

12 May 2026

Subject: Management Discussion and Analysis of Financial Performance  
for the First Quarter ended 31 March 2026

To: Director and Manager of the Stock Exchange of Thailand

Earth Tech Environment Public Company Limited (the "Company") would like to submit the Management Discussion and Analysis of the Company's operating results for the first quarter ended 31 March 2026 as follows:

### **Overview of Operating Results**

For the first quarter of 2026, the Company and its subsidiaries reported total revenue under the consolidated financial statements of Baht 188.72 million, decreased from Baht 202.29 million in the same period of the previous year, representing a decrease of Baht 13.56 million (6.70%).

The Group's principal revenue was derived from electricity sales and services amounting to Baht 181.58 million, representing approximately 96% of total revenue, decreased from Baht 197.99 million in the same period of the previous year, or a decrease of Baht 16.41 million (8.29%).

The decrease was primarily attributable to lower electricity generation and sales volume from the Company's subsidiary power plants due to temporary shutdowns during the quarter for scheduled maintenance. Meanwhile, ETC power plant was able to maintain stable operations and recorded a 7% increase in electricity sales volume compared with the same period of the previous year.

Despite the decline in total revenue and operating profit, the Company reported net profit for the period of Baht 40.30 million, increased from Baht 28.96 million in the same period of the previous year, representing an increase of Baht 11.34 million (39.16%).

The improvement was mainly supported by a significant reduction in finance costs and lower debt obligations resulting from the Group's continued debt repayment during the past periods.

### **Operating Results**

#### **Revenue from Electricity Sales**

Revenue from electricity sales and services for the first quarter of 2026 amounted to Baht 181.58 million, decreased from Baht 197.99 million in the same period of the previous year, or a decrease of Baht 16.41 million (8.29%). The change was mainly attributable to a decrease in the Group's total electricity generation volume from 29.43 million units to 28.26 million units, representing a decrease of approximately 4%. The subsidiary power plants (RH) and (AVA) temporarily suspended operations during the quarter for scheduled maintenance, resulting in decreases in electricity generation of approximately 20% and 8%, respectively, while the parent company's power plant (ETC) recorded an increase in generation volume of 7%.

**Gross Profit**

Gross profit for the first quarter of 2026 amounted to Baht 62.46 million, representing a gross profit margin of 34.40%, decreased from Baht 82.96 million or 41.90% in the same period of the previous year, representing a decrease of Baht 20.50 million (24.71%). The decrease was mainly attributable to lower revenue while fixed operating costs of the power plants remained at a relatively similar level.

**Net Profit**

Net profit for the first quarter of 2026 amounted to Baht 40.30 million, increased from Baht 28.96 million in the same period of the previous year, representing an increase of Baht 11.34 million (39.16%). The increase was mainly attributable to lower finance costs resulting from the repayment of borrowings and the continued reduction of debt obligations.

**Financial Position****Assets**

As at 31 March 2026, the Company's total assets amounted to approximately Baht 3,845.89 million, increased by Baht 11.04 million from Baht 3,834.85 million at the beginning of the year.

Significant assets included:

- Cash and cash equivalents: Baht 529.35 million, representing approximately 14% of total assets
- Trade and other current receivables: Baht 138.79 million, representing approximately 4% of total assets
- Other current financial assets: Baht 600.00 million, representing approximately 16% of total assets
- Property, plant and equipment and investment property: Baht 1,800.86 million, representing approximately 47% of total assets
- Restricted deposits: Baht 390.27 million, representing approximately 10% of total assets

**Liabilities**

Total liabilities amounted to Baht 279.47 million, decreased by Baht 29.26 million or 9% from the end of 2025. Significant liabilities included borrowings from financial institutions amounting to Baht 90.80 million and lease liabilities amounting to Baht 16.93 million.

**Shareholders' Equity**

Shareholders' equity amounted to Baht 3,566.42 million, representing approximately 93% of total assets, increased by Baht 40.30 million from the beginning of the year.

This reflects the Company's strong capital structure and low financial risk.

**Cash Flow****Cash Flow from Operating Activities**

Net cash generated from operating activities amounted to Baht 53.27 million, reflecting the Company's continued ability to generate cash flow from its core operations.

**Cash Flow from Investing Activities**

Net cash used in investing activities amounted to Baht 585.94 million, primarily from investments in fixed deposits amounting to Baht 600 million in order to obtain higher investment returns.

The Company also received interest income from loans and investments amounting to Baht 25.04 million and invested Baht 10.98 million in property, plant and equipment.

**Cash Flow from Financing Activities**

Net cash used in financing activities amounted to Baht 40.12 million, mainly from repayment of borrowings from financial institutions and related interest payments.

As a result, cash and cash equivalents decreased by Baht 572.79 million from Baht 1,102.14 million at the beginning of the period, resulting in ending cash and cash equivalents of Baht 529.35 million.

**Conclusion**

The Company was able to maintain strong net profitability through effective capital structure management and the continued reduction of finance costs. The Company continues to generate its principal revenue from electricity sales under long-term Power Purchase Agreements (PPAs), which provide relatively stable recurring revenue streams. In addition, the Company's strong financial position and low debt ratio will continue to support its business operations and long-term growth opportunities.

Yours sincerely,

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(Miss Wachiraporn Netjaru)  
Director  
Earth Tech Environment Public Company Limited