8	-0.8	-2.3%	-38.9	-52.0%
Share of profit from investment in associates	95.5	119.1	74.6	20.9	28.1%	-23.6	-19.8%
Net Profit	446.2	388.1	270.2	176.0	65.1%	58.1	15.0%

Revenue from sale

Revenue from sales of goods in Q1 FY2026/2027 amounted to 3,642.2 MB, representing an increase of 306.9 MB, or 9.2% YoY, and an increase of 6.7% QoQ.

The changes in sales across all three product groups are detailed below:

Aeroflex Group

Sales of the Aeroflex Group in Q1 FY2026/2027 increased by 20.8% YoY and 22.5% QoQ.

The U.S. market continued to deliver strong performance. Sales of Aeroflex USA Inc. continued to increase, driven by demand for premium-grade insulation products, including Ultra Low Temperature Insulation and Air Ducting System products, particularly from project-based customers in industries where investment activities remain ongoing, including:

- Data centers and related supply chains, such as the semiconductor and cloud industries;
- Infrastructure;
- Refrigeration systems
- Food and pharmaceutical industries and
- Automotive industries.

In the domestic market, Aeroflex sales slightly declined when compare to previous quarter, reflecting continued cautious private-sector investment sentiment and the market awaiting the next investment cycle. Nevertheless, the Company expects industrial investment and related projects to gradually increase in the periods ahead.

Overall, demand for insulation products continues to grow in both domestic and international markets, particularly for HVAC/Air Ducting System applications and specialized industrial applications. The U.S. market continues to be supported by investment in data centers and related supply chains, together with the reshoring trend, which supports further expansion of domestic manufacturing capacity. The Company therefore maintains a positive long-term outlook on the growth of the U.S. insulation market.

Aeroklas Group

Sales of the Aeroklas Group in Q1 FY2026/2027 decreased by 2.5% YoY but increased by 1.5% QoQ.

The manufacturing and distribution business of automotive parts and accessories for domestic OEM customers continued to be affected by the slowdown in the overall automotive industry. However, the market began to show gradual signs of recovery toward the end of the quarter, with customer orders starting to return.

Meanwhile, overseas sales of the Aeroklas Group, particularly in Australia, continued to grow. During the quarter, sales increased compared with the same period of the previous fiscal year, mainly driven by exports to overseas markets. The Group also began to see positive results from its cost restructuring and operational efficiency initiatives, with continued emphasis on expense control, resource management, and process efficiency to improve operating performance and strengthen the Australian business.

4 Way Suspension Products Pty. Ltd. also showed an improving operating trend, with sales increasing compared with the same period of the previous fiscal year, supported by demand for new products, strong brand recognition in the aftermarket segment, and continued expansion into international markets. These factors are expected to support further growth going forward.

During the quarter, the Company began recognizing revenue and a portion of profit from the operations of Aeroklas Automotive South Africa (Pty) Ltd., a subsidiary, which commenced operations in line with plan.

EPP

Sales of Eastern Polypack Co., Ltd. in Q1 FY2026/27 increased by 19.3% YoY, but declined by 4.2% QoQ, supported by improving domestic demand for plastic packaging, particularly from customers in the food and consumer goods industries.

Despite the plastic packaging industry being affected by higher raw material prices and supply shortages during the quarter, Eastern Polypack Co., Ltd. continued to maintain strong customer confidence by fulfilling customer orders as scheduled. The Company also maintained its product quality, production capabilities, and internationally recognized certifications, including TIS, GHP/HACCP, and BRC. These strengths have enabled the Company to maintain the trust of industrial customers and support long-term relationships as a plastic packaging manufacturer.

The cost of goods sold

In Q1 FY2026/2027, the Company's cost of goods sold amounted to 2,291.9 MB, increasing by 87.6 MB, or 4.0% YoY, and increasing by 26.7 MB, or 1.2% QoQ. The rate of increase in cost of goods sold was lower than the rate of increase in sales.

The increase in selling and administrative expenses was partly attributable to the expansion of the thermal and cold insulation business in the United States, as well as higher freight costs resulting from increased fuel prices.

At the same time, the Company began to see lower operating expenses in Australia, reflecting the benefits of cost restructuring and ongoing operational efficiency improvements.

Profit on exchange

In Q1 FY2026/2027, the Company recorded a foreign exchange loss of 2.2 MB, compared to a foreign exchange loss of 32.9 MB in the same period last year and a foreign exchange gain of 97.3 MB in the previous quarter.
During the quarter, the foreign exchange result consisted of an unrealized gain of 13.6 MB and a realized loss of 15.8 MB. During the quarter, the Thai Baht depreciated against the U.S. Dollar and Australian Dollar.

Selling and administrative expenses

In Q1 FY2026/2027, the Company's selling and administrative expenses amounted to 919.5 MB, increasing by 64.1 MB, or 7.5% YoY, and increasing by 79.7 MB, or 9.5% QoQ.
The increase in selling and administrative expenses was partly attributable to the expansion of the thermal and cold insulation business in the United States, higher freight expenses, as well as the recognition of operating expenses from Aeroklas ASA in South Africa.
Nevertheless, the Company continues to focus on further cost restructuring and operational efficiency improvements in the periods ahead in order to continuously support the Group's profitability.

Expected credit loss provision

In Q1 FY2026/2027, the Company recorded an expected credit loss (ECL) provision of 46.8 MB, compared to an ECL provision of 44.4 MB in the same period last year and an ECL provision of 54.9 MB in the previous quarter.
The ECL mainly arose from trade receivables of Aeroklas Co., Ltd. from the sale of raw materials used in production for the joint venture business in South Africa.
During the quarter, the joint venture's operating performance began to improve. At the same time, the joint venture continued to implement cost reduction and operational efficiency measures to strengthen cash flow and enhance its ability to repay outstanding obligations to the Company in the future.

Financial Cost

In Q1 FY2026/2027, the Company recorded financial costs of 36.0 MB, decreasing by 0.8 MB, or 2.3% YoY, compared to financial costs of 36.8 MB in the same period last year, and decreasing by 38.9 MB, or 52.0% QoQ, compared to financial costs of 74.9 MB in the previous quarter.

The share of profit from investment in associates

In Q1 FY2026/2027, the Company recorded a share of profit from investments in associates and joint ventures of 95.5 MB, increasing by 20.9 MB, or 28.1% YoY, compared to 74.6 MB in the same period last year. The increase was supported by improved operating performance from associates and joint ventures in India, China, and Thailand.
Compared with the previous quarter, share of profit decreased by THB 23.6 million from THB 119.1 million, mainly due to lower contributions from associates and joint ventures in Thailand.

Net Profit

In Q1 FY2026/2027, the Company recorded a net profit of 446.2 MB, increasing by 176.0 MB, or 65.1% YoY, and increasing by 15.0% QoQ. The improvement was supported by sales growth in the thermal insulation and plastic packaging businesses, higher gross profit margins across all business segments, and continued reductions in selling and administrative expenses.

2. Financial Position

Million Baht				YoY		QoQ	
	Q1 2026/27	Q4 2025/26	Q1 2025/26	Increase (Decrease)		Increase (Decrease)	
	Apr 26 - Jun 26	Jan 26 - Mar 26	Apr 25 - Jun 25				
Current Asset	9,443.7	8,934.7	8,876.0	567.7	6.4%	509.0	5.7%
Non - Current Asset	12,165.6	11,953.5	11,679.9	485.8	4.2%	212.2	1.8%
Total Asset	21,609.3	20,888.2	20,555.9	1,053.5	5.1%	721.2	3.5%
Interest bearing debt	4,834.0	4,977.2	5,391.6	-557.5	-10.3%	-143.2	-2.9%
Current Liabilities	4,891.3	4,543.6	4,811.0	80.3	1.7%	347.8	7.7%
Non - Current Liabilities	2,770.9	2,875.3	2,986.2	-215.2	-7.2%	-104.3	-3.6%
Total Liabilities	7,662.3	7,418.9	7,797.2	-134.9	-1.7%	243.4	3.3%
Paid Up Capital	2,800.0	2,800.0	2,800.0	0.0	0.0%	0.0	0.0%
Retained earnings (unappropriate)	7,216.3	6,774.5	6,165.9	1,050.3	17.0%	441.8	6.5%
Total Equity	13,947.1	13,469.3	12,758.7	1,188.3	9.3%	477.8	3.5%

Asset

As of 30 June 2026, the Company had total assets of THB 21,609.3 million, increasing by 3.5% from the previous quarter and by 5.1% from the same period of the previous year.

Liability

As of 30 June 2026, the Company had total liabilities of THB 7,662.3 million, increasing by 3.3% from the previous quarter but decreasing by 1.7% from the same period of the previous year. Interest-bearing debt amounted to THB 4,834.0 million, decreasing by 2.9% from the previous quarter and by 10.3% from the same period of the previous year.

Shareholder's equity

As of 30 June 2026, the Company had shareholders' equity of THB 13,947.1 million, increasing by 3.5% from the previous quarter and by 9.3% from the same period of the previous year. Unappropriated retained earnings amounted to THB 7,216.3 million.

Liquidity

		Q1 2026/27	Q4 2025/26	Q1 2025/26
	Unit	Apr 26 - Jun 26	Jan 26 - Mar 26	Apr 25- Jun 25
Debt to Equity Ratio	Time	0.55	0.55	0.61
Interest Coverage Ratio	Time	17.08	15.62	19.91
Debt Service Coverage Ratio	Time	1.05	0.96	0.67
Liquidity Ratio	Time	1.93	1.97	1.84
Return on Equity	%	13.46	12.12	7.92
Return on Asset	%	8.52	7.75	4.97

- Debt-to-equity ratio stood at 0.55 times, remaining unchanged from the previous quarter and decreasing from the same period last year.
- Interest coverage ratio stood at 17.08 times, improving from the previous quarter but decreasing from 19.91 times in the same period last year.

Factors affecting the performance of the Company (forward looking)

Key factors affecting the Company's operating performance may be categorized as follows: 1) success in overseas business operations; 2) success in research and development for new product innovation; 3) success in capacity expansion, production process enhancement through technological advancement across the Group, as well as expansion of distribution channels in various forms; 4) volatility in raw material prices; 5) foreign exchange fluctuations; and 6) domestic and global economic conditions and events.

Key concerns during this quarter include uncertainties arising from geopolitical developments and international trade tensions, which may impact global economic conditions, energy costs, raw material price volatility, and foreign exchange rates, particularly during periods of significant volatility in the Thai Baht against major currencies.

To manage uncertainties relating to raw materials and maintain continuity in serving customers, the Company has maintained inventory levels above normal levels during certain periods, while diversifying raw material sourcing and closely monitoring supply chain conditions. As a result, the Company maintains sufficient raw material inventory to support operations and customer demand in the periods ahead.

Regarding energy cost risks, the Company continues to implement energy-saving and energy-efficiency initiatives to mitigate the impact on operating costs, together with continued cost management and production efficiency improvements across each business unit.

The Company continues to regularly monitor and assess relevant risks through the Risk Management Committee and adjusts its operating strategies in response to changing conditions in order to maintain competitiveness, stability in operating performance, and long-term business sustainability.

3. Sustainability Developments

The growth of Eastern Polymer Group Public Company Limited ("EPG") remains aligned with the Company's vision to grow through innovation by developing quality products that contribute to society and enhance quality of life, while strengthening its business network to support expansion in global markets and drive sustainable growth.

Awards and Recognition

For fiscal year 2025/2026 ended 31 March 2026:

- The Company received an "Excellent CG Scoring" or 5-star rating under the Corporate Governance Report of Thai Listed Companies (CGR) 2025 conducted by the Thai Institute of Directors Association (IOD).
- The Company and its subsidiaries, namely Aeroflex Co., Ltd., Aeroklas Co., Ltd., and Eastern Polypack Co., Ltd., were certified as members of the "Thai Private Sector Collective Action Against Corruption" (CAC) at the "CAC Change Agent" (3-Star) level by the Thai Private Sector Collective Action Against Corruption Committee. This recognition reflects the Group's commitment to conducting business with good corporate governance principles while promoting anti-corruption practices throughout its business network.
- The Company was selected as one of the "Thailand Sustainability Investment" stocks or SET ESG Ratings 2025 at the "AA" level by The Stock Exchange of Thailand.
- The Company received the "Certificate for Excellence in Investor Relations South East Asia 2025" from the IR Impact Awards – South East Asia held at the Singapore Exchange (SGX). The award reflects the capability, expertise, and professionalism of EPG's management and investor relations team in delivering transparent, comprehensive, and consistent communication with stakeholders.

Carbon Footprint for Organization and Product

For fiscal year 2025/2026 ended 31 March 2026, Aeroflex Co., Ltd. received the Carbon Footprint for Organization (CFO) certification from the Thailand Greenhouse Gas Management Organization (Public Organization) ("TGO") for the 9th consecutive year, and also received Carbon Footprint of Product (CFP) certification.

Eastern Polypack Co., Ltd. received Carbon Footprint for Organization certification for the 6th consecutive year, while Aeroklas Co., Ltd. received Carbon Footprint for Organization certification for the 4th consecutive year and was also awarded Carbon Footprint of Product (CFP) certification.

<u>Net Zero Emission Roadmap</u>

Aeroflex Co., Ltd. has announced its targets to achieve Carbon Neutrality by 2032 and Net Zero Emissions by 2042 through three key strategies:

1. **Green Manufacturing** – utilizing solar energy to reduce greenhouse gas emissions by more than 2,500 tCO_2e per year.
2. **Take Back Program** – collecting end-of-life products from customers for proper waste management and recycling processes.
3. **Circular Economy** – recycling material scraps into new products while developing lightweight, high-performance products to enhance resource efficiency and sustainability.

Respectfully Your,

Mr. Veerasit Pratuengsukpong

Chief Financial Officer

Eastern Polymer Group Public Company Limited