Management Discussion and Analysis (Translation)

For the nine-month period ended September 30, 2026 and September 30, 2025

Operating and Financial Position

Overview

For the nine-month period ended September 30, 2026, the Company recorded net sales of THB 2,599.96 million, an increase of THB 40.43 million, or 1.58%, compared with the same period of 2025. The Company reported a net profit of THB 603.81 million, an increase of THB 35.03 million, or 6.16%, compared with 2025.

Cost of sales for the nine-month period of 2026 amounted to THB 1,509.97 million, a decrease of THB 30.89 million, or 2.00%, from 2025. Driven by efficient cost management, energy optimization, reduced production losses, and lower raw material costs for garlic, chili, and tomato, the Company recorded a gross profit of THB 1,089.99 million. Consequently, the gross profit margin improved to 41.92% from 39.80% in 2025.

Distribution costs for the nine-month period of 2026 amounted to THB 238.88 million, an increase of THB 4.79 million, or 2.05%, from 2025.

Administrative expenses for the nine-month period of 2026 amounted to THB 146.12 million, an increase of THB 21.62 million, or 17.37%, from 2025.

Operating Analysis

Profitability

Thai Theparos Plc's net profit for the three-month and nine-month periods ended September 30, 2026 and September 30, 2025 was as follows:

		Q3	Q3	Change	%	9 Month	9 Month	Change	%
(Million Baht		2025	2026			2025	2025		
Net profit		189.65	210.45	20.80	10.97	568.78	603.81	35.03	6.16
Gross Profit Margin	%	41.13	42.01	0.88		39.80	41.92	2.12	
Net Profit Margin	%	22.23	23.89	1.66		21.84	23.22	1.38	

(Million Baht)	Q3 2025	%	Q3 2026	%	Change	%	9 Month 2025	%	9 Month 2026	%	Change	%
Domestic Sales	665.55	78.05	705.80	78.80	40.25	6.05	2,022.08	77.44	2,056.48	77.75	34.40	1.70
Industrial Sales	98.30	11.53	109.58	12.23	11.28	11.48	313.64	12.01	326.88	12.36	13.24	4.22
Sales to associate	14.98	1.76	10.89	1.22	(4.09)	(27.30)	45.50	1.74	43.41	1.64	(2.09)	(4.59)
Export Sales	73.90	8.67	69.39	7.75	(4.51)	(6.10)	230.04	8.81	218.31	8.25	(11.73)	(5.10)
Total	852.73	100.00	895.66	100.00	42.93	5.03	2,611.26	100.00	2,645.08	100.00	33.82	1.30
Less volume rebates	(12.57)	(1.47)	(14.75)	(1.65)	(2.18)	17.34	(51.73)	(1.98)	(45.12)	(1.71)	6.61	(12.78)
Net Sales	840.16	98.53	880.91	98.35	40.75	4.85	2,559.53	98.02	2,599.96	98.29	40.43	1.58
Cost of Sales	494.61		510.83		16.22	3.28	1,540.86		1,509.97		(30.89)	(2.00)
% of total sales of goods	58.87		57.99		(0.88)		60.20		58.08		(2.12)	
Gross Profit Margin	**345.55**	**41.13**	**370.08**	**42.01**	**24.53**	**7.10**	**1,018.67**	**39.80**	**1,089.99**	**41.92**	**71.32**	**7.00**
Other income	12.94		15.37		2.43	18.78	45.06		43.80		(1.26)	(2.80)
Distribution Expenses	82.06		82.34		0.28	0.34	234.09		238.88		4.79	2.05
% of total sales of goods	9.77		9.35		(0.42)		9.15		9.19		0.04	
Administrative Expenses	40.39		41.48		1.09	2.70	124.50		146.12		21.62	17.37
% of total sales of goods	4.81		4.71		(0.10)		4.86		5.62		1.20	
Profit befor income tax	**237.13**		**263.04**		**25.91**	**10.93**	**710.37**		**753.55**		**43.18**	**6.08**
Tax expense	47.48		52.59		5.11	10.76	141.59		149.74		8.15	5.76
Net Profit	**189.65**		**210.45**		**20.80**	**10.97**	**568.78**		**603.81**		**35.03**	**6.16**
Earning Per Share	0.53		0.58				1.58		1.68			

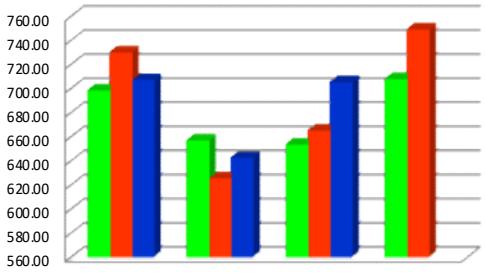
Operating Analysis

Profitability

Domestic sales in Q3/2026 increased by THB 40.25 million, or 6.05%, compared with the same period of 2025. Traditional trade sales increased by THB 30.15 million, or 11.29%; the van sales distribution channel increased by THB 4.77 million, or 8.12%; and the modern trade distribution channel increased by THB 2.09 million, or 0.71%.

Domestic sales for the nine-month period of 2026 increased by THB 34.40 million, or 1.70%, compared with the same period of 2025. Traditional trade sales increased by THB 52.92 million, or 6.57%, and the van sales distribution channel increased by THB 7.89 million, or 4.33%, while the modern trade distribution channel decreased by THB 10.42 million, or 1.20%. The declines reflect the domestic economic slowdown, as consumers became more cautious in their spending and reduced out-of-home dining. Sales through trading firms decreased by THB 17.08 million, or 10.58%. The lower sales of the trading firm resulted from availability of international logistics costs.

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	665.55	749.44	2,771.52
2026	707.69	642.99	705.80		2,056.48

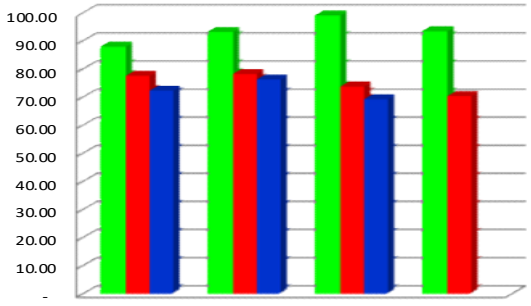
Industrial sales in Q3/2026 increased by THB 11.28 million, or 11.48%, compared with the same period of 2025.

Industrial sales for the nine-month period of 2026 increased by THB 13.24 million, or 4.22%, from 2025, due to new customer acquisitions in the food processing sector purchasing vinegar products, combined with higher demand for oyster sauce from existing restaurant clients for culinary applications.

Export sales in Q3/2026 decreased by THB 4.51 million, or 6.10%, compared with the same period of 2025, due to prolonged geopolitical tensions across several regions, alongside container and shipping-space shortages that caused delivery delays, despite continued customer orders.

Export sales for the nine-month period of 2026 decreased by THB 11.73 million, or 5.10%, from 2025.

Export sales by Quarterly (Million Baht)

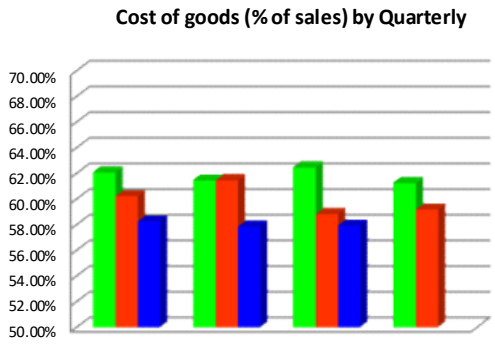


	Q1	Q2	Q3	Q4	Annual
2024	88.10	93.33	99.18	93.57	374.18
2025	77.72	78.42	73.90	70.52	300.56
2026	72.48	76.44	69.39		218.31

(Million Baht)	Q3 2025	Q3 2026	Change	%	9 Month 2025	9 Month 2026	Change	%
Exter (Thailand) Limite	14.98	10.89	(4.09)	(27.30)	45.50	43.41	(2.09)	(4.59)

Sales to associate. In Q3/2026, the Company's sales of products to Exter (Thailand) Limited decreased by THB 4.09 million, or 27.30%, as overseas demand for its products decreased.

For the nine-month period of 2026, sales to Exter (Thailand) Limited decreased by THB 2.09 million, or 4.59%, compared with the same period of 2025.



	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%	57.99%		58.08%

Cost of goods sold as a percentage of sales decreased to 57.99% in Q3/2026 from 58.87% in Q3/2025, a decrease of 0.88 percentage points, due to lower raw material costs, partly offset by higher packaging costs.

Cost of goods sold as a percentage of sales for the nine-month period decreased to 58.08% in 2026 from 60.20% in 2025, a decrease of 2.12 percentage points, due to enhanced production efficiency, which improved overall costs despite ongoing packaging cost increases from plastic resin suppliers.

Distribution expenses as a percentage of sales decreased to 9.35% in Q3/2026 from 9.77% in Q3/2025, a decrease of 0.42 percentage points, primarily driven by a 15.17% decline in promotion and advertising expenses compared with Q3/2025. However, outbound freight expenses increased by 16.73% compared with the same period of the previous year, owing to rising fuel prices.

Distribution expenses as a percentage of sales for the nine-month period increased to 9.19% in 2026 from 9.15% in 2025, an increase of 0.04 percentage points. The increase was primarily driven by higher fuel prices, which directly raised transportation costs. Additionally, all international sales have been fully transitioned to Incoterms FOB.

Administrative expenses as a percentage of sales decreased to 4.71% in Q3/2026 from 4.81% in Q3/2025, a decrease of 0.10 percentage points.

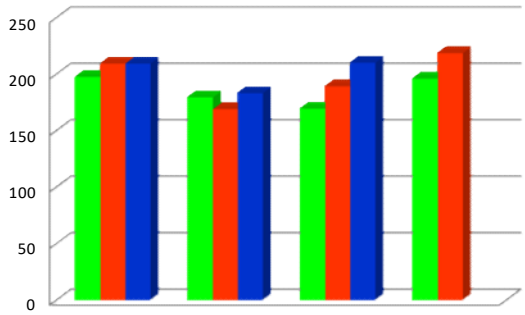
Administrative expenses as a percentage of sales for the nine-month period increased to 5.62% in 2026 from 4.86% in 2025, an increase of 0.76 percentage points, mainly driven by a higher allowance for expected credit losses.

As a result of the above, the Company's performance in Q3/2026 improved on Q3/2025: net profit increased by Bt. 20.80 million, or 10.97%, and for the nine-month period of 2026 net profit increased by Bt. 35.03 million, or 6.16%, compared with 2025.

The Company's earnings before income tax (EBT) for the three-month and nine-month periods ended September 30, 2026 and September 30, 2025 were as follows:

(Million baht)	Q3 2025	Q3 2026	Change	%	9 month 2025	9 month 2026	Change	%
Earning before income tax expens	237.14	263.04	25.90	10.92	710.37	753.55	43.18	6.08
EBT Margin	27.80%	29.35%	1.55%		27.27%	28.50%	1.23%	

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	210.45		603.81

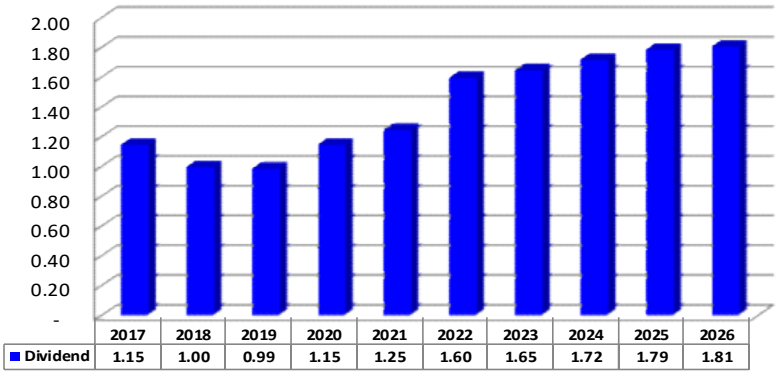
Dividend Policy

The Company has a policy of paying dividends to shareholders of not less than 50 percent of net profit for each year, payable in the following year.

At the annual general meeting of shareholders held on April 23, 2026, the shareholders approved a dividend for 2025 on 360 million shares at THB 1.81 per share, totalling THB 651.60 million (payout ratio 82.61%). Shareholders of record on May 5, 2026 were eligible for the dividend, and payment was made on May 19, 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)



Report and Analysis of Financial Position

Financial Structure

Debt Equity Ratios

The Company has a conservative financial policy, which resulted in a debt-to-equity ratio of 0.101 in 2026 and 0.097 in 2025. The Company holds sufficient cash to absorb price fluctuations in agricultural raw materials. Most liabilities are current liabilities.

	December 31, 2025		September 30, 2026	
	Million Baht	%	Million Baht	%
Total liabilities	318.12	8.81	326.27	9.14
Equity	3,292.88	91.19	3,245.09	90.86
Total assets	3,611.00	100.00	3,571.36	100.00
Trade accounts payable	79.93	2.21	113.93	3.19
Income tax payable	100.07	2.77	52.27	1.46
Other accounts payable	98.90	2.74	115.33	3.23
Non current liabilities	39.22	1.09	44.74	1.25
Total liabilities	318.12	8.81	326.27	9.14
Issued and paid-up share capital	360.00	9.98	360.00	10.08
Premium on ordinary shares	615.60	17.05	615.60	17.24
Legal reserve retained earning	60.00	1.66	60.00	1.68
Unappropriated retained earning	2,257.28	62.51	2,209.49	61.87
Total equity	3,292.88	91.19	3,245.09	90.86
Debt Equity Ratios	0.097		0.101	

The Company does not have long-term loans for financing; it finances most of its capital structure from shareholders' equity.

Liquidity

Cash flowsdecreased due to dividend payment in Q3

(Million Baht)	September 30, 2025	September 30, 2026	Change	%
Cash flows from operating activities	473.57	702.41	228.84	48.32
Net cash uses in investing activities	57.56	(58.73)	(116.29)	(202.03)
Net cash uses in financing activities	(644.40)	(651.60)	(7.20)	(1.12)
Net increase (decrease) in cash and cash equivalents	(113.27)	(7.92)	105.35	93.01

Cash flow from operating activities in 2026 increased from 2025 by THB 228.84 million, or 48.32%, mainly from changes in assets and liabilities: higher cash collections from trade receivables of THB 57.92 million, a decline in advance payments for raw materials of THB 51.91 million, and an increase in trade accounts payable of THB 33.97 million.

Net cash used in investing activities in 2026 amounted to THB 58.73 million, as the Company invested its cash in financial assets, including Kiatnakin open-ended funds and debentures, of THB 10.08 million, and paid THB 63.42 million for capital expenditures.

Net cash used in financing activities in 2026 increased from 2025 by THB 7.20 million, reflecting the dividend paid in Q2.

(Million Baht)	December 31, 2025	September 30, 2026	Change	%
Current assets	2,579.09	2,559.24	(19.85)	(0.77)
Current liabilities	278.91	281.53	2.62	0.94
Current ratio (Time)	9.25	9.09	(0.16)	(1.69)

Current ratio

In 2026, the current ratio of 9.09 times decreased from 9.25 times in 2025. This resulted from a decrease in current assets of THB 19.85 million, mostly trade accounts receivable (THB 57.41 million), and an increase in current liabilities of THB 2.62 million, mostly trade accounts payable (THB 34.00 million).

However, the Company has strictly adhered to its financial management policy. With a high working capital ratio, there is no liquidity issue. As of September 30, 2026, the Company had cash and cash equivalents of THB 527.24 million and an unused overdraft facility of around THB 97.50 million to meet emergency funding needs.

Ability to service debt and compliance with loan covenants

The Company has no borrowings of any kind. Most liabilities are current liabilities, comprising trade accounts payable and accrued expenses. The Company has met its obligations as a good debtor and paid its debts in accordance with suppliers' trade terms.

Quality of Assets

Change in Assets

As at September 30, 2026, the Company had THB 3,571.36 million of total assets, a decrease of 1.10% compared with total assets of THB 3,611.00 million as at December 31, 2025.

(Million Baht)		December 31, 2025	September 30, 2026	Change	%
Current assets		2,579.09	2,559.24	(19.85)	(0.77)
Non current assets		1,031.91	1,012.12	(19.79)	(1.92)
Total assets		3,611.00	3,571.36	(39.64)	(1.10)
Current assets / Total assets	%	71.42	71.66	0.24	
Non current assets / Total assets	%	28.58	28.34	(0.24)	
Total assets	%	100.00	100.00	-	

As of September 30, 2026, the Company's current assets and non-current assets represented 71.66% and 28.34% of total assets, respectively, compared with 71.42% and 28.58% as at December 31, 2025.

Main Part of Assets

	Million Baht December 31, 2025	%	Million Baht September 30, 2026	%
Current investments	909.25	25.18	919.53	25.75
Property, plant and equipment	766.36	21.22	741.29	20.76
Inventories	554.60	15.36	636.81	17.83
Cash and cash equivalent	535.16	14.82	527.24	14.76
Trade accounts receivable	424.58	11.76	367.17	10.28
Investment properties	210.23	5.82	210.23	5.89
Advance payment for raw materials	140.28	3.88	88.38	2.47
Investments in associate	45.96	1.27	46.69	1.31
Other current receivables	7.71	0.21	12.11	0.34
Other current assets	6.51	0.18	8.00	0.23
Deferred tax assets	3.48	0.10	7.97	0.22
Bank deposits pledged as collateral	4.59	0.13	4.59	0.13
Other non-current assets	0.88	0.02	0.83	0.02
Investments in equity instruments	0.14	0.01	0.31	0.01
Intangible assets	0.27	0.01	0.21	0.00
Current portion of long-term loans to associate	1.00	0.03	-	-
Total assets	3,611.00	100.00	3,571.36	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

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

Million Baht		June 30, 2026	September 30, 2026	Change	%
Net / Sales		824.09	880.91	56.82	6.89
Trade accouts receivable -Net		372.77	367.17	(5.60)	(1.50)
Accouts receivable Turnover/ Quarter	Times	2.06	2.38	0.32	15.53
Average debt Collection Period	Days	44	39	(5.00)	(11.36)
Inventories Turnover Period	Days	112	112	-	-
Repayment Period	Days	19	18	(1.00)	(5.26)
Cash Cycle Period	Days	138	132	(6.00)	(4.35)

In Q3/2026, payments were tracked closely and credit terms were strictly enforced.

Overall, the Company's trade receivable collection period in Q3/2026 decreased by 5 days compared with Q2/2026 due to faster customer payments. Trade receivables not yet due under normal credit terms represented 61.93% of total receivables, a decrease of 2.82 percentage points from 64.75% in Q2/2026.

An adequate allowance for doubtful accounts has been made for trade receivables based on the facts as of September 30, 2026. The allowance for doubtful accounts decreased to THB 1.34 million from THB 1.49 million as of December 31, 2025.

(Million Baht)	December 31, 2025	September 30, 2026	Change	%
Related parties	32.54	18.33	(14.21)	(43.67)
Other parties	393.53	350.18	(43.35)	(11.02)
Total	426.07	368.51	(57.56)	(13.51)
Less allowance for doubtful accounts	(1.49)	(1.34)	0.15	(10.07)
Net trade accounts receivable	**424.58**	**367.17**	**(57.41)**	**(13.52)**

Inventory are not deterated or obsolete.

(Million Baht)	December 31, 2025	September 30, 2026	Change	%
Finished goods	98.75	138.73	39.98	40.49
Work in process	123.81	138.86	15.05	12.16
Raw materials	334.16	358.30	24.14	7.22
Suplies	0.57	0.92	0.35	61.40
Less allowance for decline in value	(2.69)	0.00	2.69	(100.00)
Total inventories	**554.60**	**636.81**	**82.21**	**14.82**

Finished goods inventories increased by THB 39.98 million, primarily due to lower-than-targeted overseas shipments and an economic slowdown in key regional markets.

Long-term investment

(Million Baht)	December 31, 2025	September 30, 2026	Change	%
Investment in marketable equity security	0.14	0.31	0.17	121.43
Total long-term investment	**0.14**	**0.31**	**0.17**	**121.43**

(Mr. Tanawat Winyarat)

Deputy Managing Director