MANAGEMENT DISCUSSION AND ANALYSIS

QUARTER 2/2026

Period Ended JUNE 30,2026

SPECIALTY NATURAL PRODUCTS
PUBLIC COMPANY LIMITED

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Subject: Management Discussion and Analysis for Quarter 2/2026

Attn: The President The Stock Exchange of Thailand

Specialty Natural Products Public Company Limited and subsidiaries ("The Group") would like to submit the management discussion and analysis of the operating results for the three-month period and six-month period ended June 30, 2026, as follows:

Executive Overview

"Maintaining financial stability, enhancing cost control efficiency, and strengthening profit margins sustainably"

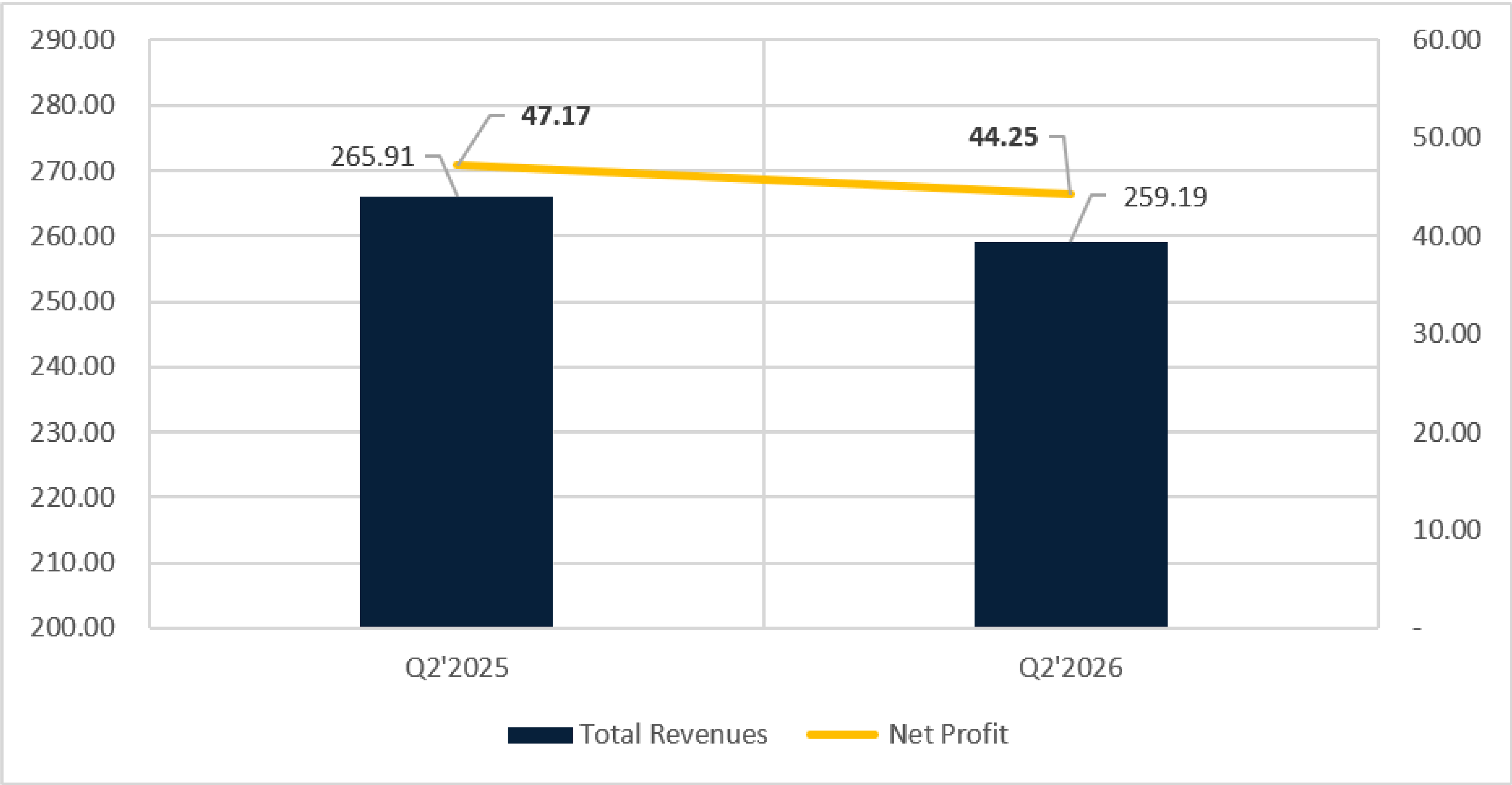
- Core Revenue Structure and Other Income Growth: Operating performance for the first six months and Q2/2026 remained strong and stable, with total revenue for the first half reaching THB 259.19 million, driven primarily by revenue from sales and services of THB 250.14 million (representing 96.51% of total revenue). This was further supported by growth in other revenue, which increased by 18.77% YoY to THB 9.05 million, effectively helping offset market conditions. Meanwhile, Q2/2026 operating performance reflected a strong and clear recovery, with total revenue increasing to THB 138.53 million (+14.81% QoQ), driven by a significant expansion in core revenue, which increased to THB 131.28 million(+10.45% QoQ). This reflects the Company's strong business operating potential and its ability to sustain continued growth.

- Operating Results and Net Profit: The Group generated a net profit of 44.25 million Baht in the first 6 months of 2026, maintaining a strong Net Profit Margin of 17.07%. Despite facing economic volatility impacted by geopolitical tensions and wartime conditions, the Company continues to reflect strong financial discipline and a high level of profitability.

- Gross Margin Maintenance and Supply Chain Management: The Group recorded a gross profit of 99.79 million baht, representing a high Gross Profit Margin relative to total revenue of 38.50% (or 39.89% relative to sales and service revenue). This performance resulted from maintaining efficiency in procurement processes and Supply Chain Management, enabling effective control over sales and service costs throughout the past half-year.

- Operating Expense Control Efficiency: The Group successfully managed distribution costs, which decreased by 9.95% YoY to 8.87 million baht. This reflects an adjustment in marketing and distribution strategies toward Precision Marketing, paired with strict administrative expense control within designated frameworks. Consequently, the company achieved Earnings Before Interest and Taxes (EBIT) of 56.75 million baht (an EBIT Margin of 21.89%).

Graph 1: Total Revenue and Net Profit YoY



Graph 2: Sales Revenue and Net Profit per Quarter for Q2/2026:

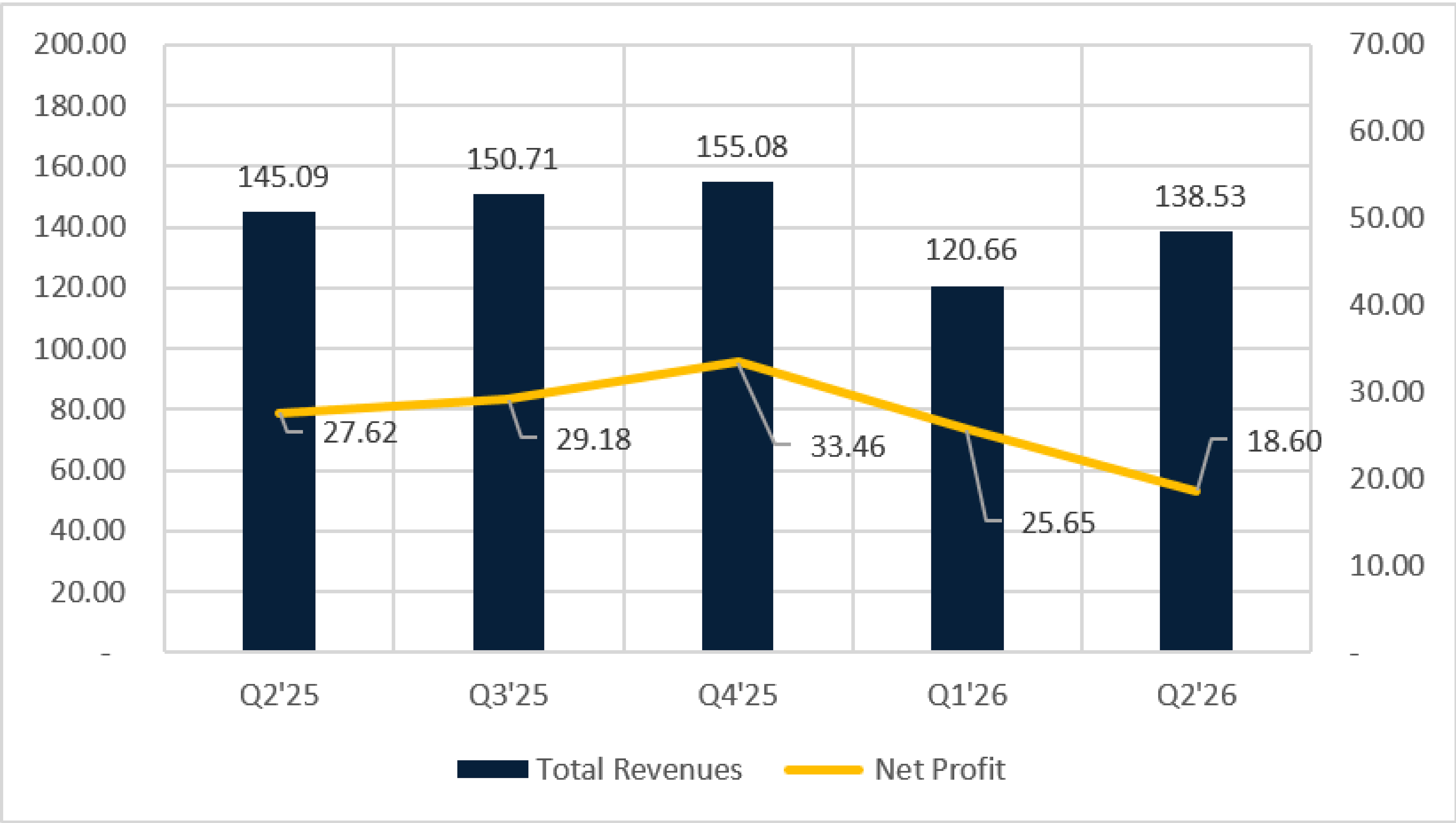


Table 1: Consolidated operating results for the three-month period Ended June 30, 2026

Overall Group Performance	For the three months ended						Change Increase(Decrease) (QoQ) (A – B)		Change Increase(Decrease) (YoY) (A– C)	
	30 June 2026 (Q2'69) -A-		31 March 2026 (Q1'69) -B-		30 June 2025 (Q2'68) -C-					
	ล้านบาท	%	ล้านบาท	%	ล้านบาท	%	ล้านบาท	%	ล้านบาท	%
Sales and Services Revenues	131.28	94.77	118.86	98.51	141.38	97.44	12.42	10.45	(10.10)	(7.14)
Other Income	7.25	5.23	1.80	1.49	3.71	2.56	5.45	302.78	3.54	95.42
Total Revenues	**138.53**	**100.00**	**120.66**	**100.00**	**145.09**	**100**	**17.87**	**14.81**	**(6.56)**	**(4.52)**
Cost of Sales and Services	86.13	62.18	64.22	53.22	83.07	57.26	21.91	34.12	3.06	3.68
Gross Profit (Exclude Other Income)	**45.15**	**32.59**	**54.64**	**45.29**	**58.31**	**40.18**	**(9.49)**	**(17.37)**	**(13.16)**	**(22.57)**
Selling Expense	5.24	3.78	3.64	3.02	5.62	3.87	1.60	43.96	(0.38)	(6.76)
Administrative Expenses	22.86	16.50	20.35	16.87	21.32	3.88	2.51	12.33	1.54	7.22
Profit Before Finance Costs and Income Tax	**24.30**	**17.54**	**32.45**	**26.89**	**35.08**	**3.88**	**(8.15)**	**(25.12)**	**1.55**	**(30.73)**
Finance Costs	0.24	0.17	0.04	0.03	0.09	3.88	0.20	500.00	1.55	166.67
Income Tax	5.46	3.94	6.76	5.60	7.37	3.88	(1.30)	(19.23)	1.55	(25.92)
Net Profit	**18.60**	**13.43**	**25.65**	**21.26**	**27.62**	**3.88**	**(7.05)**	**(27.49)**	**1.55**	**(32.66)**

Operating Results for the Three-Month Period Ended June 30, 2026

- **Sales and Service Revenue:** The Group continues to demonstrate strong potential in driving robust quarter-on-quarter (QoQ) revenue growth. In Q2/2026, revenue from sales and services reached 131.28 million baht, an increase of 10.45% compared to the previous quarter (Q1/2026) at 118.86 million baht, while total revenue rose to 138.53 million baht, representing a 14.81% QoQ growth. This success was driven by aggressive customer base expansion and a significant recovery in purchase orders from key partners. Although year-on-year (YoY) performance was impacted by overall economic conditions and high baseline sales from the previous year, the Group maintained stable core revenue and stands ready to capitalize on business opportunities in the second half of the year.

- **Cost of Sales Management:** In Q2/2026, the Group recorded a gross profit of 45.15 million baht (a Gross Profit Margin of 32.59%). Cost of sales and services reflected the recognition of raw material costs and the product mix in line with the actual production and delivery cycles during the quarter. The Group expects to manage average costs at an appropriate level and restore the gross profit margin to a normal level in the following quarter. The Group remains committed to improving production efficiency through Supply Chain & Production Optimization and closely managing raw material costs to enhance the gross profit margin and support sustainable long-term growth, despite facing volatility in economic conditions arising from geopolitical tensions and ongoing armed conflicts.

- **Distribution Expense Management:** The Group maintained high efficiency in controlling distribution costs, with Q2 distribution expenses standing at 5.24 million baht, representing just 3.78% of total revenue. This represents a 6.76% decrease compared to the same period last year (YoY) at 5.62 million baht. These figures reflect the success of adapting proactive marketing strategies through a Targeted Approach and enhancing sales promotion efficiency via marketing activities.

- **Administrative Expense Management:** Q2/2026 administrative expenses were 22.86 million baht, or 16.50% of total revenue—a proportion close to Q1/2026 at 16.87%. Despite slight decreases to support business expansion and internal IT/infrastructure investments, the Group continues to prioritize systematic Fixed Cost control and Workflow Optimization to maintain optimal and cost-effective operating expenses.

- **Net Profit and Financial Stability:** Based on the aforementioned operating results, the Group achieved a net profit of 18.60 million Baht for Q2/2026, representing a Net Profit Margin of 13.43%. Although net profit experienced a slight slowdown due to temporary production cost factors, maintaining a double-digit margin on a continuous basis reflects financial strength and the ability to generate cash flow capable of absorbing external volatility—particularly economic challenges arising from geopolitical tensions and warfare. Looking ahead, the Group is fully prepared to accelerate growth in the second half of the year in accordance with its strategic plan.

Graph 3: SG&A to Total Revenue Ratio – Q2/2026:

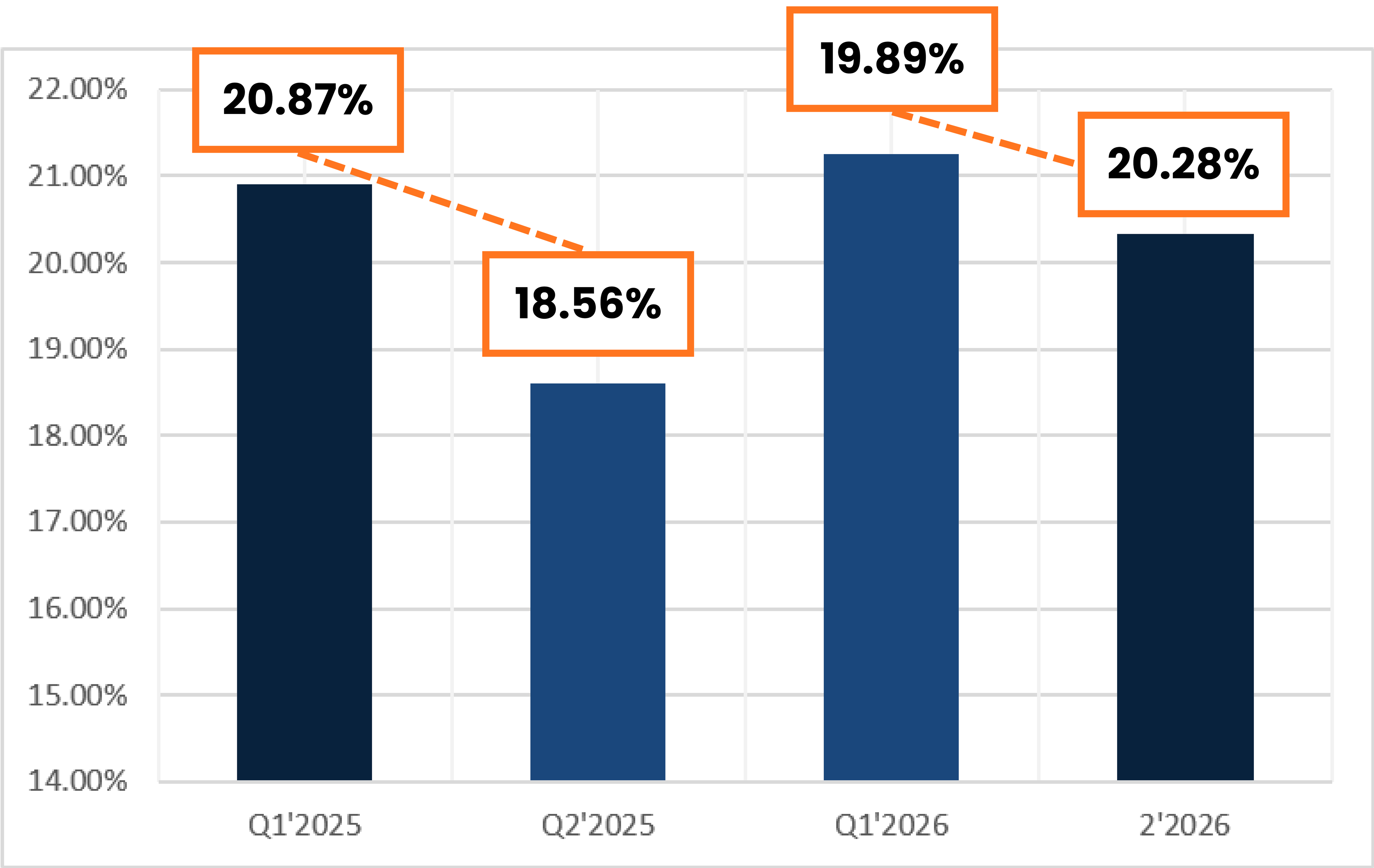


Table 2: Revenue from Sales and Services by type for the Three-Month Period Ended June 30, 2026

Overall Group Performance	For the three months ended						Change Increase(Decrease) (QoQ) (A – B)		Change Increase(Decrease) (YoY) (A– C)	
	30 June 2026 (Q2'69) -A-		31 March 2026 (Q1'69) -B-		30 June 2025 (Q2'68) -C-					
	THB MM	%	THB MM	%	THB MM	%	THB MM	%	THB MM	%
Revenue from Active-Phyto Innovention (API)	35.43	25.58	34.74	28.79	45.67	31.48	0.69	1.99	(10.24)	(22.42)
Revenue from Original Design Manufacturer (ODM)	92.91	67.07	83.43	69.15	94.49	65.13	9.48	11.36	(1.58)	(1.67)
Revenue from Original Brand Manufacturer (OBM)	2.94	2.12	0.69	0.57	1.22	0.84	2.25	326.09	1.72	140.98
Other Income	7.25	5.23	1.80	1.49	3.71	2.56	5.45	302.78	3.54	95.42
Total Revenue	**138.53**	**100.00**	**120.66**	**100.00**	**145.09**	**100.00**	**17.87**	**14.81**	**(6.56)**	**(4.52)**

In Q2/2026, the company generated total revenue of 138.53 million baht, recovering with a growth of 14.81% QoQ (an increase of 17.87 million baht) from the previous quarter. The ODM segment served as the primary revenue driver at 92.91 million baht (67.07% of total revenue), expanding by 11.36% QoQ through sustained retention and growth of order values from existing customers, alongside a strategic focus on innovative Longevity and Preventive Health products. Meanwhile, the API segment generated 35.43 million baht (25.58% of total revenue), improving by 1.99% QoQ, reflecting strong demand for natural extracts. The OBM segment recorded revenue of 2.94 million baht, surging by 326.09% QoQ and 140.98% YoY, mainly driven by revenue recognition from product research and development. Furthermore, other income increased to 7.25 million baht, supporting a solid overall operational recovery.

Revenue from Sales and Services by Category for the Three-Month Period Ended June 30, 2026

Revenue from Sales of Standardized Herbal Extract Products (API)

For the three-month period ended June 30, 2026, the Group recorded revenue from standardized herbal extract products (API) of 35.43 million baht, accounting for 25.58% of total revenue, representing an increase of 1.99% compared to the previous period. This reflects signs of recovery in market demand for natural extracts. The Group remains committed to developing innovative products to retain its existing customer base and continuously expand commercial opportunities.

Revenue from Contract Development and Manufacturing Services Under Customer Brands (Original Design Manufacturer : ODM)

For the three-month period ended June 30, 2026, revenue from the ODM business segment remained the core driver of revenue generation, valued at 92.91 million baht, accounting for 67.07% of total revenue. This represents an expansion of 11.36% compared to the previous period. This growth resulted from sustained retention and expansion of order values from existing customers, coupled with the planned delivery of innovative products in the Longevity and Preventive Health segments.

Revenue from Sales of Products Under the Group's Brands (Original Brand Manufacturer : OBM)

For the Group's own brand products business segment (OBM), revenue for this period reached 2.94 million baht, growing by 326.09% compared to the previous period and 140.98% compared to the same period last year. The primary supporting factor was revenue recognition from product research and development, which enhances added value and further strengthens the Group's product portfolio.

Table 3: Consolidated operating results for the three-month period Ended June 30, 2026

Overall Group Performance	For the three months ended		Change Increase(Decrease) (YoY)
	30 June 2026 (Q2'26)	30 June 2025 (Q2'25)	
Total Revenue (Million Baht)	138.53	145.09	(4.52%)
Net Profit (Million Baht)	18.60	27.62	(32.66%)
Gross Profit Margin (%)	34.39%	41.24%	(6.85 pp)
SG&A to Revenue Ratio (%)	20.28%	18.56%	1.72 pp

Table 4: Consolidated operating results for the six-month period Ended June 30, 2026

Overall Group Performance	For the six months ended				Change Increase(Decrease) (YoY)	
	30 June 2026 (Q2'26)		30 June 2025 (Q2'25)			
	THB MM	%	THB MM	%	THB MM	%
Sales and Services Revenues	250.14	96.51	258.30	97.13	(8.16)	(3.16)
Other Income	9.05	3.49	7.62	2.87	1.43	18.77
Total Revenues	**259.19**	**100.00**	**265.92**	**100.00**	**(6.73)**	**(2.53)**
Cost of Sales and Services	150.35	58.01	153.69	57.80	(3.34)	(2.17)
Gross Profit (Exclude Other Income)	**99.79**	**38.50**	**104.61**	**39.33**	**(4.82)**	**(4.61)**
Selling Expense	8.87	3.42	9.85	3.70	(0.98)	(9.95)
Administrative Expenses	43.22	16.68	42.33	15.92	0.89	2.1
Profit Before Finance Costs and Income Tax	**56.75**	**21.89**	**60.05**	**22.58**	**(3.30)**	**(5.50)**
Finance Costs	0.28	0.11	0.18	0.07	0.10	55.56
Income Tax	12.22	4.71	12.70	4.77	(0.48)	(3.78)
Net Profit	**44.25**	**17.07**	**47.17**	**17.74**	**(2.92)**	**(6.19)**

Table 5: Revenue from Sales and Services by type for the Six-Month Period Ended June 30, 2026

Overall Group Performance	For the six months ended				Change Increase(Decrease) (YoY)	
	30 June 2026 (Q2'26)		30 June 2025 (Q2'25)			
	THB MM	%	THB MM	%	THB MM	%
Revenue from Active-Phyto Innovention (API)	70.17	27.07	92.73	34.87	(22.56)	(24.33)
Revenue from Original Design Manufacturer (ODM)	176.34	68.04	155.82	58.60	20.52	13.17
Revenue from Original Brand Manufacturer (OBM)	3.63	1.40	9.75	3.66	(6.12)	(62.77)
Other Income	9.05	3.49	7.62	2.87	1.43	18.77
Total Revenue	**259.19**	**100.00**	**265.92**	**100.00**	**(6.73)**	**(2.53)**

ODM Business Segment Remains the Key Growth Engine: Revenue from the contract development and manufacturing business under customers' brands (ODM) continued to expand by 13.17% compared to the same period last year, reaching 176.34 million baht, which accounts for 68.04% of total revenue. This reflects the success of management strategies in effectively maintaining and building upon order values from the existing customer base, as well as the capability to consistently deliver innovative health products in the Longevity and Preventive Health segments.

Operating Results for the Six-Month Period Ended June 30, 2026

- The Group generated total revenue from sales and services of 250.14 million baht, down 3.16% compared to the same period last year. Core revenue was derived from contract development and manufacturing under customers' brands (ODM), generating 176.34 million baht, an expansion of 13.17%. Meanwhile, sales of standardized herbal extract products (API) generated 70.17 million baht, down 24.33%, and sales of products under the Group's brands (OBM) generated 3.63 million baht (including other income, total revenue stood at 259.19 million baht, down 2.53%).

- The Group recorded a Gross Profit Margin (excluding other income) of 39.89%, a slight decline from 40.50% in the same period last year (down 0.61 pp), with total gross profit standing at 99.79 million baht, down 4.61%.

- The ratio of selling and administrative expenses to total revenue for the Group was 20.10% (divided into distribution costs of 8.87 million baht or 3.42%, and administrative expenses of 43.22 million baht or 16.68%), slightly increasing from 19.62% in the same period last year (up 0.48 pp).

- Net Profit for the six-month period ended June 30, 2026, stood at 44.25 million baht (representing a Net Profit Margin of 17.07%), a decrease of 6.19% compared to the same period last year, which recorded a net profit of 47.17 million baht.

Table 6: Consolidated operating results for the six-month period Ended June 30, 2026

Overall Group Performance	For the six months ended		Change Increase(Decrease) (YoY)
	30 June 2026 (Q2'26)	30 June 2025 (Q2'25)	
Total Revenue (Million Baht)	259.19	265.92	(2.53%)
Net Profit (Million Baht)	44.25	47.17	(6.19%)
Gross Profit Margin (%)	39.89%	40.50%	(0.61 pp)
SG&A to Revenue Ratio (%)	20.10%	19.62%	0.48 pp

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Statement of Financial Position as of June 30, 2026

Financial Position	End of 30 June 2026		End of 30 June 2025		Change Increase(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
Assets						
Cash and cash equivalents	305.80	30.44	429.81	41.95	(124.01)	(28.85)
Trade and Other receivables	171.32	17.05	156.19	15.24	15.13	9.69
Inventory	138.19	13.76	128.16	12.51	10.03	7.83
Other current assets	104.99	10.45	64.59	6.30	40.40	62.55
Investments in subsidiaries	3.34	0.33	3.25	0.32	0.09	2.77
Property, plant, and equipment	221.76	22.07	226.10	22.06	(4.34)	(1.92)
Other non-current assets	59.26	5.90	16.58	1.62	42.68	257.42
Total Assets	**1,004.66**	**100.00**	**1,024.68**	**100.00**	**(20.02)**	**(1.95)**
Liabilities and Equity						
Trade and Other Payables	58.49	5.82	72.90	7.11	(14.41)	(19.77)
Corporate Income Tax	10.22	1.02	13.30	1.30	(3.08)	(23.16)
Other current Liabilities	1.85	0.19	2.00	0.20	(0.15)	(7.50)
Other non-current Liabilities	42.52	4.23	11.26	1.10	31.26	277.62
Total Liabilities	**113.08**	**11.26**	**99.46**	**9.71**	**13.62**	**13.69**
Equity	**891.58**	**88.74**	**925.22**	**90.29**	**(33.64)**	**(3.64)**
Total Liabilities and Equity	**1,004.66**	**100.00**	**1,024.68**	**100.00**	**(20.02)**	**(1.95)**

Total Assets: As of June 30, 2026, the Group had total assets of 1,004.66 million baht, a decrease of 20.02 million baht or 1.95% compared to the end of 2025. This was primarily driven by a decrease in cash and cash equivalents of 124.01 million baht or 28.85%. However, the company deployed capital into investments and asset restructuring, with other non-current assets increasing by 42.68 million baht (an increase of 257.42%) and other current assets increasing by 40.40 million baht (an increase of 62.55%), along with growth in trade receivables and inventories to support business expansion. Furthermore, the company maintained excellent liquidity, with cash and cash equivalents accounting for a high proportion of 30.44% of total assets, reflecting a solid financial position well-positioned for future growth.

Total Liabilities: As of June 30, 2026, the Group had total liabilities of 113.08 million baht, an increase of 13.62 million baht or 13.69% compared to the end of the previous year. This was mainly due to an increase in other non-current liabilities of 31.26 million baht, while trade and other current payables decreased by 14.41 million baht or 19.77%, demonstrating efficiency in short-term debt settlement and effective cash flow management. Overall liabilities of the Group remained at a very low level relative to the total capital structure, with a total debt-to-asset ratio of only 11.26%, reinforcing a safe and very low-risk financial structure.

Shareholders' Equity: As of June 30, 2026, the Group had shareholders' equity of 891.58 million baht, a decrease of 33.64 million baht or 3.64% compared to the end of 2025. Nevertheless, the proportion of shareholders' equity remained high at 88.74% of total liabilities and shareholders' equity combined. This reflects solid financial stability and a reliance primarily on equity financing, enhancing operational flexibility alongside maintaining potential for business expansion to generate sustainable long-term growth.

Executive Summary

The Group operates under a high-value Integrated Business Model that combines Bioscience Expertise with the application of digital technology and Supply Chain Optimization to build product differentiation and enhance long-term competitive advantage, amidst the global context of expanding Longevity & Preventive Health industries.

For Q2/2026 operating performance, total revenue showed a strong recovery, growing to 138.53 million baht (+14.81% QoQ), with main revenue from sales and services reaching 131.28 million baht (+10.45% QoQ) and net profit standing at 18.60 million baht, maintaining a double-digit Net Profit Margin at 13.43%. Key drivers came from the ODM segment, which generated 92.91 million baht (+11.36% QoQ) following demand for innovative Longevity & Preventive Health products, combined with the recovery of the API segment (35.43 million baht, +1.99% QoQ) and outstanding growth in the OBM segment (2.94 million baht, +326.09% QoQ) driven by revenue recognition from research and development (R&D). Consequently, for the first 6 months of 2026, the Group achieved total net profit of 44.25 million baht (representing a Net Profit Margin of 17.07%) out of total revenue of 259.19 million baht, reinforcing financial discipline and stable profitability.

Although operating results slowed slightly year-on-year (YoY) due to high baseline sales in the previous year and a temporary increase in raw material cost recognition according to production cycles, the QoQ comparison demonstrates a clear recovery trend. Additionally, management remains focused on enhancing cost control efficiency, with Q2/2026 distribution expenses decreasing to just 5.24 million baht (3.78% of total revenue), or down 6.76% YoY, resulting from the deployment of Precision Marketing strategies.

Management focuses on quality growth based on 4 strategic pillars, as follows:

- **Strategic Expansion:** Drive strategic growth through aggressive customer base expansion and entering new target markets both domestically and internationally, particularly in the Longevity and Preventive Health segments, alongside seeking business collaboration opportunities to build upon extract innovations.
- **Portfolio & Supply Chain Optimization:** Apply Data Analytics technology and Supply Chain Optimization systems to manage raw material costs, optimize the Product Mix, and increase production process efficiency to elevate gross profit margins back to normal levels over the long term.
- **IP & Innovation:** Continuously invest in Research and Development (R&D) to build Intellectual Property (IP) and advance research-backed natural extract innovations, creating competitive advantages that are difficult to replicate.
- **ESG Leadership & Regenerative Impact:** Operate under ESG standards with a focus on generating positive impacts and restoring ecosystems, communities, and value chains (Regenerative Impact) under the People, Planet, Profit framework.

Under these 4 strategic pillars, the Group maintains strong liquidity and financial position through the end of Q2/2026, holding total assets of 1,004.66 million baht, with cash and cash equivalents as high as 305.80 million baht (accounting for 30.44% of total assets). The capital structure relies primarily on self-funding, with shareholders' equity at 88.74% and a very low total debt-to-asset ratio of only 11.26%. Management is fully prepared to utilize this liquidity to support second-half investment expansion plans to generate sustainable returns for shareholders.

Sustainability and Corporate Social Responsibility Performance

The Group drives its business under the concept of ESG Leadership & Regenerative Impact, which is one of its core strategic pillars. Sustainability management is viewed not merely as social responsibility, but as a crucial mechanism for risk management, enhancing financial efficiency, and establishing a foundation for long-term growth under the People, Planet, Profit framework. This aims to create Shared Value for personnel, farming communities, supply chains, and ecosystems alongside business performance. During Q2/2026 and the first half of 2026, the Group built upon its success from receiving Carbon Footprint for Organization (CFO) certification by applying greenhouse gas emissions data to systematically analyze, monitor, and manage energy in herbal processing and extraction processes. Consequently, the company significantly controlled operating costs and improved natural resource efficiency.

Management continues to drive key operational sustainability initiatives, including:

- Environmental & Energy Optimization (Environmental Aspect): Systematically drive energy, waste, and production effluent management programs from natural extract production to minimize environmental impact and elevate clean energy utilization within the factory.
- Sustainable & Regenerative Sourcing (Sustainable Raw Material Management Aspect): Elevate herbal raw material supply chain management by partnering with local farming networks through promoting standardized herb cultivation and Regenerative Agriculture. This helps generate stable income for communities while ensuring raw material quality at the upstream level is safe and meets international standards.
- Transparent ESG Reporting & Governance (Governance & Transparency Aspect): Develop sustainability data collection and reporting processes according to international standards to build trust among all stakeholders, reinforcing operational transparency and maintaining anti-corruption awareness.

Supported by a solid financial structure with a low debt ratio, the Group possesses high flexibility to invest in Green Innovation and ESG to drive sustainability targets as a core driver for Value Creation and serve as a shield against global trade and environmental regulations going forward.

"Sustainability Goals are Held as One of the Primary Business Objectives of the Group"

Please be informed accordingly.

Sincerely,
Mr. Thanuwatt Jiamsuwan
Chief Financial Officer

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