No. FI202505-03

13 November, 2025

Subject: Management's Discussion and Analysis (MD&A) for Q3/2025

To: President of the Stock Exchange of Thailand

Sappe Public Company Limited (the "Company") would like to provide the following clarification regarding the Company's operating results for the quarter ended September 30, 2025, with the following details.

(Unit: Thousand Baht)

Profit & Loss statement	Q3/2025	%	Q3/2024	%	Q2/2025	%	YoY%	QoQ%	9M/2025	%	9M/2024	%	YoY%
Total Revenue	**1,378,264**	**102.2%**	**1,643,742**	**105.0%**	**1,581,888**	**102.2%**	**-16.2%**	**-12.9%**	**4,143,407**	**102.6%**	**5,610,776**	**103.9%**	**-26.2%**
Revenue from selling goods	1,348,625	100.0%	1,566,196	100.0%	1,547,861	100.0%	-13.9%	-12.9%	4,038,907	100.0%	5,398,457	100.0%	-25.2%
Net gain from foreign exchange	3,775	0.3%	8,787	0.6%	2,371	0.2%	-57.0%	59.2%	10,477	0.3%	11,309	0.2%	-7.4%
Others income	25,864	1.9%	68,759	4.4%	31,656	2.0%	-62.4%	-18.3%	94,023	2.3%	201,010	3.7%	-53.2%
Cost of goods sold	**762,184**	**56.5%**	**846,160**	**54.0%**	**862,278**	**55.7%**	**-9.9%**	**-11.6%**	**2,241,294**	**55.5%**	**2,893,232**	**53.6%**	**-22.5%**
Gross profit	**586,441**	**43.5%**	**720,036**	**46.0%**	**685,583**	**44.3%**	**-18.6%**	**-14.5%**	**1,797,613**	**44.5%**	**2,505,225**	**46.4%**	**-28.2%**
SG&A	**390,346**	**28.9%**	**421,999**	**26.9%**	**422,158**	**27.3%**	**-7.5%**	**-7.5%**	**1,101,315**	**27.3%**	**1,379,618**	**25.6%**	**-20.2%**
Selling expenses	273,025	20.2%	274,173	17.5%	298,666	19.3%	-0.4%	-8.6%	755,874	18.7%	971,067	18.0%	-22.2%
Administrative expenses	117,321	8.7%	147,826	9.4%	123,492	8.0%	-20.6%	-5.0%	345,441	8.6%	408,551	7.6%	-15.4%
EBIT	**225,734**	**16.7%**	**375,583**	**24.0%**	**297,452**	**19.2%**	**-39.9%**	**-24.1%**	**800,798**	**19.8%**	**1,337,926**	**24.8%**	**-40.1%**
Finance costs	(376)	0.0%	(495)	0.0%	(398)	0.0%	n.a.	n.a.	(1,214)	0.0%	(1,590)	0.0%	n.a.
Reversal of impairment loss (TFRS 9)	136	0.0%	2,991	0.2%	2,338	0.2%	n.a.	n.a.	832	0.0%	1,709	0.0%	n.a.
Loss on disposal of investment in subsidiary	-	0.0%	-	0.0%	-	0.0%	n.a.	n.a.	-	0.0%	(2,548)	0.0%	n.a.
Share of profit (loss) of associates and joint venture	267	0.0%	(373)	0.0%	1,000	0.1%	n.a.	n.a.	1,661	0.0%	1,469	0.0%	n.a.
EBT	**225,761**	**16.7%**	**377,706**	**24.1%**	**300,392**	**19.4%**	**-40.2%**	**-24.8%**	**802,077**	**19.9%**	**1,336,966**	**24.8%**	**-40.0%**
Income tax expense	35,514	2.6%	72,980	4.7%	46,716	3.0%	-51.3%	-24.0%	130,134	3.2%	266,941	4.9%	-51.2%
Net profit(loss)	**190,247**	**14.1%**	**304,726**	**19.5%**	**253,676**	**16.4%**	**-37.6%**	**-25.0%**	**671,943**	**16.6%**	**1,070,025**	**19.8%**	**-37.2%**
Net profit(loss) of Parent Company	**183,307**	**13.6%**	**300,320**	**19.2%**	**248,059**	**16.0%**	**-39.0%**	**-26.1%**	**654,945**	**16.2%**	**1,063,425**	**19.7%**	**-38.4%**

Overview

For the consolidated financial statements of Sappe PCL and its subsidiaries in Q3/2025, the Company recorded total sales revenue of THB 1,349 million, representing a decrease of 13.9% YoY and 12.9% QoQ. The decline was mainly driven by a slowdown in international markets, which have not yet recovered as expected. However, several key markets have begun to show clear signs of recovery.

The cost of goods sold (COGS) ratio in Q3/2025 stood at 56.5% of sales revenue, a slight increase of 0.8 percentage points from the previous quarter, mainly due to foreign exchange impact.

Selling and administrative expenses totaled THB 390 million, decreasing 7.5% from THB 422 million in the same quarter last year. As a result, net profit attributable to the owners of the parent company amounted to THB 183 million, or 13.6% of sales revenue.

Revenue from Selling Goods

In Q3/2025, the Company recorded total revenue from selling goods of THB 1,349 million, a decrease of 13.9% YoY and 12.9% QoQ. The decline was primarily due to lower international sales, while domestic sales continued to grow steadily.

International sales totaled THB 969 million, a decrease of 18.8% YoY. This was driven by the global economic slowdown, the strengthening of the Thai Baht, the ongoing conflict in the Middle East, and U.S. trade measures. Nevertheless, sales in Europe showed positive recovery in line with expectations, while sales in the Americas and the Middle East were affected by external factors. In Asia, performance remained under pressure due to intensified competition in key markets such as South Korea and distributor management issues in Indonesia.

Domestic sales totaled THB 380 million, representing an increase of 2.0% YoY. The growth rate moderated compared to the first half of 2025, which achieved 28.9% YoY growth, as most of the new product launches for this year were introduced in the first half, particularly in late Q2. Consequently, new product sales declined in Q3. However, overall domestic sales for the YTD still grew by 19.1% YoY.

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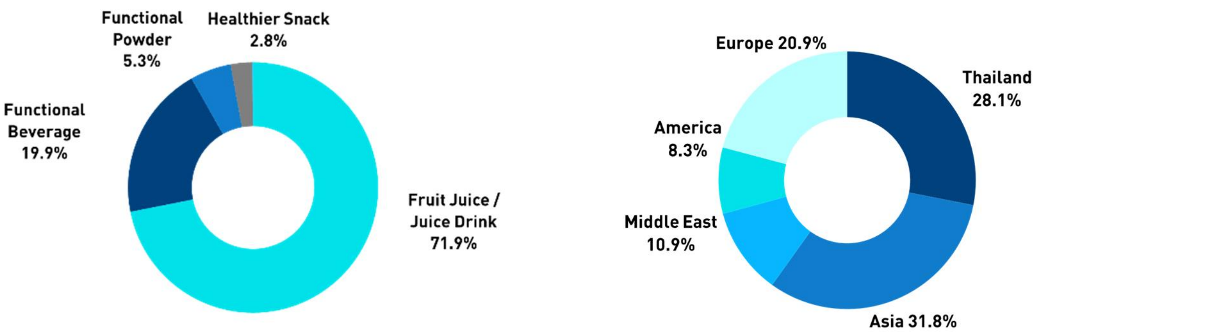
Revenue of Sale of Goods in Q3/2025



Cost of Goods Sold

In Q3/2025, the COGS ratio was 56.5% of sales revenue, an increase of 0.8 percentage points from the previous quarter, mainly due to foreign exchange fluctuations. Despite challenges from the appreciating Thai Baht and lower production utilization, the Company effectively managed costs through several key initiatives, including automation projects, production and HR planning, solar rooftop and floating systems, and the application of machine learning in quality control processes. These efforts helped limit cost increases to a minimal level.

Selling Expenses

Selling expenses accounted for 20.2% of sales revenue in Q3/2025, an increase of 0.4 percentage points YoY. This increase was mainly due to fixed marketing expenses that support long-term growth plans. However, the Company maintained strong cost control and efficiency measures, resulting in only a slight increase in expense ratio despite lower sales revenue.

Administrative Expenses

Administrative expenses in Q3/2025 totaled THB 117.3 million, or 8.7% of sales revenue, a decrease of 20.6% compared to the same quarter last year. The reduction was primarily due to lower estimated incentive provisions in line with business performance, reduced consulting fees, and lower warehouse rental expenses following the commencement of operations at the new warehouse in Q4/2024.

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Net Profit (Loss) – Parent Company

Net profit attributable to the owners of the parent company in Q3/2025 was THB 183 million, accounting for 13.6% of sales revenue. This represents a 39.0% decrease YoY and a 26.1% decrease QoQ.

Sincerely Yours,

Sappe Public Company Limited

Ms. Piyajit Ruckariyapong

Chief Executive Officer