No. SKE-SET-007/69

15 May 2026

Management's Discussion and Analysis

For the three-month period ended 31 March 2026

Operating result

Unit: in Million Baht

	Three-month period			% Increase (Decrease)	
	Q1'2025	Q4'2024	Q1'2026	YoY	QoQ
Revenues					
Revenue from sales of goods	106.37	78.17	80.39	(24.4%)	2.8%
Revenue from rendering of services	3.19	7.45	8.12	154.5%	9.0%
Interest income	0.42	0.19	0.12	(71.4%)	(36.8%)
Other income	1.15	8.18	2.63	128.7%	(67.8%)
Total revenue	111.13	93.99	91.26	(17.9%)	(2.9%)
Expenses					
Cost of sales of goods	98.05	79.46	59.47	(39.3%)	(25.2%)
Costs of rendering of services	1.74	18.72	13.79	692.5%	(26.3%)
Selling and Administrative expenses	36.48	26.27	26.32	(27.9%)	0.2%
Impairment losses on property and equipment	-	92.91	-	-	(100.0%)
Impairment losses on investment properties	-	1.15	-	-	(100.0%)
Impairment losses on goodwill	-	24.28	-	-	(100.0%)
Finance costs	12.64	11.75	11.51	(8.9%)	(2.0%)
Tax expense (income)	(2.33)	(18.62)	0.76	132.6%	104.1%
Total expenses	146.58	235.92	111.85	(23.7%)	(52.6%)
Loss for the period	(35.45)	(141.93)	(20.59)	41.9%	85.5%
Gain (loss) attributable to non-controlling interests	(0.23)	(1.09)	1.38	700.0%	226.6%
Loss attributable to owners of the parent	(35.22)	(140.84)	(21.97)	37.6%	84.4%

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Revenues

Unit: in Million Baht

	Three-month period					
	Q1'2025		Q4'2024		Q1'2026	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from sales of goods	106.37	95.7%	78.17	83.2%	80.39	88.1%
Revenue from rendering of services	3.19	2.9%	7.45	7.9%	8.12	8.9%
Interest income	0.42	0.4%	0.19	0.2%	0.12	0.1%
Other income	1.15	1.0%	8.18	8.7%	2.63	2.9%
Total revenue	111.13	100.0%	93.99	100.0%	91.26	100.0%

Significant changes can be summarized as follows:

Revenue from sale of goods

Revenue from sales of goods for the three-month period ended 31 March 2026 amounted to Baht 80.39 million which was comprised of revenue from generating and distribution of electricity of Baht 75.79 million and revenue from sales of RDF of Baht 4.6 million. The Group's revenue from sales of goods decreased compared to the same period of last year. The changes resulted from the following reasons:

Revenue from generating and distribution of electricity sale to the Provincial Electricity Authority (PEA) for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 0.5 million or 0.7%, which was in line with the increase in the Feed-in Tariff variable promulgated by the PEA, as well as the increase in the number of electricity units sold to the PEA from a decrease in production downtime for repair and maintenance compared to the same period of last year.

Revenue from sales of RDF for the three-month period ended 31 March 2026 decreased from the same period of last year by Baht 26.48 million or 85.2%. This decrease was primarily due to a significant decline in RDF sales volume following the change in the business operating model of the RDF production and distribution plant in Saraburi Province from RDF production and distribution to RDF quality improvement service through drying to reduce moisture level ("RDF moisture-reduction service") since the third quarter of 2025.

Revenue from rendering of services

For the three-month period ended 31 March 2026, revenue from rendering of services amounted to Baht 8.12 million. It was comprised of revenue from the treatment of wastes of Baht 3.61 million and revenue from RDF moisture-reduction service of Baht 4.51 million. The Group's service revenue increased compared to the same period of last year. The changes resulted from the following reasons:

Revenue from the treatment of waste for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 0.21 million or 21.2%, which varied in line with the increase in the volume of industrial waste generated in the industrial estate.

Revenue from RDF moisture-reduction service for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 4.51 million. This revenue was generated following the change in the business operating model from the third quarter of 2025 onwards.

Interest income

Interest income for the three-month period ended 31 March 2026 decreased from the same period of last year by Baht 0.3 million or 71.4%. The decrease was mainly due to a decline in bank deposits, which resulted in lower interest income.

Other income

Other income was mainly comprised of machinery rental income, income from sales of scrap materials and software maintenance service.

For the three-month period ended 31 March 2026, other income amounted to Baht 2.63 million, increased from the same period of last year by Baht 1.48 million. The increase was mainly attributable to machinery rental income generated by a subsidiary, in order to enhance asset management efficiency from the unused machinery following the change in the business operating model of the Saraburi plant to RDF moisture-reduction service.

Expenses

Unit: in Million Baht

	Three-month period					
	Q1'2025		Q4'2024		Q1'2026	
	Amount	%	Amount	%	Amount	%
Expenses						
Cost of sales of goods	98.05	66.9%	79.46	33.7%	59.47	53.2%
Costs of rendering of services	1.74	1.2%	18.72	7.9%	13.79	12.3%
Selling and Administrative expenses	36.48	24.9%	26.27	11.1%	26.32	23.5%
Impairment losses on property and equipment	-	-	92.91	39.4%	-	-
Impairment losses on investment properties	-	-	1.15	0.5%	-	-
Impairment losses on goodwill	-	-	24.28	10.3%	-	-
Finance costs	12.64	8.6%	11.75	5.0%	11.51	10.3%
Tax expense (income)	(2.33)	(1.6%)	(18.62)	(7.9%)	0.76	0.7%
Total expenses	146.58	100.0%	235.92	100.0%	111.85	100.0%

Costs of sales of goods

For the three-month period ended 31 March 2026, cost of sales of goods amounted to Baht 59.47 million, which was comprised of cost of generating and distribution of electricity of Baht 56.74 million and cost of production and distribution of RDF of Baht 2.73 million. The Group's cost of sales of goods decreased compared to the same period of last year. The changes resulted from the following reasons:

The cost of generating and distribution of electricity trading for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 0.53 million or 0.9%. The increase was slightly higher than the growth rate of revenue from electricity generation and distribution, mainly due to higher cost of repair and maintenance compared with the same period of the previous year.

The cost of production and distribution of RDF for the three-month period ended 31 March 2026 decreased from the same period of last year by Baht 39.11 million or 93.5%. The decrease was in line with the lower RDF sales volume following the change in the business operating model from RDF production and distribution to the RDF moisture-reduction service from the third quarter of 2025 onwards.

Costs of rendering of services

For the three-month period ended 31 March 2026, cost of rendering of services was Baht 13.79 million. This includes the cost of RDF moisture-reduction of Baht 11.69 million, the cost of the treatment of wastes was Baht

1.21 million and cost of securities trading of Baht 0.89 million. The Group's cost of rendering of services increased compared to the same period of last year. The changes resulted from the following reasons:

The cost of RDF moisture-reduction for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 11.69 million. This was due to the change in the business operating model from RDF production and distribution to the RDF moisture-reduction service from the third quarter of 2025 onwards.

The cost of the treatment of waste for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 0.21 million, which was in line with the increase in the volume of industrial waste generated in the industrial estate.

The cost of securities trading for the three-month period ended 31 March 2026 increased from the same period of last year by Baht 0.16 million or 21.9%. This was mainly due to software amortization.

Selling and administrative expenses

For the three-month period ended 31 March 2026, the Group incurred selling and administrative expenses of Baht 26.32 million, decrease from the same period of last year by Baht 10.16 million or 27.9%. This was mainly due to decrease in employee expenses, a decrease in depreciation expense based on the carrying amount of assets after the Group recognized impairment losses on certain assets as a result of the discontinuation of operations as at 31 December 2025, including decrease in transportation costs in line with the decrease in the proportion of the RDF sales volume with sales price including transportation cost.

Selling and administrative expenses of the Group are primarily comprised of employee expenses, depreciation and amortization, transportation costs, other service fees, and other administrative expenses.

Finance costs

For the three-month period ended 31 March 2026, the Group incurred finance costs of Baht 11.51 million, decrease from the same period of last year by Baht 1.13 million or 8.9%. The decrease was mainly due to the scheduled repayment of borrowings from financial institutions and leasing companies, together with lower bank lending rates compared with the same period of last year.

Tax expense (income)

For the three-month period ended 31 March 2026, the Group incurred deferred taxes expense of Baht 0.76 million, mainly due to the reversal of impairment losses on certain assets.

Meanwhile, at the same period of last year, the Group had tax income of Baht 2.33 million from the adjustment of deferred tax on the difference in revenue recognition for accounting and taxation purposes of revenue from lease due to the agreement to terminate the contract for natural gas compression by private mother station (Chiang Rak Noi) in Pathum Thani Province.

Gross profit and net loss for the period

1. Gross profit *

For the three-month period ended 31 March 2026, gross profit of the Group was Baht 15.25 million, an increase by Baht 5.48 million compared to the same period of last year. Gross profit margins for the three-month period ended 31 March 2026 and 2025 were 15.25% and 8.92%, respectively. Gross profit increased from the same period of last year was mainly attributable to the change in the business operating model from RDF production and distribution to the RDF moisture-reduction service, which enhanced the Group's gross profitability, together with effective production cost management under a higher production cost structure, particularly fuel costs, which were affected by fluctuations in domestic oil prices.

Remark Gross profit * = (Revenue from rendering of services + Revenue from sale of goods) – (Cost of rendering of services + Cost of sales of goods)

Gross profit margin = Gross profit / (Revenue from rendering of services + Revenue from sale of goods)

2. Net loss for the period

For the three-month period ended 31 March 2026, the Group had a loss for the period of Baht 20.59 million, decrease from the same period of last year of Baht 14.86 million or 41.9%. The loss was mainly attributable to the segment of RDF services management and production, although the change in the business operating model from RDF production and distribution to the RDF moisture-reduction service improved the Group's gross profitability. The operation has not yet reached full production capacity.

Financial Position

Unit: in Million Baht

	As at 31 March 2026	As at 31 December 2025	Decrease	%
Total assets	1,404.12	1,428.94	(24.82)	(1.7%)
Total liabilities	757.50	761.73	(4.23)	(0.6%)
Total equity	646.62	667.21	(20.59)	(3.1%)

Total assets

Total assets of the Group mainly consist of property, plant and equipment, investment properties and intangible assets. As of 31 March 2026 and 31 December 2025, total assets of the Group amounted to Baht 1,404.12 million and Baht 1,428.94 million, respectively. Total assets decreased by Baht 24.82 million or 1.7%. This was mainly due to depreciation and amortization during the period.

Total liabilities

Total liabilities of the Group are mainly comprised of loans from financial institutions, debentures and lease liabilities. As of 31 March 2026 and 31 December 2025, total liabilities of the Group amounted to Baht 757.50 million and Baht 761.73 million, respectively. Total liabilities decreased by Baht 4.23 million or 0.6% was mainly due the repayment loans from financial institutions and leasing companies in accordance with the repayment schedule.

Equity

As of 31 March 2026 and 31 December 2025, equity of the Group were Baht 646.62 million and Baht 667.21 million, respectively. Equity decreased by Baht 20.59 million or 3.1% as a result of the net loss for three-month period ended 31 March 2026.