

Management Discussion and Analysis for the Quarter 3/2025 ended 30 September 2025

Overview of Thailand's import and export

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**Economic Overview – Thailand and Global Economy:**

Thailand's economy in 2025 began to show signs of recovery in the fourth quarter. The Office of the National Economic and Social Development Council (NESDC) reported that fourth-quarter GDP expanded by 4.7% year-on-year and 2.5% quarter-on-quarter, resulting in an average annual growth rate of 2.4%. The primary supporting factor was total investment, which increased by 8.1%, particularly public investment, which accelerated by 13.3% due to the expedited disbursement of budget expenditures and infrastructure projects. Meanwhile, private investment continued to grow at 6.5%, reflecting the recovery of domestic economic activities and improved business confidence.

However, exports of goods and services began to exhibit signs of deceleration. In the fourth quarter of 2025, export growth moderated to 5.6%, down from 7.6% in the previous quarter. The slowdown was mainly attributable to a decline in the number of foreign tourists, as well as the high-base effect resulting from accelerated exports in earlier periods, leading to a moderation in subsequent growth. Nevertheless, Thailand's export structure continued to be supported by the electronics sector, particularly exports to the United States. This reflects sustained demand for technology products, driven by the expansion of the data center industry and artificial intelligence (AI), which remain key drivers of global demand for technology products.

Overall, the global economy continues to face uncertainties stemming from trade tensions, U.S. retaliatory tariff policies, and geopolitical conflicts across multiple regions. Nevertheless, the International Monetary Fund (IMF) projects that the global economy will expand at an average rate of 3.3% during 2025–2026, before moderating slightly in 2027. Supporting factors include the gradual easing of inflationary pressures, which is expected to allow major central banks—particularly the Federal Reserve—to adopt a more accommodative monetary policy stance and gradually reduce policy interest rates. This would help alleviate financial costs in the business sector. Meanwhile, the Thai baht has continued to appreciate. As of the end of the fourth quarter of 2025, the exchange rate stood at approximately THB 31.3–31.7 per U.S. dollar, strengthening from THB 32.46 per U.S. dollar at the end of the third quarter. The appreciation of the baht has adversely affected export-oriented businesses through lower baht-denominated revenues upon conversion and weakened price competitiveness. This remains a key factor that entrepreneurs and exporters should closely monitor in the period ahead.

## Industry Overview – Logistics and Maritime Shipping:

In 2025, the maritime transport industry continued to face a prolonged softening trend, as reflected in the Shanghai Containerized Freight Index (SCFI), which declined from approximately USD 1,750 per TEU at the beginning of the year to around USD 1,300 per TEU toward the end of 2025. This indicates that the industry’s recovery remains fragile. Downward pressure on freight rates has been driven by several factors, as follows:

### 1. Industry Demand and Supply Factors

Transport demand has grown at a slower pace in line with global trade conditions, while a significant number of newly built vessels have been delivered into service. This has resulted in overcapacity, compelling shipping operators to compete on pricing to maintain vessel utilization rates. Consequently, freight rates and industry profit margins have continued to decline.

### 2. Trade Uncertainty and Geopolitical Factors

Tariff measures and geopolitical tensions have led to a slowdown in trade volumes. Simultaneously, the unrest in the Red Sea has compelled shipping lines to reroute vessels around the Cape of Good Hope, resulting in extended transit times and higher fuel costs. Despite these supply-side disruptions, overall freight rates have remained on a softening trend, influenced by broader market conditions.

## Key factors contributing to the steep decline in freight rates include:

Management has assessed significant events occurring during and subsequent to the fourth quarter of 2025 that may affect the Group’s future operations, financial position, and business outlook. The key matters are summarized as follows:

### 1. U.S. Reciprocal Tariff Policy

The increase in U.S. import tariffs on goods from several countries, including Thailand, in 2025 has resulted in higher import costs and a slowdown in purchase orders during the second half of the year, particularly for price-sensitive products, in line with the moderation of global trade. The management is closely monitoring trade policy developments and implementing mitigation strategies to minimize potential impacts.

### 2. Thailand–Cambodia Border Tensions

Heightened tensions along the Thailand–Cambodia border in 2025 resulted in temporary constraints on cross-border land transportation and trade, leading to increased logistics costs and extended transit times. Certain operators were required to shift to alternative transportation routes.

The situation began to ease toward the end of the fourth quarter of 2025 following the conclusion of a ceasefire agreement. The incident underscores the geopolitical risks affecting land-based logistics supply chains. At the same time, it supports potential business opportunities in security-related projects, consistent with the Company’s strategy to expand through its subsidiary, GDS, to support security and defense-related initiatives, which may serve as a new long-term revenue stream.

### New Business Analysis (Defense Support Business)

The expansion into defense-support services is a strategic initiative expected to contribute to the Group's future growth. Global defense spending continues to increase amid geopolitical uncertainties, with global military expenditure rising approximately 2.5% compared to 2024. The United States plans to increase its defense budget to approximately USD 1.5 trillion by fiscal year 2027, representing a substantial increase of 66.5%.

In Thailand, the Ministry of Defense's budget (excluding classified expenditures) increased from THB 199,721 million in FY2025 to THB 204,434 million in FY2026, a 2.4% increase, reflecting continued demand for procurement, maintenance, and defense system support.

Golden Supply Co., Ltd., a wholly owned subsidiary of NCL International Logistics Public Company Limited, has commenced partial revenue recognition under its cooperation agreement with Navantia. The subsidiary provides project management, engineering personnel, coordination with relevant authorities, and logistics support services in Thailand.

This cooperation establishes a new revenue stream, enhances the Group's capability in higher value-added services, and supports long-term revenue stability through collaboration with an international defense industry partner.

### Significant Non-Cash Items for the 12-Month Period of 2025

The Company recognized several significant accounting expenses resulting from compliance with Thai Financial Reporting Standards (TFRS) and strategic asset restructuring for enhanced efficiency. Management wishes to clarify that these items are non-cash adjustments and do not impact the Company's actual cash flow, liquidity, or operational capabilities. The details are as follows:

- Impairment loss of goodwill amounting to 11.9 million baht: This item arose from the assessment and impairment testing of goodwill from the investment in Meta Freight and Logistics Co., Ltd., based on the annual consolidated financial statements, which referenced the fair value assessed by a financial advisor approved by the SEC, using the discounted cash flow (DCF) method. The main reason is that the operating results and market conditions of the business did not meet the original projections, resulting in the recoverable amount being lower than the carrying value of the net assets and goodwill. Therefore, the Company recognized such impairment loss in the consolidated statement of comprehensive income. The Company considers impairment on an annual basis or when there are indications, and the management has carefully reviewed and reassessed the relevant assumptions. The impairment provision is deemed appropriate, reasonable, and sufficient for the current situation.

- Impairment Loss on Assets of THB 15.6 million: This consists of an impairment allowance for Property, Plant, and Equipment (specifically vehicles and containers) amounting to THB 7.3 million, and an impairment of Right-of-Use (ROU) assets (containers) amounting to THB 8.3 million. These impairments resulted from the Company's strategic plan to phase out and return containers in the near future. This recognition adjusts the asset values to reflect their recoverable amounts in accordance with accounting standards and has no impact on the Company's liquidity.
- Loss on partial termination of lease contracts of THB 6.3 million: As part of the Company's cost-optimization strategy, 185 leased containers were returned in December 2025. Under accounting standards, this is treated as a lease modification. Consequently, the Company reduced its ROU assets by THB 9.5 million and its lease liabilities by THB 3.2 million. The resulting difference was recognized as a loss on partial lease termination in the current period. Conversely, this action will benefit the Company by reducing long-term lease obligations and has no impact on cash flow.

In summary, including the Expected Credit Loss (ECL) of THB 2.2 million—another non-cash provision—the Company recognized total non-cash expenses of THB 36.0 million in 2025. (This total comprises the impairment of goodwill of THB 11.9 million, asset impairment of THB 15.6 million, lease termination loss of THB 6.3 million, and expected credit loss of THB 2.2 million).

#### The overview of company performance

Statement of Profit or Loss (Million Baht)	Quarter 3/2025	Quarter 4/2025	%QOQ	12 Month 2024	12 Month 2025	%YOY
<b>Revenue</b>						
Service income	274.5	240.2	-12.5%	685.5	792.2	15.6%
Sales income	26.7	-	-100%	-	67.6	100%
Other income	-	1.0	100%	9.5	2.0	-78.5%
<b>Total revenues</b>	<b>301.2</b>	<b>241.2</b>	<b>-19.9%</b>	<b>695.0</b>	<b>861.8</b>	<b>24.1%</b>
<b>Expenses</b>						
Cost of services	223.9	229.0	2.3%	630.3	697.4	13.3%
Cost of sales	15.5	-	-100%	-	37.8	100%
Selling and distribution expenses	10.6	10.4	-2.3%	45.9	39.9	-13.1%
Administrative expenses	38.0	34.4	-9.6%	153.9	137.1	-10.9%
<b>Total expenses</b>	<b>288.0</b>	<b>273.8</b>	<b>-0.1%</b>	<b>830.1</b>	<b>912.2</b>	<b>9.9%</b>
<b>Net Profit (Loss) from operating activities</b>	<b>13.2</b>	<b>(32.6)</b>	<b>-3.5%</b>	<b>(135.1)</b>	<b>(50.4)</b>	<b>-2.7%</b>
Share of gain on investment in associate	-	-		9.2	-	-100%
Other expenses	-	(8.5)	100%	0.3	(8.5)	-29.3%
Loss on disposal of investment in associate	-	-	-	(164.0)	-	-100%
Impairment loss on assets	-	(15.6)	100%	(5.3)	(15.6)	1.9%
Impairment loss on goodwill	-	(11.9)	100%		(11.9)	100%
Finance income	0.5	0.6	0.6%	1.6	2.5	62.6%
Finance Costs	(5.3)	(4.3)	-19.5%	(22.0)	(22.9)	4%
<b>Net Profit (Loss) before finance cost and</b>	<b>8.4</b>	<b>(72.3)</b>	<b>-961.5%</b>	<b>(315.3)</b>	<b>(106.8)</b>	<b>-0.66%</b>

Statement of Profit or Loss (Million Baht)	Quarter 3/2025	Quarter 4/2025	%QOQ	12 Month 2024	12 Month 2025	%YOY
income tax expense						
Income Tax Expense	(7.6)	3.3	-143.2%	(44.6)	(11.8)	-73.4%
<b>Net Profit (Loss) for the Year</b>	<b>0.8</b>	<b>(69.0)</b>	<b>-8919.2%</b>	<b>(270.7)</b>	<b>(95.0)</b>	<b>64.91%</b>
Non-controlling Interests	0.0	0.0	-30%	(0.0)	0.0	
<b>Equity attributable to Owners of the Parent</b>	<b>0.8</b>	<b>(69.0)</b>	<b>-8919.3%</b>	<b>(270.7)</b>	<b>(95.0)</b>	<b>64.91%</b>

For the 12 months of 2025, the Company reported total revenue of THB 861.8 million, an increase of THB 166.8 million or 24.1% compared to the previous year. This was due to: (1) the recognition of sales revenue of THB 67.6 million from the new business, which began recognition in the second quarter of 2025; (2) an increase in service revenue of THB 106.7 million or 15.6%, in line with the increase in work volume and continuous expansion of the customer base; while (3) other income decreased by THB 7.4 million or 78.5% compared to the previous year, resulting from the decrease in one-off items in the prior year.

Total expenses were THB 912.2 million, an increase of THB 82.1 million or 9.9% compared to the previous year. This was due to: (1) an increase in cost of services of THB 67.1 million or 10.6%, which was consistent with the increase in service revenue and expanded work volume, but the increase was at a lower rate compared to the growth rate of service revenue due to cost restructuring measures; and (2) a decrease in administrative expenses of THB 16.8 million or 10.9% from the implementation of internal management efficiency measures, resulting in continuously improved expense control capabilities.

For the 12-month period of 2025, the Company reported a net loss of THB 95.0 million. The loss decreased significantly compared to the previous year, which had a net loss of THB 270.7 million, representing a reduction in loss of THB 175.7 million or 64.91%. The primary reasons were the growth in revenue from the new business, along with more efficient cost restructuring and expense management.

Financial Position (Million Baht)	As of December 31, 2024 (Restated)	As of December 31, 2025 (Restated)	Change (Million Baht)
Cash and cash equivalents	26.9	7.5	-19.4
Trade and other current receivables	140.1	96.5	-43.6
Contract assets	-	85.3	85.3
Current portion of receivable from disposal of investment	17.8	23.4	5.6
Work in progress	5.8	4.1	-1.7
Current tax assets	5.0	5.6	0.6
Other current assets	2.6	9.2	6.5
<b>Total other current assets</b>	<b>198.4</b>	<b>231.6</b>	<b>33.3</b>
Bank deposits pledged as collateral	96.7	0.5	-96.2
Receivable from the disposal of the investment	23.4	-	-23.4
Investment properties	10.0	7.5	-2.5
Property, plant and equipment	176.9	154.6	-22.3

Financial Position (Million Baht)	As of December 31, 2024 (Restated)	As of December 31, 2025 (Restated)	Change (Million Baht)
Right-of-use assets	67.3	40.5	-26.8
Intangible assets	15.9	13.9	-2.0
Goodwill	55.2	43.4	-11.8
Deferred tax assets	85.7	100.5	14.8
Other non-current assets	2.8	1.6	-1.2
<b>Total other non-current assets</b>	<b>533.9</b>	<b>362.5</b>	<b>-171.4</b>
<b>Total assets</b>	<b>732.3</b>	<b>594.1</b>	<b>-138.2</b>
Bank overdrafts and short-term borrowings	297.2	-	-297.2
Defaulted liabilities	-	215.8	215.8
Trade and other current payables	145.0	158.1	13.1
Contract liabilities	-	9.6	9.6
Short-term borrowings	30.4	6.0	-24.4
Current portion of liabilities	52.1	35.5	16.6
Other current liabilities	10.3	15.7	5.4
<b>Total other current liabilities</b>	<b>535.0</b>	<b>440.7</b>	<b>-94.3</b>
Long-term borrowings	29.4	32.9	3.5
Lease liabilities	31.9	21.8	-10.1
Non-current provisions for lawsuits	54.8	54.8	-
Other non-current liabilities	11.2	12.2	1.0
<b>Total other non-current liabilities</b>	<b>127.3</b>	<b>121.7</b>	<b>-5.6</b>
<b>Total liabilities</b>	<b>662.3</b>	<b>562.4</b>	<b>-99.9</b>
<b>Total equity holders of the parent</b>	<b>69.2</b>	<b>30.9</b>	<b>-38.3</b>
<b>Non-controlling interests</b>	<b>0.8</b>	<b>0.8</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>	<b>732.3</b>	<b>594.1</b>	<b>-138.2</b>

### Financial Position

As of December 31, 2025, the Group had **total assets** of THB 594.1 million, a decrease of THB 138.2 million or 18.9% compared to the end of 2024. The primary reasons were: (1) Trade and other current receivables decreased by THB 43.6 million from more efficient debt collection management and credit control; and (2) Bank deposits pledged as collateral significantly decreased by THB 96.2 million due to the release of guarantees and loan repayments; (3) Property, plant and equipment decreased by THB 22.3 million, mostly from the recognition of depreciation for the period and partial impairment of containers and truck trailers due to decreased operational efficiency and economic benefit-generating capability. This item is an accounting entry that does not affect the Group's cash flow; (4) Goodwill decreased by THB 11.8 million from the recording of goodwill impairment based on fair value assessed by an independent appraiser; (5) Right-of-

use assets decreased by THB 26.8 million from the gradual return of containers under agreements; (6) Cash and cash equivalents decreased by THB 19.4 million from use as working capital for operations and debt repayments.

**Total liabilities** were THB 562.4 million, a decrease of THB 99.9 million or 15.0% compared to the end of 2024. The causes were: (1) Bank overdrafts and short-term borrowings from financial institutions decreased by THB 297.2 million from loan repayments during the period and debt restructuring with financial institutions; (2) Trade and other current payables increased by THB 13.1 million, which was consistent with increased business activities and revenue; (3) Lease liabilities decreased by THB 10.1 million from payments made under lease conditions and the gradual return of right-of-use assets.

**Total shareholders' equity of the Group** as of the end was THB 30.9 million, a decrease of THB 38.3 million or 55.3% compared to the end of 2024. The primary cause was the net loss of THB 95.0 million. However, the Group increased its capital during the year by THB 53.12 million, which helped partially offset the impact of the aforementioned loss.