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Bangkok Aviation Fuel Services Public Company Limited

Management Discussion & Analysis

For the Quarter Ended March 31, 2026



Executive Summary

In the first quarter of 2026, Thailand's tourism sector continued to play a crucial role in driving the economy. Although international travel demand—particularly from Asia—remained strong, the overall picture began to face pressure from external factors such as global economic volatility and rising travel costs. According to the Ministry of Tourism and Sports Thailand, the number of international tourist arrivals during the first three months of 2026 reached 9.3 million, representing a 2% decline compared to the same period last year. This reflects a slight slowdown in demand from certain markets, despite continued support from short-haul travelers and government tourism stimulus measures. Meanwhile, domestic tourism maintained stable growth, supported by economic stimulus policies and tourism-related activities during festival periods. However, air travel continued to face pressure from high energy costs, which led some airlines to reduce flights on certain routes—posing a short-term constraint on growth.

The aviation business segment, despite facing external pressures and an uneven recovery across regions, continued to see overall growth in service volume. In the first quarter of 2026, total jet fuel refueling volume reached 1,486 million liters, representing a 5% increase compared to the same period last year. This accounted for 92% of pre-COVID-19 levels and 27% of the full-year target of 5,560 million liters.

This growth was primarily driven by domestic routes, which expanded by 14% compared to the same period last year and have already returned to pre-COVID-19 levels. Meanwhile, routes to Europe continued to perform well, growing by 8% in line with travel demand during the tourism season. For routes in East Asia and the Pacific—key markets—the segment recorded a 3% increase, reflecting continued strong travel demand across Asia. In particular, China saw jet fuel consumption of approximately 234 million liters, up 2% year-on-year, recovering to 80% of pre-COVID-19 levels. At the same time, Middle East routes, which account for around 10% of total fuel volume, managed to grow by 3% compared to the same period last year, despite pressure from geopolitical conditions.

The utilities business segment continued to grow steadily. In the first quarter of 2026, fuel pipeline transportation volume totaled 333 million liters, representing an 8% decrease compared to the same period last year. Meanwhile, the power business segment continued to explore investment opportunities on an ongoing basis.

BAFS Pipeline Transportation Co., Ltd. (BPT) has continued to actively pursue its business expansion strategy. During this period, the volume of fuel transported through the northern pipeline system totaled 333 million liters, representing an 8% decrease compared to the same period last year, and accounting for 22% of the full-year target of 1,500 million liters.

The decline in transportation volume was mainly due to tight fuel supply conditions in the market during the second half of March 2026. This led to constraints for some oil companies in sourcing fuel into the pipeline system, resulting in a significant reduction in the volume of fuel entering the pipelines.

At the same time, BPT has commenced construction of Phase 3 of the northern fuel pipeline network (Ang Thong–Saraburi), covering a distance of approximately 52 kilometers. The project is currently about 83% complete and is expected to begin commercial operations by early 2027.

The operating performance of BAFS Group in Q1/2026 remained strong. Total revenue was recorded at 967.0 million baht, slightly decreasing compared to the same period last year. Meanwhile, EBITDA increased by 2% to 532.9 million baht, and net profit reached 151.8 million baht, representing a 6% increase year-on-year.

Financial Highlights

Unit : Million baht	1Q/25	4Q/25	1Q/26	Change	
				QoQ	YoY
Total Revenues ¹	967	949	967	2%	0%
Total Expenses ²	664	793	653	(18%)	(2%)
Operating Profit (Loss)	303	156	313	>100%	3%
Net Profit (Loss) to Equity holders	143	(31)	152	>100%	6%
Earnings per Share (Baht/Share)	0.20	(0.08)	0.22	>100%	8%
EBITDA ³	522	387	533	38%	2%
EBITDA exc. Extra items ⁴	522	427	533	25%	2%

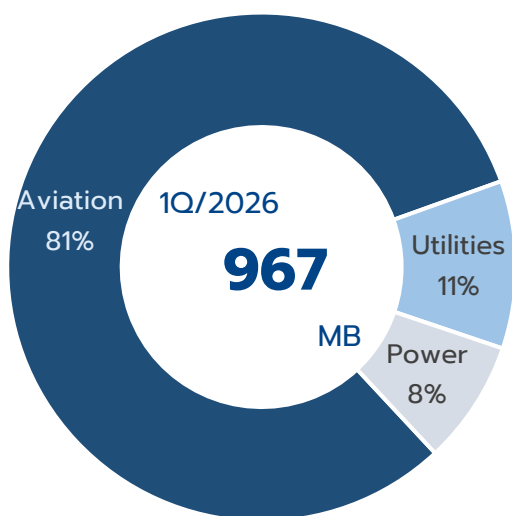
¹ Total revenues excluded finance income and gain on change in value of financial assets designated at fair value through profit

² Total expenses excluded finance cost and loss on change in value of financial assets designated at fair value through loss

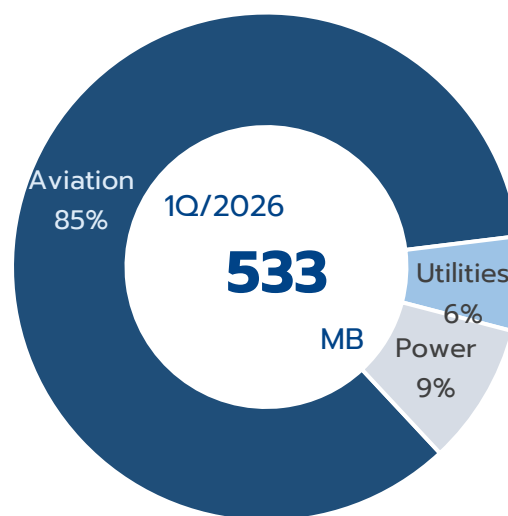
³ EBITDA = Operating profit (loss) + Depreciation and amortization

⁴ Extra items mainly consisting of loss from impairment on asset

Total Revenue



EBITDA¹



¹ % of EBITDA calculated from amount before eliminations

² EBITDA amount after eliminations

Total Performance 1Q/26 vs. 1Q/25

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries (“BAFS GROUP”) reported **total revenue** of 967.0 million baht, slightly decreasing compared to the same period last year. This was mainly due to a decline in revenue from **the Utilities business** segment, driven by lower income from fuel storage and ground fuel transportation services, in line with the decrease in total fuel volume across all products under the NBPT project. This was partially offset by increased revenue from **the Aviation business** segment, supported by higher aircraft refueling volumes, as well as growth in **the Power business** segment, driven by higher electricity sales from solar power plants.

EBITDA in 1Q/26 amounted to 532.9 million baht, representing a 2% increase compared to the same period last year. This growth was mainly driven by **the Aviation business** segment, supported by an overall increase in gross profit in line with higher aircraft refueling volumes, along with effective control of operating expenses. Overall operating expenses (excluding depreciation and amortization) decreased by 2%, primarily due to lower costs of aircraft refueling vehicles in line with reduced sales-related expenses, as well as lower repair and maintenance costs. Net finance costs declined by 10%, mainly from gradual loan repayments to financial institutions and reductions in lending interest rates by commercial banks. As a result, in 1Q/26, **net profit attributable to the Company’s shareholders** was 151.8 million baht, an increase of 6% year-on-year. Earnings per share (EPS) stood at 0.22 baht, with a net profit margin of 14%.

Key Events in 1Q/26

- **Progress of the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi)**

Construction of the Northern Oil Pipeline System Phase 3 connection project (Ang Thong–Saraburi) commenced in the first quarter of 2025, with commercial operations targeted to begin by early 2027. As of March 2026, the project construction progress has reached approximately 83%.

The project will connect oil supply from the Saraburi oil depot to the Northern Oil Pipeline System in Ang Thong Province, covering a distance of approximately 52 kilometers. Upon completion, the project will enable BPT’s pipeline transportation system to directly receive oil from refineries located in Thailand’s eastern region. This is expected to enhance transportation efficiency and significantly increase the volume of oil delivered into the Northern pipeline system, thereby supporting BPT’s long-term market share growth.

At the same time, the project has currently been certified to reduce greenhouse gas emissions. This environmental benefit could potentially be further developed into value creation through carbon credits in the future, representing another important opportunity to generate additional income while supporting the Group’s long-term sustainable growth objectives.

- **Credit Rating**

On April 22, 2026, Fitch Ratings (Thailand) Co., Ltd. announced the affirmation of the credit rating of Bangkok Aviation Fuel Services Public Company Limited at BBB(th), with a Stable Outlook. This reflects the company’s strong business position, particularly in its aircraft refueling services, as well as support from other businesses within the group that enhance the overall stability of its operating performance.

Performance by Business Segment

Aviation Business

Description	1Q/25	4Q/25	1Q/26	Change	
				QoQ	YoY
Aviation Fuel Volume (Million litres)					
Don Mueang Airport	265	275	280	2%	6%
Suvarnabhumi Airport	1,157	1,153	1,206	5%	4%
Total	1,422	1,428	1,486	4%	5%
Flights¹	75,450	77,042	79,824	4%	6%
Revenues (Million baht)^{2/3}	786	784	798	2%	1%
EBITDA (Million baht)³	431	372	449	21%	4%

¹ Total Flights was data of flights that serviced by BAFS only at BKK and DMK

² The revenue of the Aviation business segment consists of the revenue of BAFS, TARCO, and BAFS INTECH

³ Revenue and expenses excluded gain(loss) on exchange rate

Performance 1Q/26 vs. 1Q/25

- Total revenue amounted to 797.7 million baht, increasing by 1%.** This was mainly driven by the Aviation business segment, which recorded service revenue of 777.7 million baht, up 3% in line with the recovery in total aircraft fuel volume and the number of flights served by the Group at Suvarnabhumi Airport and Don Mueang International Airport, which grew by 5% and 6% year-on-year, respectively. In the first quarter of 2026, refueling volumes across all destination continents recovered to more than 80% of pre-COVID-19 levels. This increase was partially offset by a decline in revenue from aircraft refueling vehicle sales, as in the same period last year the Company sold spare parts and equipment for refueling vehicles to domestic customers, while no such sales occurred this year.
- EBITDA amounted to 449.0 million baht, increasing by 4%.** This was driven by higher revenue from the Aviation business segment as mentioned above, along with a reduction in operating expenses, mainly from lower repair and maintenance costs of the aircraft fuel pipeline system, and a decrease in the cost of sales for spare parts and equipment for aircraft refueling vehicles in line with lower sales.

Utilities Business

Description	1Q/25	4Q/25	1Q/26	Change	
				QoQ	YoY
Multi-products Fuel Volume of NBPT project ¹ (Million litres)	363	328	333	2%	(8%)
Revenues (Million baht)	117	107	103	(4%)	(12%)
EBITDA (Million baht)	47	21	34	66%	(27%)

¹ BPT's multi-products fuel pipeline transportation volume for the North Fuel Pipeline Transportation (NFPT) project

Performance 1Q/26 vs. 1Q/25

- **Total revenue amounted to 102.9 million baht, decreasing by 12%.** This was due to the Utilities business segment, which recorded revenue of 101.0 million baht from ground fuel transportation and fuel storage services, down 12%. The decline was driven by lower revenue from fuel storage and ground transportation services, in line with the decrease in total fuel volume across all products under the NBPT project, resulting from tight fuel supply conditions in the market during the second half of March. This led to constraints for some oil company customers in supplying fuel into the pipeline system.
- **EBITDA amounted to 34.3 million baht, decreasing by 27%.** This was due to lower revenue from the Utilities business segment as mentioned above, while operating expenses also declined, mainly from reductions in personnel expenses and rental costs.

Power Business

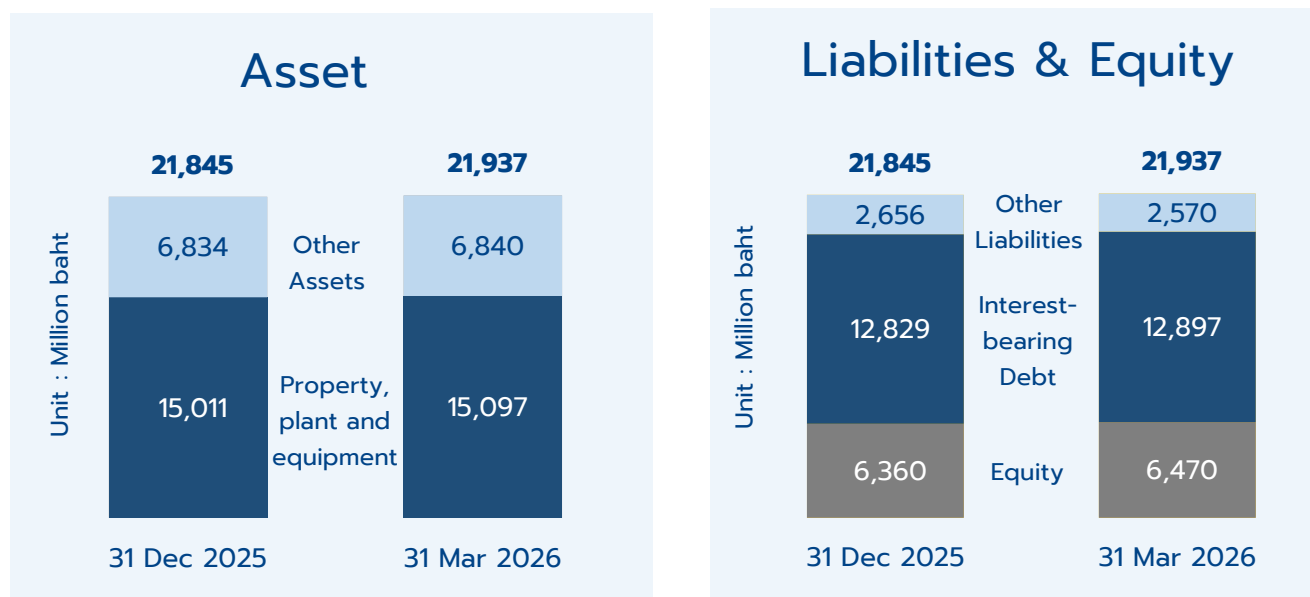
Description	1Q/25	4Q/25	1Q/26	Change	
				QoQ	YoY
Capacity Factor (%)	15%	13%	16%		
Energy Sold (GWh)					
Thailand	13.37	12.23	13.90	14%	4%
Japan	2.69	2.74	3.22	18%	20%
Total	16.06	14.97	17.12	14%	7%
Revenues (Million baht) ¹	74	72	74	3%	1%
EBITDA (Million baht) ¹	46	35	48	37%	4%

¹ Revenue and expenses, excluding gain(loss) on exchange rate and loss from impairment on asset.

Performance 1Q/26 vs. 1Q/25

- **Total revenue amounted to 74.0 million baht, increasing by 1%.** This was driven by the Power business segment, which recorded electricity sales revenue of 72.7 million baht, up 2% in line with higher electricity sales volume. This was partially offset by a decline in other income, as there was no revenue from the sale of Renewable Energy Certificates (REC), unlike in the previous year.
- **EBITDA amounted to 48.0 million baht, increasing by 4%.** This was driven by higher revenue from the Power business segment as mentioned above. At the same time, net operating expenses decreased by 4%, mainly due to lower personnel expenses and reduced repair and maintenance costs of the power plant.

Financial Position



Assets

As of March 31, 2026, BAFS Group's total assets amounted to 21,936.8 million baht, an increase of 0.4% compared to December 31, 2025, consisting of the following key items:

- **Property, plant, and equipment** amounted to 15,097.2 million baht, increasing by 1%. This was due to additional investments in land, equipment, and construction in progress totaling 237.8 million baht, primarily related to the Northern fuel pipeline connection project Phase 3 (Ang Thong–Saraburi), as well as the purchase of aircraft refueling vehicles. This was partially offset by depreciation expenses during the period amounting to 151.8 million baht.
- **Cash and cash equivalents** amounted to 479.3 million baht, increasing by 14%. This was primarily driven by improved operating cash flows, partially offset by capital expenditures for the construction of the Phase 3 Northern fuel pipeline connection project (Ang Thong–Saraburi), as well as loans provided to related parties for investment in waste-to-energy power projects and the U-Tapao International Airport project. In addition, the Company made repayments of borrowings to financial institutions during the period.
- **Loans to related parties** amounted to 481.5 million baht, increasing by 10%. This was due to additional lending to related entities for investment in waste-to-energy power projects and the U-Tapao International Airport project.

- **Projects costs under concession agreements** amounted to 1,428.6 million baht, decreased by 3%, due to amortization charges during the year of 36.8 million baht.
- **Trade and other current receivables** amounted to 481.6 million baht, decreasing by 5%, mainly due to collections received from customers during the period.

Liabilities

As of March 31, 2026, BAFS Group's total debt amounted to 15,466.9 million baht, an decrease of 0.1% compared to December 31, 2025. The interest-bearing debt to equity ratio is 2.0 to 1. The liabilities of the company group can be categorized as follows:

- **Long-term loans from banks** amounted to 8,906.6 million baht, decreasing by 1% primarily due to additional borrowings of 200.0 million baht during the period, net of long-term loan repayments of 315.0 million baht made during the same period.
- **Trade and other current payables** amounted to 352.3 million baht, decreasing by 22%, mainly due to payments made to settle payables for goods and services, as well as construction-related payables for the Northern fuel pipeline connection project Phase 3 (Ang Thong–Saraburi).
- **Short-term loans from banks** amounted to 370.0 million baht, decreasing by more than 100%. This was due to loan drawdowns of 320.0 million baht, partially offset by loan repayments of 120.0 million baht during the period.

Equity

As of March 31, 2026, the group of companies had total equity of 6,469.9 million baht, increasing by 2% from December 31, 2025. This increase was primarily driven by accumulated comprehensive income during the period totaling 137.8 million baht netted against the payment of dividends on perpetual bond, which resembles net income from income tax, amounting to 27.6 million baht. For the equity portion attributable to shareholders of the company, it amounted to 5,448.8 million baht, increasing by 2%.

Cash Flow Statement

For the period ended Mar 31, 2026

Million baht

Net cash flows from operating activities	445
Net cash flows used in investing activities	(286)
Net cash flows used in financing activities	(99)
Net increase in cash and cash equivalents	60
Cash and cash equivalents at beginning of period	419
Cash and cash equivalents at end of period	479

- **Net cash flows from operating activities** amounted to 445.3 million baht, resulting from increased revenues within the company group.
- **Net cash flows used in investing activities** amounted to 286.5 million baht, primarily driven by capital expenditures for the construction of the Northern fuel pipeline connection project Phase 3 (Ang Thong–Saraburi), as well as loans provided to related parties for investment in waste-to-energy power projects and the U-Tapao International Airport project.
- **Net cash flows used in financing activities** amounted to 98.8 million baht, primarily due to loan repayments to financial institutions totaling 435.0 million baht, interest payments of 124.0 million baht, and dividend payments on perpetual subordinated debentures of 34.5 million baht, partially offset by cash received from borrowings amounting to 520.0 million baht during the period.

Key Financial Ratios

	1Q/2025	1Q/2026
Profitability Ratios		
1. Gross profit margin (%)	45.7%	46.5%
2. EBITDA Margin (%)	54.0%	55.1%
3. Net profit margin (%)	13.6%	14.4%
	Dec 31, 25	Mar 31, 26
Liquidity Ratios		
4. Current ratio (times)	0.7	0.6
Profitability Ratios		
5. Return on equity (%)	4.0%	4.0%
Operating Efficiency Ratios		
6. Return on assets (%)	1.0%	1.0%
Financial Policy Ratios		
7. Interest bearing debt to equity (times)	2.0	2.0
8. Debt to equity (times)	2.2	2.1
9. Debt service coverage ratio (times)	1.1	1.0

Key Financial Ratios Calculations

- Gross profit margin = $\text{Gross profit (loss)} / \text{Service incomes and sales} \times 100$
- EBITDA Margin = $\text{EBITDA} / \text{Total revenues} \times 100$
- Net profit margin = $\text{Net profit (loss)} / \text{Total revenues} \times 100$
- Current ratio = $\text{Current assets} / \text{Current liabilities}$
- Return on equity = $\text{Net profit (loss) (annualized)} / \text{Average equity holders of the company} \times 100$
- Return on assets = $\text{Net profit (loss) (annualized)} / \text{Average total assets} \times 100$
- Interest bearing debt to equity = $\text{Interest bearing debt}^* / \text{Equity}$
 $^* \text{Interest bearing debt} = \text{Short-term loans} + \text{long-term loans} + \text{Lease liabilities} + \text{Debentures}$
- Debt to equity = $\text{Liabilities}^{**} / \text{Equity}$
 $^{**} \text{Liabilities} = \text{Total liabilities} - \text{Lease liabilities} - \text{Provision for land leased related to concession agreement}$
- Debt service coverage ratio = $\text{EBITDA (annualized)} / (\text{Short-term loans} + \text{Current portion of long-term loans} + \text{Current portion of lease liabilities})$