



May 8, 2026

Subject : Management Discussion and Analysis for the 1st Quarter ended March 31, 2026

To : The President, The Stock Exchange of Thailand

Applied DB Public Company Limited (the “Company” or “we” or “our”) would like to submit the management discussion and analysis for the Company results of operations for the 1st Quarter ended March 31, 2026 as follows;

**Management Discussion and Analysis for the 1st Quarter of 2026
Ended March 31, 2026**

Applied DB Public Company Limited (the “Company”) or (“ADB) is one of the leading manufacturers and distributors of plastic compound to our main customers located in Thailand. Besides, the Company also manufactures and sells the products under the Company’s brands and also under customers’ brands. Our revenue depends highly on an industrial growth leading by each industrial sector that uses the Company’s products in the production process such as wire and cable industry, real estate and construction industry. In addition, the demand of products also leads by the economic condition, private sector investments and government bidding projects. Currently, the Company has one local subsidiary, ADB Bio Co., Ltd., operated in providing biodegradable raw materials, and semi-finished product that can replace traditional plastic to support the development, production and distribution of bio products. ADB currently has 1 subsidiary, holding 99.97% of shares in ADB Bio Co., Ltd. and 1 associated company, holding 49% of voting rights in ADBS. under “investments in associate”. ADB has recognized share of profit of associate accounted for using equity method.

For our current operations, our business structure can be classified into 3 major categories under compound business segment including 1) Wire and Cable PVC (Plastic compound used in wire and cable industry); 2) General Grade PVC (Plastic compound used in general applications, Rigid PVC, and Polypropylene Split Yarn (PPY) and 3) Medical Grade PVC) with the following details performed by ADB and its’ subsidiary;



Performance Analysis

Table 1 : Financial Performance of Q1/2026 compared to Q1/2025

	Quarter 1/2025		Quarter 1/2026		Changes +,-	
	MB	%	MB	%	MB	%
Revenue from Sales	237.05	98.50	220.41	98.81	(16.64)	(7.02)
Cost of Sales	201.06	83.55	179.08	80.28	(21.98)	(10.93)
Gross Profit	35.99	14.96	41.33	18.53	5.34	14.84
Other Income	3.60	1.50	2.41	1.08	(1.36)	(36.07)
Net Foreign Exchange Gain	0.00	0.00	0.24	0.11	0.24	0.00
Profit Before Expenses	39.59	16.45	43.98	19.72	4.22	10.61
Distribution Costs	9.42	3.91	9.42	4.22	0.00	0.00
Administrative Expenses	21.55	8.95	23.90	10.71	2.18	10.04
Total SG&A	30.97	12.87	33.32	14.94	2.18	7.00
Earnings before interest and tax	8.62	3.58	10.66	4.78	2.04	23.67
Financial Costs	2.14	0.89	0.79	0.35	(1.35)	(63.08)
Share of profit of associate accounted for using equity method	5.55	2.31	9.79	4.39	4.24	0.00
Profit before tax expenses	12.03	5.00	19.66	8.81	7.63	63.42
Tax expenses	1.16	0.48	2.40	1.08	1.24	106.90
Net Income	10.87	4.52	17.26	7.74	6.39	58.79
Other Comprehensive Income	(0.02)	(0.01)	0.00	0.00	0.02	0.00
Total Comprehensive Income for the period	10.85	4.51	17.26	7.74	6.41	59.08

During the 1st quarter of 2025 and 2026, our total revenue was THB 240.82 million and THB 223.06 million, respectively. From those amounts, revenue from sales was accounted of THB 237.05 million and THB 220.41 million, respectively, which represented the decrease of THB (16.64) million, or (7.02%). The decrease in revenue was mainly attributed to the decrease of revenue from pharmaceutical graded compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. for THB (26.48) million; or dropped for (40.35%) from Q1/2025. Besides, our demand for General Grade PVC also dropped for THB (0.83) million, or went down of (2.51%) from its revenue in Q1/2025. However the revenue of Wire & Cable PVC in Q1/2026 increased significantly for THB +10.67 million or +7.71% compared to the same period of Q1/2025. The main target customers are those wire & cable manufacturers who supply products to both government projects and industry group in Real Estate and Construction segments. The details of revenue breakdown by product categories are classified as below;



Table 2 : Revenue breakdown by product categories – for the three-month period ending March 31

Revenue of Business	For the three-month period					
	Jan-Mar 2025		Jan-Mar 2026		Increase (decrease)	
	MB	%	MB	%	MB	%
Wire and Cable PVC	138.31	58.35	148.98	67.59	10.67	7.71
General Grade PVC	33.11	13.97	32.28	14.65	(0.83)	(2.51)
Medical Graded PVC	65.63	27.69	39.15	17.76	(26.48)	(40.35)
Total Revenue	237.05	100.00	220.41	100.00	(16.64)	(7.02)

In terms of main customer types by industry, approximately 76.78% of our revenue was classified under Real Estate and construction. For the Plastic Compound group, the Company main targets are large wire and cable manufacturers who supply the products to both government projects and industry group in Real Estate and Construction segment. Medical segment also contributed 17.76% of our PVC Compound revenue. The rest of 5.46% was attributed to other industries.

Table 3 : Revenue by Industry – for the three-month period ending March 31

Revenue by Industry	For the three-month period			
	Jan-Mar 2025		Jan-Mar 2026	
	MB	%	MB	%
Real Estate and Construction	164.51	69.39%	169.24	76.78%
Medical Segment	65.63	27.69%	39.15	17.76%
Others	6.91	2.92%	12.02	5.46%
Total Revenue	237.05	100.00%	220.41	100.00%

Cost of Sales and Gross Profit

In the 1st quarter of 2025 and 2026, cost of sales decreased from THB 201.05 million to THB 179.08 million, respectively. Overall, gross margin of our Plastic Compound products has been increasing due to the overall material costs and petrochemical materials has been stabilized from the slower demand at the beginning of Q1/2026 before the middle east conflict driven the supply pressures on petrochemical products, chemical substances, and oil and energy shortage. The geopolitical conflicts in the middle east caused supply chain disruption that has led to the sharp rising in crude oil price, transportation expenses and energy costs from the late Q1/2026. As a results, our gross margin from Wire & Cable PVC significantly increased from the benefits of productivity improvement from the same period of last year and benefits from the lower material costs at the beginning of the Q1/2026. As a results, our gross profit increased from THB 35.99 million, or 15.18% in Q1/2025 to THB 41.33 million, or 18.75% in Q1/2026, respectively. The following table indicates the breakdown of cost of sales by business segment.



Table 5 : Cost of sales and Gross Profit

Cost of sales and Gross Profit	Jan-Mar 2025	Jan-Mar 2026
	MB	MB
Cost of Sales : Plastic Compound Business	201.05	179.08
Gross Profit : Plastic Compound Business	35.99	41.33
Gross Profit Margin (%)	15.18%	18.75%

Overall performance, gross margin of plastic compound business improved in Q1/2026 caused by lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions, has been stable from Q4/2025. As a results, our gross profit remained strong in Q1/2026. However, geopolitical conflicts in the middle east have impacted to the supply disruptions, especially petrochemical materials, and crude oil price. Those chemical materials are the major production materials for our PVC Compound business that has started to impact on our late Q1/2026 onwards.

Selling & Administrative Expenses

Table 6 : Selling & Administrative Expenses

Selling & Administrative Expenses	Jan-Mar 2025		Jan-Mar 2026		Increase (decrease)	
	MB	%	MB	%	MB	%
Selling Expense	9.42	30.25	9.42	28.27	0.00	0.00
Administrative Expenses	21.72	69.75	23.90	71.73	2.18	10.04
Selling & Administrative Expenses	31.14	100.00	33.32	100.00	2.18	7.00

Total selling and administrative expenses in Q1/2026 increased THB +2.18 million, or +7.00% from Q1/2025. The increase in selling and administrative costs was mainly due to the following reasons;

Selling Expenses

Total selling expenses for Q1/2026 remained constant from last year at THB 9.42 million.

Administrative Expenses

Total administrative expenses for Q1/2026 increased to THB 23.90. million from THB 21.72 million during the same period of last year or increased of THB +2.18 million, or +10.04% of Q1/2025. The Company recognized allowance for doubtful accounts from an oversea customer for THB 1.60 million during Q1/2026. Currently, we are follow up the payment settlement with our customer.



Finance Costs

When compared to the finance costs between Q1/2025 and Q1/2026, total finance costs decreased from THB 2.14 million to THB 0.89 million, respectively. A decrease of finance costs for THB (1.35) million or (63.08%) was mainly due to was mainly due to the decrease in market interest rates of commercial bank loans. Additionally, ADB' short-term loan was significantly less than the year before as ADB has utilized less working capital needs for operations.

Net Profit

The Company had net profit for Q1/2026 for THB 17.26 million from THB 10.87 million of Q1/2025. The major factor led to the rebound of the net profit from Compound Business derived from lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions and less energy costs compared to the same period of last year and Q4/2025. Therefore, ADB and its subsidiary has net profit from Plastic Compound segment for THB 7.47 million. Additionally, ADB has gained from share of profit of associate accounted for using equity method for THB 9.79 million during Q1/2026 in our consolidated income. Therefore, our consolidated net profit was at THB17.26 million in Q1/2026.

Financial Position

Total Assets

As at December 31, 2025 and March 31 2026, the Company had total assets of THB 919.83 million and THB 971.40 million, respectively. The company's main assets were mainly consist of trade accounts receivable and other receivables, inventories, and property, plant and equipment. Among these assets; it can be classified as current assets for THB 365.04 million and THB 369.97 million and non-current assets for THB 554.79 million and THB 601.43 million, respectively.

Significant changes in assets during the 1st Quarter of 2026 are summarized below;

1. Current Assets

Cash and cash equivalents as at December 31, 2025, and March 31, 2026, the overall cash and cash equivalents increase of THB +16.47 million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. During Q1/2026, our net cash flow were received from operating activities for THB +33.61 million. Therefore, ADB had net cash inflow before changes in operating assets for THB +22.56 million. The major changes in operating assets and liabilities were mainly attributed to the cash flow received from the increase of accounts payable for THB +34.13million and cash flow used from the increase of accounts receivable for THB (24.06) million. In investing activities, the cash has also been used for the investment of fixed assets for THB (13.97) million. In financing activities, the



company has net cashflow used in financing activities for THB (3.57) million mostly from the settlement of short-term loan to the bank for THB (2.21) million.

- *Trade accounts receivable and other receivable* as at December 31, 2025, and March 31, 2026, trade accounts receivable and other receivable have total of THB 182.16 million and THB 205.29 million, or an increase of THB +23.13 million compared to our revenue in Q1/2025. Our accounts receivables were classify as the following table;

	For the period ended	
	Unit (MB)	
	31 December 2025	31 March 2026
Related parties	0.11	0.63
Other receivables	184.59	208.90
Total Receivables	184.70	209.53
Less allowance for doubtful accounts	(2.54)	(4.24)
Net Accounts Receivable	182.16	205.29

The allowance for doubtful accounts was set by considering ability to collect cash by using the percentage of outstanding balance over the different period of time. In addition, fully reserve will be set once there are factors trigger to the potential credit defaults of any receivables. During Q1/2026, ADB recognized allowance for doubtful accounts from an oversea customer for THB 1.60 million.

- *Inventories* as at December 31, 2025, and March 31, 2026, a decrease in inventory of THB (0.19) million from THB 99.09 million to THB 98.90 million was primarily the result of our materials to be reserved for our customers' orders without overstocking to avoid the inventory loss from price flections.

	For the period ended	
	Unit (MB)	
	31 December 2025	31 March 2026
Finished goods	40.76	28.26
Raw materials	40.02	56.88
Work in process	0.01	0.01
Factory supplies	7.60	7.96
Goods in transit	14.99	10.63
Allowance for decline in value	(4.29)	(4.84)
Net Total	99.09	98.90

2. Non-current Assets

- *Property, plant and equipment* as at December 31, 2025, and March 31, 2026, an increase in property, plant and equipment of THB +7.68 million as the Company has been setting up the new production lines for Wire & Cable business to support our



core Compound Business. Besides, we reclassified other current receivables to non-current receivables for THB 31.60 million.

Total Liabilities & Shareholders' Equity

As at December 31, 2025 and March 31 2026, the Company had total liabilities of THB 272.04 million and THB 306.35 million, respectively. The company's major liabilities were consisting of bank overdrafts and short-term borrowings from financial institutions, trade accounts payable, and other payables, and long-term loans from financial institutions. During this period, the Company had shareholders' equity of THB 647.79 million and THB 665.04 million, respectively. At the end of the 1st Quarter of 2026, the Company's shareholders' equity consisted of paid-up capital of THB 363.00 million. The other shareholders' equity included share premium of THB 202.20 million, surplus on share-base payment of THB 0.31 million, appropriated to legal reserve of THB 22.31 million, unappropriated reserve of THB 77.21 million and other component of shareholders' equity of THB 0.02 million.

Significant changes in liabilities and shareholders' equity during the 1st Quarter of 2026 are summarized below;

1. Current Liabilities

- Short-term borrowings from financial institutions as at December 31, 2025, and March 31, 2026, a decrease in short-term loan of THB (2.21) million was the result of utilizing more credit terms from suppliers during Q1/2026.
- Trade accounts payable and other payable as at December 31, 2025, and March 31, 2026, an increase in accounts payable of THB +34.13 million was mainly due to the increase in oversea accounts payable. During Q1/26, the average accounts payable period increased from 60 days as at Q1/2025 to 67 days as at Q1/2026.

2. Non-current liabilities

As at March 31, 2026, the Company's non-current liabilities consisted of lease liabilities for THB 11.06 million, or a decrease of THB (0.63) from the year end. However, we accrued non-current provisions for employee benefit of THB 26.58 million with the reference of the actuarial report from the actuarial experts.

3. Shareholders' equity

As at March 31, 2026, the Company's shareholders' equity of THB 665.05 or an increase of THB +17.26 million, was the results of net profit from operation during Q1/2026.



Table 7 : Key financial ratios

Financial Ratio Analysis					
Financial Ratio	Unit	For the year ended 31 Dec 25	For Q4/2025 Ended 31 Dec 25	For Q1/2025 Ended 31 Mar 25	For Q1/2026 Ended 31 Mar 26
Liquidity Ratio					
Current Ratio	Times	1.56	1.56	1.35	1.38
Collection Period	days	94	83	95	85
Inventory Period	days	59	56	66	51
Accounts Payable Period	days	60	47	67	60
Profitability Ratio					
Gross Profit Margin	%	14.09	15.59	15.18	18.75
Net Profit Margin	%	3.28	2.00	4.52	7.73
Return On Equity	%	4.32	4.29	6.79	5.19
Turnover Ratio					
Return on Assets	%	2.81	2.94	4.02	3.60
Asset Turnover	Times	0.86	0.86	0.88	0.86
Financial Policy					
Debt to Equity	Times	0.42	0.42	0.72	0.46
Interest Coverage Ratio	Times	3.57	3.57	4.03	3.05

1. Current Ratio

As at March 31, 2026, our liquidity ratio increased from 1.35 times in Q1/2025 to 1.38 times in Q1/2026. For Liquidity management, the collection period decreased from 95 days in Q1/2025 to 85 days in Q1/2026 due to due to faster collections from our customers. For inventory turnover, our inventory turnover has been improving in Q1/2026 at 51 days compared to the same period of last year at 66 days. Our accounts payable days decreased from 67 days in Q1/2025 to 60 days in Q1/2026.

2. Profitability Ratio

The Company gross profit margin increased significantly from 15.18% in Q1/2025 to 18.75% to Q1/2026. Our profit margin increased from last year as ADB has benefited from lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions and less energy costs compared to the same period of last year,



even the geopolitical conflicts in the middle east have impacted to the supply disruptions, especially petrochemical materials, and crude oil prices that has started to impact on our late Q1/2026 onwards.

For SG&A, our administrative expenses ADB has slightly increased from recognizing allowance for doubtful accounts from an oversea customer for THB 1.60 million. As a results, our net profit margin increased to 7.74 in Q1/2026 from strong gross margin received from our core compound products. From those profit margin gained from share of profit of associate accounted for using equity method our Return on Equity was 5.19% in Q1/2026.

3. Turnover Ratio

As at March 31, 2026, the Company return on assets increased from 4.02% in Q1/2025 to 3.60% in Q1/2026. Furthermore, our asset turnover increased from 0.88 times to 0.86 times in Q1/2026 The decrease in the Company's asset turnover in the last quarter was due to a decrease in the Company's revenue from the sale of products. due to lower sales turnover of for medical equipment of (40.35%) compared to the same period of last year.

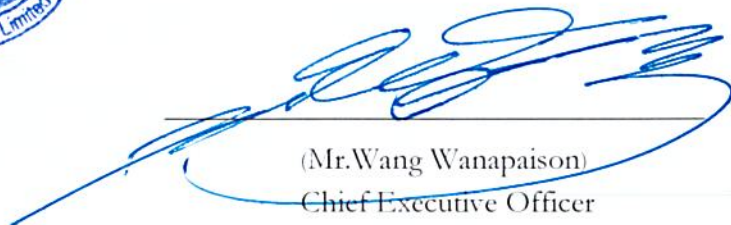
4. Financial Policy

As at March 31, 2026, our debt-to-equity ratio slightly decreased from 0.72 times in Q4/2025 to 0.46 times in Q1/2026 due to less materials' overstocking to avoid the inventory loss from price flections. However, our interest coverage ratio decreased from 4.03 times in Q1/2025 to 3.05 times in Q1/2026.

Please be informed accordingly.



Yours Sincerely,



(Mr.Wang Wanapaison)
Chief Executive Officer