

May 12, 2026

Re: Management Discussion and Analysis

For three-month period ending March 31, 2026

To: President

The Stock Exchange of Thailand

On May 12, 2026, the Board of Directors' meeting no. 2/2026 resolved to approve the financial statements of PSG Corporation Public Company Limited (the "Company") and its subsidiaries, for the three-month ended March 31, 2026, which were audited by EY Office Limited and reviewed by the Audit Committee. The details are as follows:

Business and Industry Overview

During the first quarter of 2026, the Thai economy continued to face pressure from global economic uncertainty, geopolitical conflicts, and domestic structural constraints. The Bank of Thailand revised its 2026 GDP growth forecast downward to approximately 1.5%, primarily due to elevated energy prices, fragile household purchasing power, and export-related risks arising from international trade protectionist measures. In addition, headline inflation showed signs of accelerating to approximately 2.9 – 3.2%, driven largely by rising imported energy costs, which have affected both domestic production and consumer spending.

For the construction industry, the overall outlook for 2026 is expected to remain relatively stable. SCB EIC estimates Thailand's construction market value at approximately Baht 1.41 trillion, reflecting only modest growth from the previous year. Government infrastructure investment remains the primary growth driver, while the private sector continues to face pressure from a slowing real estate market and delayed recovery in purchasing power. Meanwhile, heightened tensions in the Middle East and rising energy prices have increased the cost of key construction materials such as steel, cement, and tiles, where energy expenses account for approximately 35 – 50% of total production costs. This has created ongoing risks of margin compression, cost overruns, and working capital management challenges for construction operators, particularly those with long-term projects or limited ability to pass rising costs on to customers.

In the energy sector and related coal supply and distribution businesses, market conditions in Q1/2026 were supported by rising global energy prices resulting from geopolitical tensions in the Middle East and concerns over oil and LNG supply disruptions through the Strait of Hormuz, a route that handles approximately 20% of global energy transportation. As a result, Newcastle coal prices increased by approximately 14 – 20% during the early part of the year, while fuel-switching demand from LNG to coal accelerated across several regions, particularly in Asia. Consequently, coal continues to play an important role in medium-term energy security despite longer-term pressures from clean energy transitions and carbon reduction policies.

For the Company, expanding investment into coal management and distribution businesses is aligned with prevailing energy market trends and supports revenue diversification amid heightened economic volatility.

Key Developments

On February 12, 2026, the Company successfully completed its strategic investment in Nam Tien Limited Liability Company (“NT”), following approval by the Board of Directors. As a result, the Company became the major shareholder, holding 64% of NT’s charter capital, thereby establishing NT as a new subsidiary. NT’s operating performance has been consolidated into the Company’s financial statements beginning in Q1/2026.

NT has secured the rights to purchase finished coal products from Xekong Power Plant Company Limited (“XPPL”), the concession holder for coal mining operations in Salavan and Sekong provinces, Lao PDR. These coal products are primarily distributed to key customers in Vietnam. NT’s principal revenue consists of revenue from coal sales and revenue from mining and coal processing services.

Outline of Q1/2026 Business Operations

For the first quarter of 2026, the Group reported total revenue of Baht 2,600.0 million and net profit for the period of Baht 267.4 million divided into profit attributable to the Company’s shareholders amounting to Baht 242.1 million and to the non-controlling interests (NCI) of the subsidiaries amounting to Baht 25.3 million. This marks the first quarter in which NT’s financial performance, as the Group’s new subsidiary (effective from February 12, 2026), was consolidated into the Group’s financial statements.

As a result, the Group’s operating performance increased significantly, while its revenue structure became more diversified through the addition of sales revenue and service income, compared to its previous primary reliance on project-based construction revenue.

Summary of financial performance for three-month period ending March 31, 2026, is as follows:

Unit: Million Baht (reviewed)

Description	1 st Quarter		Changes	
	2026	2025	Inc. (Dec.)	%Chg.
Revenue from construction contracts	645.6	638.3	7.3	1.1
Sales	1,675.3	-	1,675.3	-
Service revenue	110.2	-	110.2	-
Other income	40.9	4.6	36.3	789.1
Foreign exchange gains	128.0	-	128.0	-
Total revenues	2,600.0	642.9	1,957.1	304.4
Cost of construction contracts	444.0	409.0	35.0	8.6
Cost of goods sold	1,460.2	-	1,460.2	-
Cost of service	95.2	-	95.2	-
Selling expense	104.5	-	104.5	-
Administrative expenses	132.1	106.5	25.6	24.0
Foreign exchange losses	-	3.0	(3.0)	(100.0)
Total expenses	2,236.0	518.5	1,717.5	331.2

2. Total Cost

Consolidated total cost for three-month ending March 31, 2026 consisted of construction cost of Baht 444 million increasing from the same period previous year by Baht 35.0 million or 8.6%. This is in line with the construction work progress of the construction projects. Cost of goods sold of Baht 1,460.2 million and cost of services of Baht 95.2 million.

3. Selling Expenses

Consolidated selling expenses for three-month ending March 31, 2026 were Baht 104.5 million.

4. Administrative Expenses

Consolidated administrative expenses for three-month ending March 31, 2026 were Baht 132.1 million, increasing from the same period previous year by Baht 25.6 million or 24% due to employee & benefits related expenses and feasibility studies for new business opportunities.

5. Finance Costs

Consolidated finance costs for three-month ending March 31, 2026 were Baht 19.8 million, which increased from same period previous year by Baht 19 million, mainly derived from interest expenses from short-term loans from financial institutions, interest expenses incurred from right of use assets and bank fees.

6. Income Tax Expenses

Consolidated income tax expenses for three-month ending March 31, 2026 were Baht 76.8 million, increasing from the same period previous year by Baht 52.0 million. This is in line with the Company and its subsidiary's profitable performance.

Financial Position

Unit: Million Baht (reviewed)

Description	Consolidated financial statements		Changes	
	Mar 31, 2026	Dec 31, 2025	Inc. (Dec.)	%Chg.
Total assets	10,673.1	5,533.6	5,139.5	92.9
Total liabilities	5,236.2	684.5	4,551.7	665.0
Total shareholders' equity	5,436.9	4,849.1	587.8	12.1

Assets

As of March 31, 2026, the Company and its subsidiaries had total assets of Baht 10,673.1 million comprising current assets of Baht 8,676.4 million and non-current assets of Baht 1,996.7 million, compared to total assets of Baht 5,533.6 million as of December 31, 2025, representing Baht 5,139.5 million significant increase. The major increase was account receivables and other current receivables, inventories and retention receivables moving in line with the construction work progress, and the assets acquired through the investment in the subsidiary in Vietnam.

Liabilities

The Company and its subsidiary's total liabilities as of March 31, 2026, amounted to Baht 5,236.2 million, comprising current liabilities of Baht 5,158.5 million and non-current liabilities of Baht 77.7 million, increasing by Baht 4,551.7 million compared to total liabilities of Baht 684.5 million as of December 31, 2025. The main increase was short-term loans from financial institutions, trade payables and other current payables, retention payables and lease liabilities. The Company and its subsidiary's debt to equity (D/E) ratio was 0.96 times.

Shareholders' equity

The Company and its subsidiary's shareholder's equity as of March 31, 2026, amounted to Baht 5,436.9 million, compared to shareholder's equity of Baht 4,849.1 million as of December 31, 2025, representing Baht 587.8 million increase which is in line with their profitability, and investment in the subsidiary in Vietnam.

Liquidity

As of March 31, 2026, the Company and its subsidiary current ratio was 1.7 times.

Factors Affecting Future Operations

1. Business Potential of the Subsidiary

Following the Company's strategic investment in Nam Tien Limited Liability Company ("NT"), the Group has significantly expanded its revenue base through the addition of recurring revenue streams, including both sales and service income. This development has fundamentally strengthened the Group's revenue structure by reducing long-term reliance solely on one-off construction projects. As a result, the Group is better positioned to achieve greater business continuity and long-term financial stability through a more diversified income portfolio.

2. Energy Price Volatility and Supply Risks

Geopolitical tensions in the Middle East, particularly risks surrounding global energy transportation routes through the Strait of Hormuz, which facilitates approximately 20% of global crude oil and LNG trade, have significantly increased volatility in global oil and fuel prices. Such developments may lead to rising energy, transportation, and raw material costs associated with both the Company's construction and energy-related businesses. These factors may also impact on supply chain stability and future operating costs.

The Company continues to closely monitor global energy market developments and broader economic conditions while actively evaluating cost management and resource procurement strategies to preserve competitiveness and operational stability.

3. Exchange Rate Volatility

The Company and its subsidiaries undertake construction projects in Lao PDR, and certain revenues and expenses are denominated in foreign currencies. Fluctuations in exchange rates may result in foreign exchange gains or losses in the Company and its subsidiary's financial statements. However, such volatility primarily arises from currency translation for financial reporting purposes and does not materially affect the Company and its subsidiary's ability to execute projects under contract or deliver work to clients.

In respect of the coal trading and services business of the subsidiary in Vietnam, certain costs and expenses are denominated in foreign currencies. The Company may consider adopting financial instruments to mitigate the impact of foreign exchange volatility.

The Company and its subsidiaries emphasize aligning revenue and expense structures with project currencies, closely monitoring exchange rate movements, and prudently managing cash flows to mitigate potential impacts from exchange rate volatility in its financial statements.

4. Construction Project Management

The Company and its subsidiary's capability in project planning, cost control, timeline management, and quality assurance is a critical factor directly affecting operating performance. Inefficient project management may result in delays, deferred revenue recognition, higher-than-estimated costs, and additional expenses arising from rectification works or contractual penalties, all of which may adversely affect profit margins and cash flows.

Accordingly, the Company and its subsidiary prioritize rigorous project management at every stage, close monitoring of progress, effective cost and resource control, and strict adherence to quality and safety standards to ensure projects are delivered in accordance with plans and contractual requirements, thereby mitigating risks of delays and cost overruns.

5. Liquidity Management

The construction contracting business requires significant working capital to support project execution and revenue recognition based on work progress. Delays in project implementation, whether due to labor shortages, material supply constraints, or scope changes, may affect revenue recognition, cash flows, and unrecoverable additional costs. The Company and its subsidiary therefore place importance on detailed project planning, continuous progress monitoring, and prudent liquidity management to accommodate potential fluctuations during project execution.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)

Chief Executive Officer

PSG Corporation Public Company Limited

Investor Relations

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