13 November 2026

To: Director and Manager
The Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the Operating Results for the 3-Month Period (Q3/2026) and the 9-Month Period Ended 30 September 2026

POSCO-Thainox Public Company Limited would like to submit the Management Discussion and Analysis for the operating results for the 3-month period (Q3/2026) and the 9-month period ended 30 September 2026 in order to explain the key factors affecting the Company's operating results, changes in financial position, shareholders' equity, and liquidity. This information will be beneficial to shareholders, investors, and stakeholders in assessing the Company's business performance.

In Q3/2026 and the first nine months of 2026, the Company recorded higher revenue from sales and services compared to the same period of the previous year, driven by the growth in stainless steel product sales. Net profit improved significantly, supported by the recognition of foreign exchange gains, efficient control of administrative expenses, and the absence of surcharges and other taxes that had occurred in the same period of the previous year.

As of 30 September 2026, the Company maintained a solid financial position with a low debt-to-equity ratio, while shareholders' equity increased as a result of net profit generated during the period.

Overview of Operating Results

Operating Results for Q3/2026

Item	Q3/2026 (THB million)	Q3/2025 (THB million)	% YoY	Q2/2026 (THB million)	% QoQ
Revenue from sales and services	3,656.09	3,277.05	11.57	3,664.99	(0.24)
Gain on exchange rate	21.10	9.42	123.93	23.65	(10.78)
Other income	9.42	15.08	(37.54)	7.46	26.27
Total revenues	3,686.61	3,301.56	11.66	3,696.10	(0.26)
Cost of sales and services	3,516.79	3,144.33	11.85	3,521.63	(0.14)
Selling and distribution expenses	34.85	31.29	11.38	34.24	1.78
Administrative expenses	78.35	80.97	(3.24)	75.35	3.98
Total expenses	3,629.99	3,256.59	11.47	3,631.22	(0.03)
Operating profit	56.62	44.97	25.90	64.88	(12.73)
Share of profit from investment in associate	0.37	0.68	(45.15)	0.72	(48.61)
Finance costs	(0.53)	(0.46)	15.22	(0.38)	39.47
Profit before income tax expense	56.46	45.20	24.92	65.22	(13.42)
Income tax expense	(12.13)	(6.32)	91.98	(14.48)	(16.23)
Net profit	44.33	38.88	14.03	50.74	(12.63)
Basic earnings per share (THB)	0.057	0.050	14.00	0.065	(12.31)

In Q3/2026, the Company generated revenue from sales and services of THB 3,656.09 million, an increase of THB 379.03 million or 11.57% from the same period of the previous year, but a slight decrease from Q2/2026. As a result, total revenues amounted to THB 3,686.61 million, increasing by 11.66% year-on-year. Compared with Q3/2025, the increase in total revenues was mainly supported by higher sales volume and the recognition of a foreign exchange gain of THB 21.10 million, up from THB 9.42 million in Q3/2025. However, other income decreased by THB 5.66 million or 37.54%.

On the expense side, cost of sales and services increased by 11.85% year-on-year, slightly exceeding the revenue growth rate, resulting in a lower gross profit margin. Meanwhile, administrative expenses declined by 3.24% from the same period last year, reflecting effective cost control.

As a result, operating profit in Q3/2026 amounted to THB 56.62 million, up 25.90% year-on-year but down 12.73% from Q2/2026. Net profit was THB 44.33 million, increasing by 14.03% year-on-year but decreasing by 12.63% quarter-on-quarter. The QoQ decline was mainly attributable to the decrease in operating profit, although lower income tax expense compared to the previous quarter partially mitigated the decline in net profit.

Operating Results for the 9-Month Period Ended 30 September 2026

Item	9M/2026 (THB million)	9M/2025 (THB million)	Change (THB million)	% YoY
Revenue from sales and services	10,911.04	10,266.58	644.45	6.28
Gain on exchange rate	87.62	15.73	71.89	456.90
Other income	30.17	46.93	(16.76)	(35.71)
Total revenues	11,028.83	10,329.24	699.59	6.77
Cost of sales and services	10,455.65	9,676.69	778.97	8.05
Selling and distribution expenses	101.74	91.32	10.42	11.41
Administrative expenses	225.28	258.69	(33.41)	(12.91)
Surcharges and other taxes	-	168.11	(168.11)	(100.00)
Total expenses	10,782.67	10,194.81	587.87	5.77
Operating profit	246.16	134.43	111.72	83.11
Share of profit from investment in associate	0.81	0.64	0.17	26.96
Finance costs	(1.29)	(1.37)	0.09	(6.28)
Profit before income tax expense	245.68	133.70	111.98	83.75
Income tax expense	(52.01)	(169.14)	117.13	(69.25)
Net profit (loss)	193.67	(35.44)	229.11	646.48
Basic earnings (loss) per share (THB)	0.248	(0.045)	0.293	651.11

For the first nine months of 2026, the Company's performance improved significantly from the same period of the previous year, clearly turning from a net loss to a net profit. This was mainly driven by revenue growth, substantially higher foreign exchange gains, effective control of administrative expenses, and the absence of tax surcharges and related taxes as incurred in the same period last year.
Revenue from sales and services for the first nine months of 2026 amounted to THB 10,911.04 million, increasing by THB 644.45 million or 6.28% year-on-year, while total revenues rose to THB 11,028.83 million, up 6.77%. A key supporting factor was the foreign exchange gain, which increased significantly from THB 15.73 million to THB 87.62 million, or 456.90%.

Although cost of sales and services increased by 8.05%, exceeding the growth rate of revenue and resulting in a lower gross profit margin, the Company benefited from significantly higher foreign exchange gains, a 12.91% reduction in administrative expenses, and the absence of surcharges and other taxes of THB 168.11 million that were recorded in the same period last year.

Accordingly, operating profit increased by 83.11%, and the Company turned around from a net loss of THB 35.44 million in the first nine months of 2025 to a net profit of THB 193.67 million in the first nine months of 2026. In addition, income tax expense decreased significantly from THB 169.14 million to THB 52.01 million due to tax items related to surcharges in the previous year.

Profitability Analysis

Item	Q3/2026	Q3/2025	Change	9M/2026	9M/2025	Change
Gross profit margin (%)	3.81	4.05	(0.24)	4.17	5.75	(1.58)

Item	Q3/2026	Q3/2025	Change	9M/2026	9M/2025	Change
Operating profit margin (%)	1.55	1.36	0.19	2.23	1.31	0.92
Net profit margin (%)	1.21	1.19	0.02	1.77	(0.35)	2.12

Note: Gross profit margin is calculated as (Revenue from sales and services - Cost of sales and services) / Revenue from sales and services.

The Company's gross profit margin declined both quarterly and for the nine-month period, due to the increase in cost of sales at a rate higher than the increase in revenue from sales and services, reflecting pressure from raw material costs and competition in the stainless steel market. However, operating profit margin and net profit margin improved due to effective control of administrative expenses and the positive effect from the absence of surcharges and other taxes as incurred in the previous year.

Financial Position

Assets

As of 30 September 2026, the Company had total assets of THB 12,561.45 million, increasing from THB 11,317.69 million as of 31 December 2025 by THB 1,243.76 million or 10.99%. The main reasons were increases in inventories of THB 977.78 million or 24.24% and trade receivables of THB 957.96 million or 46.18%, in line with increased business activities. Meanwhile, cash and cash equivalents decreased by THB 617.66 million or 26.10% due to the use of working capital in operations.

Item	30 Sep 2026 (THB million)	31 Dec 2025 (THB million)	Change (THB million)	%
Cash and cash equivalents	1,748.62	2,366.28	(617.66)	(26.10)
Trade receivables	3,032.17	2,074.21	957.96	46.18
Debt restructuring receivables due within one year	7.11	11.40	(4.29)	(37.65)
Other current receivables	109.73	104.09	5.64	5.42
Short-term loans to related parties	91.00	91.00	-	-
Inventories	5,012.15	4,034.37	977.78	24.24
Other current assets	130.09	86.32	43.77	50.71
Total current assets	10,130.86	8,767.67	1,363.19	15.55
Investment in associate	60.03	59.75	0.28	0.47
Debt restructuring receivables, net of current portion	-	1.80	(1.80)	(100.00)
Property, plant and equipment	2,207.45	2,351.57	(144.13)	(6.13)
Right-of-use assets	47.28	17.52	29.76	169.86
Intangible assets	8.66	10.71	(2.05)	(19.14)
Deferred tax assets	62.92	60.61	2.32	3.82
Other non-current assets	44.25	48.07	(3.82)	(7.94)
Total non-current assets	2,430.59	2,550.02	(119.43)	(4.68)
Total assets	12,561.45	11,317.69	1,243.76	10.99

Current assets increased by THB 1,363.19 million or 15.55%, mainly due to higher inventories and trade receivables, reflecting preparations to support customer demand and increased trading activities. Non-current assets decreased by THB 119.43 million or 4.68%, mainly due to depreciation of property, plant and equipment, despite an increase in right-of-use assets from additional lease agreements.

Liabilities

As of 30 September 2026, the Company had total liabilities of THB 3,323.49 million, increasing from THB 2,273.41 million as of 31 December 2025 by THB 1,050.09 million or 46.19%. This was mainly due to an increase in trade payables of THB 997.39 million or 53.33%, in line with higher purchase volumes and

increased business activities. In addition, lease liabilities, both current and non-current, increased due to additional lease agreements.

Item	30 Sep 2026 (THB million)	31 Dec 2025 (THB million)	Change (THB million)	%
Trade payables	2,867.64	1,870.25	997.39	53.33
Other current payables	188.18	176.15	12.03	6.83
Current portion of lease liabilities	21.48	12.63	8.85	70.02
Current provision for employee benefits	21.29	21.51	(0.22)	(1.01)
Total current liabilities	3,098.59	2,080.53	1,018.05	48.93
Lease liabilities, net of current portion	26.11	5.17	20.94	405.03
Non-current provision for employee benefits	198.80	187.70	11.09	5.91
Total non-current liabilities	224.91	192.87	32.04	16.61
Total liabilities	3,323.49	2,273.41	1,050.09	46.19

Current liabilities increased by THB 1,018.05 million or 48.93%, mainly from the increase in trade payables, consistent with the higher volume of raw material purchases. Non-current liabilities increased by THB 32.04 million, mainly due to higher long-term lease liabilities and provision for employee benefits.

Shareholders' Equity

As of 30 September 2026, the Company had total shareholders' equity of THB 9,237.95 million, increasing from THB 9,044.28 million as of 31 December 2025 by THB 193.67 million, primarily due to the increase in unappropriated retained earnings from the net profit for the period. The Company did not pay any dividends during the first nine months of 2026. In the separate financial statements, the Company's total shareholders' equity was THB 9,182.83 million, increasing from THB 8,989.43 million by THB 193.39 million.

Item	30 Sep 2026 (THB million)	31 Dec 2025 (THB million)	Change (THB million)	%
Issued and paid-up share capital	7,795.71	7,795.71	-	-
Share premium	332.13	332.13	-	-
Legal reserve	589.17	589.17	-	-
Unappropriated retained earnings	520.94	327.27	193.67	59.18
Total shareholders' equity	9,237.95	9,044.28	193.67	2.14

Analysis of Key Financial Ratios as of 30 September 2026

Ratio	Result
Gross profit margin	4.17%
Operating profit margin	2.23%
Net profit margin	1.77%
Debt-to-equity ratio (D/E)	0.36 times
Debt-to-total-assets ratio	26.46%
Current ratio	3.27 times
Book value per share	THB 11.85
Basic earnings per share	THB 0.248

The Company continues to maintain strong financial stability, with a debt-to-equity ratio of 0.36 times and debt-to-total-assets ratio of 26.46%, reflecting a prudent capital structure and flexibility to cope with economic volatility. Although leverage ratios increased from year-end 2025 due to higher trade payables in line with business activities, the current ratio remained solid at 3.27 times, supporting the Company's ability to manage working capital appropriately.

Cash Flows

For the first nine months of 2026, the Company recorded net cash used in operating activities of THB 520.72 million, compared to net cash generated from operating activities of THB 85.87 million in the same period of the previous year. The main reason for the operating cash outflow was the increase in working capital, including increases in trade receivables of THB 944.18 million and inventories of THB 992.71 million, although this was partially offset by an increase in trade payables of THB 994.96 million.

Item	9M/2026 (THB million)	9M/2025 (THB million)	Change (THB million)	Remarks
Net cash from (used in) operating activities	(520.72)	85.87	(606.59)	Turned to net cash outflow
Net cash used in investing activities	(81.90)	(193.20)	111.30	Lower cash outflow
Net cash used in financing activities	(20.90)	(201.87)	180.97	Significantly lower cash outflow
Effect of exchange rates on cash	5.86	3.88	1.98	Increased
Net decrease in cash and cash equivalents	(617.66)	(305.32)	(312.34)	Greater decrease in cash
Cash and cash equivalents at beginning of period	2,366.28	3,046.62	(680.34)	Decreased by 22.33%
Cash and cash equivalents at end of period	1,748.62	2,741.30	(992.68)	Decreased by 36.21%

Net cash used in investing activities amounted to THB 81.90 million, down from THB 193.20 million in the same period last year, mainly due to investments in property, plant and equipment of THB 98.99 million. Net cash used in financing activities was THB 20.90 million, significantly lower than THB 201.87 million in the same period last year, because dividends of THB 179.28 million were paid in the previous year, while no dividends were paid in the current period.

As of 30 September 2026, the Company had cash and cash equivalents of THB 1,748.62 million, down from THB 2,366.28 million as of 31 December 2025. The decrease in cash resulted from the use of working capital to support business expansion. Nevertheless, the cash balance remained sufficient for operations and to support the Company's investment plans.

Factors Affecting Operating Results and Business Outlook for 2026

- **Higher sales volume of stainless steel products** led to an increase in revenue from sales and services compared to the same period of the previous year, both on a quarterly basis and for the nine-month period.
- **Volatility in product costs and raw material prices** put pressure on gross profit margin, as cost of sales increased at a higher rate than revenue.
- **Exchange rates:** In 2026, the Company recognized significantly higher foreign exchange gains. During the first nine months of 2026, the Company recognized foreign exchange gains of THB 87.62 million compared to THB 15.73 million in the same period last year.
- **Cost control efficiency:** Administrative expenses decreased by 12.91% year-on-year, supporting profitability.
- **Absence of surcharges and other taxes:** In the first nine months of 2026, there were no surcharges and other taxes similar to those recorded in the same period of the previous year amounting to THB 168.11 million, which was a key factor behind the earnings recovery.

- **Increase in inventories and trade receivables:** This reflected business expansion, but resulted in negative net cash flow from operating activities during the period.

The Company expects that the outlook for the stainless steel business in Thailand for the remainder of the year will continue to depend on economic conditions, raw material price trends, exchange rate volatility, and the level of market competition. Nevertheless, the Company will continue to focus on efficient cost management, maintaining domestic sales volume, optimizing product mix to meet customer needs, and closely managing inventory and trade receivables in order to sustain profitability and liquidity on an ongoing basis.

Sustainability Developments

Environment: The Company continues to implement environmental initiatives, focusing on efficient resource utilization, renewable energy use, water recycling, and production process improvements to reduce energy consumption and waste.

Social: The Company places importance on safety, occupational health, and human rights, while continuously promoting social contribution activities and community engagement.

Governance: The Company adheres to good corporate governance principles by promoting ESG assessment of suppliers, transparent disclosure, and continuous anti-corruption practices.

Conclusion

Management believes that although the stainless steel business continues to face challenges from raw material cost volatility, price competition, and uncertainty in economic conditions, the Company has been able to maintain revenue growth and turn from a net loss to a net profit during the first nine months of 2026. The Company will continue to focus on maintaining domestic sales, managing selling prices in line with costs, increasing the proportion of value-added products, continuously controlling costs and expenses, and carefully managing inventories, trade receivables, and liquidity in order to preserve financial stability and strengthen its competitiveness on a sustainable basis.

Please be informed accordingly.

Yours faithfully,

(Ms. Yaowapha Komiantaksin)
Company Secretary