

1. Business overview

Sahakol Equipment Public Company Limited (“the Company”) is a company engaged in the integrated provision and operation of mining services, covering mine planning, open-pit mining operations, mining consultancy, and the rental and maintenance of large machinery. The Company’s business direction and strategy focus on building and maintaining competitiveness and business growth. Competitor Situation and Competitors: The Company has few competitors in the business. Competition is largely based on price. Factors affecting price competitiveness include the volatility of raw material prices, which impacts the industry.

2. Executive Summary

A significant event and development in Q1 2026 was the signing of a Mining Support and Services Agreement (MSSA) with Hongsa Power Company Limited (HPC) in Hongsa, Xayaburi Province, Lao People's Democratic Republic on March 31, 2026. The contract is valued at approximately 340 million baht (excluding VAT) and will run from May 1, 2026 to December 31, 2028.

A meeting was held with holders of six bond series: SQ25NA, SQ25NB, SQ256A, SQ266A, SQ275A, and SQ285A to request a deferral of repayments for all bond series due to a complete shut down of Mae Moh Mine Project 8 and at least 7 months delay of Mae Moh Mine Project 8/1. However, the resolution of the meeting was not approved.

Currently, the company operates waste and coal mining operations under 6 main projects: (1) Mae Moh Mine Project 8, (2) Hongsa Mine Project D, (3) Hongsa Mine O&M Project, (4) North Pit Wall Expansion Project, (5) Build Lease and Transfer (BLT) Project, and (6) Mae Moh Mine Project 8/1 (the other 2 projects, namely MSSA and O&M Expansion, will begin in Q2/2026 and 2027, respectively). In summary, the important events and developments are as follows:

In the first quarter of 2026, the company reported total service revenue of 572.1 million baht, a decrease of 17.1% from the fourth quarter of 2025 and a decrease of 36.9% compared to the same period of the previous year (Q1/2025). This was due to the complete shutting down of operations at the Mae Moh 8 mine project and the postponement of earthmoving operations at the 8/1 project because of a landslide that occurred in November 2025.

The overall Mae Moh 8 mine project generated decreased revenue compared to Q1/2025 due to the complete shutdown of operations while, on the other hand there has been an ongoing site rehabilitation and conveyor system installation. The remaining work is expected to resume in mid-Q2/2026.

The overall picture of the Mae Moh 8.1 mine project shows that coal mining revenue is on schedule (contract commencement Q2/2025), but work is delayed due to the mine's ongoing recovery from landslides. Excavation and earthmoving work remains postponed from the planned schedule and is expected to commence in Q3/2026.

Overall, the Hongsa mine project generated a 10.5% decrease in revenue compared to Q4/2025, but work remains on schedule.

3. Financial Performance

(Million Baht)

Unit : M THB	Q4/2025	Q1/2026	% Gain (Loss) QoQ	Q1/2026	Q1/2025	% Gain (Loss)
Total revenues	690.4	572.1	(17.1%)	572.1	907.3	(36.9%)
Service revenues	661.4	481.7	(27.2%)	481.7	874.0	(44.9%)
Cost of Services (Include Depreciation) ¹	914.7	600.0	(34.4%)	600.0	752.4	(20.3%)
1Depreciation	158.9	129.6	(18.4%)	129.6	182.8	(29.1%)
Gross Profit (After Depreciation)	(253.4)	(118.3)	(53.3%)	(118.3)	121.6	N/A
Administrative expenses	455.2	92.3	(79.7%)	92.3	74.4	24.1%
EBITDA	(513.8)	(114.8)	(77.7%)	(114.8)	270.9	(142.4%)
Financial Cost	71.9	78.7	9.5%	78.7	69.3	13.6%
Net Profit	(786.9)	(198.5)	(74.8%)	(198.5)	7.6	N/A
EBITDA margin (%)	(74.4%)	(20.1%)	(73.0%)	(20.1%)	29.9%	(49.9%)
Gross Profit Margin (%)	(38.3%)	(24.6%)	13.8%	(24.6%)	13.9%	(38.5%)
Net Profit Margin (%)	N/A	(34.7%)	79.3%	(34.7%)	0.8%	(35.5%)

Key performance

- Service revenue in Q1/2026 was 572.1 million baht (-36.9% YoY, -17.1% QoQ)
- EBITDA in Q1/2026 was -114.8 million baht (more than 100% negative YoY, loss decreased by 77.7% QoQ)
- Net loss in Q1/2026 was 198.5 million baht (more than 100% negative YoY, loss decreased by 74.8% QoQ)

Performance results for the three-month period, Q1/2026, compared to Q4/2025 (QoQ).

In Q1 2026, the company's total revenue was 572.1 million baht, a decrease of 118.3 million baht or 17.1%. This was due to the Mae Moh 8 mine project's shutdown for site restoration following a landslide in early November

2025, including the installation of conveyor systems and machinery maintenance. Operations are expected to resume in Q2 2026. Additionally, the Hongsa D and O&M mine projects experienced reduced coal utilization due to power plant shutdowns throughout most of Q1 2026., with significant changes in costs and expenses are as follows:

- Maintenance costs increased by 74.87 million baht due to the Mae Moh 8 mine project's restoration of the mine area from damage caused by a landslide in early November 2025, including the installation of conveyor systems and machinery maintenance.
- Fuel costs decreased by 39.16 million baht due to reduced consumption from the temporarily shut down Mae Moh 8 mine project, consistent with the decreased production.
- The cost of explosives decreased by 13.7 million baht due to reduced usage from the cease-operational Mae Moh 8 mine project. This aligns with the reduced production.
- Contractor costs increased by 9.71 million baht due to the North Pit Wall Expansion project, which involved hiring subcontractors to replace an operation of aging trucks (contract completion by the end of 2027), and the Mae Moh 8 mine project, which required additional contractors to clear the area and construct conveyor belts as part of the mine rehabilitation process.
- Financial costs increased by 9.4 million baht due to higher interest rates on bonds, loans from financial institutions, and lease-purchase agreements for machinery.
- Depreciation costs decreased by 9.71 million baht, mainly because some machinery had already been fully depreciated.

Therefore, in Q1/2026, the company reported a loss before interest and depreciation (EBITDA) of 114.8 million baht, a smaller loss of 399 million baht compared to Q4/2025, which included extraordinary items from provisions for project losses, electricity costs, and landslide damage.

Performance results for the three-month period, Q1/2026, compared to Q1/2025 (YoY).

The company's total revenue was 572.1 million baht, a decrease of 335.2 million baht, or 36.9%, compared to the same period last year. This was due to the complete halt of operations at the Mae Moh 8 mine project, which is currently undergoing a site rehabilitation. The Mae Moh 8/1 mine project is only operating the coal portion, with soil works postponed from their original start date of February 2026. Soil excavation works are expected to commence in Q3 2026. The Hongsa mine project saw a 13% increase in revenue compared to Q1 2025 due to the full operation of the conveyor belt system and the completion of machinery maintenance in Q3 2025 (in the case of the Hongsa project, the client is responsible for supplying the conveyor belts). While service costs decreased by 20.3%, the key costs and expenses that changed are as follows:

- Maintenance costs increased by 64.3 million baht, mainly due to the Mae Moh 8 mine project's restoration of the mine area from damage caused by a landslide in early November 2025, including the installation of conveyor systems and machinery maintenance.
- Fuel costs decreased by 89.4 million baht due to reduced consumption from the Mae Moh 8 mine project, the shutdown of operations, and reduced workload at the Mae Moh 8/1 mine project.
- Explosives costs decreased by 47.3 million baht due to reduced usage from the cease-operational Mae Moh 8 mine project and the fact that the initial operations of the Mae Moh 8/1 mine project did not use explosives.
- Labor costs decreased by 6.4 million baht due to reduced overtime hours and shifts expenses at the Mae Moh 8 mine project.
- Depreciation costs decreased by 53.17 million baht from some machinery that had already been fully depreciated.

4. Operational Result by Project

(Million Baht)

Unit : M THB	Q4/2025	Q1/2026	% Gain (Loss) QoQ	Q1/2026	Q1/2025	% Gain (Loss)
Mae Moh 8						
Service Revenue	127.6	0.3	(99.8%)	0.3	454.4	(99.9%)
Cost of Services (Include Depreciation) ¹	524.4	220.4	(58.0%)	220.4	421.1	(47.7%)
1Depreciation	103.0	75.6	(26.6%)	75.6	126.5	(40.2%)
Gross Profit	(396.8)	(220.2)	(44.5%)	(220.2)	33.3	N/A
Gross Profit Margin (%)	N/A	N/A	44.6%	N/A	7.3%	N/A
Mae Moh 8/1						
Service Revenue	30.7	25.8	(16.0%)	25.8	1.7	N/A
Cost of Services (Include Depreciation) ¹	29.3	74.5	N/A	74.5	0.9	N/A
1Depreciation	11.0	15.5	40.9%	15.5	0.2	N/A
Gross Profit	1.4	(48.7)	N/A	(48.7)	0.8	N/A
Gross Profit Margin (%)	4.6%	N/A	N/A	N/A	N/A	N/A
Hongsa D and Hongsa O&M						
Service Revenue	443.3	396.8	(10.5%)	396.8	351.1	13.0%
Cost of Services (Include Depreciation) ¹	237.0	242.2	2.2%	242.2	245.2	(1.2%)
1Depreciation	33.0	26.4	(20.0%)	26.4	44.2	(40.3%)
Gross Profit	206.3	154.6	(25.1%)	154.6	105.9	46.0%
Gross Profit Margin (%)	46.5%	39.0%	N/A	39.0%	30.2%	8.8%

(Million Baht)

Unit : M THB	Q4/2025	Q1/2026	% Gain (Loss) QoQ	Q1/2026	Q1/2025	% Gain (Loss)
North Pit Wall Expansion						
Service Revenue	59.0	58.9	(.2%)	58.9	65.5	(10.0%)
Cost of Services (Include Depreciation) ¹	122.8	60.9	(50.4%)	60.9	78.6	(22.5%)
1Depreciation	11.9	12.0	0.6%	12.0	11.9	0.8%
Gross Profit	(63.7)	(1.9)	(97.0%)	(1.9)	(13.1)	(85.5%)
Gross Profit Margin (%)	N/A	(3.2%)	N/A	(3.2%)	(20.1%)	16.8%
Built Lease and Transfer (BLT)						
Service Revenue	25.4	22.6	(10.9%)	96.8	26.4	N/A
Cost of Services (Include Depreciation) ¹	1.3	2.0	53.8%	2.0	6.3	(68.3%)
1Depreciation	-	-	N/A	-	-	N/A
Gross Profit	24.1	20.6	(14.4%)	94.8	20.1	N/A
Gross Profit Margin (%)	94.9%	91.2%	N/A	97.9%	76.1%	21.8%

(1) Mae Moh 8 project

The Mae Moh 8 mine project ceased operations, generating no revenue in Q1 2026. Service costs decreased by 47.7% even though there was an ongoing maintenance of machinery and conveyor systems in preparation for the remaining earthworks as per the contract.

Compared to the same period of the previous year, revenue decreased by 454.4 million baht due to the shutdown for maintenance and repair of damaged machinery and conveyor systems.

(2) Mae Moh Mine Project 8/1

The Mae Moh 8/1 mine project has delayed its coal mining operations and postponed soil excavation work. Previously, revenue from coal mining amounted to 25.8 million baht in the first quarter of 2026, with the contract beginning in the Q2 2025.

(3) Hongsa Mine Project D and Hongsa O&M

The Hongsa mine project generated revenue of 396.8 million baht, a decrease of 46.5 million baht or 10.5% from Q4/2025. Gross profit decreased by 51.7 million baht, or 25.1%, from Q4/2025.

Compared to the same period of the previous year, the Hongsa mine project saw an increase in revenue of 45.7 million baht, or 13%, and an increase in gross profit of 48.7 million baht, or 40.6%, from Q1/2025. This is a continuing result from the new mine planning that began in Q4/2025.

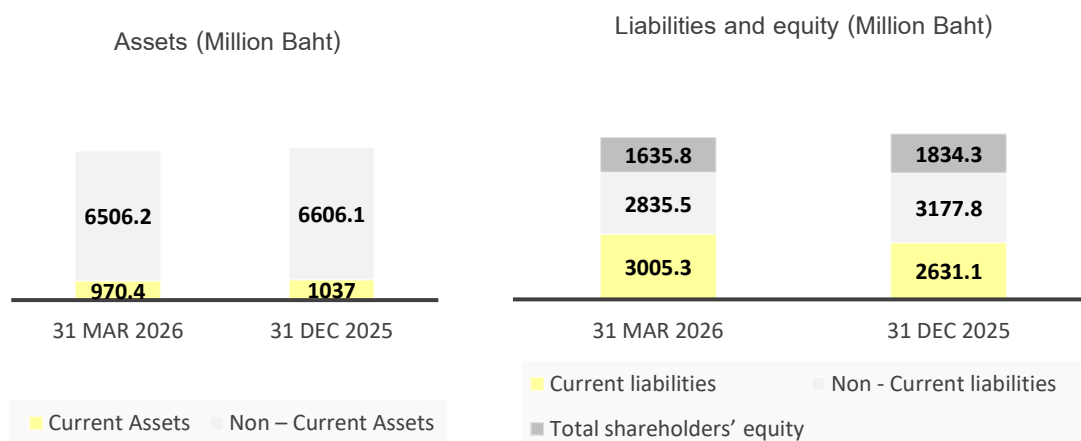
(4) North Pit Wall Expansion Project

The North Pit Wall Expansion project generated revenue of 58.9 million baht, similar to Q4/2025, while service costs decreased by 61.9 million baht, or 50.4%, as a result of the mine restructuring plan implemented in Q4/2025. This led to a reduction in gross loss of 61.8 million baht, or 97%, compared to Q4/2025. Compared to the same period of the previous year, the North Pit Wall Expansion project saw a decrease in revenue of 6.6 million baht, or 10%, and a decrease in gross loss of 11.2 million baht, or 85.5%, compared to Q1/2025.

(5) Build Lease and Transfer (BLT) Project

The Build Lease and Transfer project generated revenue of 22.6 million baht, a decrease of 2.8 million baht or 10.9% from Q4 2025. This decrease is attributed to interest income from the financial lease repayment plan (Effective Interest Rate). Meanwhile, service costs decreased by 0.7 million baht or 53.8% due to lower warranty costs for conveyor belt system installation. As a result, gross profit decreased by 3.5 million baht or 14.4% from Q4 2025.

5. Financial Position and Cash Flow



Balance Sheet Position

Assets

As of March 31, 2026, the company had total assets of 7,476.6 million baht, a decrease of 166.6 million baht from total assets as of December 31, 2025. This decrease is due to a reduction in cash and cash equivalent from operational shutdowns and expenditures for restoration of Mae Moh mine, a decrease in assets from depreciation, and a reduction in inventory.

(Million Baht)

	31 Mar 2024	31 Dec 2025	change %
Current Assets	970.4	1,037.0	(6.4%)
Non – Current Assets	6,506.2	6,606.2	(1.5%)
Total assets	7,476.6	7,643.2	(2.2%)

Liabilities

As of March 31, 2026, the company had total liabilities of 5,840.8 million baht, an increase of 31.9 million baht from total liabilities as of December 31, 2025, representing a 0.5% increase due to the extension in payments to trade payables.

(Million Baht)

	31 Mar 2026	31 Dec 2025	change %
Current liabilities	3,005.3	2,631.1	14.2%
Non - Current liabilities	2,835.5	3,177.8	(10.8%)
Total liabilities	5,840.8	5,808.9	0.5%

Shareholder's equity

As of March 31, 2026, the company's shareholders' equity amounted to 1,635.8 million baht, a decrease of 198.5 million baht from the company's shareholders' equity as of December 31, 2025, representing a decrease of 10.8% due to a net operating loss.

(Million Baht)

	31 Mar 2026	31 Dec 2025	change %
Total shareholders' equity	1,635.8	1,834.3	(10.8%)

Statement of Cash Flows

As of March 31, 2026, cash and cash equivalents totaled 132.9 million baht, a decrease of 59.7 million baht from December 31, 2025, when cash and cash equivalents totaled 192.6 million baht. The main reasons for this decrease are summarized as follows:

(Million Baht)

Cash flows from operating activities	65.0
Cash flows from investing activities	(17.5)
Cash flows from financing activities	(107.1)
Net decrease in cash and cash equivalents	(59.7)

Net cash generated from operating activities amounted to 65 million baht, primarily resulting from operating profits before income tax.

Net cash used for investing activities amounted to 17.5 million baht, resulting from payments for asset purchases in accordance with the investment plan.

Net cash used from financing activities amounted to 107.1 million baht, primarily from principal repayment of lease liabilities.

Financial Cost

(Million Baht)

	31 Mar 2026	31 Mar 2025	change %
Financial cost	78.7	69.3	13.6%

Financial costs for the years ending 2026 and 2025 are 78.7 million baht and 69.3 million baht, respectively, an increase of 13.6 percent.

6. Key Financial Ratios

Profitability Ratios		2025	3M/2025	3M/2026
Gross Profit (After Depreciation)	(Percent)	(0.9)	13.9	(24.5)
EBITDA	(Percent)	3.4	30.2	3.0
EBIT	(Percent)	(18.6)	8.9	(24.6)
Net (Loss) Profit	(Percent)	(28.2)	0.8	(34.7)

Efficiency Ratios		2025	*3M/2025	*3M/2026
Return on Assets	(Percent)	(7.5)	2.6	(10.8)
Return on Fix Assets	(Percent)	(3.9)	12.5	(1.3)
Return on Equity	(Percent)	(26.7)	8.3	(47.0)

Leverage Ratios		2025	*3M/2025	*3M/2026
Debt to Equity ratio	(times)	3.2X	2.1X	3.6X
Interest Bearing Debt to Equity ratio	(times)	2.4X	1.7X	2.6X
Interest Coverage Ratio (EBITDA Basis)	(times)	38.6X	4.4X	(29.5X)
Debt service coverage ratio	(times)	0.1X	0.4X	(0.1X)

7. Factors or events that may have a significant impact on financial position or operations in the future.

A mass movement and landslide occurred on November 4, 2025, at the Mae Moh mine project's waste disposal site, an area outside the company's responsibility and control. This significantly impacted the company's operations, damaging office buildings, maintenance workshops, spare parts warehouses, machinery, and conveyor systems. Consequently, the company had to halt work on the Mae Moh 8 project, which was in its final stages and is expected to resume in late Q2 2026. The start of excavation work on the Mae Moh 8/1 project, originally scheduled for February 2026, has also been postponed to early Q4 2026. This has resulted in a significant delay in revenue recognition for 2025 and 2026. The company also needs to restore operations and invest in new machinery. However, the company has insurance coverage for the damaged machinery, and claims are currently underway. In the long term, the company expects to resume revenue recognition as stipulated in the employment contracts.