X Bioscience Public Company Limited

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Subject: Management Discussion and Analysis for the Operating Results of the Third Quarter of 2026

To: President
The Stock Exchange of Thailand

X Bioscience Public Company Limited (the "Company") would like to report the operating results and financial position based on the consolidated financial statements of the Company and its subsidiaries for the three-month and nine-month periods ended September 30, 2026 (unaudited), with the key details as follows:

1. Business Overview

The Company's core business is restaurants and beverages, operated through its subsidiaries under several brands, namely Chokdee Dimsum Corporation Co., Ltd. ("Chokdee Dimsum"), which has its own production facility and runs restaurants, catering, wholesale and original equipment manufacturing (OEM), as well as the Le Boeuf, Yang Noei and Shabu Land restaurant brands. In addition, since early 2026 the Company has started a construction contracting business as a new source of revenue and to diversify away from relying solely on the restaurant business.

In the third quarter of 2026, the Company continued to restructure its food business to focus on brands with strong growth potential and good returns. On July 9, 2026, the Company disposed of its investment in Eastern Cuisine (Thailand) Co., Ltd., the operator of the KAGONOYA Japanese shabu buffet restaurants, following the disposal of Bake Cheese Tart (Thailand) Co., Ltd. at the end of the second quarter of 2026. The Company also opened new branches of its newer restaurant brands within the group.

In the construction business, the Company continued to secure additional construction projects during the quarter and has work in progress that will be recognized as revenue in subsequent periods, which will further support the Group's revenue base going forward.

2. Operating Results for the Three-Month Period (Q3 2026 vs. Q3 2025)

Unit: Baht million

Item	Q3/2026	Q3/2025	Change	%
Revenue from sales (food business)	42.19	3.24	38.96	1,203.09%
Revenue from construction contracts	46.05	-	46.05	n.a.
Total operating revenue	**88.25**	**3.24**	**85.01**	**2,625.39%**
Cost of sales and costs of construction	(54.11)	(2.28)	51.83	2,275.29%
Gross profit	**34.14**	**0.96**	**33.18**	**3,456.15%**
Gain from disposal of investments in subsidiaries	149.35	-	149.35	n.a.
Other income	4.99	0.26	4.73	1,811.11%
Selling expenses	(22.44)	(1.87)	20.57	1,102.57%
Administrative expenses	(129.77)	(82.09)	47.68	58.08%
Profit (loss) before finance costs and tax	**36.26**	**(82.74)**	**119.00**	**143.83%**
Finance costs	(3.45)	(5.75)	(2.30)	(39.99%)
Profit (loss) from continuing operations	**32.81**	**(88.49)**	**121.30**	**137.08%**
Loss from discontinued operations	(46.99)	(29.22)	17.77	60.84%
Net profit (loss) for the period	**(14.18)**	**(117.70)**	**103.52**	**87.95%**

For the third quarter of 2026, the Company and its subsidiaries reported a net loss of Baht 14.18 million, a decrease of Baht 103.52 million or 87.95% from a net loss of Baht 117.70 million in the same quarter of the previous year. Continuing operations recorded a profit of Baht 32.81 million, which included a non-cash accounting gain of Baht 149.35 million from the disposal of Eastern Cuisine (Thailand) Co., Ltd. Excluding this item, continuing operations would have recorded a loss of approximately Baht 116.54 million. The net loss attributable to owners of the parent was Baht 11.34 million.

3. Operating Results for the Nine-Month Period (9M 2026 vs. 9M 2025)

Unit: Baht million

Item	9M/2026	9M/2025	Change	%
Revenue from sales (food business)	73.20	14.83	58.38	393.68%
Revenue from construction contracts	149.87	-	149.87	n.a.
Total operating revenue	**223.07**	**14.83**	**208.24**	**1,404.38%**
Cost of sales and costs of construction	(139.84)	(14.58)	125.26	859.06%
Gross profit	**83.23**	**0.25**	**82.98**	**33,595.95%**

Item	9M/2026	9M/2025	Change	%
Gain from disposal of investments in subsidiaries	327.25	18.53	308.73	1,666.36%
Other income	8.13	2.50	5.63	225.08%
Selling expenses	(38.36)	(5.80)	32.56	561.13%
Administrative expenses	(670.35)	(190.24)	480.11	252.36%
Profit (loss) before finance costs and tax	**(290.10)**	**(174.77)**	**(115.33)**	**(65.99%)**
Finance costs	(9.83)	(17.10)	(7.27)	(42.50%)
Income tax income	10.61	-	10.61	n.a.
Profit (loss) from continuing operations	**(289.32)**	**(191.87)**	**(97.45)**	**(50.79%)**
Loss from discontinued operations	(47.30)	(87.33)	(40.03)	(45.83%)
Net profit (loss) for the period	**(336.62)**	**(279.20)**	**(57.42)**	**(20.57%)**

For the nine-month period of 2026, the Company and its subsidiaries reported a net loss of Baht 336.62 million, an increase of Baht 57.42 million or 20.57% from a net loss of Baht 279.20 million in the same period of the previous year. This was mainly due to asset impairment losses and expected credit losses, most of which were recorded in the first half of the year. The net loss attributable to owners of the parent was Baht 332.95 million. The 2025 comparative figures have been reclassified to present the results of the disposed subsidiaries separately as discontinued operations. Significant changes for the three-month and nine-month periods are explained below.

Operating Revenue

For the three-month period, total operating revenue was Baht 88.25 million, up Baht 85.01 million from Q3 2025. Revenue from the food business was Baht 42.19 million, up Baht 38.96 million, driven by the consolidation of Chokdee Dimsum, acquired in Q2 2026, and the expansion of restaurant branches. Revenue from the construction business, a new business started in 2026, was Baht 46.05 million. For the nine-month period, total revenue was Baht 223.07 million, up Baht 208.24 million, comprising revenue from the food business of Baht 73.20 million, up Baht 58.38 million year on year, and revenue from the construction business of Baht 149.87 million.

Cost of Sales and Gross Profit

For the three-month period, cost of sales and costs of construction totaled Baht 54.11 million and gross profit was Baht 34.14 million, up Baht 33.18 million. The gross profit margin was 38.69% (Q3 2025: 29.65%). The construction business posted a gross margin of 24.22%, lower than in the first half of the year due to adjustments to certain existing contracts, while the food business posted a gross margin of 54.47%. For the nine-month period, gross profit was Baht

83.23 million, up Baht 82.98 million, representing a gross margin of 37.31% compared with 1.67% in the previous year, with margins of 30.14% for the construction business and 51.99% for the food business.

Gain from Disposal of Investments in Subsidiaries

For the three-month period, the Company recognized a gain from the disposal of investments in subsidiaries of Baht 149.35 million from the disposal of Eastern Cuisine (Thailand) Co., Ltd., which had net liabilities of approximately Baht 148.7 million at the disposal date. For the nine-month period, such gains totaled Baht 327.25 million (2025: Baht 18.53 million), comprising Baht 177.9 million from the disposal of Bake Cheese Tart (Thailand) Co., Ltd. and Baht 149.3 million from the disposal of Eastern Cuisine (Thailand) Co., Ltd. These are accounting gains that did not generate cash inflows.

Other Income

For the three-month and nine-month periods, other income was Baht 4.99 million and Baht 8.13 million, up Baht 4.73 million and Baht 5.63 million from the previous year, respectively, partly from gains on the termination of lease agreements and the reversal of provisions for decommissioning costs.

Selling Expenses

For the three-month period, selling expenses were Baht 22.44 million, up Baht 20.57 million, and for the nine-month period they were Baht 38.36 million, up Baht 32.56 million, in line with the expansion of the food business through the investment in Chokdee Dimsum and new branches.

Administrative Expenses

For the three-month period, administrative expenses were Baht 129.77 million, up Baht 47.68 million or 58.08%, including an impairment loss on branch leasehold improvements of Baht 10.6 million and expenses of the construction business and newly acquired subsidiaries. For the nine-month period, administrative expenses were Baht 670.35 million, up Baht 480.11 million, mostly non-cash items totaling approximately Baht 575.5 million, comprising allowance for expected credit losses of Baht 239.4 million (mainly a full allowance for loans and accrued interest receivable from former subsidiaries that were disposed of), goodwill impairment of Baht 134.3 million, impairment of non-current assets held for sale of Baht 123.7 million, impairment of intangible assets of Baht 67.4 million (trademark intangible assets of Baht 53.1 million and software of Baht 14.4 million) and impairment of fixed assets of Baht 10.6 million. In addition, employee expenses increased to Baht 39.6 million (2025: Baht 20.2 million) as a result of business expansion.

Finance Costs

For the three-month and nine-month periods, finance costs were Baht 3.45 million and Baht 9.83 million, down Baht 2.30 million and Baht 7.27 million, or 39.99% and 42.50%, respectively, due to the gradual repayment of short-term loans from other parties using the proceeds from the capital increase.

Income Tax and Discontinued Operations

For the nine-month period, the Company recognized income tax income of Baht 10.61 million from the reversal of deferred tax liabilities. Losses from discontinued operations for the three-month and nine-month periods were Baht 46.99 million and Baht 47.30 million (2025: Baht 29.22 million and Baht 87.33 million). The nine-month figure comprises the loss of Eastern Cuisine (Thailand) Co., Ltd. up to the disposal date of Baht 46.99 million and that of Bake Cheese Tart (Thailand) Co., Ltd. of Baht 0.31 million.

4. Financial Position as at September 30, 2026 vs. December 31, 2025

Unit: Baht million

Item	Sep 30, 2026	Dec 31, 2025	Change	%
Cash and cash equivalents	4.22	1.57	2.65	168.53%
Trade and other current receivables	36.23	15.52	20.71	133.45%
Short-term loans to related parties	84.69	-	84.69	n.a.
Contract assets and retention receivable	25.33	-	25.33	n.a.
Non-current assets held for sale	158.98	282.41	(123.43)	(43.71%)
Total current assets	**317.64**	**301.72**	**15.93**	**5.28%**
Property, plant and equipment	188.41	53.25	135.16	253.84%
Right-of-use assets	15.20	45.47	(30.28)	(66.58%)
Goodwill	73.73	123.39	(49.65)	(40.24%)
Intangible assets	1.96	70.86	(68.89)	(97.23%)
Total assets	**604.02**	**609.31**	**(5.29)**	**(0.87%)**
Trade and other current payables	70.36	125.03	(54.67)	(43.72%)
Short-term loans from a director and other parties	121.39	175.33	(53.93)	(30.76%)
Bank overdraft and loans from financial institutions	-	14.53	(14.53)	(100.00%)
Lease liabilities	15.81	50.50	(34.70)	(68.70%)
Total liabilities	**218.23**	**386.11**	**(167.88)**	**(43.48%)**
Equity attributable to owners of the parent	328.58	216.62	111.96	51.69%
Non-controlling interests	57.21	6.58	50.63	769.25%
Total equity	**385.79**	**223.20**	**162.59**	**72.85%**

Assets

Total assets of the Company and its subsidiaries were Baht 604.02 million, a decrease of Baht 5.29 million or 0.87% from the end of 2025, with significant changes in the asset composition. Property, plant and equipment increased by Baht 135.16 million, mainly from the acquisition of Chokdee Dimsum, which owns a production facility, amounting to Baht 170.43 million. Short-term loans to related parties increased by Baht 84.69 million, and contract assets and retention receivable from construction increased by Baht 25.33 million. Meanwhile, non-current assets held for sale decreased by Baht 123.43 million due to impairment to reflect fair value; the Company expects to complete the disposal of this investment by June 30, 2027. Goodwill, intangible assets and right-of-use assets decreased by a combined Baht 148.82 million due to impairment and the disposal of subsidiaries.

Liabilities

Total liabilities were Baht 218.23 million, a decrease of Baht 167.88 million or 43.48% from the end of 2025, due to the repayment of short-term loans from other parties of Baht 59.50 million, a decrease in trade payables, and the derecognition of lease liabilities of the disposed subsidiaries from the consolidated financial statements. The Company had no outstanding borrowings from financial institutions as at September 30, 2026.

Shareholders' Equity

Total shareholders' equity was Baht 385.79 million, an increase of Baht 162.59 million or 72.85% from the end of 2025, resulting from the capital increase with total cash proceeds of Baht 444.91 million and the increase in non-controlling interests from the investment in Chokdee Dimsum (82.86% shareholding), partly offset by the net loss for the period.

5. Key Financial Ratios

Ratio	Sep 30, 2026	Dec 31, 2025
Current ratio	1.58x	0.93x
Debt to equity ratio (D/E)	0.57x	1.73x
Interest-bearing debt to equity ratio (IBD/E)	0.36x	1.08x
Gross profit margin (9-month period vs. same period last year)	37.31%	1.67%
Return on assets (ROA) *	(73.98%)	(74.26%)

** ROA as at September 30, 2026 is calculated from the annualized nine-month net loss divided by average total assets. The gross profit margin in the right-hand column is for the nine-month period of 2025.*

- **Current ratio** improved to 1.58x from 0.93x as current liabilities decreased following loan repayments and the disposal of subsidiaries. However, as most current assets are investments held for sale, liquidity depends on the successful disposal of those investments.

- **Debt to equity ratio** decreased to 0.57x from 1.73x due to lower liabilities and higher equity from the capital increase.
- **Interest-bearing debt to equity ratio** decreased to 0.36x from 1.08x due to loan repayments; all remaining borrowings are short-term.
- **Gross profit margin** improved to 37.31% as revenue from the construction and food businesses carries higher margins than the previous businesses.
- **Return on assets** remained negative at a level similar to the end of 2025 due to asset impairment losses and expected credit losses.

6. Cash Flows

Unit: Baht million

Nine-month period	2026	2025	Change
Net cash used in operating activities	(67.09)	(40.76)	(26.33)
Net cash from (used in) investing activities	(301.42)	5.09	(306.51)
Net cash from financing activities	371.16	27.58	343.58
Net increase (decrease) in cash and cash equivalents	**2.65**	**(8.09)**	**10.75**
Cash and cash equivalents at end of period	**4.22**	**1.10**	**3.12**

For the nine-month period of 2026, cash and cash equivalents increased by Baht 2.65 million. Net cash used in operating activities was Baht 67.09 million (2025: Baht 40.76 million), reflecting operating losses and higher working capital in the construction business, namely trade receivables, contract assets and retention receivable. Net cash used in investing activities was Baht 301.42 million, mainly for the acquisition of shares in Chokdee Dimsum of Baht 290.00 million and purchases of fixed assets of Baht 15.49 million. Net cash from financing activities was Baht 371.16 million, from the capital increase of Baht 444.91 million, net of repayments of short-term loans, lease liabilities and interest.

7. Key Factors that May Affect Future Operations or Growth

The restaurant business, which is the Company's core business, continues to be affected by economic conditions and consumer purchasing power, intense competition, and the costs of raw materials, labor and rental space. The Company therefore focuses on brands with strong potential and is expanding the wholesale and OEM channels of Chokdee Dimsum to build revenue sources that do not depend on storefront sales. For the construction business, a new revenue channel, the key factors are completing projects on schedule, controlling material and labor costs, and collecting payments in line with progress billings. In addition, completing the disposal of investments held for sale within the set timeframe will be key to the Company's liquidity.

8. Sustainability Developments

The Company is committed to conducting its business responsibly alongside sustainable development, taking into account environmental impacts, efficient food waste management, fair wages and good corporate governance. In the construction business, the Company prioritizes the occupational health and safety of workers on construction sites and the reduction of dust, noise and waste impacts on surrounding communities. The restaurant business focuses on food safety and hygiene standards in its production processes to enhance the quality of customer service, while building long-term business stability and growth.

Please be informed accordingly.

Yours faithfully,

X Bioscience Public Company Limited

-Signed-

(Miss Thansuda Rungruang)

Director