

BTW 2569/010
Subject Management Discussion and Analysis for the 1st quarter as of 31 March 2026
**To The President
The Stock Exchange of Thailand**
15 May 2026
Management Discussion and Analysis (“MD&A”)
Business Overview
Performance for the 1st quarter as of 31 March 2026

Unit : THB Million

	For 1st quarter ended			
	31 March 2026	31 March 2025	Change	%
			Increase (Decrease)	
Revenue from Fabrication Work	34.50	107.75	(73.25)	(67.98%)
Cost of Fabrication Work	69.84	116.29	(46.45)	(39.94%)
Gross Profit Margin	(35.34)	(8.54)	26.80	313.82%
% Gross Profit Margin	(102.43%)	(7.93%)	(94.51%)	
Other Income	6.67	3.91	2.76	70.59%
Administrative Expenses	13.82	13.04	0.78	5.98%
Profit (loss) from operation activity	(42.49)	(17.67)	24.82	140.46%
Finance Cost-net	5.11	3.03	2.08	68.65%
Income Tax income (expense)	(0.01)	0.36	(0.37)	(102.78%)
Profit (loss) for the period	(47.61)	(20.34)	27.27	134.07%
Attributable to non-controlling interest of subsidiaries	(0.11)	(0.04)	0.07	175.00%
Profit (loss) attributable to equity holders of the parent	(47.50)	(20.30)	27.20	133.99%
EBITDA	(31.35)	(3.69)	27.66	749.59%

Revenue: For the first quarter of 2026, it amounted to 34.50 million baht, a decrease of 73.25 million baht or 67.98% compared to the same quarter of the previous year. This is because in the first quarter of 2026, the company recognized less revenue from manufacturing due to the lack of revenue from new projects.

Cost of Production and Service: For the first quarter of 2026, this amounted to 69.84 million baht, a decrease of 46.45 million baht or 39.94% compared to the same quarter of the previous year. This is because in the first quarter of 2026, the company had lower revenue from contract manufacturing projects, thus reducing the costs associated with that revenue.

Gross Profit (Loss): For Q1 2026, the gross loss was 35.34 million baht, an increase of 26.80 million baht or 313.82% compared to the same quarter of the previous year. This is because in Q1 2026, the company did not have any new revenue from projects, resulting in insufficient revenue from contract manufacturing and services to cover fixed costs. These fixed costs included central production overhead of 15.69 million baht (comprising rental costs, depreciation, and maintenance of machinery and equipment), employee expenses of 14.70 million baht, and a provision for impairment of goods of 5.06 million baht. In Q1 2025, central production overhead was 10.60 million baht, central employee expenses were 1.70 million baht, and the provision for impairment of goods was 1.56 million baht.

Other income: For Q1 2026, this amounted to 6.67 million baht, an increase of 2.76 million baht or 70.59% compared to the same quarter of the previous year. This is because in Q1 2026, the company had a profit from the sale of assets of 4.14 million baht and revenue from the sale of scrap materials of 1.92 million baht, while in Q1 2025, revenue from the sale of scrap materials was 3.43 million baht.

Administrative Expenses: For the first quarter of 2026, these amounted to 13.82 million baht, an increase of 0.78 million baht or 5.98% compared to the same quarter of the previous year. This is because in the first quarter of 2026, the company continued to control office expenses, restructure the organization, and adjust operations to suit the company's circumstances in order to reduce administrative costs while maintaining operational efficiency. The majority of administrative expenses consisted of employee costs, rent, and various services, etc.

Financial Costs: For the first quarter of 2026, this amounted to 5.11 million baht, an increase of 2.08 million baht or 68.65% compared to the same quarter of the previous year. This is due to increased borrowing and higher interest rates in the first quarter of 2026, resulting in higher financial costs.

Net Loss: For the first quarter of 2026, the loss was 47.61 million baht, an increase of 27.27 million baht or 134.07% compared to the same quarter of the previous year. This is because the company has not received any new orders, but still has various costs and expenses to maintain business operations. High costs in the first quarter of 2026 include fixed costs, central production overhead of 15.69 million baht, employee-related expenses of 14.70 million baht, and a provision for impairment of inventory of 5.06 million baht, among others.

Financial Position

Unit : THB Million

	As at		Change	%
	31 March 2026	31 March 2025		
Total Current Assets	164.26	201.21	(36.95)	(18.36%)
Total Non-Current Assets	388.14	401.15	(13.01)	(3.24%)
Total Assets	552.40	602.36	(49.96)	(8.29%)
Total Current Liabilities	386.78	394.22	(7.44)	(1.89%)
Total Non-Current Liabilities	54.53	49.44	5.09	10.30%
Total Liabilities	441.31	443.66	(2.35)	(0.53%)
Total Shareholder's Equity	111.09	158.70	(47.61)	(30.00%)

Assets: The Company had total assets amount 552.40 million baht, a decrease of 49.96 million baht or 8.29% compared to the previous year. The decrease in assets was mainly due to trade receivables and other receivables of 22.89 million baht, inventory of 13.41 million baht, and land, buildings, and equipment of 3.48 million baht.

Liabilities: The Company has liabilities of 441.31 million baht, a decrease of 2.35 million baht or 0.53% compared to the previous year. The decrease in liabilities is mainly due to a 6.67 million baht decrease in advance construction revenue, while short-term borrowings from other parties increased by 3.80 million baht.

Shareholders' Equity: The Company has total shareholders' equity amount 111.09 million baht, a decrease of 47.61 million baht or 30.00% compared to the previous year. This is a result of the operating loss of 47.61 million baht in the first quarter of 2026, leading to a decrease in shareholders' equity.

Financial Ratio

Liquidity Ratios	31 March 2026	31 December 2025
Current Ratio (times)	0.42	0.51
Quick Ratio (times)	0.29	0.29
Activity Ratios	31 March 2026	31 December 2025
Account Receivable Turnover (times)	0.52	10.66
Average Collection Period (days)	700.85	34.24
Account Payable Turnover (times)	0.47	3.53
Average Payment Period (days)	771.00	103.41
Cash Cycle (days)	243.35	(16.68)
Inventory Turnover (times)	1.16	6.95
Inventory Turnover Period (days)	313.50	52.49
Total Assets Turnover (times)	0.07	0.89
Leverage Ratios	31 March 2026	31 December 2025
Interest Coverage Ratio (times)	(6.14)	(2.17)
Debt / Equity Ratio (times)	3.87	2.75
Profitability Ratios	31 March 2026	31 December 2025
Gross Profit Margin (%)	(102.43)	0.43
Net Profit Margin (%)	(115.75)	(18.77)
Return on Assets or ROA (%)	(8.25)	(16.65)
Return on Equity or ROE (%)	(35.29)	(38.43)

Liquidity Ratios: As of March 31, 2026, it decreased by 0.09 times from the previous year due to increased debt burden from current liabilities and an increase in promissory notes from banks.

Account Receivable Turnover: As of March 31, 2026, it decreased by 10.14 times compared to the previous year due to lower revenue for the company. However, the average trade receivables as of March 31, 2026, are still approximately 16 million baht higher than the average trade receivables as of December 31, 2025, due to unpaid debts, thus contributing to the decrease in the trade receivables turnover ratio.

Average Collection Period: As of March 31, 2026, increased by 667 days compared to the previous year. This is due to an outstanding balance of uncollectible receivables, resulting in a low accounts receivable turnover ratio of 0.52 times. Consequently, the calculated collection period is higher than as of December 31, 2025.

Account Payable Turnover: As of March 31, 2026, the ratio decreased by 3.06 times compared to the previous year. This is due to continued delays in trade payable payments, resulting in an average trade payable balance remaining high at 147 million baht. Meanwhile, costs were at approximately 70 million baht, leading to a lower trade payable turnover ratio.

Average Payment Period: As of March 31, 2026, it increased by 668 days compared to the previous year. This is due to a high balance of unpaid accounts, resulting in a low accounts payable turnover ratio of 3.06 times. Consequently, the calculated repayment period is higher than as of December 31, 2025.

Cash Cycle (days): As of March 31, 2026, the cash cycle increased by 261 days because the company has not been able to collect payments from debtors, resulting in a debt collection period of 701 days. The average sales period is 314 days, and further delays in debt payments have resulted in a payment repayment rate of 771 days. Therefore, the company's cash cycle as of March 31, 2026, is 244 days.

Interest Coverage Ratio: As of March 31, 2026, the ratio decreased by 3.97 times compared to the previous year due to a lack of liquidity, resulting in a lower interest coverage ratio.

Gross Profit Margin: As of March 31, 2026, the gross profit margin decreased by 102.86% compared to the previous year. This is because the company has not yet generated revenue from new projects, but still has fixed costs to pay, such as rent and employee salaries, etc., resulting in a decrease in the gross profit margin.

Net Profit Margin: As of March 31, 2026, it decreased from the previous year by 96.99% because the company had not yet generated revenue from new projects, and still had production costs, administrative expenses, and interest expenses to pay, resulting in a decrease in the net profit margin.

Backlog Value

The value of projects currently under production ("Backlog") as of March 31, 2026, amounted to 41.41 million baht. The majority of the remaining work is in the field of structural steel fabrication, pressure vessel and storage tank fabrication and assembly, and piping work, etc. The group of companies expects this remaining work to be completed within 1 year.

Factors effecting the Group's performance in the future

Litigation

On June 29, 2022 a subsidiary was sued in civil case by a counterparty under a consortium contract (“counterparty”) for breach of the contract, with the counterparty claiming the compensation of approximately Baht 50.6 million, and the return of a cash guarantee of Baht 20 million.

On July 27, 2022, the subsidiary countersued the counterparty, claiming the compensation of Baht 3.4 million.

On November 25, 2022 and January 18, 2023, the subsidiary and the counterparty held negotiations at the Dispute Mediation Center. The subsidiary agreed to return the cash guarantee after deduction a decrease of the contract value, amounting to Baht 14 million on February 10, 2023. However, the consensus regarding the compensation was not reached.

On April 29, 2024, the subsidiary, a subsidiary's director and former individuals related to the subsidiary, with the Criminal Court setting a date for defendants to testify to be held in June 2025.

On May 7, 2024, the Civil Court has temporarily disposed of the civil case because the adjudication must first rely on the facts which are heard as a settlement in the criminal case.

On June 6, 2025, the plaintiff withdrew the criminal case, and the Criminal Court issued an order allowing the withdrawal and dismissed the case from the court's docket, making the decision final.

The Civil Court has scheduled a hearing to reinstate the civil case for trial on July 31, 2025.

The Civil Court has scheduled witness hearings for both the plaintiff and the defendant on February 25-27, 2026, March 9, 2026, and May 25, 2026.

Currently, the lawsuit is not yet final and is still under judicial review. The group's management and legal counsel assess that the lawsuit is unfounded and that the group will not suffer any damage from it. Therefore, the group has not recorded any estimated liability for damages from the lawsuit.

Dispute

A subsidiary company entered into a dispute with a trade debtor regarding a demand for payment of debts totaling AUD 0.59 million and USD 0.61 million, while the debtor demanded that the company pay damages totaling AUD 0.82 million and USD 2.21 million. The dispute entered into arbitration proceedings, resulting in an award ordering the company to pay damages.

The company's management recorded the liability arising from the dispute during the period, totaling 9.80 million baht, payable in 24 installments from April 30, 2025, to May 30, 2027.

Yours sincerely,

Mr. Chotic Russamitinakornkul

Chief Executive Officer

BT Wealth Industries Public Company Limited