

14 May 2026

To: Director and Manager  
The Stock Exchange of Thailand  
Re: Management Discussion and Analysis, For the 1st Quarter Ended 31 March 2026

POSCO-Thainox Public Company Limited (the "Company") would like to submit the Management Discussion and Analysis of the Company's operating results for the three-month period ended 31 March 2026 and its financial position as at 31 March 2026. The details are as follows:

### 1. Executive Summary

For the first quarter of 2026, the Company's operating results improved significantly from the same period of the previous year, turning from a net loss to a net profit. This improvement was mainly attributable to effective cost and expense management, higher foreign exchange gains, and the absence of an item relating to tax surcharges and related taxes in the prior-year period.

The Company reported total revenue of Baht 3,646.12 million, slightly decreasing from Baht 3,651.71 million in the same period of the previous year, or by Baht 5.59 million or 0.2%. The Company recorded net profit for the period of Baht 98.60 million, compared with a net loss of Baht 119.64 million in the first quarter of 2025, representing an improvement of Baht 218.24 million.

In terms of volume, total sales volume amounted to 52.4 thousand tons, increasing from 47.6 thousand tons in the first quarter of 2025, or by 10.1%, and from 45.1 thousand tons in the fourth quarter of 2025, or by 16.2%. Domestic sales volume was 34.1 thousand tons, increasing from 32.9 thousand tons in the same period last year and 29.4 thousand tons in the preceding quarter.

In addition, the Company reduced inventory levels from 59.3 thousand tons at the end of the fourth quarter of 2025 to 52.6 thousand tons at the end of the first quarter of 2026, a decrease of 6.7 thousand tons or 11.3%, which positively supported working capital efficiency.

### 2. Operating Results

#### 2.1 Total revenue

For the three-month period ended 31 March 2026, the Company recorded revenue from sales and services of Baht 3,589.96 million, decreasing from Baht 3,615.93 million in the same period last year, or by Baht 25.97 million or 0.7%.

Although sales volume increased significantly, revenue from sales declined slightly, reflecting lower average selling prices and/or changes in product mix and market mix, together with continued price competition in the industry.

The Company recognized foreign exchange gain of Baht 42.87 million, increasing from Baht 16.58 million in the same period last year, while other income amounted to Baht 13.29 million, decreasing from Baht 19.19 million. As a result, total revenue amounted to Baht 3,646.12 million.

#### 2.2 Cost of Sales and Gross Profit

The Company reported cost of sales and services of Baht 3,417.23 million, increasing from Baht 3,346.63 million in the same period last year, or by Baht 70.60 million or 2.1%.

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As cost of sales increased while sales revenue declined slightly, gross profit was approximately Baht 172.73 million, decreasing from Baht 269.31 million in the prior-year period, or by Baht 96.58 million. Accordingly, the gross profit margin decreased from approximately 7.4% to 4.8%.

This reflected volatility in raw material costs, energy prices, and limitations in passing on cost increases to selling prices amid a competitive market environment. Nevertheless, the Company was able to partially mitigate such impact through higher sales volume, product mix optimization, and efficient inventory management.

### 2.3 Selling and Administrative Expenses and Other Expenses

Selling and distribution expenses amounted to Baht 32.64 million, increasing from Baht 29.18 million, or by Baht 3.47 million or 11.9%, in line with higher sales volume and increased commercial activities.

Administrative expenses amounted to Baht 71.59 million, decreasing from Baht 77.68 million, or by Baht 6.09 million or 7.8%, reflecting effective expense control.

In addition, in the first quarter of 2025, The Company recognized tax surcharges and related taxes of THB 168.11 million were arising from the conclusion of Bilateral Advance Pricing Agreement (APA), which did not recur in the first quarter of 2026. This was another key factor supporting the improvement in operating results compared with the prior-year period.

As a result, total expenses in the first quarter of 2026 amounted to Baht 3,521.46 million, decreasing from Baht 3,621.59 million, or by Baht 100.13 million or 2.8%.

### 2.4 Operating Profit and Net Profit

The Company recorded operating profit of Baht 124.66 million, increasing from Baht 30.12 million in the same period last year, or by Baht 94.55 million.

The Company recognized a share of loss from investment in an associate of Baht 0.28 million, compared with a share of profit of Baht 1.01 million in the prior-year period, and finance costs of Baht 0.38 million, slightly decreasing from Baht 0.43 million.

After taking these items into account, the Company reported profit before income tax of Baht 123.99 million, increasing from Baht 30.70 million in the same period last year. Income tax expense amounted to Baht 25.39 million, significantly decreasing from Baht 150.34 million.

Accordingly, the Company recorded net profit for the period of Baht 98.60 million, compared with a not loss of Baht 119.64 million in the same period of the previous year.

For the separate financial statements, the Company recorded net profit of Baht 98.89 million, compared with a net loss of Baht 120.66 million in the first quarter of 2025.

The Company reported basic earnings per share of Baht 0.126, compared with basic loss per share of Baht 0.153 in the same period last year.

### Summary of Key Operating Results

| Item                            | Q1/2026(Baht million) | Q1/2025 (Baht million) | Change |
|---------------------------------|-----------------------|------------------------|--------|
| Revenue from sales and services | 3,589.96              | 3,615.93               | -25.97 |
| Foreign exchange gain           | 42.87                 | 16.58                  | 26.29  |
| Other income                    | 13.29                 | 19.19                  | -5.9   |
| Total revenue                   | 3,646.12              | 3,651.71               | -5.59  |
| Cost of sales and services      | 3,417.23              | 3,346.63               | 70.6   |

| Item                     | Q1/2026(Baht million) | Q1/2025 (Baht million) | Change  |
|--------------------------|-----------------------|------------------------|---------|
| Total expenses           | 3,521.46              | 3,621.59               | -100.13 |
| Operating profit         | 124.66                | 30.12                  | 94.55   |
| Profit before income tax | 123.99                | 30.7                   | 93.29   |
| Income tax expense       | 25.39                 | 150.34                 | -124.95 |
| Net profit (loss)        | 98.6                  | -119.64                | 218.24  |

### 3. Financial Position

As at 31 March 2026, the Company had total assets of Baht 11,410.94 million, increasing from Baht 11,317.69 million as at 31 December 2025, or by Baht 93.26 million.

#### 3.1 Assets

The Company had total current assets of Baht 8,904.01 million, increasing from Baht 8,767.67 million. Key changes were as follows:

- Cash and cash equivalents amounted to Baht 2,370.49 million, increasing from Baht 2,366.28 million.
- Trade receivables amounted to Baht 2,835.08 million, increasing from Baht 2,074.21 million.
- Inventories amounted to Baht 3,452.34 million, decreasing from Baht 4,034.37 million.
- The increase in trade receivables, while the decrease in inventories reflected improved working capital management.
- The Company had total non-current assets of Baht 2,506.93 million, decreasing from Baht 2,550.02 million, mainly due to the decrease in property, plant and equipment as a result of depreciation.

#### 3.2 Liabilities

The Company had total liabilities of Baht 2,268.06 million, decreasing from Baht 2,273.41 million, or by Baht 5.35 million. Details were as follows:

- Current liabilities amounted to Baht 2,062.26 million, decreasing from Baht 2,080.53 million.
- Non-current liabilities amounted to Baht 205.80 million, increasing from Baht 192.87 million.

#### 3.3 Shareholders' Equity

As at 31 March 2026, the Company had total shareholders' equity of Baht 9,142.89 million, increasing from Baht 9,044.28 million, or by Baht 98.60 million, mainly due to the increase in unappropriated retained earnings in line with the net profit for the period.

For the separate financial statements, total shareholders' equity amounted to Baht 9,088.32 million, increasing from Baht 8,989.43 million, or by Baht 98.89 million.

#### Summary of Key Financial Position

| Item                       | 31 Mar 2026 (Baht million) | 31 Dec 2025 (Baht million) | Change  |
|----------------------------|----------------------------|----------------------------|---------|
| Total assets               | 11,410.94                  | 11,317.69                  | 93.26   |
| Total liabilities          | 2,268.06                   | 2,273.41                   | -5.35   |
| Total shareholders' equity | 9,142.89                   | 9,044.28                   | 98.6    |
| Cash and cash equivalents  | 2,370.49                   | 2,366.28                   | 4.20    |
| Trade receivables          | 2,835.08                   | 2,074.21                   | 760.87  |
| Inventories                | 3,452.34                   | 4,034.37                   | -582.03 |

#### 4. Cash Flow

For the three-month period ended 31 March 2026, the Company recorded net cash provided by operating activities of Baht 33.39 million, compared with net cash used in operating activities of Baht 136.41 million in the same period last year, representing an improvement of Baht 169.80 million.

This reflected the recovery in the Company's ability to generate cash flow from its core operations. Although the Company utilized working capital due to an increase in trade receivables of Baht 739.15 million, this was supported by a decrease in inventories of Baht 581.83 million and a decrease in other current assets of Baht 62.53 million.

As a result, the Company maintained sound liquidity, with cash and cash equivalents at the end of the period of Baht 2,370.49 million, increases from Baht 2,366.28 million as at the end of 2025.

#### Summary of Cash Flows

| Item   | Q1/2026<br>(Baht million) | Q1/2025<br>(Baht million) |
|--|---------------------------|---------------------------|
| Net cash provided by (used in) operating activities  | 33.39                     | -136.41                   |
| Net cash used in investing activities                | -41.54                    | -30.53                    |
| Net cash used in financing activities                | -7.15                     | -7.49                     |
| Net increase (decrease) in cash and cash equivalents | 4.20                      | -172.62                   |
| Cash and cash equivalents at end of period           | 2,370.49                  | 2,366.28                  |

#### 5. Key Risk Factors Affecting Operating Results

The Company's stainless steel business affected by several key risk factors, including: Volatility in prices of major raw materials such as nickel and other alloy metals, which affect production costs and profit margins, Price competition in the industry from both domestic producers and imported products, Uncertainty in economic conditions and demand from related industrial sectors, Exchange rate fluctuations, which may affect both costs and operating results, Risks relating to inventory management and trade receivables management, which may affect working capital and liquidity if not properly managed; and Risks arising from energy costs, freight costs, and changes in regulations or trade measures, which may affect the Company's competitiveness.

#### 6. Business Outlook

The outlook for the stainless steel business going forward will continue to depend on the overall economic environment, raw material price trends, market competition, and demand from industrial sectors.

Nevertheless, the Company believes that domestic demand for stainless steel may continue to be supported by economic activity and industrial investment. At the same time, market competition is expected to remain intense, while raw material prices are likely to remain volatile. Therefore, cost management, product mix optimization, inventory control, and close monitoring of trade receivables will remain key factors in supporting the Company's profitability and liquidity going forward.

## 7. Summary

For the three-month period ended 31 March 2026, the Company's operating results improved significantly, with the Company returning to a net profit of Baht 98.60 million from a net loss in the same period of the previous year.

Although revenue from sales declined slightly, the Company was able to improve expense management, recognize higher foreign exchange gains, and avoid special impacts similar to those recorded in the previous year.

The key factors contributing to the Company's operating performance during this period were as follows:

1. Increased sales volume, particularly in the domestic market
2. Increased production volume and product mix adjustment
3. Efficient inventory management
4. Higher foreign exchange gains
5. Absence of special items similar to those recognized in the previous year
6. Improved control of administrative expenses
7. Recovery in cash flow from operating activities

As at 31 March 2026, the Company's key financial ratios were as follows:

| Ratio                      | Result     |
|----------------------------|------------|
| Gross profit margin        | 4.81%      |
| Net profit margin          | 2.70%      |
| Debt-to-equity ratio       | 0.25 times |
| Debt-to-total assets ratio | 19.88%     |
| Current ratio              | 4.32 times |

These ratios indicate that the Company remained in a strong financial position, with a low level of indebtedness and solid short-term liquidity.

Management believes that although the stainless steel business continues to face challenges from raw material cost volatility, price competition, and economic uncertainty, the Company's continued focus on maintaining sales volume in its domestic markets, managing selling prices in line with costs, increasing the proportion of value-added products, controlling costs and expenses, and prudently managing inventories, trade receivables, and liquidity will enable it to maintain financial stability and strengthen its competitiveness on an ongoing basis.

Please be informed accordingly.

Yours sincerely,

(Ms. Yaowapa Komaintaksin)  
Company Secretary