No. ITTHI 2026-014

10 November 2026

Subject Management's Discussion and Analysis and explanation for the three-month period and nine-month period ended 30 September 2026

To The President of the Stock Exchange of Thailand

Itthirit Nice Corporation Public Company Limited ("the Company", "ITTHI") and its subsidiaries ("the Group") would like to provide the management's analysis and explanation for the three-month period and nine-month period ended 30 September 2026 as follows:

The operating results for 3Q26 and 9M26 as follows:

1. The financial performance comparison for the three-month periods ended 30 September 2026 and 2025

Consolidated financial information **(Unit : Million Baht)**

Statement of Comprehensive Income	**30 September 2026**	**%**	**30 September 2025**	**%**	**Increase / (Decrease)**	**%**
Revenues from sales and rendering services	100.7	100.0	131.8	100.0	(31.1)	(23.6)
Cost of sales and rendering services	(83.1)	(82.5)	(108.9)	(82.6)	(25.8)	(23.7)
Gross Profit	**17.6**	**17.5**	**22.9**	**17.4**	**(5.3)**	**(23.1)**
Other income	0.3	0.3	0.6	0.5	(0.3)	(50.0)
Selling expenses	(4.1)	(4.1)	(4.1)	(3.1)	-	-
Administrative expenses	(11.5)	(11.4)	(9.8)	(7.4)	1.7	17.3
Expected credit loss (reversal)	(0.2)	(0.2)	(2.3)	(1.7)	(2.1)	(91.3)
Other gains (lossess)	0.0	-	(0.0)	-	0.0	150.0
Share of loss of a joint venture accounted for using the equity method	-	-	0.0	-	(0.0)	(100.0)
Profit before finance costs and income tax expenses	**2.1**	**2.1**	**7.3**	**5.5**	**(5.2)**	**(71.1)**
Finance costs	(0.5)	(0.5)	(0.5)	(0.4)	(0.0)	(3.8)
Profit before income tax expenses	**1.6**	**1.6**	**6.8**	**5.2**	**(5.2)**	**(76.3)**
Income tax	(0.7)	(0.7)	(1.5)	(1.1)	(0.8)	(53.3)
Net profit for the period	**0.9**	**0.9**	**5.3**	**4.0**	**(4.4)**	**(82.8)**
Basic earnings per share (Baht per share)	**0.002**		**0.020**			
Diluted earnings per share (Baht per share)	**0.002**		**0.020**			

Remark : Percentage in statement of comprehensive income derived from reneues from sale and rendering services

2. The financial performance comparison for the nine-month periods ended 30 September 2026 and 2025

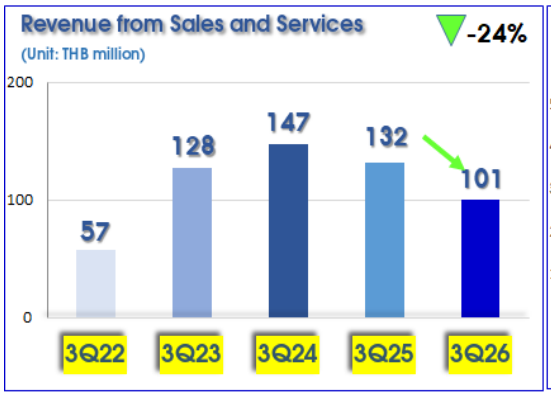
Consolidated financial information **(Unit : Million Baht)**

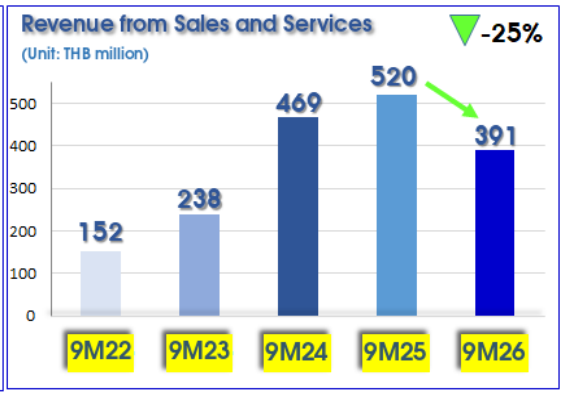
Statement of Comprehensive Income	30 September 2026	%	30 September 2025	%	Increase / (Decrease)	%
Revenues from sales and rendering services	390.8	100.0	519.8	100.0	(129.0)	(24.8)
Cost of sales and rendering services	(330.0)	(84.4)	(439.0)	(84.5)	(109.0)	(24.8)
Gross profit	**60.8**	**15.6**	**80.8**	**15.5**	**(20.0)**	**(24.8)**
Other income	1.1	0.3	1.3	0.3	(0.2)	(15.4)
Selling expenses	(14.9)	(3.8)	(15.2)	(2.9)	(0.3)	(2.0)
Administrative expenses	(34.9)	(8.9)	(37.1)	(7.1)	(2.2)	(5.9)
Expected credit loss	(0.1)	-	0.8	0.2	0.9	(112.5)
Other gains	0.2	0.1	0.0	-	(0.2)	900.0
Share of loss of a joint venture accounted for using the equity method	-	-	(0.0)	-	(0.0)	(100.0)
Profit before finance costs and income tax	**12.2**	**3.1**	**30.6**	**5.9**	**(18.4)**	**(60.2)**
Finance costs	(1.4)	(0.4)	(1.6)	(0.3)	0.2	(12.5)
Profit before income tax	**10.8**	**2.8**	**29.0**	**5.6**	**(18.2)**	**(62.8)**
Income tax	(2.7)	(0.7)	(5.8)	(1.1)	(3.1)	(53.4)
Net profit for the year	**8.1**	**2.1**	**23.2**	**4.5**	**(15.1)**	**(65.1)**
Basic earnings per share (Baht per share)	**0.030**		**0.086**			
Diluted earnings per share (Baht per share)	**0.027**		**0.086**			

Remark : Percentage in statement of comprehensive income derived from reneues from sale and rendering services

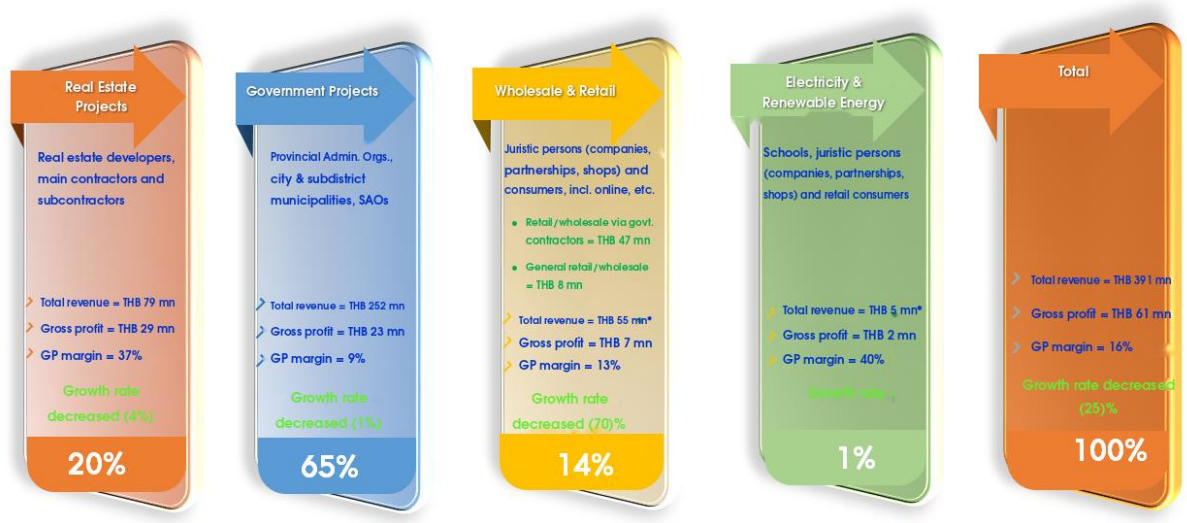
Revenue from Sales and Services

In 3Q2026, the Group recorded revenue from sales and services of THB 100.7 million, a decrease of THB 31.1 million or 23.6% compared with 3Q2025. For the first nine months of 2026, revenue amounted to THB 390.8 million, a decrease of THB 129.0 million or 24.8% compared with the same period of 2025. Most of the revenue came from the lighting equipment distribution business, and the Group began to generate revenue from the electricity and renewable energy business of its subsidiaries, which commenced in 2026.





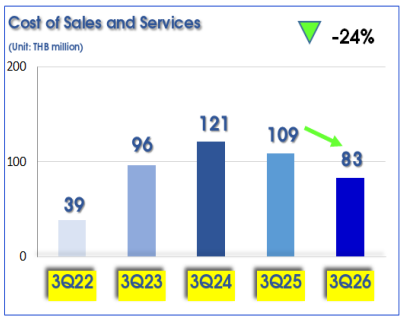
Revenue from the Lighting Equipment Distribution and Renewable Energy Businesses

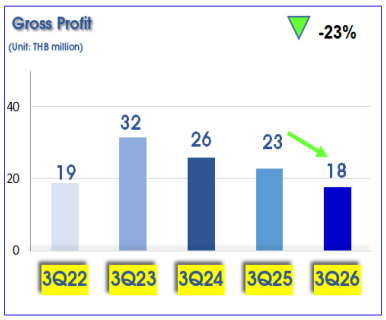


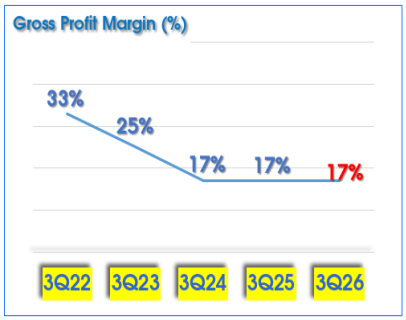
The key factors were as follows:

- Real estate projects: Nine-month revenue was THB 79.0 million, down 3.6%, as the real estate development sector remained sluggish in 2026; in particular, project customers delayed project launches and construction.
- Government projects: Nine-month revenue was THB 252.0 million, representing 64.5% of sales revenue, close to the previous year (down 1.0%). However, 3Q revenue decreased by 35.3% to THB 47.7 million due to delays in installation and delivery as well as pending budget disbursement requests from government agencies.
- Wholesale and retail: Nine-month revenue fell to THB 55.1 million from THB 182.5 million in the previous year, a decrease of 69.8%, and was the main cause of the decline in total revenue. In 2025, the Group generated THB 89.6 million in this segment from a major customer, a government project contractor that has since delayed deliveries pending budget disbursement requests from government agencies.
- Electricity and renewable energy: A new segment arising from the acquisition of subsidiaries, namely Gridex Co., Ltd. and Alternative Nice Energy Co., Ltd., with nine-month revenue of THB 4.2 million and a gross profit margin of 47.6%.

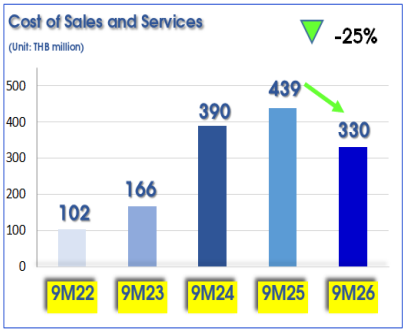
Cost of Sales and Services, Gross Profit and Gross Profit Margin

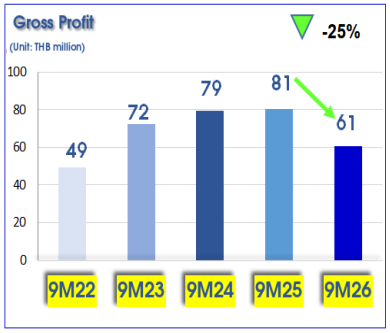


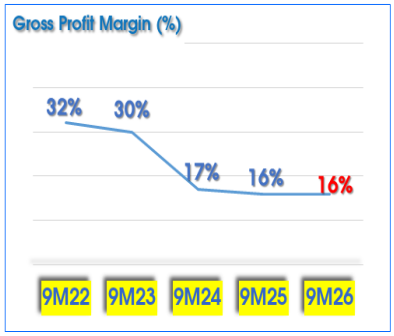




In 3Q2026, the Group's cost of sales and services was THB 83.1 million, or 82.6% of revenue, a decrease of THB 25.8 million or 23.7% from 3Q2025. Gross profit was THB 17.6 million, representing a gross profit margin of 17.5%, close to 17.3% in 3Q2025. Gross profit decreased by THB 5.3 million or 23.1% in line with the lower revenue.







For the first nine months of 2026, the Group's cost of sales and services was THB 330.0 million, or 84.5% of revenue, a decrease of THB 109.0 million or 24.8%. Gross profit was THB 60.8 million, representing a gross profit margin of 15.5%, unchanged from the same period of the previous year. Gross profit decreased by THB 20.1 million or 24.8%.

The overall gross profit margin remained stable even though the gross profit margin of real estate projects declined from 39.9% to 35.8% and that of government projects declined from 10.2% to 9.3%, as the wholesale and retail margin improved from 11.8% to 13.5% and the high-margin renewable energy segment contributed additional revenue.

Selling Expenses

In 3Q2026, the Group's selling expenses were THB 4.1 million, close to 3Q2025. For the first nine months of 2026, selling expenses were THB 14.9 million, a decrease of THB 0.3 million or 2.2%, due to lower commissions and brokerage fees, which vary with sales.

Administrative Expenses

In 3Q2026, the Group's administrative expenses were THB 11.5 million, an increase of THB 1.7 million or 17.3% from 3Q2025. The increase was because in 2025 there was an expected credit loss arising from a bad debt adjustment of THB 1.9 million from 2Q2025. For the first nine months of 2026, administrative expenses were THB 34.9 million, a decrease of THB 2.2 million or 6.0%, mainly due to lower management compensation and employee-related expenses.

Reversal of Expected Credit Losses

In 3Q2026, the Group recorded an expected credit loss of THB 0.2 million, down from THB 2.3 million in 3Q2025. For the first nine months of 2026, the expected credit loss was THB 0.1 million, compared with a reversal of THB 0.8 million in the same period of the previous year. During the period, the Group wrote off bad debts of THB 0.2 million and continues to follow up on collections from long-overdue debtors.

Finance Costs

For the first nine months of 2026, the Group's finance costs were THB 1.4 million, a decrease of THB 0.2 million or 12.6%, as long-term loans from financial institutions have been fully repaid. Most of the remaining finance costs are interest on lease liabilities.

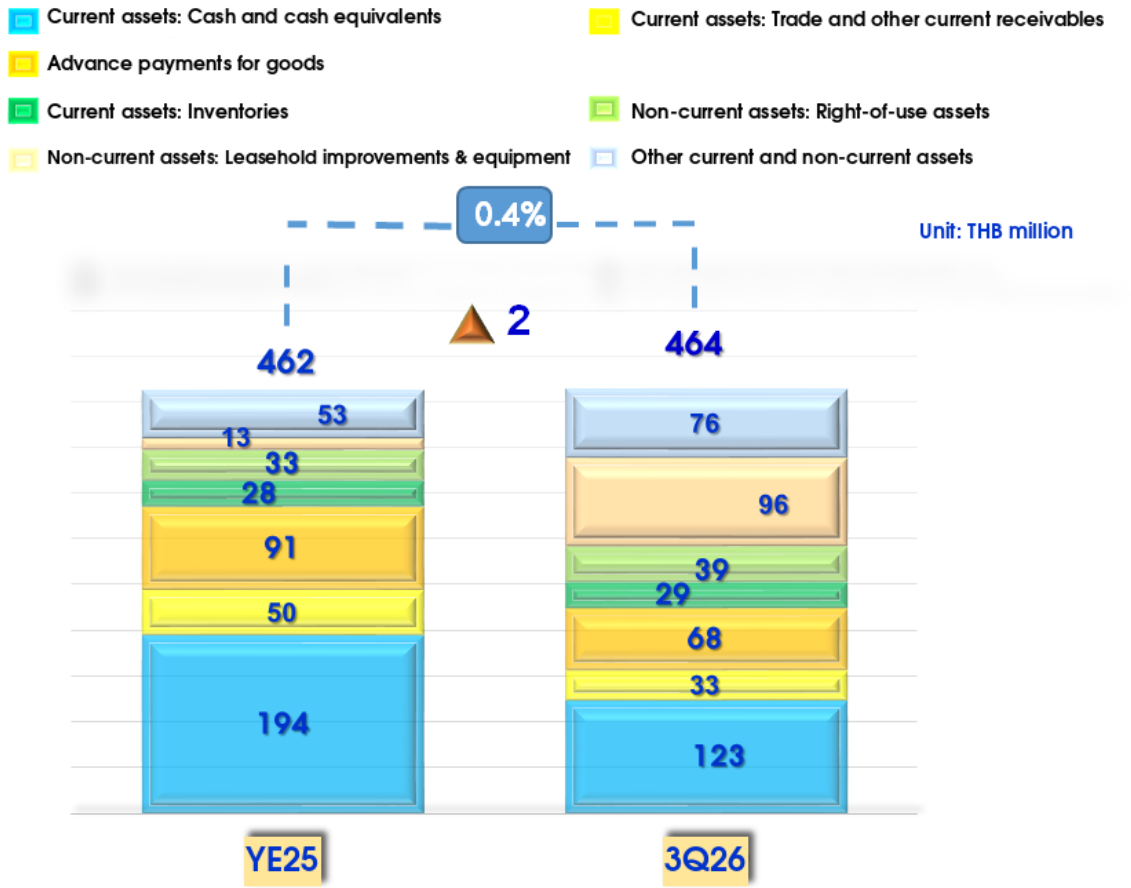
Income Tax

In 3Q2026, the Group's income tax was THB 0.7 million, a decrease of THB 0.8 million or 55.2% from 3Q2025. For the first nine months of 2026, income tax was THB 2.7 million, a decrease of THB 3.1 million or 53.4%, in line with the lower profit before income tax.

Net Profit for the Period

In 3Q2026, the Group recorded a net profit of THB 0.9 million, representing a net profit margin of 0.9%, a decrease of THB 4.5 million or 83.8% from 3Q2025. For the first nine months of 2026, net profit was THB 8.1 million, representing a net profit margin of 2.1%, a decrease of THB 15.1 million or 65.2%, mainly due to lower sales revenue, particularly from the wholesale and retail segment.

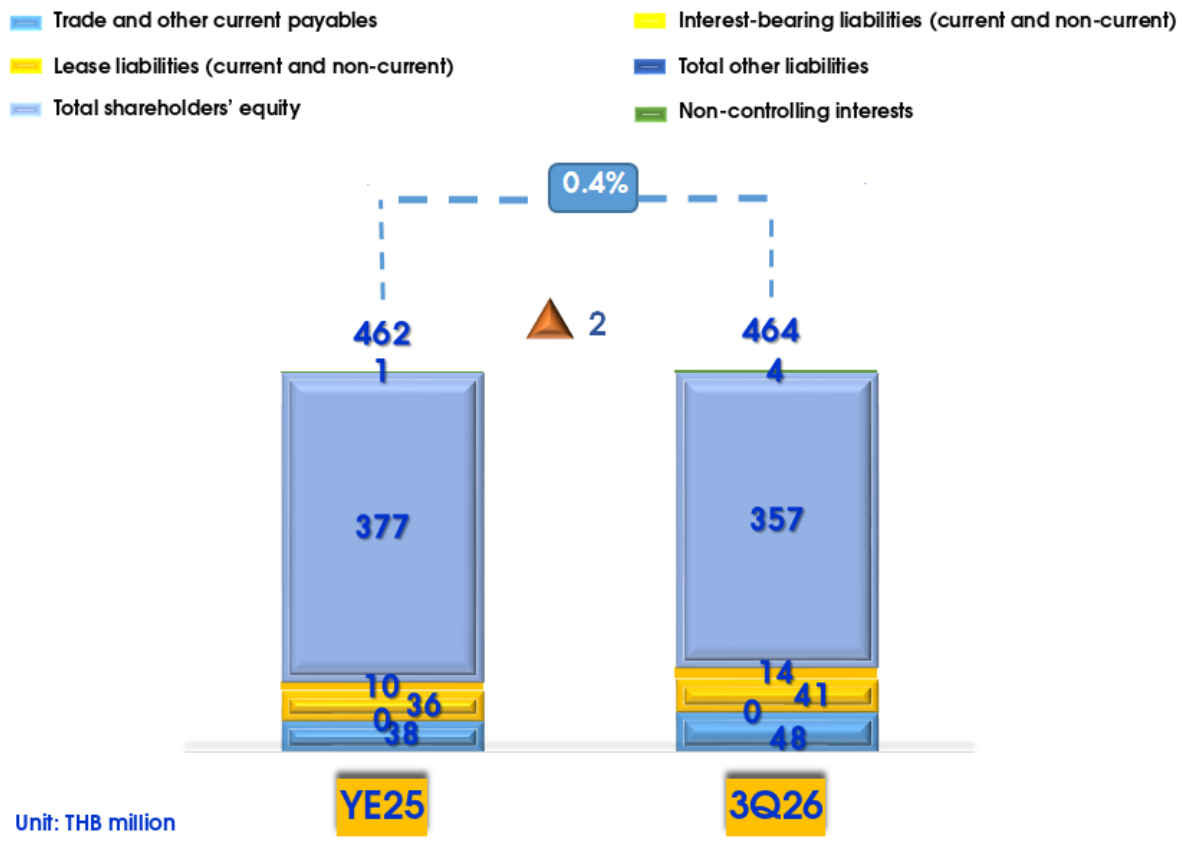
3. Consolidated Statement of Financial Position (Condensed)



Assets

As at 30 September 2026, the Group's total assets were THB 464.2 million, an increase of THB 2.6 million or 0.6% from 31 December 2025. The key changes were as follows:

- Cash and cash equivalents decreased by a net THB 71.5 million due to investment in equipment by the subsidiaries, dividend payments of THB 27.0 million, and the placement of deposits as collateral for credit facilities.
- Pledged bank deposits increased by THB 30.9 million to THB 43.2 million, used as collateral for letter of guarantee facilities from financial institutions in favour of government agencies.
- Leasehold improvements and equipment increased by THB 82.8 million, from additional purchases of THB 67.1 million and from the acquisition of subsidiaries of THB 18.8 million, mostly investments by the subsidiaries in the renewable energy business.
- Trade and other current receivables decreased by THB 16.5 million and advance payments for goods decreased by THB 23.8 million, following collections and receipt of goods during the period.



Liabilities

As at 30 September 2026, the Group's total liabilities were THB 102.3 million, an increase of THB 17.8 million or 21.1% from 31 December 2025, mainly due to payables for the purchase of assets by the subsidiaries of THB 24.4 million, while trade payables decreased in line with purchases of goods, and lease liabilities increased from new leases of the subsidiaries.

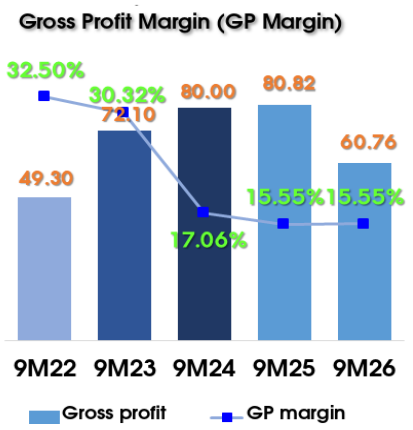
Shareholders' Equity

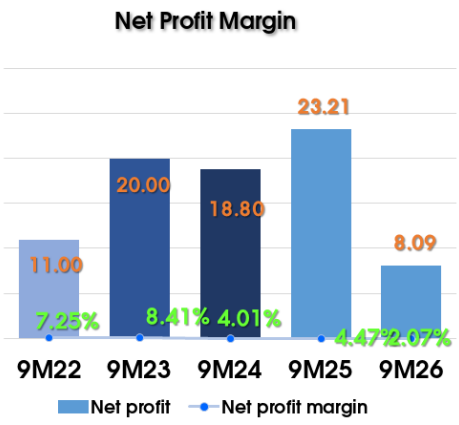
As at 30 September 2026, the Group's total shareholders' equity was THB 361.9 million, a decrease of THB 15.2 million or 4.0% from 31 December 2025, due to dividend payments of THB 27.0 million, partly offset by the nine-month net profit of THB 8.1 million and a net increase in non-controlling interests of THB 3.9 million from the acquisition of subsidiaries.

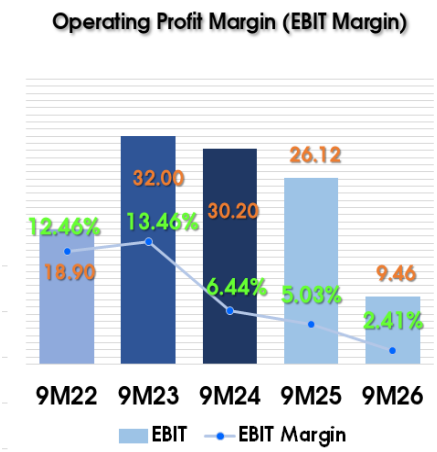
Cash Flows

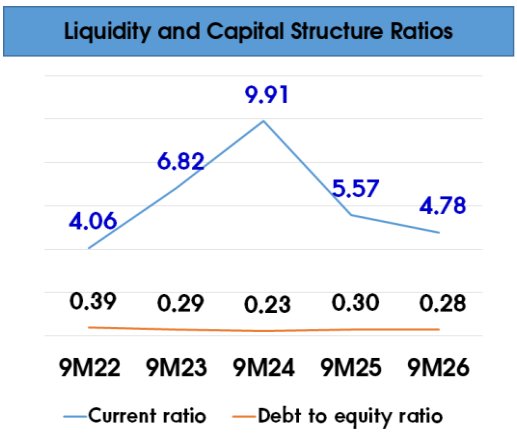
For the first nine months of 2026, the Group had net cash from operating activities of THB 15.2 million, net cash used in investing activities of THB 55.6 million, mainly for the purchase of equipment of THB 52.1 million, and net cash used in financing activities of THB 31.1 million, mainly for dividend payments of THB 27.0 million. As a result, cash decreased by a net THB 71.5 million to THB 122.7 million at the end of the period.

4. Key Financial Ratios

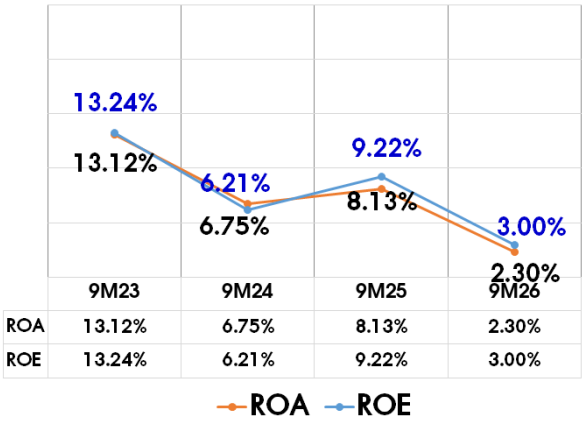








Return on Investment Ratios



	9M23	9M24	9M25	9M26
ROA	13.12%	6.75%	8.13%	2.30%
ROE	13.24%	6.21%	9.22%	3.00%

ROA ROE

5. Factors that may affect future operations or growth

The Group aims for sustainable growth, continuing to focus primarily on selling products to government project customers, in line with the national infrastructure development plan, including the sale of solar street lights and renewable energy products to government agencies nationwide. In addition, in 2026 the Group expanded into the electricity and renewable energy business through its subsidiaries, which offers higher gross profit margins than the existing business.

Factors that may have a negative impact include the risk of penalties for late delivery of goods to government agencies and the timing of government budget disbursements. The Group therefore controls and monitors delivery schedules to ensure compliance with contracts in order to mitigate such risks. Other risks include high dependence on government projects, the slowdown in the real estate sector, and exchange rate fluctuations arising from imported goods. There are also operational risks in the new electricity and renewable energy business, for which the Group evaluates the return on investment, with the opportunity to generate recurring income over the long term.

6. Sustainability Developments

In line with the Group's operating targets for 2026, the Company has carried out the following sustainability initiatives:

1. **Economic and Governance**

The Group sells solar street lights, which are considered environmentally friendly products as they reduce electricity consumption. The Group also has plans in place to maintain good corporate governance, as a result of which the Company received a 4-star "Very Good" CGR rating. The Group also aims to be assessed under the FTSE Russell ESG Scores, which is currently under consideration by the responsible agency.

2. **Environmental and Social**

The Group also has environmental plans with supporting activities, including planting trees in mangrove forest areas to help reduce carbon and proper waste segregation within the Group, under the "ITTHI GOING GREEN" concept, which the Group will carry out continuously for no less than 5 years. In 2Q2026, the Group carried out the project "Light of Educational Opportunity, Year 2, and Mangrove Reforestation, Year 4," which was completed in July 2026 and continues on an ongoing basis, with the cooperation of the Group's business partners, customers and allies across various sectors. The objective is to sustainably improve the quality of life and the environment of communities in the Group's areas of operation.

Please be informed accordingly.

Sincerely Yours,

-Aekkachai Archaphiphat-

(Mr. Aekkachai Archaphiphat)

Chief Financial Officer