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No. BLC 251/2026

9 November 2026

Subject: Management Discussion and Analysis for the third quarter of 2026

To: President of Stock Exchange of Thailand

Financial performance for the third quarter and nine-month period ended September 30, 2026

Statement of profit or loss Unit : Million Baht	Q3 of 2025	Q2 of 2026	Q3 of 2026	Change		9M 2025	9M 2026	Change
	3Q2025	2Q2026	3Q2026	%YoY	%QoQ	9M2025	9M2026	%YoY
Revenue from sales and rendering services	403.9	399.0	405.0	0.3%	1.5%	1,257.1	1,221.8	-2.8%
Gross profit	**238.9**	**223.6**	**216.7**	**-9.3%**	**-3.1%**	**737.6**	**669.3**	**-9.3%**
Gross profit Margin (%)	**59.1%**	**56.0%**	**53.5%**	**-9.5%**	**-4.5%**	**58.7%**	**54.8%**	**-6.6%**
Other income	1.7	5.1	1.0	-44.4%	-80.9%	8.8	7.8	-11.1%
Selling expenses	118.5	115.2	110.2	-7.0%	-4.4%	359.9	339.3	-5.7%
Administrative expenses	70.1	74.1	75.7	8.1%	2.2%	207.7	225.9	8.8%
EBIT	**52.0**	**39.4**	**31.8**	**-38.9%**	**-19.4%**	**178.8**	**111.9**	**-37.4%**
EBITDA	**67.5**	**55.5**	**55.8**	**-17.3%**	**0.6%**	**223.7**	**167.7**	**-25.0%**
Finance costs	2.0	2.2	3.2	61.9%	42.1%	5.2	7.5	43.5%
Tax expense	9.8	7.0	6.8	-30.7%	-3.1%	36.5	22.0	-39.7%
Net profit	**40.2**	**30.2**	**21.8**	**-45.8%**	**-27.8%**	**137.1**	**82.4**	**-39.9%**
Net profit margin (%)	**10.0%**	**7.6%**	**5.4%**			**10.9%**	**6.7%**	

Overall business

Overall, Thailand's pharmaceutical and healthcare industry in 2026 has shown divergent growth across product segments, with year-to-date (YTD) sales of the overall market growing only slightly due to weak purchasing power and a slow economic recovery. Nevertheless, health products and ethical drugs have continued to grow, driven by Thailand's transition into a fully aged society and the expansion of the preventive-health segment. As a result, demand for Non-Communicable Diseases (NCDs) medicines and dietary supplements has increased, while sales of over-the-counter medicines have declined. Furthermore, government policies to improve access to healthcare services through pharmacy networks, the expanding role of the National Health Security Office (NHSO) in supporting the dispensing of medicines for minor ailments at quality pharmacies, periodic revisions of the National List of Essential Medicines, and the national strategy to position Thailand as a medical investment hub are key factors broadening access to pharmaceutical and medical products nationwide.

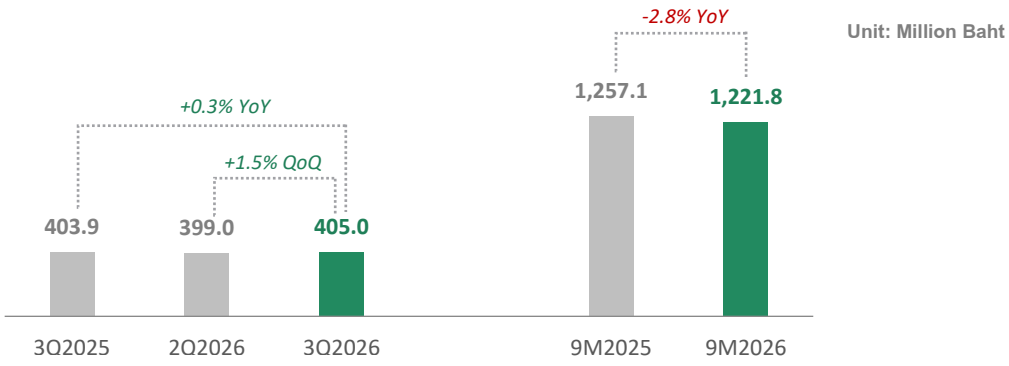
However, the industry continues to face pressure and challenges from geopolitical volatility affecting the cost of active pharmaceutical ingredient (APIs) and energy; intensified competition in the generic drugs market, as well as in the cosmetics and herbal markets, from both domestic and international players; and seasonal declines in tourist arrivals. Furthermore, the tightening financial position of hospitals under the Ministry of Public Health, many of which are reporting negative maintenance fund balances, may affect procurement and payment periods. In response to these

conditions, the Group is focusing on adapting its marketing strategies and manufacturing innovation to elevate its products to a leadership standard, while advancing the strategic expansion of production capacity at its new manufacturing facility to build cost advantages, maintain competitiveness, and drive sustainable growth.

Significant events in the third quarter of 2026

- BLC participated in CPHI South East Asia in July 2026, showcasing pharmaceutical products, new generic drugs, herbal innovations and health products. The Company also unveiled its new international-standard pharmaceutical manufacturing facility, which expands production capacity and creates opportunities in the CDMO-OEM business (contract development and manufacturing of formulations and pharmaceuticals). BLC also used the event to build partnerships to drive exports, in line with the national policy to position Thailand as a Medical Hub.
- BLC participated in the 23rd National Herbal Expo in July 2026, presenting 10 flagship herbal products under the concept “Thotsamanee” (Ten Gems), together with advanced extraction technology from the BLC Research Center. This reinforces the Company’s leadership in herbal innovation and its commitment to raising Thai herbal products to international standards for sustainable growth.
- BLC expanded its customer base through a sports marketing strategy, with its “Plaivana” brand serving as the main sponsor of the Muay Thai event “King of Fight” under the slogan “Thai Heritage for Every Fighter.” The sponsorship targets athletes and young people who exercise intensively and build awareness of the brand as a modern choice for relieving muscle aches and pains.
- In August 2026, construction of the Company’s new pharmaceutical manufacturing facility was completed, and the facility was officially handed over, supporting the expansion of production capacity and long-term business growth.
- BLC was named to Forbes Asia’s “Best Under A Billion 2026” list, as one of 18 Thai listed companies among the top 200 small and mid-sized companies in the Asia-Pacific region. The companies were selected for strong and consistent business performance and growth, reflecting the Company’s strength and its focus on research, development and innovation through the BLC Research Center.

Revenue from operations



Revenue from sales and rendering services for the third quarter of 2026

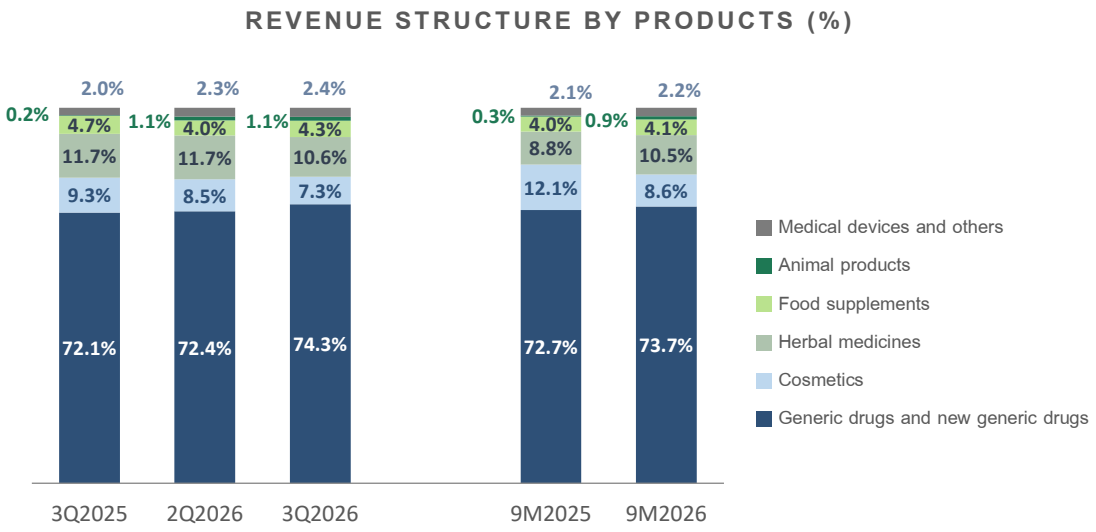
The Group's revenue from sales and rendering services for Q3/2026 was 405.0 million baht, a slight increase of 0.3% year-on-year (YoY) and 1.5% quarter-on-quarter (QoQ). Growth was mainly driven by a continued recovery in export sales to Laos and Myanmar, together with an expanded export product portfolio and wider distribution to drugstores.

Revenue from sales and rendering services for the nine-month period of 2026

For the nine-month period of 2026, the Group recorded revenue from sales and services of 1,221.8 million baht, a decrease of 2.8% year-on-year (YoY). This was primarily due to intense competition in the cosmetics market and macroeconomic factors, including the economic slowdown and geopolitical risks, which made customers more cautious in their spending. At the same time, revenue from the pharmaceutical segment was temporarily affected by changes to the launch schedule of new products. The high revenue base in Q1/2025 also contributed to the year-on-year decline.

Revenue by types of products

Revenue by types of products Unit : Million Baht	Q3 of 2025	Q2 of 2026	Q3 of 2026	Change		9M 2025	9M 2026	Change
	3Q2025	2Q2026	3Q2026	%YoY	%QoQ	9M2025	9M2026	%YoY
Generic drugs and new generic drugs	291.3	289.0	301.0	3.3%	4.2%	914.4	900.2	-1.6%
Cosmetics	37.5	34.1	29.5	-21.3%	-13.5%	152.0	104.8	-31.1%
Herbal medicines	47.2	46.5	43.1	-8.7%	-7.3%	111.1	128.1	15.3%
Food supplements	19.0	16.1	17.5	-7.9%	8.7%	49.8	50.3	1.0%
Animal products	0.8	4.1	4.2	425.0%	2.4%	3.9	11.0	182.1%
Medical devices and others	8.1	9.2	9.7	19.8%	5.4%	25.9	27.4	5.8%
Total revenue from sales and rendering services	**403.9**	**399.0**	**405.0**	**0.3%**	**1.5%**	**1,257.1**	**1,221.8**	**-2.8%**



Generic drugs and new generic drugs: For the nine-month period ended September 30, 2026, revenue from this segment decreased slightly by 1.6% YoY. This decline mainly resulted from regulatory requirements on certain controlled pharmaceutical products, which affected sales volumes in some product groups. Nevertheless, the impact was partly offset by the Group's diversified product portfolio, particularly acne treatment products, whose sales improved during the period. For Q3/2026, sales increased slightly by 3.3% YoY and 4.2% QoQ, primarily driven by higher export sales from the launch of new products to existing customers in Laos and the recovery of Myanmar sales following the resolution of registration issues in the previous year, together with the continued expansion of overseas markets.

Cosmetics: For the nine-month period ended September 30, 2026, revenue from this segment decreased by 31.1% YoY, primarily due to the high revenue base in the previous year, which resulted from proactive online marketing activities and Key Opinion Leader (KOL) marketing for Clena Ex products. For Q3/2026, sales of the cosmetics segment decreased by 21.3% YoY and 13.5% QoQ, pressured by slower sales of the Vitara and Burnova brands due to seasonal factors. However, the Group began recognizing revenue from its distribution rights for Khaokho Talaypu products through the OTC channel from Q1/2026 onwards, with sales growing steadily, helping to strengthen and diversify risk for the cosmetics business in the long term.

Herbal medicines: Sales of this segment in the first nine months of 2026 continued to grow steadily by 15.3% YoY. This growth was primarily driven by the distribution rights for Radomphon Herbal Liquid products, which began contributing to revenue in Q2/2026 and accounted for approximately 17% of total herbal medicine sales, together with increasing demand for herbal medicines among hospital clients, in line with government policies promoting the use of herbal medicines in the public health system. However, sales in Q3/2026 decreased by 8.7% YoY and 7.3% QoQ, mainly due to the budget disbursement and procurement cycles of certain hospital clients during the quarter.

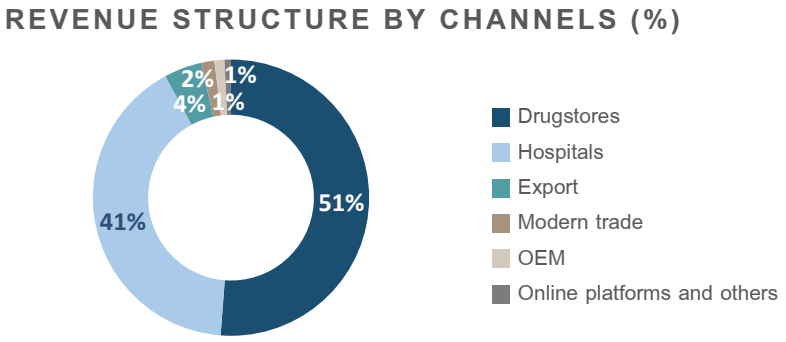
Food supplements: For the nine-month period of 2026, revenue from this segment grew slightly by 1.0% YoY, mainly driven by the launch of new products under the Deeday and Baidy brands. For Q3/2026, sales of the food supplement segment decreased by 7.9% YoY due to price adjustments in the online channel in line with market competition, in order to retain the customer base and long-term market share. However, sales increased 8.7% QoQ, supported by the continued launch of additional new products under the Deeday brand, together with growth in revenue from Original Equipment Manufacturer (OEM) services during the period.

Animal products: Revenue from the animal product segment grew for both the three-month and nine-month periods ended September 30, 2026, consistently with the recovery of the livestock market. The primary supporting factor was the expansion of demand within the veterinary pharmaceutical market.

Medical devices and others: Sales of this segment continued to grow steadily. For the nine-month period ended September 30, 2026, sales increased by 5.8% YoY, while sales in Q3/2026 increased by 19.8% YoY and 5.4% QoQ. Growth was mainly driven by sales of mosquito repellent and children's products from the Group's distribution rights for Kindee products through the OTC channel, which began in late Q2/2026.

Revenue by channels

Revenue by channels Unit : Million Baht	Q3 of 2025	Q2 of 2026	Q3 of 2026	Change		9M 2025	9M 2026	Change
	3Q2025	2Q2026	3Q2026	%YoY	%QoQ	9M2025	9M2026	%YoY
Drugstores	205.3	202.3	216.3	5.4%	6.9%	674.2	625.6	-7.2%
Hospitals	165.6	166.9	154.0	-7.0%	-7.7%	484.7	499.9	3.1%
Export	18.7	15.3	22.8	21.9%	49.0%	55.1	54.2	-1.6%
Modern trade	4.3	6.7	3.8	-11.6%	-43.3%	17.6	18.5	5.1%
OEM	3.9	5.3	5.5	41.0%	3.8%	8.2	14.4	75.6%
Online platforms and others	6.1	2.5	2.6	-57.4%	4.0%	17.3	9.2	-46.8%
Total revenue from sales and rendering services	**403.9**	**399.0**	**405.0**	**0.3%**	**1.5%**	**1,257.1**	**1,221.8**	**-2.8%**



Revenue from sales and rendering services for the nine-month period of 2026 - by distribution channels

The Group primarily generated revenue from drugstores, which accounted for 51% of the total revenue from sales and rendering services in the first nine months of 2026. Sales from this channel declined 7.2% mainly due to the decrease in sales of Generic drugs and new generic drugs and cosmetics, as previously mentioned.

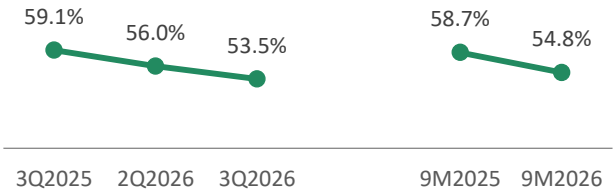
Revenue from hospitals (both public and private) and clinics accounted for 41% of total sales, growing 3.1% YoY, mainly driven by strong demand for key product groups such as Diabederm and Plaivana. This was further supported by government healthcare policies and the annual procurement cycles of hospitals, where delayed budget disbursements from the previous period contributed to the surge in demand during the current period.

Furthermore, the Group's export revenue accounted for 4% of total revenue from sales and rendering services in the first nine months of 2026. Sales from this channel decreased by 1.6% YoY, primarily due to the economic slowdown in Cambodia due to border uncertainty. This situation temporarily disrupted logistics and local economic activities in the affected areas.

Additionally, the Group generated revenue from modern trade, which accounted for 2%, original equipment manufacturing (OEM), which accounted for 1%; and online and other channels, which accounted for 1% of total revenue from sales and rendering services in the first nine months of 2026. Revenue from modern trade increased by 5.1% YoY, driven by the successful expansion of our product portfolio into more diverse distribution channels. Similarly, OEM segment showed growth, driven by increased orders for animal health

products in line with the recovery of the livestock industry. However, revenue from online and other channels declined compared to the same period last year, due to intense competition in the cosmetics and food supplement markets, which remains a key challenge in managing sales through these channels.

Gross profit margin

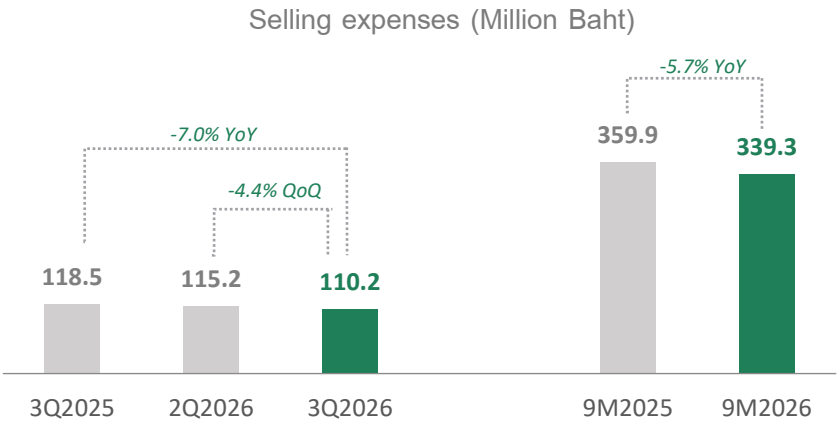


In Q3/2026, the Group's gross profit margin was 53.5%, a decrease both year-on-year (YoY) and quarter-on-quarter (QoQ). This was primarily due to a change in the sales mix, with a lower proportion of sales from the high-margin cosmetics segment, along with depreciation of the new manufacturing facility, which began to be recognized in August 2026.

For the nine-month period ended September 30, 2026, the Group's gross profit margin was 54.8%, a decrease year-on-year (YoY), due to the sales mix and the expansion of the herbal product segment while facing intense price competition. The Group adopted a proactive pricing strategy to gain market share in the high-growth herbal segment. Although this has temporarily reduced unit margins, it strengthens the Group's competitive advantage and helps retain its customer base in the long term.

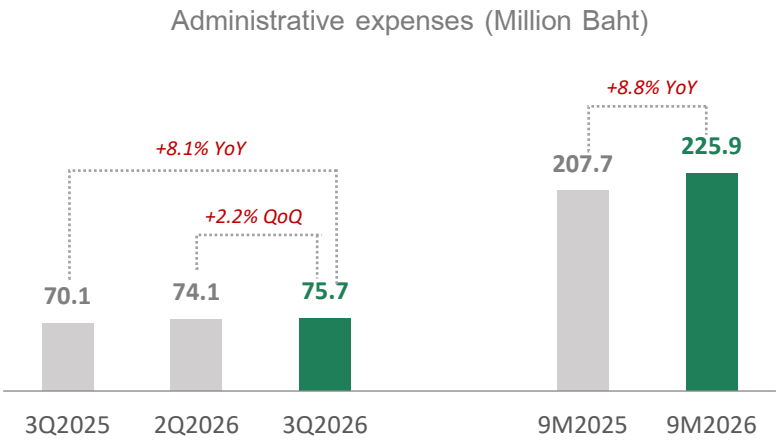
In addition, the gross profit margin was partly affected by the weakening of the Thai baht against the US Dollar, as imported raw materials account for approximately 14% of the Group's total raw material and packaging purchases.

Selling and administrative expenses



In Q3/2026, selling expenses decreased by 7.0% YoY, mainly due to lower brand-building expenses, and by 4.4% QoQ, as advertising and promotional activities were managed in line with the Group's marketing plan.

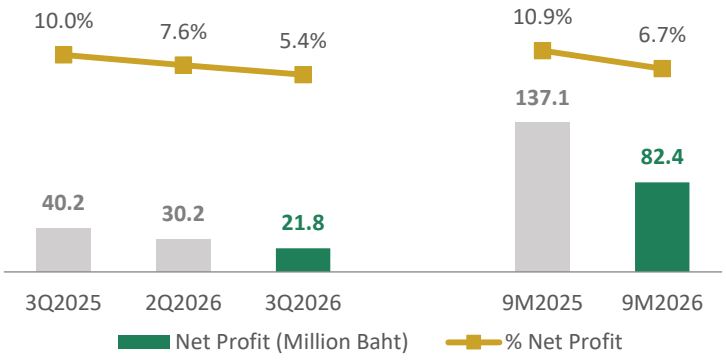
For the nine-month period ended September 30, 2026, selling expenses decreased by 5.7% YoY, resulting from efficient management of advertising media and promotional expenses through optimized communication channels that reduced costs while maintaining broad consumer reach. Nevertheless, personnel-related expenses slightly increased, primarily due to the expansion of the sales and marketing teams to support future business growth.



Administrative expenses for the three-month period of Q3/2026 rose by 8.1% YoY. This increase was mainly driven by higher personnel expenses following an increase in headcount and elevated depreciation charges. Moreover, on a QoQ basis, administrative expenses increased by 2.2%, mainly due to fees for the cancellation of certain drug registrations, as well as higher allowances for expected credit losses (doubtful debts) during the quarter.

For the nine-month period ended September 30, 2026, administrative expenses increased by 8.8% YoY, primarily attributable to additional administrative staff to support business expansion, higher depreciation of the Group's assets, as well as trademark fees and drug registration fees in line with new product launch plan. Additionally, consulting fees increased for sustainability development in governance and transparency, supported by the Jump+ project.

Net profit



Net profit for Q3/2026

The Group reported a net profit of 21.8 million baht, representing a net profit margin of 5.4%. The key highlights are as follows:

- **Year-on-year (YoY) Comparison for Q3/2025:**

  Net profit decreased by 45.8%, and net profit margin declined from 10.0% to 5.4%. This was mainly due to a lower gross profit margin, resulting from (1) a lower sales contribution from the high-margin cosmetics segment amid intensified competition, and (2) depreciation of the new manufacturing facility, recognized from August 2026. Although selling and administrative expenses decreased slightly, the decline was not sufficient to offset the lower gross profit, resulting in a 38.9% decrease in earnings before interest and taxes (EBIT). In addition, finance costs increased due to higher borrowings from financial institutions.

- **Quarter-on-quarter (QoQ) Comparison for Q2/2026:**

  Net profit decreased by 27.8% QoQ, and the net profit margin declined from 7.6% to 5.4%, mainly due to lower gross profit and higher finance costs from additional drawdowns under loan facilities.

Net profit for the nine-month period of 2026

The Group reported a net profit of 82.4 million baht, a decrease of 39.9% YoY, while the net profit margin declined from 10.9% to 6.7%. The reasons are as follows:

- Lower gross profit margin: Due to lower-than-targeted revenue and a change in the product mix, the share of the high-margin cosmetics segment decreased, while the share of the lower-margin herbal medicine segment increased. This was coupled with depreciation of the new manufacturing facility, recognized from August 2026.
- Lower operating profit (EBIT): Resulting from the lower gross profit margin, despite a slight decrease in selling and administrative expenses compared with the same period last year.
- Higher finance costs: Due to drawdowns under loan facilities from financial institutions for working capital.

Meanwhile, income tax expenses decreased in line with lower profit before tax, with no significant change in the effective tax rate compared with the same period last year.

Statement of financial position

Statement of financial position	December 31, 2025		September 30, 2026		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	2,365.6	100.0%	2,651.1	100.0%	285.5	12.1%
Total liabilities	686.8	29.0%	973.9	36.7%	287.1	41.8%
Total shareholders' equity	1,678.8	71.0%	1,677.2	63.3%	(1.6)	(0.1%)

Assets

As at September 30, 2026, the Group's total assets amounted to 2,651.1 million baht, representing an increase of 285.5 million baht from the end of 2025. This was primarily attributable to an increase in current assets and non-current assets of 75.2 million baht and 210.3 million, respectively, as detailed below:

- **Cash and cash equivalents** decreased by 76.2 million baht from the end of 2025, mainly due to dividend payments, repayments of lease liabilities, and capital expenditures on the new manufacturing facility and machinery during the period.
- **Trade receivables** decreased by 16.1 million baht from the end of 2025, mainly due to a slight decrease in revenue for the Group during the third quarter of 2026 compared to the last quarter of 2025 (the normal credit term granted by the Group ranges from 30 days to 150 days). As at September 30, 2026, the Group recognized allowance for expected credit loss of 1.4 million baht. Overdue receivables accounted for 5.1% of total trade receivables (December 31, 2025: the allowance for expected credit loss was 1.2 million baht, and overdue receivables accounted for 7.2% of total receivables).
- **Inventories** increased by 168.6 million baht from the end of 2025, mainly due to increases of 90.2 million baht in finished goods and work in process (as a result of sales falling below target), 62.4 million baht in raw materials, and 18.4 million baht in packaging materials. The increase in raw materials and packaging reflects strategic inventory management to mitigate risks from raw material price volatility and freight costs, as well as potential supply shortages arising from geopolitical challenges. The Group therefore purchased raw materials and packaging in advance as reserves to ensure business continuity and keep production costs at an appropriate level. Moreover, as at September 30, 2026, the Group recognized an allowance for decline in value of inventories of 4.6 million baht (December 31, 2025: the allowance for decline in value of inventories was 0.9 million baht).
- **Other current assets** increased by 4.4 million baht from the end of 2025, mainly due to advance payments for contract manufacturing to support orders and the sales plan for the next quarter.
- **Property, plant, and equipment** rose by 306.0 million baht from the end of 2025, primarily due to the construction of the new production plant, which was completed and began production in August 2026, as well as the purchase of machinery to increase production capacity at the Ratchaburi plant.
- **Intangible assets** increased by 8.1 million baht from the end of 2025, primarily driven by the development of new generic drugs and investments in analytical software for product testing related to drug registration renewals and new product design.
- **Other non-current assets** decreased by 123.4 million baht from the end of 2025. This mainly resulted from transferring deposits for the construction of the new plant, as well as deposits for machinery for both existing and the new plants into assets under construction and installation within the property, plant, and equipment category, in accordance with the project's progress.

Liabilities

Total liabilities of the Group were 973.9 million baht as at September 30, 2026, which increased by 287.1 million baht compared to 2025. The reasons were mainly from an increase in current liabilities and non-current liabilities by 267.1 million baht and 20.0 million baht, respectively, as follows:

- **Borrowings from financial institutions** increased by 284.0 million baht to finance the Company's working capital needs. These loans carry interest rates ranging from 2.2% to 5.5% per annum. Following its IPO, the Group used part of the proceeds to fully repay its borrowings. However, due to slower revenue this year, the Group has drawn on loan facilities to support its working capital.
- **Trade payables** increased by 29.2 million baht from the previous year. This aligns with the increase in inventories resulting from strategic procurement planning to mitigate geopolitical risks and raw material price volatility. Such measures enable the Company to efficiently manage production costs and ensure business continuity.
- **Other current payables** decreased by 24.9 million baht, primarily due to the payment of outstanding dividends to shareholders in January 2026.

Shareholders' equity

Total shareholders' equity decreased by 1.6 million baht, driven by the total comprehensive income for the nine-month period of 2026 by 82.4 million baht, offset by dividends of 84.0 million baht during the period.

Key financial ratios

Ratios	9M 2025	9M 2026
Liquidity (X)		
Current ratio	2.5	1.4
Quick ratio	1.4	0.6
Returns (%)		
Return on Assets (ROA)	10.9%	6.4%
Return on Equity (ROE)	11.4%	7.1%
Assets & Liabilities Management (Days)		
Average Collection Period	78.3	79.7
Average Inventory Period	222.0	277.1
Average Payable Period	68.2	73.4
Cash cycle	232.2	283.3
Leverage Ratios		
Total Liabilities to Equity (X)	0.4	0.6
Loans from financial institutions to total liabilities (%)	33.1%	53.1%
Interest Coverage Ratio (X)	43.5	22.3

Liquidity Ratios: As at September 30, 2026, the current ratio and quick ratio, standing at 1.4 times and 0.6 times, respectively, representing a decrease from Q3/2025. This was primarily due to cash payments for investments in the construction of a new production plant and the acquisition of machinery during the year, coupled with an increase in inventories, following a strategic raw material stockpiling policy to mitigate supply chain risks, alongside the management of short-term credit facilities to support operational liquidity. Although the ratio declined due to capital expenditure on fixed assets aimed at driving future growth, the Group continues to maintain liquidity at an appropriate level, sufficient for its business operations.

Returns Ratios: As at September 30, 2026, the return on assets (ROA) and return on equity (ROE) declined from Q3/2025, to 6.4% and 7.1%, respectively. This was because the Group invested in the construction of a new manufacturing facility to expand production capacity and improve operational efficiency, resulting in a larger asset base. The facility was completed in Q3/2026 and is in the early stage of production, and has not yet generated revenue at full capacity during the period. The Group expects returns to improve as the new capacity gradually generates revenue in the coming periods.

Assets & Liabilities Management: As at September 30, 2026, the cash cycle increased to 283.3 days compared to the same period last year. This was primarily driven by an increase in the average inventory period from 222.0 days to 277.1 days, resulting from a proactive supply chain management strategy, which involved increasing strategic inventory reserves for raw materials and packaging to hedge against price volatility and mitigate uncertainties arising from geopolitical tensions. Excluding raw materials and packaging, the inventory holding period increased from 170.5 days to 205.3 days compared to the same period last year, primarily due to sales performing below earlier projections. Nevertheless, management is closely monitoring and addressing this matter. Furthermore, this issue has been designated as a key focus area under the Risk Management Committee to formulate corrective measures and optimize inventory turnover moving forward.

The Average Collection Period saw a slight increase from 78.3 days to 79.7 days, and the Group continues to closely monitor and manage its accounts receivable. Meanwhile, the Group remains committed to working capital efficiency, maintaining an Average Payment Period of 73.4 days to minimize the impact on overall liquidity.

Leverage Ratios: The debt-to-equity (D/E) ratio stood at 0.6 times, an increase from the end of Q3/2025. The proportion of loans from financial institutions to total liabilities rose from 33.1% to 53.1%, mainly as a result of loan drawdowns for working capital. Nevertheless, the Group continues to maintain its D/E ratio at an appropriate level, below the covenant set by financial institutions, and its debt service coverage ratio (DSCR) above the covenant requirement.

As at September 30, 2026, the interest coverage ratio stood at 22.3 times, a decrease from the same period last year. This decline was driven by rising finance costs in line with increased loan drawdowns, intended to support liquidity and meet working capital requirements for business expansion.

Statement of Cash Flows

Net cash flows (million baht)	9M 2026
Net cash from Operating activities	40.4
Net cash used in Investing activities	(229.1)
Net cash from Financing activities	112.5
Net decrease in cash and cash equivalents	**(76.2)**
Cash and cash equivalents as at 1 January	123.8
Cash and cash equivalents as at 30 September	47.6

Operating activities: For the nine-month period of 2026, the Group generated cash flows from operations before changes in operating assets and liabilities of 185.6 million baht. After deducting a net increase in working capital of 95.2 million baht, as an increase in inventories of 170.1 million baht was partly offset by an increase in trade and other current payables of 66.7 million baht, and income tax paid of 50.0 million baht, net cash from operating activities amounted to 40.4 million baht, representing 49.0% of net profit.

Investing activities: Net cash used in investing activities was 229.1 million baht, mainly for capital expenditure (CAPEX) totaling 229.3 million baht. This comprised: (1) cash payments for property, plant and equipment of 150.2 million baht, mainly for the construction of the new production facility and machinery installation; (2) advance payments for fixed assets based on project progress of 69.2 million baht; and (3) investments in intangible assets, such as software and new generic drug development of 9.9 million baht. The new manufacturing facility began production in August 2026 and is expected to start generating commercial revenue from Q4/2026 onwards. These investments are in line with the Group's capacity expansion plan to support long-term growth.

Financing activities: Net cash from financing activities was 112.5 million baht. The Group received proceeds from bank overdrafts and borrowings from financial institutions totaling 685.1 million baht during the period, while it repaid loans of 401.1 million baht, paid lease liabilities of 20.0 million baht, paid dividends of 144.0 million baht, and paid interest of 7.5 million baht.

Future Outlook and Strategy

For the business outlook in Q4/2026 and beyond, the Group is focused on driving growth through continued improvements in production efficiency. A key driver is the new production facility in Ratchaburi province, which was completed and handed over in August 2026 and is expected to gradually generate commercial revenue from Q4/2026 onwards, supporting the expansion of production capacity. In addition, the Group expects to benefit from lower energy costs from the Solar Farm Project Phase 2, as well as BOI tax privileges for the new production facility, which will help enhance profitability and improve operational efficiency sustainably.

In terms of marketing, the Group continues to pursue a proactive marketing strategy across high-margin product categories and the steadily growing herbal medicine segment, as well as launching new products that meet modern consumer behavior. At the same time, the Group is leveraging the new facility to increase the production

of general generic drugs in large volumes to meet demand in accessible, high-turnover markets, while partnering with business partners to better reach its target customers.

In terms of financial management, the Group prioritizes working capital management, including reducing inventory holding periods, maintaining appropriate liquidity, and effectively managing raw material reserves to mitigate the impact of fluctuations in logistics costs and global raw material prices. These measures will help ensure production continuity and build long-term shareholder confidence.

Sustainability Development

The Group prioritizes the establishment of sustainability policies and goals across three dimensions: Environmental, Social, and Governance, with a commitment to transparency and accountability. These efforts aim to strengthen the Group's resilience to long-term challenges and risk factors, while effectively responding to all stakeholders and fostering shared responsibility in these areas. This supports the Company's core purpose of creating reliable health solutions for the sustainable health and well-being of all. Details for each dimension are as follows:

Environmental Dimension

The Group has identified three key environmental issues: greenhouse gas management, pollution and waste management, and resource management.

- **Greenhouse Gas Management**: The Group aims to reduce greenhouse gas emissions per unit of product weight by 5.00% from the 2023 base year. This is being achieved through energy efficiency measures and the promotion of renewable energy, together with continuous employee awareness programs to build understanding and participation in reducing greenhouse gas emissions, reflecting the Group's commitment to this issue in a sustainable manner.
- **Pollution and Waste Management:** The Group aims to reduce general and hazardous waste per unit of production weight by at least 5.00% from the 2025 base year. To support this target, the Group has carried out additional waste reduction activities, including campaigns encouraging onsite shops to reduce the use of plastic cups and cutlery, and encouraging employees to use insulated tumblers instead of single-use plastic cups, in order to drive progress toward the target.
- **Resource Management:** The Group aims to use renewable energy for at least 45.00% of its total electricity consumption. The Group currently uses electricity from two solar farms with capacities of 1.4 MW and 1.5 MW and is installing a 954.84 kWp rooftop solar system on the new pharmaceutical manufacturing facility. The system is pending a controlled energy production license (Por Kor 2) and a grid connection license before it begins operation.

Social Dimension

The Group places great importance on all stakeholder groups, establishing appropriate guidelines for engagement and relationship management as follows:

- **Customer Relationship Management**: The goal is to achieve a customer satisfaction level of at least 82.00%, assessed once a year at year-end. From January to September 2026, the Group continued to provide product knowledge and health trend updates to customers, while continuously presenting new products.
- **Responsible Marketing:** The goal is to maintain zero marketing complaints. From January to September, no such complaints were received. Nevertheless, the Group continues to encourage marketing and sales employees to attend training to stay updated on marketing regulations, preventing misleading or exaggerated advertising and ensuring accurate, complete information is provided to customers.
- **Human Resource Management:** The Group has set two human resource targets: developing employees to receive an average of at least 80 training hours per person per year and maintaining employee satisfaction and engagement at no less than 90.00%, assessed annually at year-end. In addition, the Group places importance on employee health and well-being by providing annual health check-ups and encouraging employees to participate in health activities, such as the 113th Anniversary Commemorative Run of the Ratchaburi Wild Tiger Corps Club, as well as organizing activities to foster collaboration and good relationships among employees throughout the year.
- **Occupational Health and Safety:** The goal is to achieve zero lost-time injuries. The Group organizes various activities to ensure workplace health and safety, including equipment inspections for emergency preparedness, annual health check-ups, and various training programs to promote health and safety awareness among employees.
- **Human Rights**: The Group has set three human rights targets: (1) conducting a Human Rights Due Diligence (HRDD) assessment covering the entire Group, (2) zero child labor in its operations, and (3) zero human rights complaints across the Group. The Group has implemented various measures, including orientation sessions on Thai Labor Standards for employees, an internal grievance channel, and the promotion of Thai Labor Standard (TLS 8001) certification among Group companies, in order to elevate labor management to international standards, improve employees' quality of life, and prevent human rights violations.
- **Community and Social Development:** The goal is to achieve an average activity satisfaction rate of at least 85.00% for its activities. Guided by the principle that local communities should grow together with the Group, the Group continuously organizes community activities, such as hiring teachers and educating the elderly on proper medication use. In addition, the Group's executives and employees

organized the "Walk-Run-Ride: Every Kilometer Counts for Charity" project, which encouraged participants to exercise and accumulate distance throughout the project period. Every kilometer accumulated was converted into donations to Ratchaburi Hospital for the purchase of medical equipment and medical supplies, as well as the improvement of patient service facilities, contributing to the healthcare of people in society.

Governance Dimension

The Group places importance on conducting business with good governance, transparency, and accountability to build trust among all stakeholder groups. The Group has identified six key governance issues, namely: (1) product quality and trust, (2) product research and development and innovation, (3) business ethics, (4) cybersecurity and personal data protection, (5) supply chain management and raw material and product warehouse management, and (6) risk management and business continuity. All of these issues are being implemented on an ongoing basis.

In terms of business ethics, in September 2026, the Company declared its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), as part of the Thai private sector's efforts to combat corruption. In addition, the Company received a full score of 100 (5 medals) in the 2026 AGM Checklist assessment, rated "Excellent and Exemplary," from the Thai Investors Association together with the Securities and Exchange Commission (SEC), reflecting the Company's high standards of good governance and corporate governance.

Please be informed accordingly.

Sincerely yours,

(Mr. Somchai Phisphahutharn)

Chief Financial Officer