

No. CS010/2026

Date 14 May 2026

Subject: Management Discussion and Analysis of the Company's Financial Position and Operating Results for the three-month period ended 31 March 2026

To: The President of the Stock Exchange of Thailand

Nova Empire Public Company Limited ("the Company") would like to explain the operating results of the Company and its subsidiaries ("the Group") for the three-month period ended 31 March 2026, together with the reasons for significant changes in operating performance when compared with the same period of the previous year (10% or more).

Summary of Significant Operating Events for the three-month period ended 31 March 2026

For the three-month period ended 31 March 2026, the Group reported total revenue of Baht 176.88 million, an increase of Baht 96.84 million, or 121.0%, compared with the same period of the previous year. Gross profit was Baht 46.13 million, representing an increase of 186.9% compared with the same period of the previous year. The improvement was primarily driven by Nova X Company Limited, a subsidiary, which commenced commercial operations of the crude oil storage and offloading vessel and floating buoy mooring system service project (the "FSO Project") for PTTEP Energy Development Company Limited ("PTTEP ED") on 26 February 2025. The continuous operation enabled the Group to recognize service income for the full three-month period in the current quarter.

However, the Group reported a net loss for the period of Baht 67.42 million, an increase from a net loss of Baht 2.23 million in the same period of the previous year. The change was primarily attributable to one-time liquidated damages from project delay under the service agreement with PTTEP ED amounting to Baht 33.58 million (equivalent to USD 1.02 million), as a result of the subsidiary's delivery of the project later than the schedule specified in the contract. In addition, the Group recorded a net foreign exchange loss of Baht 38.49 million arising from the appreciation of the Thai Baht against the U.S. Dollar, which affected foreign currency-denominated assets and liabilities, together with higher finance costs in line with long-term loan obligations used to finance the FSO Project investment.

Considering the total comprehensive income (loss) for the period, the Group reported a total comprehensive loss of Baht 56.69 million, reflecting the net loss above, net of a gain on cash flow hedges of Baht 10.73 million (net of income tax).

The analysis of operating results and financial position details are as follows.

Summary of Operating Results				<i>(Unit: Million Baht)</i>	
For the three-month period ended	31 Mar 2026	31 Mar 2025	Increase/(Decrease)	%	
Revenue:					
Sales of electricity	10.35	12.85	(2.50)	(19.5%)	
Service income	166.53	67.19	99.34	147.8%	
<i>Total revenue</i>	<i>176.88</i>	<i>80.04</i>	<i>96.84</i>	<i>121.0%</i>	
Cost:					
Cost of sales of electricity	(6.64)	(7.57)	0.93	(12.3%)	
Cost of service	(124.10)	(56.39)	(67.72)	120.1%	
<i>Total cost</i>	<i>(130.75)</i>	<i>(63.96)</i>	<i>(66.79)</i>	<i>104.4%</i>	
Gross profit	46.13	16.08	30.05	186.9%	
Other income	3.69	3.03	0.66	21.8%	
Administrative expenses	(17.53)	(12.11)	(5.42)	44.76%	
Liquidated damages from project delay	(33.58)	-	(33.58)	-	
Loss on exchange rate - net	(38.49)	-	(38.49)	-	
Operating profit (loss)	(39.78)	7.01	(46.79)	-	
Finance cost	(37.15)	(15.18)	(21.97)	144.7%	
Profit (loss) before income tax	(76.93)	(8.17)	(68.75)	841.6%	
Income tax benefit (expenses)	9.51	5.94	3.57	60.1%	
Profit (loss) for the period	(67.42)	(2.23)	(65.19)	-	
Gain on cash flow hedges - net of income tax	10.73	-	10.73	-	
Total comprehensive income (loss) for the period	(56.69)	(2.23)	(54.46)	-	

For the three-month period ended 31 March 2026, the Group reported total revenue from sales and services of THB 176.88 million, representing an increase of THB 96.84 million, or 121.0%, compared to the same period of the previous year. The increase was mainly driven by the full-quarter commercial operation of the FSO project by Nova X Company Limited (a subsidiary) under the service agreement with PTTEP ED. The Group commenced recognition of service revenue from the project on 26 February 2025. In the current period, service revenue increased by THB 99.34 million, or 147.8%, as this marked the first full-quarter revenue recognition.

Meanwhile, electricity sales revenue from the solar business decreased by THB 2.50 million, or 19.5%, due to lower electricity generation resulting from weather conditions.

On the cost side, the Group's cost of service increased by THB 67.72 million, or 120.1%, in line with the full-period recognition of service revenue from the FSO project. The increase was mainly attributable to depreciation and amortization expenses related to buildings and equipment, right-of-use assets under lease agreements for the FSO vessel and mooring system, as well as personnel management costs associated with project operations. As a result, the Group recorded gross profit of THB 46.13 million, an increase of THB 30.05 million, or 186.9%, compared to the same period of the previous year. The offshore service segment generated segment profit of THB 42 million, increasing from THB 11 million in the same period last year, while the solar energy segment maintained stable segment profit at approximately THB 4-5 million.

However, the Group reported an operating loss for the period of THB 39.78 million, compared to an operating profit of THB 7.01 million in the same period of the previous year. The primary reason for the change was a one-time item, namely the liquidated damages from project delay amounting to THB 33.58 million, for which the subsidiary received a confirmation letter from PTTEP ED in March 2026 due to delays in project delivery beyond the timeline specified in the service agreement. In addition, the Group recorded a net foreign exchange loss of THB 38.49 million as a result of the appreciation of the Thai Baht against the U.S. Dollar, which affected foreign currency-denominated assets and liabilities. Administrative expenses also increased by THB 5.42 million, or 44.76%, in line with the expansion of the business operation.

Furthermore, finance costs for the period increased by THB 21.97 million, or 144.7%, due to the full-period recognition of interest expenses on long-term borrowings from financial institutions totaling THB 1,128.96 million, which were obtained to finance the FSO project investment. In March 2025, the Group entered into loan agreements with commercial banks and drew down the loans during the same month; therefore, finance costs related to such borrowings were recognized for the full three months in the current quarter. As a result, the Group recorded a loss before income tax for the period of THB 76.93 million and recognized deferred tax income of THB 9.51 million, resulting in a net loss for the period of THB 67.42 million, compared to a net loss of THB 2.23 million in the same period of the previous year.

During the period, the Group also commenced the application of Cash Flow Hedge Accounting for forward foreign exchange contracts used to hedge revenue and borrowings denominated in U.S. Dollars. As a result, the Group recognized a gain on cash flow hedges within other comprehensive income amounting to THB 10.73 million (net of income tax). Consequently, the total comprehensive loss for the period amounted to THB 56.69 million, an increase from a total comprehensive loss of THB 2.23 million in the same period of the previous year.

Summary of Financial Position

Unit: Million Baht

	Consolidated financial statements		Change	
	31 March 2026	31 December 2025	Increase/ (Decrease)	%
Current assets	892.07	851.32	40.75	4.8%
Non-current assets	3,320.80	3,393.74	(72.94)	(2.1%)
Total assets	4,212.87	4,245.06	(32.19)	(0.8%)
Current liabilities	593.07	519.41	73.66	14.2%
Non-current liabilities	2,433.24	2,482.40	(49.16)	(2%)
Total liabilities	3,026.31	3,001.82	24.49	0.8%
Shareholders' equity	1,186.56	1,243.24	(56.68)	(4.6%)

As of 31 March 2026, the Group reported total assets of THB 4,212.87 million, representing a decrease of THB 32.19 million, or 0.8%, from THB 4,245.06 million as of 31 December 2025.

Current assets increased by THB 40.75 million, or 4.8%, to THB 892.07 million, mainly due to: (1) an increase in cash and cash equivalents of THB 38.58 million from net cash inflows generated by the fully operational FSO project; (2) an increase in trade and other current receivables of THB 11.09 million, or 17.1%, in line with higher service revenue; (3) an increase in inventories of THB 7.94 million, or 330.6%, resulting from the stocking of spare parts and consumable materials for maintenance of the FSO vessel; (4) recognition of current derivative assets amounting to THB 4.25 million; and (5) an increase in other current assets of THB 15.37 million, or 35.2%. However, these increases were partially offset by a decrease in restricted bank deposits of THB 41.15 million, or 89.8%, resulting from the utilization of pledged deposits in accordance with the terms of the project loan agreement.

Non-current assets decreased by THB 72.94 million, or 2.1%, to THB 3,320.80 million, primarily due to depreciation and amortization expenses of THB 87.49 million related to plant and equipment, as well as right-of-use assets under lease agreements for the FSO vessel and mooring system. These decreases were partially offset by an increase in deferred tax assets of THB 9.78 million, or 111.9%, arising from tax losses incurred during the period, and the recognition of non-current derivative assets amounting to THB 6.40 million from forward foreign exchange contracts designated for hedge accounting purposes.

As of 31 March 2026, the Group's total liabilities amounted to THB 3,026.31 million, representing a slight increase of THB 24.49 million, or 0.8%, from THB 3,001.82 million as of 31 December 2025. Current liabilities increased by THB 73.66 million, or 14.2%, to THB 593.07 million, mainly due to an increase in trade and other

payables of THB 40.30 million, or 31.1%, in line with operating expenses related to the FSO project, as well as an increase in current derivative liabilities of THB 15.47 million, or 396.7%, resulting from changes in the fair value of forward foreign exchange contracts.

Non-current liabilities decreased by THB 49.16 million, or 2.0%, to THB 2,433.24 million, mainly due to scheduled repayments of long-term borrowings from financial institutions amounting to THB 40.00 million, and repayments of lease liabilities amounting to THB 9.11 million in accordance with the repayment schedules under the respective loan and lease agreements.

Shareholders' equity decreased by THB 56.68 million, or 4.6%, to THB 1,186.56 million, in line with the total comprehensive loss for the period of THB 56.68 million.

Cash Flow Statement

Unit: Million Baht

For the three-month period ended	Consolidated financial statements		Change	
	31 March 2026	31 March 2025	Increase/ (Decrease)	%
Cash flows from operating activities	99.30	(56.55)	155.85	(276%)
Cash flows from (used in) investing activities	37.83	(215.89)	253.72	(117%)
Cash flows from (used in) financing activities	(98.55)	944.17	(1,042.72)	(110%)
Net increase in cash and cash equivalents	38.58	671.73	(633.15)	(94%)

For the three-month period ended 31 March 2026, the Group reported net cash generated from operating activities of THB 99.30 million, representing an increase of THB 155.85 million compared to net cash used in operating activities of THB 56.55 million in the same period of the previous year. The improvement was mainly attributable to the commencement of commercial operations of the FSO project and the continuous receipt of service income from key customers, reflecting the Group's strengthened operating cash flow generation following the completion of the project investment.

Net cash generated from investing activities amounted to THB 37.83 million, representing a positive change of THB 253.72 million compared to net cash used in investing activities of THB 215.89 million in the same period of the previous year. This was primarily because, in the prior year period, the Group was in the final stage of the FSO project investment and incurred capital expenditures for the acquisition of plant and equipment amounting to THB 185.40 million. In the current period, the project investment has been completed, resulting in equipment purchases of only THB 3.32 million. In addition, the Group utilized restricted bank deposits amounting to THB 41.15 million in accordance with the conditions of the project loan agreement.

Net cash used in financing activities amounted to THB 98.55 million, representing a negative change of THB 1,042.72 million compared to net cash generated from financing activities of THB 944.17 million in the same period of the previous year. This was mainly because, during the same period of the previous year, the Group drew down long-term borrowings from financial institutions amounting to THB 954.00 million to finance the investment in the FSO project. In contrast, during the current period, the Group made repayments of long-term borrowings amounting to THB 40.00 million and repayments of lease liabilities amounting to THB 58.55 million.

As a result of the above, cash and cash equivalents increased by a net amount of THB 38.58 million during the period, resulting in cash and cash equivalents of THB 626.74 million as of 31 March 2026.

Forwarded for your information,

Yours faithfully,

Miss Nattaya Huatsoontorn
Director