Management Discussion and Analysis

Thai Nippon Rubber Industry Public Company Limited

Q2/2026

TNR PLC

Executive Summary

Operating Highlights	Q2/25	Q1/26	Q2/26	Change +/-		1H/25	1H/26	Change+ /-
Unit: Million Baht				%YoY	%QoQ			%YoY
Revenue from Sales and Services	**482**	**445**	**500**	**3.7%**	**12.4%**	**917**	**945**	**3.1%**
Gross Profit	137	92	150	9.5%	63.0%	247	242	(2.0%)
EBIT	53	69	94	77.4%	36.2%	111	163	46.8%
EBITDA	88	102	129	46.6%	26.5%	178	231	29.8%
Net (Loss) Profit	**39**	**57**	**78**	**100.0%**	**36.8%**	**82**	**135**	**64.6%**
Gross Profit Margin (%)	28.4%	20.7%	30.0%	1.6%	9.3%	26.9%	25.6%	(1.3%)
EBIT Margin (%)	11.0%	15.5%	18.8%	7.8%	3.3%	12.1%	17.2%	5.1%
EBITDA Margin (%)	18.3%	22.9%	25.8%	7.5%	2.9%	19.4%	24.4%	5.0%
Net (Loss) Profit Margin (%)	8.1%	12.8%	15.6%	7.5%	2.8%	8.9%	14.3%	5.3%

Notes: Values may differ by one decimal point due to rounding

Thai Nippon Rubber Industry Public Company Limited (TNR) and its subsidiaries are specialists in the manufacture and distribution of condoms and lubricant gels, the manufacture of paper boxes and other printing services, and the manufacture of products extracted from plants and medicinal herbs. The Group also provides analytical, research, and testing services to identify active compounds in all types of medicinal herbs and agricultural crops. The Group operates under the vision of being a leader in the manufacture and distribution of high-quality and diverse condoms and lubricant gels that meet the needs of customers worldwide, primarily under its main trademarks, "ONETOUCH™" and "PLAYBOY Condoms." In addition, the Group provides Original Equipment Manufacturing (OEM) services and participates in tender businesses in the global market.

In Q2/2026, the Group delivered strong operating growth, reporting Net Profit of Baht 78 million, increased by Baht 39 million or 100.0% compared to Q2/2025, driven by the increase in revenue from the Company's own-brand products (OBM), through both convenience stores and online channels, which are high-margin channels, together with the effective production cost management, resulting in the Group's Gross Profit to be at Baht 150 million, increased by Baht 13 million or 9.5% compared to Q2/2025.

For 2026, the Group expects its operating performance to improve from the previous year, driven by the condom and lubricant gels businesses through the continued expansion of overseas markets, especially the United States and China. The Company has already established a solid foundation in distribution channels and marketing activities and will accelerate growth through online channels under the PLAYBOY Condoms brand, which represents a high-margin sales channel. In the United States market, the Company distributes its products through major online platforms, including Walmart and Amazon, and is currently in discussions to place products in additional retail channels. In addition, the Company plans to expand its distributor network in Europe, Asia, the Middle East, and South America by more than 20 countries to enhance distribution capabilities and expand its customer base in those regions.

The Group also focuses on expanding its original equipment manufacturing (OEM) business by acquiring new customers in more than 20 countries worldwide to create a more recurring revenue base and offset the volatility of revenue from tender business. In the domestic market, the Company continues to expand its online sales channels through major platforms, including TikTok, Lazada, and Shopee, to increase direct consumer access and support the growth of the Company's own-brand products.

Furthermore, the Company expects growth from testing and analytical laboratory services under TNR Bioscience for cannabis-derived products, supporting the expansion of the cannabis industry for both domestic distribution and export to international markets, especially in Europe. This positions the Company as the only operator in Thailand capable of issuing Certificates of Analysis (COA) that meet European standards and are accepted for the export of cannabis products. In addition, the Company has been recognized by the Department of Thai Traditional and Alternative Medicine as a model laboratory for obtaining Good Agricultural and Collection Practices (GACP) certification for medical cannabis cultivation, which is an important factor supporting the competitiveness of this business going forward.

The Group also places strong emphasis on cost management, operating efficiency improvement, and close monitoring of foreign exchange risks in order to maintain earnings stability, while expanding sales channels and new markets to support sustainable long-term growth.

Significant Events

MAMA x ONETOUCH Created Brand Buzz through April No Fool's Day Campaign

On April 1, 2026, the Company organized the MAMA x ONETOUCH campaign for April Fool's Day by distributing condoms in special packaging inspired by MAMA Tom Yum Goong instant noodle sachets at Lido Connect. The campaign aimed to build ONETOUCH brand awareness and encourage consumer engagement through creative marketing activities. The campaign helped create brand differentiation, connect with social trends, and effectively increase access to younger consumers.

ONETOUCH x S2O Enhanced Brand Awareness through Experiential Marketing

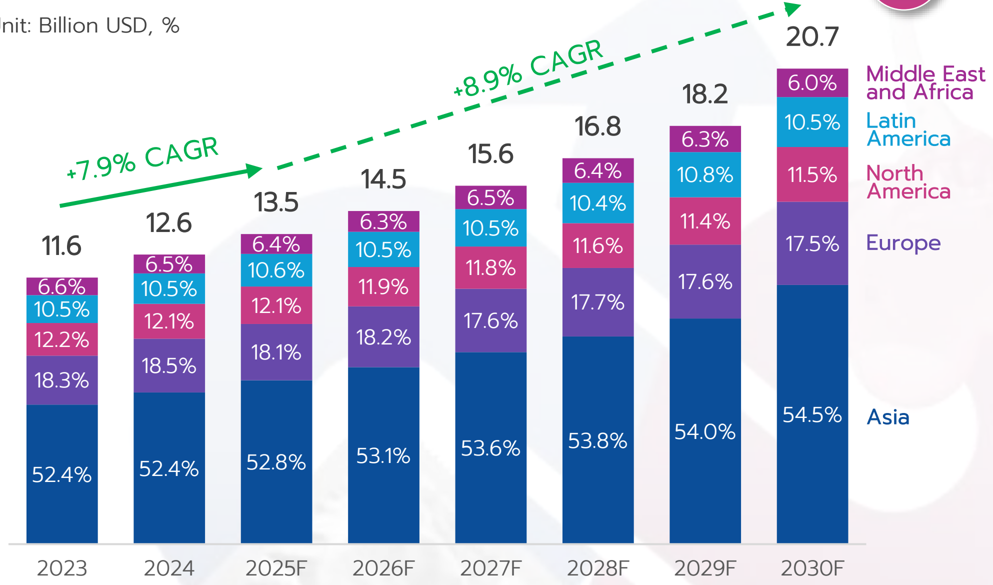
The Company organized the "Amaze-See Thailand" campaign under the ONETOUCH x S2O collaboration at S2O Songkran Music Festival during April 11–14, 2026 at S2O Land, Bangkok, to build ONETOUCH brand awareness and enhance engagement with target consumers through experiential booths that allowed participants to interact closely with the brand. The activity helped strengthen a modern, approachable brand image connected to the lifestyle of younger consumers.

ONETOUCH School Tour with GMM Grammy Enhanced Brand Awareness through Creative Marketing Activities

The Company organized the ONETOUCH School Tour in collaboration with GMM Grammy to promote ONETOUCH brand awareness and engage target audiences through creative marketing activities at schools. The activity focused on communicating the brand in an approachable and appropriate format for youths, while linking the brand to knowledge on correct condom usage to build a positive image and strengthen long-term brand recognition.

Global Condom Market Value Trend

Unit: Billion USD, %



	CAGR 2023-2025F	CAGR 2025-2030F
Middle East and Africa	+6.8%	+7.5%
Latin America	+8.3%	+8.8%
North America	+7.2%	+7.9%
Europe	+7.2%	+8.2%
Asia	+8.3%	+9.6%

The global condom market was valued at USD 12.6 billion in 2024, which Grandview Research forecasts that the market value will expand to USD 20.7 billion by 2030, representing a Compound Annual Growth Rate (CAGR) of approximately 8.9% during the period 2025–2030F. Supporting growth factors include 1) increased awareness regarding the prevention of sexually transmitted infections/HIV, 2) wider accessibility through retail stores and online channels, 3) diverse new product innovations, and 4) public campaigns from government agencies and public health organizations.

Source: Grandview Research

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Strategic Direction

2026

Market Entry & Product Innovation

- **Expand distribution of PLAYBOY Condoms** to 14 countries
- **Expand online and modern trade distribution channels in both domestic and international markets**
- **Increase revenue contribution from OEM business**
- **Establish U.S. retail market foundation** and expand distribution in convenience stores across Thailand

2027

Strengthen Partnerships & Expand Collaboration

- **Seek for more global collaborations**
- **New Product Development**
- **Expand retail presence** and integrated marketing communication campaigns in Thailand
- **Deepen distributor relations and premium positioning**
- **U.S. retail expansion**

2028

Maximize Consumer Engagement & Experience

- **Continue to maximize consumer experiences** through innovation
- **Engage end users** with effective marketing campaigns
- **Target PLAYBOY Condoms revenue of Baht 300 million** and expand distribution to 30 countries
- **Drive engagement** through festivals and experiential activities
- **Strengthen U.S. retail presence** and new product launches in Thailand

Strategy

Product Innovation

- Continuously launch new products
- Co-create new products with global partners
- Strengthen product brands

Marketing Excellence

- Strengthen global brand presence
  - through creative campaigns and event marketing
- Enhance consumer engagement
  - through experiential activities and premium positioning
- Build brand exclusivity
  - through limited-edition product launches and targeted awareness programs

Operational Efficiency

- Improve cost efficiency and agility in supply chain operations
- Prudent management of foreign exchange risks

- Upgrade plants and facilities to enhance modern and efficient production processes
- Develop new production lines to support innovative and high-margin products
- Support long-term revenue growth and margin improvement through capacity expansion and effective product mix management

JUMP+

International Expansion

- Enter 20+ new markets
  - across the Americas, Asia, Africa, and Europe
- Establish U.S. retail business foundation and expand distribution in convenience stores across Thailand
- Develop products tailored to the needs of each market with differentiated offerings to strengthen competitiveness

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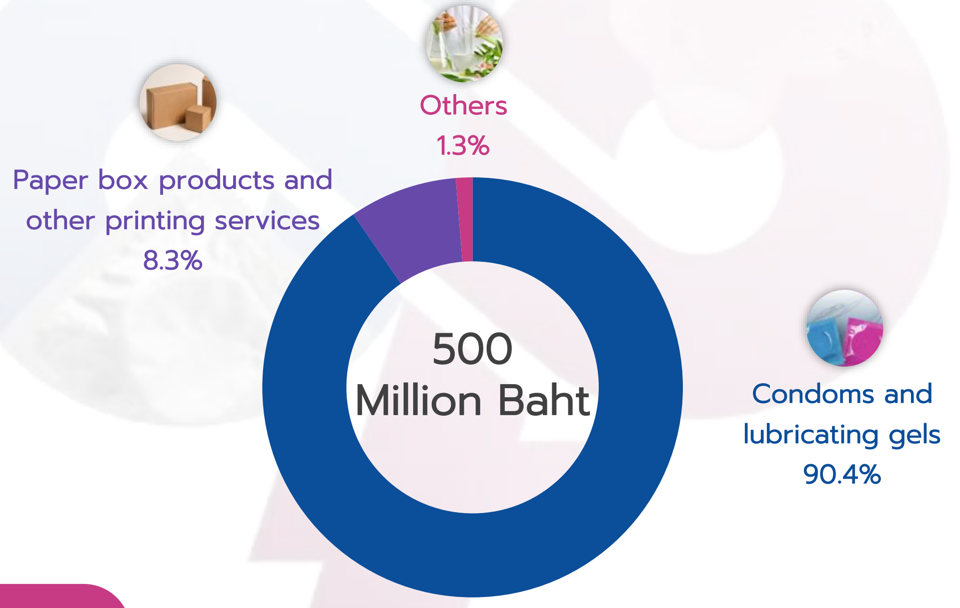
Operating Results

Overall Operating Results	Q2/25	Q1/26	Q2/26	Change +/-		1H/25	1H/26	Change+ /-
Unit: Million Baht				%YoY	%QoQ			%YoY
Revenue from Sales and Services	482	445	500	3.7%	12.4%	917	945	3.1%
Cost of Goods Sold	(345)	(353)	(350)	1.4%	(0.8%)	(670)	(703)	4.9%
Gross Profit	137	92	150	9.5%	63.0%	247	242	(2.0%)
Other Income	4	2	6	50.0%	200.0%	6	8	33.3%
Selling Expenses	(33)	(35)	(49)	48.5%	40.0%	(55)	(84)	52.7%
Administrative Expenses	(28)	(34)	(30)	7.1%	(11.8%)	(68)	(64)	(5.9%)
Reversal of (Losses) Allowance for Expected Credit Losses	2	(3)	0	(100.0%)	N/A	2	(3)	(250.0%)
Other Expenses	(29)	47	17	(158.6%)	(63.8%)	(21)	64	(404.8%)
Financial Costs	53	69	94	77.4%	36.2%	111	163	46.8%
Operating Profit	(6)	(4)	(5)	(16.7%)	25.0%	(10)	(9)	(10.0%)
Profit (Loss) Before Income Tax	47	65	89	89.4%	36.9%	101	154	52.5%
Corporate Income Tax (Reversal)	(8)	(8)	(11)	37.5%	37.5%	(19)	(19)	0.0%
Net (Loss) Profit	39	57	78	100.0%	36.8%	82	135	64.6%

Notes: Values may differ by one decimal point due to rounding

Q2/2026 Operating Revenue Structure

By Business Group



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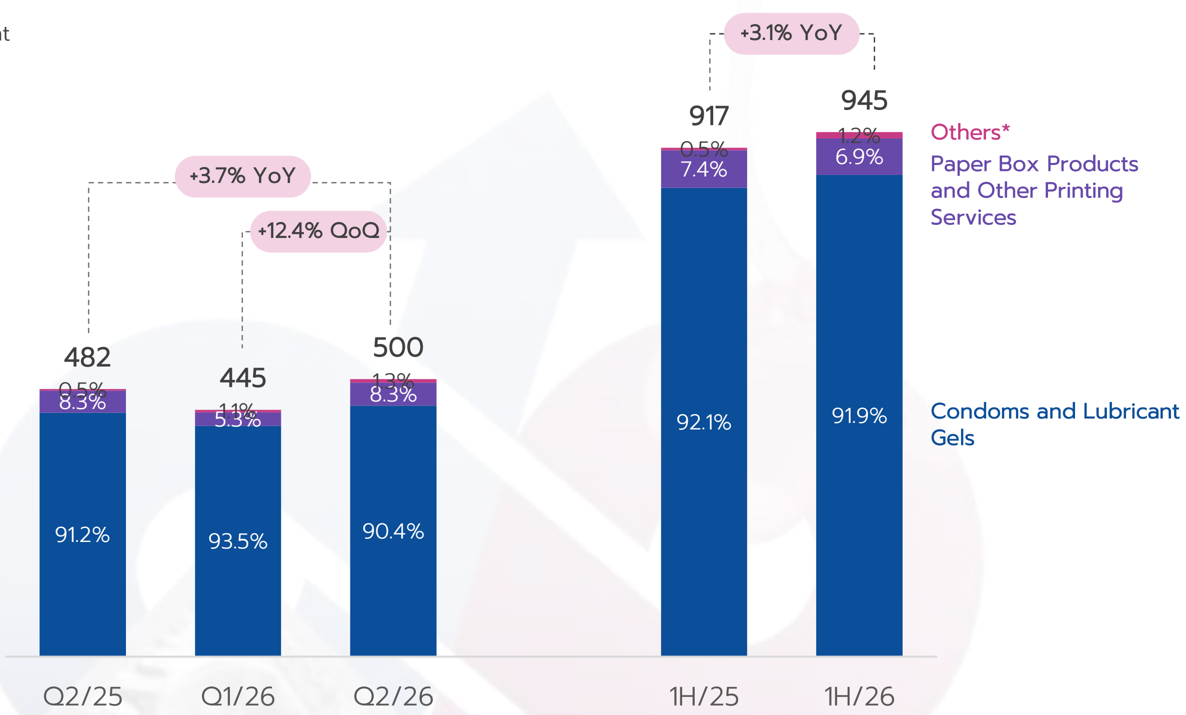
Revenue Structure By Business Unit

Operating Revenue Structure	Q2/25	Q1/26	Q2/26	Change +/-		1H/25	1H/26	Change+/-
Unit: Million Baht				%YoY	%QoQ			%YoY
Revenue from Sales and Services								
Condoms and Lubricant Gels	440	416	452	2.8%	8.6%	845	868	2.7%
Paper Box Products and Other Printing Services	40	24	42	4.5%	75.5%	67	65	(3.1%)
Others*	2	5	6	166.7%	25.5%	5	12	150.0%
Total Revenue from Sales and Services	**482**	**445**	**500**	**3.7%**	**12.4%**	**917**	**945**	**3.1%**
Other Income	4	2	6	50.0%	200.0%	6	8	33.3%
Total Revenue	**486**	**447**	**506**	**4.1%**	**13.2%**	**923**	**953**	**3.3%**

Notes: Values may differ by one decimal point due to rounding, *Others including products extracted from medicinal herbs and the provision of analysis, research, and testing services to identify active ingredients in medicinal herbs and all types of agricultural crops.

1 Revenue from Sales and Services

Unit: Million Baht



*Others including products extracted from medicinal herbs and the provision of analysis, research, and testing services to identify active ingredients in medicinal herbs and all types of agricultural crops.

YoY Q2/2026 vs Q2/2025

In Q2/2026, the Group reported total Revenue from Sales and Services of Baht 500 million, increased by Baht 18 million or 3.7% compared to Q2/2025, mainly due to the following reasons:

1) Revenue from the sale of condoms and lubricant gels was Baht 452 million, increased by Baht 12 million or 2.8%, driven by the increase in revenue from online sales channels, which expanded the customer base and enhanced direct consumer access to support revenue growth.
2) Revenue from sales and manufacture of paper box products and other printing services was Baht 42 million, increased by Baht 2 million or 4.5%.
3) Revenue from products extracted from medicinal herbs and analytical, research, and testing services to identify active compounds in medicinal herbs and agricultural crops was Baht 6 million, increased by Baht 4 million or 166.7%.

QoQ Q2/2026 vs Q1/2026

In Q2/2026, the Group reported total Revenue from Sales and Services of Baht 500 million, increased by Baht 55 million or 12.4% compared to Q1/2026, mainly due to the following reasons:

1) Revenue from the sale of condoms and lubricant gels was Baht 452 million, increased by Baht 36 million or 8.6%, driven by the increase in revenue from online sales channels, which expanded the customer base and enhanced direct consumer access to support revenue growth, together with the increase in OEM and tender businesses, which delivered products during Q2.
2) Revenue from sales and manufacture of paper box products and other printing services was Baht 42 million, increased by Baht 18 million or 75.5%.
3) Revenue from products extracted from medicinal herbs and analytical, research, and testing services to identify active compounds in medicinal herbs and agricultural crops was Baht 6 million, increased by Baht 1 million or 25.5%.

YoY 1H/2026 vs 1H/2025

In 1H/2026, the Group reported total Revenue from Sales and Services of Baht 945 million, increased by Baht 28 million or 3.1% compared to 1H/2025, mainly due to the following reasons:

1) Revenue from the sale of condoms and lubricant gels was Baht 868 million, increased by Baht 23 million or 2.7%, driven by the increase in revenue from online sales channels, which expanded the customer base and enhanced direct consumer access to support revenue growth.
2) Revenue from the manufacture of paper box products and other printing services was Baht 65 million, decreased by Baht 2 million or 3.1%.
3) Revenue from products extracted from medicinal herbs and analytical, research, and testing services to identify active compounds in medicinal herbs and agricultural crops was Baht 12 million, increased by Baht 7 million or 150.0%.

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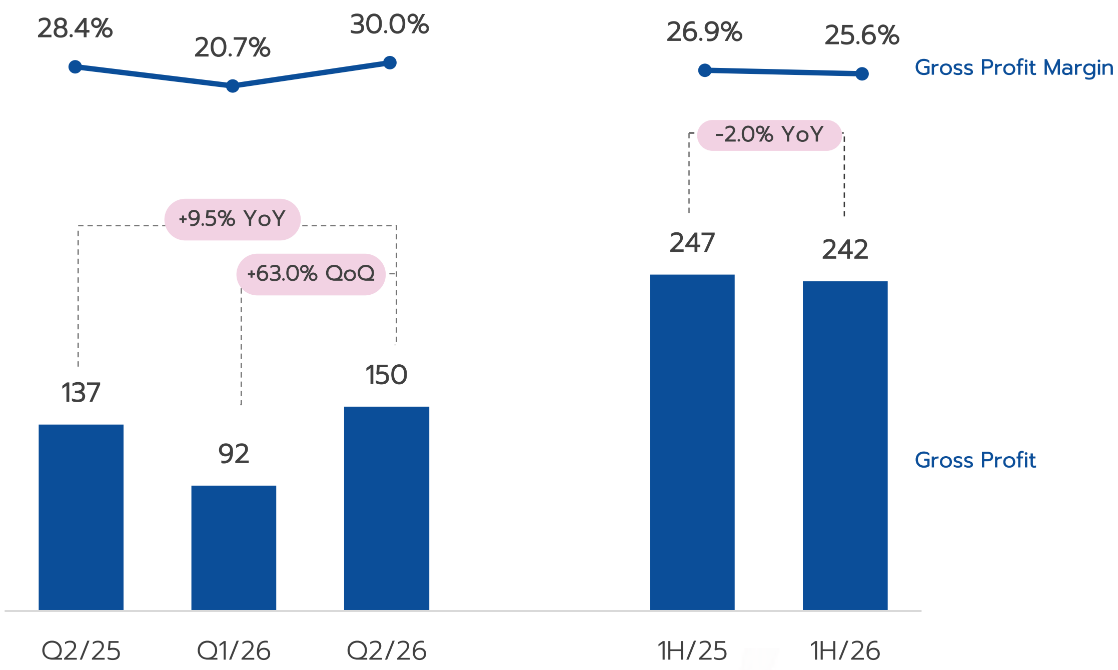
2 Gross Profit and Gross Profit Margin

Unit: Million Baht, %



YoY Q2/2026 vs Q2/2025

Gross Profit: In Q2/2026, the Group reported Gross Profit of Baht 150 million, increased by Baht 13 million or 9.5% compared to Q2/2025, mainly due to the increase in revenue from the Company's own-brand products (OBM), through both convenience stores and online channels, which expanded the customer base and enhanced direct consumer access to support revenue growth. These channels generate relatively higher gross profit compared to other sales channels.

In addition, the Group continued to emphasize efficient production cost management through control of raw material costs, labor costs, and manufacturing-related expenses, as well as continuous improvement of production process efficiency.

As a result, **Gross Profit Margin in** Q2/2026 was 30.0%, increased from 28.4% in Q2/2025.

QoQ Q2/2026 vs Q1/2026

Gross Profit: In Q2/2026, the Group reported Gross Profit of Baht 150 million, increased by Baht 58 million or 63.0% compared to Q1/2026, mainly due to the following reasons:

1) The increase in revenue from the Company's own-brand products (OBM), through both convenience stores and online channels, which expanded the customer base and enhanced direct consumer access to support revenue growth. These channels generate relatively higher gross profit compared to other sales channels.
2) The impact of exchange rate volatility from the depreciation of the Thai Baht. The Company recorded average sales using an exchange rate of Baht 32.52 per USD in Q2/2026 (compared to Baht 31.65 per USD in Q1/2026).

In addition, the Group continued to emphasize efficient production cost management through control of raw material costs, labor costs, and manufacturing-related expenses, as well as continuous improvement of production process efficiency.

As a result, **Gross Profit Margin** in Q2/2026 was 30.0%, increased from 20.7% in Q1/2026.

YoY 1H/2026 vs 1H/2025

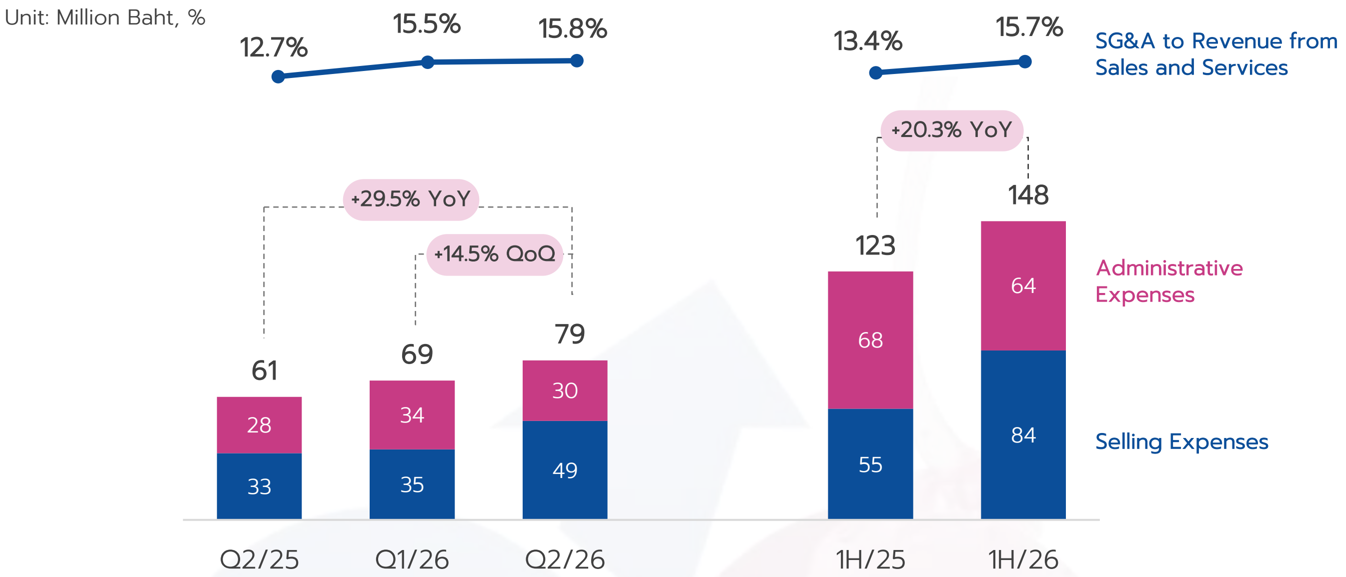
Gross Profit: In 1H/2026, the Group reported Gross Profit of Baht 242 million, decreased by Baht 5 million or 2.0% compared to 1H/2025, mainly due to the following reasons:

1) The impact of exchange rate volatility from the appreciation of the Thai Baht. The Company recorded average sales using an exchange rate of Baht 32.11 per US dollar in 1H/2026 (compared to Baht 33.19 per in 1H/2025). If the Company had applied the same exchange rate, Gross Profit would have increased to Baht 265 million, which would be higher than 1H/2025.
2) The increase in revenue from the Company's own-brand products (OBM), through both convenience stores and online channels, which expanded the customer base and enhanced direct consumer access to support revenue growth. These channels generate relatively higher gross profit compared to other sales channels and helped mitigate the decrease in Gross Profit.

In addition, the Group continued to emphasize efficient production cost management through control of raw material costs, labor costs, and manufacturing-related expenses, as well as continuous improvement of production process efficiency.

As a result, **Gross Profit Margin** in 1H/2026 was 25.6%, decreased from 26.9% in 1H/2025.

3 Selling and Administrative Expenses



YoY Q2/2026 vs Q2/2025

In Q2/2026, the Group reported **Selling and Administrative Expenses** of Baht 79 million, increased by Baht 18 million or 29.5% compared to Q2/2025, mainly due to the following reasons:

Selling Expenses: In Q2/2026, the Group reported Selling Expenses of Baht 49 million, increased by Baht 16 million or 48.5% compared to Q2/2025, mainly due to the increase in online marketing expenses to support the Company's own-brand products (OBM) sales growth. This marketing investment resulted in higher online sales compared to Q2/2025, reflecting the effectiveness of the strategy to expand direct consumer access, while marketing activities was also implemented to support the expansion into the United States and China.

Administrative Expenses: In Q2/2026, the Group reported Administrative Expenses of Baht 30 million, increased by Baht 2 million or 7.1% compared to Q2/2025, due to expenses related to obtaining various quality licenses.

As a result, **SG&A to Revenue from Sales and Services** in Q2/2026 was 15.8%, increased from 12.7% in Q2/2025.

QoQ Q2/2026 vs Q1/2026

In Q2/2026, the Group reported **Selling and Administrative Expenses** of Baht 79 million, increased by Baht 10 million or 14.5% compared to Q1/2026, mainly due to the following reasons:

Selling Expenses: In Q2/2026, the Group reported Selling Expenses of Baht 49 million, increased by Baht 14 million or 40.0% compared to Q1/2026, mainly due to the increase in online marketing expenses to support the Company's own-brand products (OBM) sales growth. This marketing investment resulted in higher online sales compared to Q1/2026, reflecting the effectiveness of the strategy to expand direct consumer access, while marketing activities was also implemented to support the expansion into the United States and China.

Administrative Expenses: In Q2/2026, the Group reported Administrative Expenses of Baht 30 million, decreased by Baht 4 million or 11.8% compared to Q1/2026, due to efficient management of employee-related expenses and the decrease in expenses related to obtaining various quality licenses.

As a result, **SG&A to Revenue from Sales and Services** in Q2/2026 was 15.8%, slightly increased from 15.5% in Q1/2026.

YoY 1H/2026 vs 1H/2025

In 1H/2026, the Group reported **Selling and Administrative Expenses** of Baht 148 million, increased by Baht 25 million or 20.3% compared to 1H/2025, mainly due to the following reasons:

Selling Expenses: In 1H/2026, the Group reported Selling Expenses of Baht 84 million, increased by Baht 29 million or 52.7% compared to 1H/2025, mainly due to the increase in online marketing expenses to support the Company's own-brand products (OBM) sales growth. This marketing investment resulted in higher online sales compared to 1H/2026, reflecting the effectiveness of the strategy to expand direct consumer access, while marketing activities was also implemented to support the expansion into the United States and China.

Administrative Expenses: In 1H/2026, the Group reported Administrative Expenses of Baht 64 million, decreased by Baht 4 million or 5.9% compared to 1H/2025, mainly due to the decrease in amortization expenses of the PLAYBOY condoms trademark. In Q1/2025, the Company had not yet produced and distributed products under the trademark; therefore, the related expenses were recognized as administrative expenses.

As a result, **SG&A to Revenue from Sales and Services** in 1H/2026 was 15.7%, increased from 13.4% in 1H/2025.

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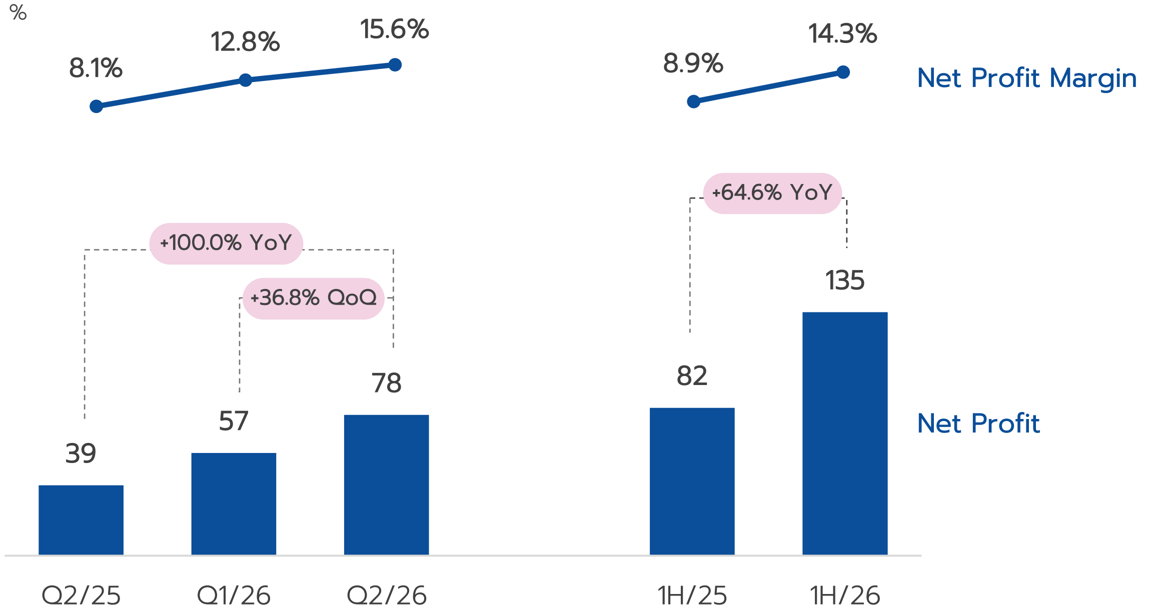
4 Net Profit and Net Profit Margin

Unit: Million Baht, %



YoY Q2/2026 vs Q2/2025

Net Profit: In Q2/2026, the Group reported Net Profit of Baht 78 million, increased by Baht 39 million or 100.0% compared to Q2/2025, mainly due to:

1) Growth in revenue from sales and services in both sales volume and sales value
2) Impact from foreign exchange volatility, increased by Baht 46 million

As a result, Net Profit Margin in Q2/2026 was 15.6%, increased from 8.1% in Q2/2025.

QoQ Q2/2026 vs Q1/2026

Net Profit: In Q2/2026, the Group reported Net Profit of Baht 78 million, increased by Baht 21 million or 36.8% compared to Q1/2026, mainly due to:

1) Growth in revenue from sales and services in both sales volume and sales value
2) Impact from foreign exchange volatility, decreased by Baht 30 million

As a result, Net Profit Margin in Q2/2026 was 15.6%, increased from 12.8% in Q1/2026.

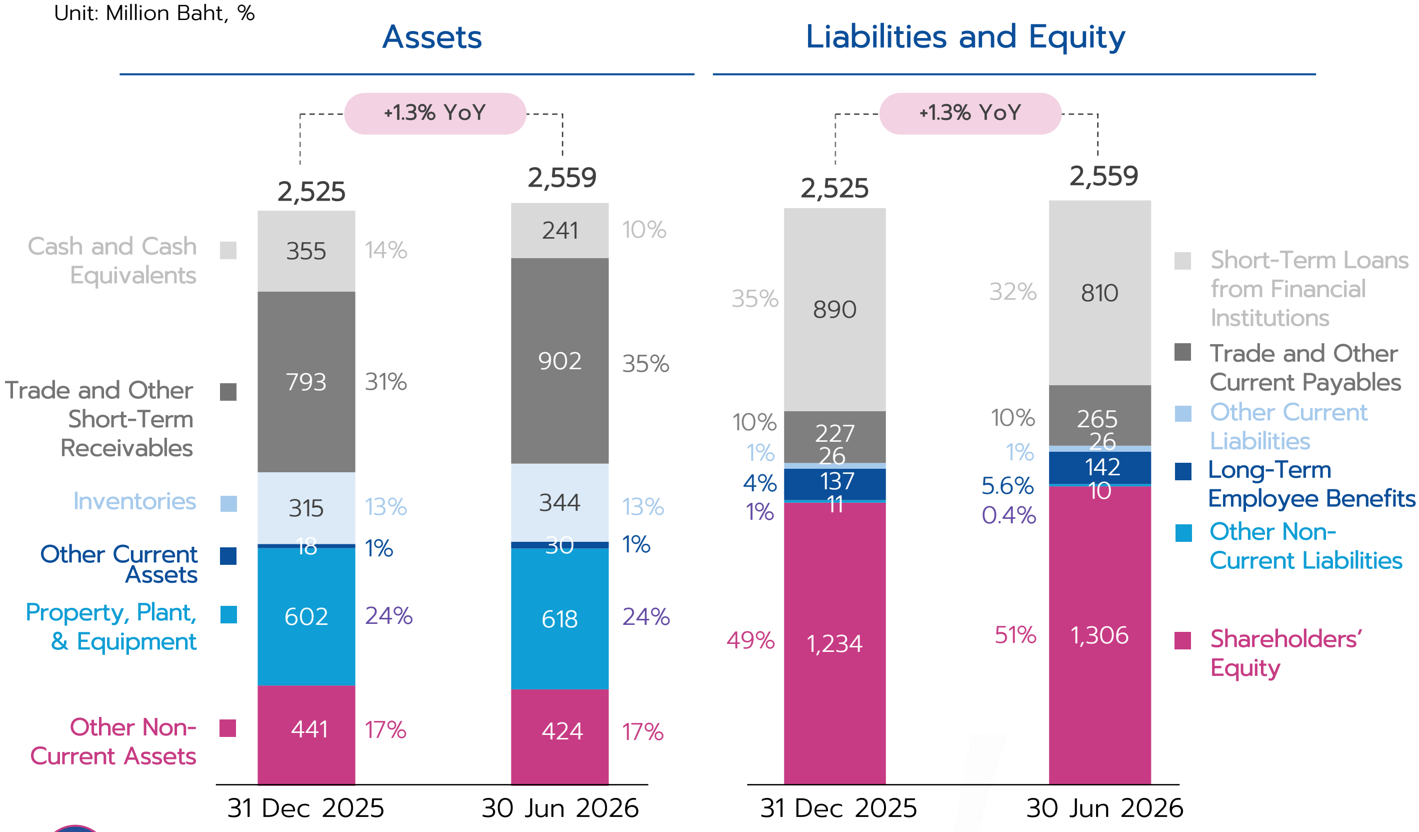
YoY 1H/2026 vs 1H/2025

Net Profit: In 1H/2026, the Group reported Net Profit of Baht 135 million, increased by Baht 53 million or 64.6% compared to 1H/2025, mainly due to:

1) Growth in revenue from sales and services in both sales volume and sales value
2) Impact from foreign exchange volatility, increased by Baht 85 million
3) Growth in online sales revenue resulted in the increase in selling expenses of Baht 29 million

As a result, Net Profit Margin in 1H/2026 was 14.3%, increased from 8.9% in 1H/2025.

Statement of Financial Position



1 Assets

As of June 30, 2026, the Group reported total assets of Baht 2,559 million, increased by Baht 34 million or 1.3% from December 31, 2025. The details are as follows:

- **Trade and Other Short-Term Receivables:** was Baht 902 million, increased by Baht 109 million, due to the increase in receivables from overseas sales in 2026. However, such receivables are expected to be gradually collected within 2026.
- **Inventories:** was Baht 344 million, increased by Baht 29 million, due to the Company's production of goods in accordance with customer purchase orders for delivery in the next quarter.
- **Property, Plant and Equipment:** was Baht 618 million, increased by Baht 16 million, due to investments in machinery and equipment of Baht 71 million (mostly for machine efficiency improvement) offset by depreciation for the period of Baht 54 million.
- **Cash and Cash Equivalents:** was Baht 241 million, decreased by Baht 114 million, due to the Group's management of cash flow and foreign currency fluctuation risks.

2 Total Liabilities

As of June 30, 2026, the Group reported total liabilities of Baht 1,252 million, decreased by Baht 39 million or 3.0% from December 31, 2025. The details are as follows:

- **Short-Term Loans from Financial Institutions:** was Baht 810 million, decreased by Baht 80 million, due to the Group's management of foreign currency fluctuation risks, cash flow and working capital.
- **Trade and Other Current Payables:** was Baht 265 million, increased by Baht 38 million from raw material purchases, which is normal for the business cycle.

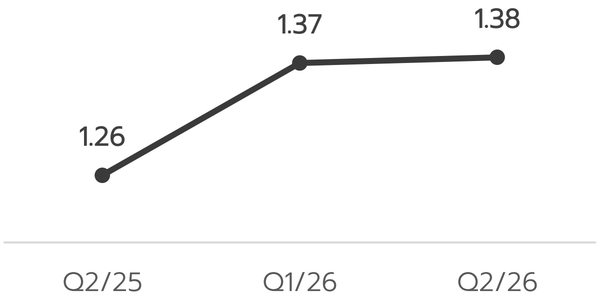
3 Shareholders' Equity

As of June 30, 2026, the Group reported total Shareholders' Equity of Baht 1,306 million, increased by Baht 72 million or 5.8% from December 31, 2025, mainly due to profit for 1H/2026 of Baht 135 million, offset by the payment of annual dividends for 2025 of Baht 60 million.

Key Financial Ratios

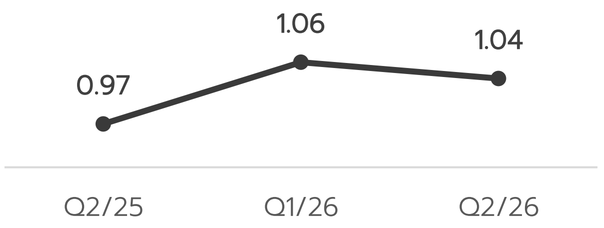
Current Ratio

Unit: times



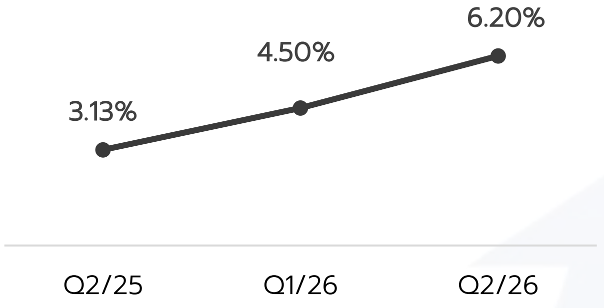
Quick Ratio

Unit: times



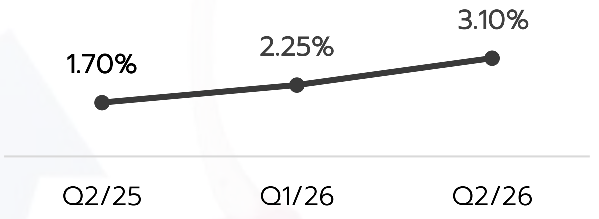
ROE

Unit: %



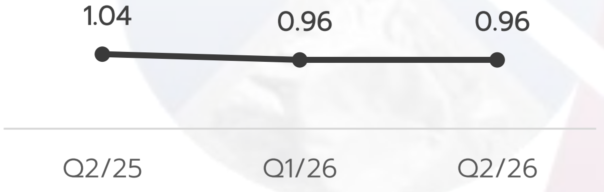
ROA

Unit: %



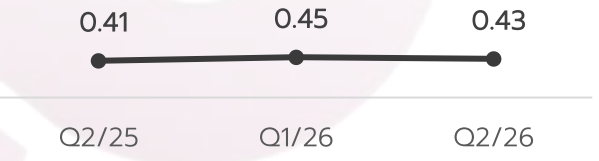
D/E Ratio

Unit: times



Interest Bearing Debt to Equity Ratio

Unit: times



TNR PLC

Driving Business for Sustainability (ESG)

E Environment

"CSR-DIW Award 2025"

Certified as Carbon Neutral Product

Received Carbon Footprint Assessment Certificate

Supported the ECO World-Class Eco-Industrial City

S Social

Suan Sunandha Rajabhat visited the production process

Participated in the Mobile Municipality project

"TNR Builds Forests to Reduce Carbon 2026" project activity

Rayong Provincial Industry Office visited the production process

G Governance

Participated in upgrading the industrial estate

Organizational environmental management study visit

Opinion meeting under the Factory & Partner Visit project

Factory standard audit

Please be informed accordingly.

Yours faithfully,

....

(Mr. Wisit Tirayuwat)

Chief Financial Officer

The authorized person to disclose information

Thai Nippon Rubber Industry Public Company Limited