

(Translation)

REF: BSM 006/2026

May 13, 2026

Subject: Management Discussion and Analysis of Operation Results for the 1st Quarter, ending March 31, 2026

To: The President
The Stock Exchange of Thailand

BuilderSmart Public Company Limited (“the Company”) would like to clarify the performance of the Company and its subsidiaries for the 1st Quarter, ending March 31, 2026, as follows:

1) Overall Performance

In Q1 2026, the Company and its subsidiaries recorded total revenue of 99.66 million baht, representing a decrease of 11.00% compared to the first quarter of the previous year. Nevertheless, the gross profit margin improved to 32.50%, compared to 28.20% in Q1 of the previous year, reflecting the success of the Company’s proactive cost management, product mix adjustment, and efficient expense control.

Although market conditions continued to put pressure on revenue, the improved cost structure resulted in a reduction in the Group’s net loss compared to the same period last year, demonstrating signs of operational recovery.

2) Performance by Business Segment

2.1) Construction Materials Business (Operated by BuilderSmart Public Company Limited and Alloy Solutions Asia Co., Ltd.)

The Group’s construction materials business in Q1 2026 total revenue was 80.39 million baht, decreasing by 13.23% compared to Q1 of the previous year. The revenue decline was mainly attributable to the slowdown of commercial construction projects in both the private and public sectors, driven by higher oil prices and increased construction material costs resulting from disruptions related to the closure of the Strait of Hormuz. In addition, government budget spending during the transition period of the new administration was delayed pending clearer policy direction from the new government. Consumer purchasing power also remained weak due to the incomplete economic recovery. However, the Company maintained a higher gross profit margin despite the challenging economic environment. the Company’s continued focus on cost management enabled it to maintain satisfactory profitability.

2.2) Real Estate Business (Operated by Sansara Project and Teak Development Co., Ltd.)

2.2.1) Sansara Project (Hua Hin)

The Sansara Project is a residential development for sale and long-term lease located in Hua Hin, Prachuap Khiri Khan Province. In Q1 2026, total revenue of 5.79 million baht was generated from project management services, decreasing by 10.99 million baht, or 65.49%, compared to Q1 of the previous year. There was no revenue recognized from the sale of residential units during the quarter. However, the project currently has backlog sales from customers who have signed reservation agreements and partially paid deposits, amounting to approximately 29 million baht, which are scheduled for gradual transfer and revenue recognition in the following quarter 2 and quarter 3 of 2026.

2.2.2) Teak Development Co., Ltd.

The company develops condominium projects in central business district locations, including the TEAK Sathorn and TEAK Ratchada projects. In Q1 2026, total revenue was 14.09 million baht, increasing by 356.71% compared to Q1 of the previous year, primarily driven by the Company's strategic expansion of its agent network and increased penetration into foreign buyer segments. Nevertheless, the Company continues to face challenges from the sluggish condominium market, weakened consumer purchasing power, stricter lending criteria by financial institutions, and higher interest rates.

3) Costs and Expenses

Cost of sales and services amounted to 65.79 million baht, representing 67.50% of revenue from sales and services. The decrease was attributable to improvements in procurement processes, supply chain management, and the selection of higher-quality projects. The Company places greater emphasis on maintaining healthy margins rather than focusing solely on revenue growth in order to ensure long-term financial sustainability.

Administrative expenses amounted to 31.12 million baht, decreasing from the same quarter of the previous year. This was mainly due to the Company's organizational restructuring to better align with the business scale, reduction of fixed expenses, and increased use of technology to enhance operational efficiency. As a result, SG&A expenses declined and further supported the Group's profitability.

4) Finance Costs and Income Tax

Finance costs amounted to 7.78 million baht, decreasing by 0.10 million baht, or 1.27%, compared to the same quarter of the previous year. The decrease was mainly due to the Company's gradual monthly loan repayments, liquidity management, and sourcing of funding at appropriate costs, which slightly reduced overall finance costs. Income tax expenses amounted to 1.47 million baht.

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5) Net Loss

The Company and its subsidiaries reported a net loss attributable to the shareholders of the parent company of 6.50 million baht, representing a reduction in net loss of 35.97%, or 3.65 million baht, compared to the same quarter of the previous year. The improvement was mainly driven by better operating performance in the construction materials business, despite lower sales revenue.

6) Business Outlook for the Next Quarter

The Company will continue building upon the restructuring initiatives implemented in the previous year, with key objectives of strengthening financial stability, improving profitability, and continuously reducing debt obligations.

The construction materials business will remain the Group's core revenue and cash flow generating business. The Company will continue expanding its customer base in commercial and infrastructure projects while maintaining an appropriate gross profit margin.

For the real estate business, the Company will focus on prudent inventory management, gradual recognition of backlog revenue, and disciplined cash flow management in order to strengthen liquidity and reduce financial risks.

7) Conclusion

Although the business environment remains challenging due to various factors mentioned above, the Company remains committed to strengthening the stability and sustainability of its construction materials business to ensure continued profitability. The Company will continue adjusting its strategies to align with market conditions and further develop its businesses in a sustainable and stable manner going forward.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer

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