WORLD FLEX PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended June 30, 2026

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Subject : Management's Discussion and Analysis for the Second Quarter and Six-Month Period Ended June 30, 2026

To : Directors and Managers, Stock Exchange of Thailand

Worldflex Public Company Limited ("the Company") would like to clarify its operating results and financial position for the second quarter and six-month period ended June 30, 2026, which have been audited by a certified public accountant. The key points are as follows:

Overview of performance results.

In the second quarter of 2026, the company had a net profit of 2.48 million baht (an increase of 104.90% YoY) and EBITDA of 37.65 million baht (an increase of 711.20% YoY).

For the first six months of 2026, the company had a profit of 13.17 million baht (an increase of 123.89% YoY) and EBITDA of 82.81 million baht (an increase of 147.56% YoY). The key changes are detailed as follows:

Table 1. Company's Financial Figures (Comprehensive Income Statement)

Unit: THB Million	Q2/2026	Q2/2025	YoY (Q2) % + (-)	H1/2026	H1/2025	YoY (H1) % + (-)
Revenue from sales	470.65	530.20	(11.23%)	988.26	1,138.56	(13.20%)
Cost of sales	(452.45)	(563.93)	19.77%	(939.23)	(1,161.08)	19.11%
Gross profit (loss)	18.20	(33.73)	153.96%	49.03	(22.52)	317.72%
Distribution costs	(7.21)	(7.09)	(1.69%)	(14.35)	(15.26)	5.96%
Administrative expenses	(15.08)	(14.11)	(6.87%)	(29.87)	(27.46)	(8.78%)
Total selling and administrative expenses.	(22.29)	(21.20)	(5.14%)	(44.22)	(42.72)	(3.51%)
Total other income (including FX profits)	9.75	8.94	9.06%	14.50	18.95	(23.48%)
EBIT	5.66	(45.99)	112.31%	19.31	(46.29)	141.72%
Financial costs	(2.21)	(4.40)	49.77%	(4.55)	(8.94)	49.11%
Income (Expenses) Income Tax	(0.97)	(0.26)	(273.08%)	(1.59)	0.11	(1545.45%)
Net profit (loss) for the period	2.48	(50.65)	104.90%	13.17	(55.12)	123.89%
Depreciation and Amortization	31.99	39.83	(19.68%)	63.50	79.74	(20.37%)
EBITDA	37.65	(6.16)	711.20%	82.81	33.45	147.56%
gross profit margin(%)	3.87%	(6.36%)	10.23%	4.96%	(1.98%)	6.94%
EBITDA (%)	8.00%	(1.16%)	9.16%	8.38%	2.94%	5.44%
Net profit margin (%)	0.53%	(9.55%)	10.08%	1.33%	(4.84%)	6.17%
Earnings (loss) per share (Baht)	0.0053	(0.1091)	104.90%	0.0284	(0.1187)	123.89%

Company performance results

- Revenue from product sales: In the second quarter of 2026, revenue was 470.65 million baht, and for the first six months, it was 988.26 million baht, a decrease from the previous year. This was due to the volatility of latex prices and the company's main trading partner in China was limited domestic demand and real estate recovery. The Chinese economy expanded by 4.3% in the second quarter of 2026 compared to the previous year. In addition, geopolitical conflicts and volatility in energy prices, transportation costs, and delivery times fluctuated. Although the situation began to ease somewhat towards the end of the quarter, the risks to transportation routes and supply chain continuity remain factors that need to be monitored.
- Cost of goods sold and Gross Profit: Although revenue decreased, the company was able to reduce its cost of sales even more. In the first six months, the cost of sales was 939.23 million baht (a decrease of 19.11% YoY), resulting from effective latex concentrate inventory management, reduced production costs, and decreased unnecessary energy consumption. This led to a gross profit of 18.20 million baht in the second quarter and a cumulative profit of 49.03 million baht for the first half of the year.
- Distribution costs and administrative expenses: In the first six months, the company had total expenses of 44.22 million baht. Distribution costs decreased to 14.35 million baht, reflecting cost control aligned with revenue trends. Meanwhile, administrative expenses were 29.87 million baht, a slight increase to support the development of internal management systems. Overall, the company continues to maintain an appropriate expense-to-revenue ratio to enhance long-term operational efficiency.
- Net Profit: For Q2/2026, the Company reported a net profit of 2.48 million baht, bringing the net profit for the first six months to 13.17 million baht. This was driven by effective cost management and lower interest expenses in line with the downward trend in interest rates. Furthermore, the Company actively managed its exchange rate risks, recording a net foreign exchange gain of 4.73 million baht in the first half of the year. This primarily consisted of a realized gain of 9.96 million baht from the settlement of foreign trade receivables, which offset an unrealized accounting loss of 5.23 million baht stemming from the fair value measurement (Mark-to-Market) of forward foreign exchange contracts (USD) executed for hedging purposes. These performance results reflect the Company's financial stability and its robust capability to prudently navigate currency volatility.

Table 2. Financial Statement Figures of the Company.

Items (Unit: THB Million)	As of 30 Jun 2026	As of 31 Dec 2025	Change (THB MB)	Change (%)
Consolidated assets	2,328.37	2,261.03	67.34	2.98%
Consolidated Liabilities.	586.47	532.30	54.17	10.18%
Shareholder's equity	1,741.90	1,728.73	13.17	0.76%

Note: Simplified financial statement (Unit: million baht)

Financial analysis

1. **Total assets**

As of June 30, 2026, the company had total assets of 2,328.37 million baht, an increase of 67.34 million baht (2.98%) from 2,261.03 million baht as of December 31, 2025. The main changes resulted from management improvements in three key areas:

- Inventory [Increased by 190.68 million baht]: Increased to 348.64 million baht (from 157.96 million baht at the end of 2025) due to the conflict in the Middle East significantly disrupting shipping routes through the Strait of Hormuz. This resulted in volatility in energy prices, freight rates, insurance premiums, and transit times. The company has stockpiled raw materials to create a supply buffer and ensure the continuity of production processes.
- Trade receivables and other receivables [decreased by 80.62 million baht]: This decreased to 236.42 million baht (from 317.04 million baht at the end of 2025) due to the efficient management of cash collection from customers according to the trade credit terms.
- Property, Plant, and Equipment (PPE) [decrease 35.94 million baht] : decreased to 1,306.81 million baht (from 1,342.75 million baht at the end of 2025), mainly due to the gradual recognition of normal depreciation in the accounting period.

2. **Total liabilities**

As of June 30, 2026, the company had total liabilities of 586.47 million baht, an increase of 54.17 million baht (10.18%) from 532.30 million baht as of December 31, 2025. The main changes resulted from three significant items as follows:

- Overdrafts and short-term loans [increased by 7.49 million baht]: Increased to 206.13 million baht (from 198.64 million baht at the end of 2025) to be used as working capital for purchasing raw materials and managing short-term liquidity.

- Trade payables and other payables [increased by 38.64 million baht]: Increased to 200.70 million baht (from 162.06 million baht at the end of 2025), in line with increased raw material orders to maintain stockpiles for continued production processes.
- Derivative liabilities [increased by 6.20 million baht]: Increased to 6.28 million baht (from 0.08 million baht at the end of 2025) due to adjustments in the fair value of forward foreign exchange contracts (FX Forward) used to hedge against currency volatility.

3. Shareholder's Equity

As of June 30, 2026, the company's total shareholders' equity was 1,741.90 million baht, an increase from 1,728.73 million baht at the end of 2025, representing a rise of 13.17 million baht (0.76%). This increase is a direct result of the company's profitability in the first six months of 2026, which continues to strengthen the capital base and shareholders' equity, even in the face of global geopolitical conflicts.

Table 3: Cash Flow Statement Figures

Cash flow statement	As of June 30, 2026.	As of December 31, 2025.
	million baht	
Net cash flow is derived from operating activities.	18.15	169.34
Net cash flow is used in investing activities.	(26.28)	(15.89)
Net cash flow is derived from (used in) financing activities.	2.53	(158.95)

Cash flow

As of June 30, 2026, the Company had cash and cash equivalents of 6.40 million baht, compared to 11.95 million baht as of December 31, 2025, a decrease of 5.55 million baht (or a decrease of 4.28 million baht compared to 10.68 million baht as of June 30, 2025). The details of the cash flow movements are as follows:

- Cash flow from net operating activities: 18.15 million baht (period ending December 31, 2025: 169.34 million baht). The company continues to maintain positive cash flow from operations, consistent with the turnaround to a net profit of 13.17 million baht in the first six months of 2026, coupled with efficient cash collection and payment from trade receivables according to the normal credit term.
- Cash flow used in net investing activities: 26.28 million baht (as of December 31, 2025: net use of 15.89 million baht). This resulted from using cash to purchase machinery and upgrade factory equipment to improve production line efficiency in the long term.

- Cash flow generated from net financing activities: 2.53 million baht (period ending December 31, 2025: net expenditure of 158.95 million baht). This turned positive due to the management of overdraft facilities and short-term loans from financial institutions to finance the purchase of raw materials and maintain the company's liquidity ratio.

The company's operational strategy and future trends.

The company continues to pursue a strategy of diversifying its export markets across all provinces of China, South Asia, Europe, and the Americas, as well as other potential markets, in order to reduce revenue concentration and the risk of over-reliance on a single market. At the same time, it focuses on markets with long-term growth potential and favorable trading conditions.

In terms of costs, the company prioritizes procurement planning, determining optimal inventory levels, diversifying sourcing sources, and monitoring transportation times to mitigate the impact of price fluctuations in latex, raw materials, energy, and transportation costs. Simultaneously, it continues to enhance production efficiency through automation to reduce losses and research and develop value-added products.

Regarding exchange rates, the company continues to utilize financial instruments such as forward foreign exchange contracts coupled with natural hedging as appropriate, considering obligations in each currency to minimize the impact of currency volatility on revenue and cash flow.

Furthermore, the company emphasizes business continuity management by monitoring the safety of transportation routes, the situation in the Strait of Hormuz, the availability of raw materials and energy, alternative transportation routes, and appropriate safety stock levels to ensure the continuous fulfillment of customer orders.

Sustainability (ESG)

The company continues to operate within a sustainability framework, integrating environmental, social, and governance (ESG) issues into strategic planning, risk management, and operational processes to support long-term growth and maintain market competitiveness.

In terms of the environment, the company focuses on increasing energy efficiency, promoting the use of renewable energy, reducing waste, and utilizing resources in production processes, as well as assessing climate change risks to factories, raw material sources, and supply chains. The volatility in energy prices in the second quarter further reflects the importance of reducing reliance on fossil fuels and systematically managing energy efficiency.

In terms of the social aspect, the company prioritizes the health, safety, and well-being of its employees, coupled with the development of technical, digital, and automation skills to prepare personnel for changes in production technology. In addition, the company promotes diversity, personnel development, and engagement with surrounding communities to create shared and sustainable value.

In terms of governance, the company conducts its business according to the principles of good corporate governance, transparency, accountability, and places importance on internal control systems, risk management, and compliance with relevant laws and regulations, especially changes in trade regulations, import duties, exchange rates, responsible procurement, and supply chain continuity, so that the company can operate stably in a rapidly changing environment.

The company's sustainability performance for the first six months of 2026:

The company is supporting the initiative by donating 1,000 fragrant coconuts to directly benefit local farmers. We focus on creating shared value (CSV) by supporting local produce and ensuring a stable market for it. This project is part of our sustainability mission to improve the quality of life and the grassroots economy. We believe that mutual support is key to balanced growth between business and society. This support not only helps address the problem of oversupply but also provides encouragement to traditional Thai agriculture.	

We are committed to building a strong social foundation through supporting budgets and Children's Day activities for 4 organizations: Mae Nam Khu Municipality and Nikhom Saeng Ton Eng School (8, 13), along with Ban Mae Nam Khu School. Because "youth" is the key to sustainable development, we are committed to providing opportunities and learning to cultivate quality seeds to grow up and drive the Rayong community and Thai society in the future. This sharing reflects our CSR mission to improve the quality of life and take care of our neighbors closely. The company is committed to empowering children to achieve success, fostering stable and sustainable growth together.	
Due to the situation of oversupply of agricultural products in the market, the company has come to help farmer groups by purchasing good quality mango produce directly. To help support product prices and create stable income for grassroots communities. At the same time, the said products were given to all employees as a thank you and concern for their well-being. This activity is considered the passing on of shared value (Creating Shared Value) that helps alleviate the suffering of farmers. Along with strengthening bonds and a culture of sharing within the organization in a concrete way.	

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The company prioritizes improving the quality of life and well-being of people in society. During the Songkran festival from April 10-16, 2026, the company provided financial support for checkpoint operations and public service points as part of its efforts to monitor, reduce road accidents, and ensure the safety of travelers. It also actively promoted the "Don't Drink and Drive" and "Drive Safely" campaigns. This support reflects the organization's commitment to assisting government agencies and standing alongside communities to create a safe and sustainable society.	

For your information.

Sincerely,

Worldflex Public Company Limited

• Nat Wongsasutthikul -

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