

# EMPOWERING SUSTAINABILITY



## Management Discussion and Analysis (MD&A)

Quarter 1/26


**EXECUTIVE SUMMARY**

OPERATING HIGHLIGHT	Q1/26	Q1/25	Change +/-
Unit : THB Million			% YoY
<b>Operating Revenue</b>	<b>246.7</b>	<b>221.8</b>	<b>11.2%</b>
Gross Profit	78.4	68.8	8.3%
EBITDA	94.4	92.5	2.0%
<b>Net Profit</b>	<b>48.7</b>	<b>45.1</b>	<b>8.1%</b>
Gross Profit Margin	31.8%	31.0%	0.8%
EBITDA Margin	38.3%	41.7%	(3.4%)
Net Profit Margin	19.8%	20.3%	(0.5%)

\* Excluding revenue and costs from construction under concession agreement

**YoY Q1/26 vs Q1/25**

In Q1/2026, the Group reported operating revenue of Baht 246.7 million, increased by Baht 24.9 million or 11.2%, and reported net profit of Baht 48.7 million, increased by Baht 3.7 million or 8.1% from Q1/2025. The main factors are;

- (i) the revenue from the sale of electricity under an additional power purchase agreement of Baht 7.2 million, which has already renewed and the revenue has been recognized since Q2/2025,
- (ii) an increase in revenue from sales of electricity under main power purchase agreement of Baht 14.3 million,
- (iii) an increase in revenue from biogas power plant management of Baht 5.4 million, and
- (iv) a decrease in financial costs due to loan repayments to financial institutions in accordance with the agreement, net with
- (v) An increase in administrative expenses resulting from loss on impairment of damaged machinery parts, net of insurance income recognized in the same period.

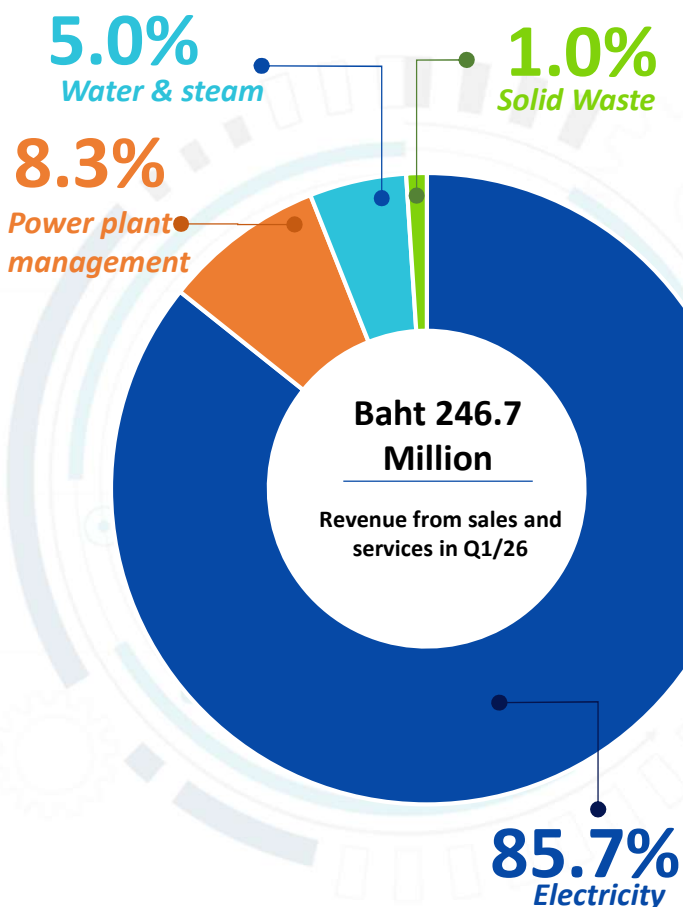
**Factors affecting the future's operation**

The Group anticipates that its operating results for 2026 will not differ significantly from those reported in 2025. However, the Group is currently in the process of improving and increasing the efficiency of power production process for the biomass power plants, and is dedicated to increasing its installed capacity through expanded investments in municipal solid waste (MSW) power plants.

## OPERATING RESULT IN Q1'26

OVERALL OPERATING RESULTS	Q1/26	Q1/25	Change +/-
Unit : THB Million			%YoY
Operating Revenue	246.7	221.8	11.2%
Cost of Sales	(168.2)	(153.0)	10.0%
<b>Gross Profit</b>	<b>78.4</b>	<b>68.8</b>	<b>14.0%</b>
Other Income	11.0	0.2	>100.0%
Administrative Expenses	(32.1)	(14.2)	>100.0%
Finance Cost	(5.0)	(8.0)	(37.2%)
<b>Profit before Income tax expense</b>	<b>51.8</b>	<b>46.9</b>	<b>10.5%</b>
Tax expense	(3.1)	(1.8)	68.0%
<b>Net Profit</b>	<b>48.7</b>	<b>45.1</b>	<b>8.1%</b>

## Operating Revenue Structure



### REVENUE FROM ELECTRICITY

**Energy from Biomass** consists of 3 projects: TGE, TPG, and TBP. The raw material used to produce electricity is biomass. There is total capacity of 29.7 MW, distributed to the PEA and other industry customers.

\*\*\***Community Waste Power Plant** consists of 5 projects that entered into PPA with PEA. In addition, there are other 2 projects in the business plan for expansion of installed capacity and electricity sale.

### REVENUE FROM POWER PLANT MANAGEMENT

Revenue from the power plant management service provided by TGE to Thachang Biogas Co., Ltd., and the compensation is based on operation's efficiency.

### REVENUE FROM WATER AND STEAM

Revenue from the sale of reverse osmosis (RO) water and steam to private companies in industry group customer.

### REVENUE FROM SOLID WASTE MANAGEMENT

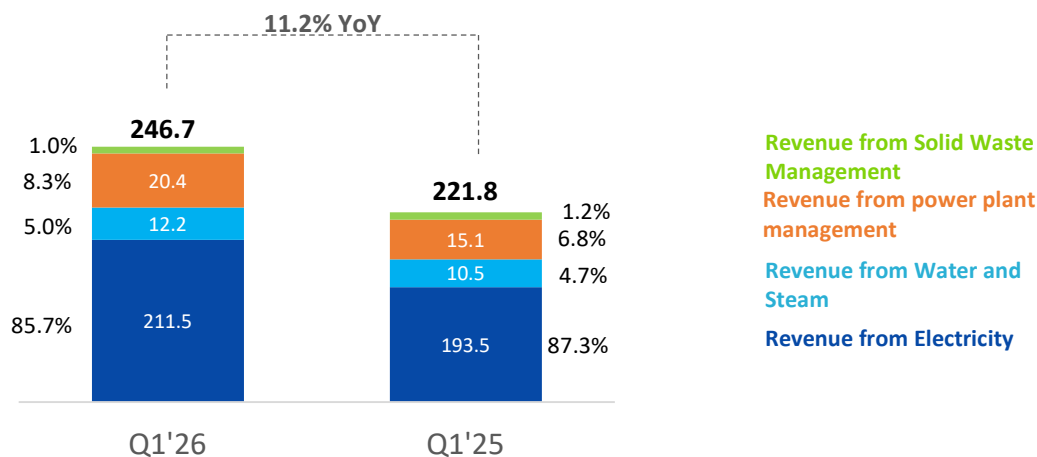
Revenue generated from the waste power plant in Sa Kaeo province, which is derived from waste disposal service for local authorities and related municipalities in the province. Other power plants commence service once the power plants start their commercial operation.

## BUSINESS OVERVIEW BY CATEGORY

REVENUE BREAKDOWN	Q1/26	Q1/25	Change +/-
(Unit : THB Million)			%YoY
Revenue from Electricity Sale	211.5	193.5	9.3%
Revenue from biogas power plant management	20.4	15.1	35.2%
Revenue from Water and Steam Sale	12.2	10.5	17.0%
Revenue from Solid Waste Management	2.6	2.7	(5.0%)
<b>Total Revenue from sales and services</b>	<b>246.7</b>	<b>221.8</b>	<b>(11.2%)</b>
Revenue from cost of Construction under the Concession Agreement	42.1	69.0	(39.0%)
<b>Total Operating Revenue</b>	<b>288.8</b>	<b>290.8</b>	<b>(0.7%)</b>
Other Income	11.0	0.2	>100.0%
<b>Total Revenue</b>	<b>299.8</b>	<b>291.0</b>	<b>3.0%</b>

### 1. Revenue from sales and services

Unit: Million Baht, %



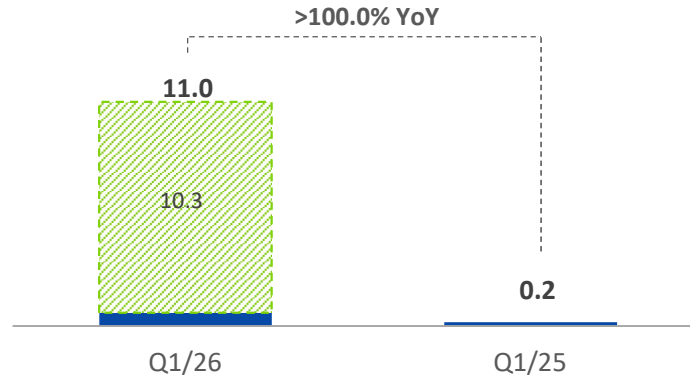
#### YoY Q1/26 vs Q1/25

In Q1/2026, the Group generated operating revenue of Baht 246.7 million, an increase of Baht 24.9 million or 11.2% compared to Q1'2025. The key contributing factors are as follows:

- **Revenue from Electricity Sale** is the Group's core revenue source, accounting for over 80% of total operating revenue. In Q1/2026, electricity sales totaled Baht 211.5 million, an increase of Baht 18.0 million or 9.3%, mainly due to (i) an increase in revenue from sales of electricity under main power purchase agreement of Baht 14.3 million, and (ii) the revenue from electricity sales under the additional Power Purchase Agreement of Baht 7.2 million. The additional Power Purchase Agreement has been renewed and supplying electricity since May 2025 onward.
- **Revenue from power plant management**: was Baht 20.4 million in Q1/2026, an increase of Baht 5.3 million or 35.2%, due to an increase in wastewater volume, which is the raw material used in the biogas power plant during Q1/2026.
- **Revenue from Water and Steam Sale** in Q1/2026 was Baht 12.2 million, increased by Baht 1.8 million or 17.0%.
- **Revenue from Solid Waste Management** in Q1/2026 was Baht 2.6 million, slightly decreased by Baht 0.1 million or 5.0%.

## 2. Other Income

Unit: Million Baht, %

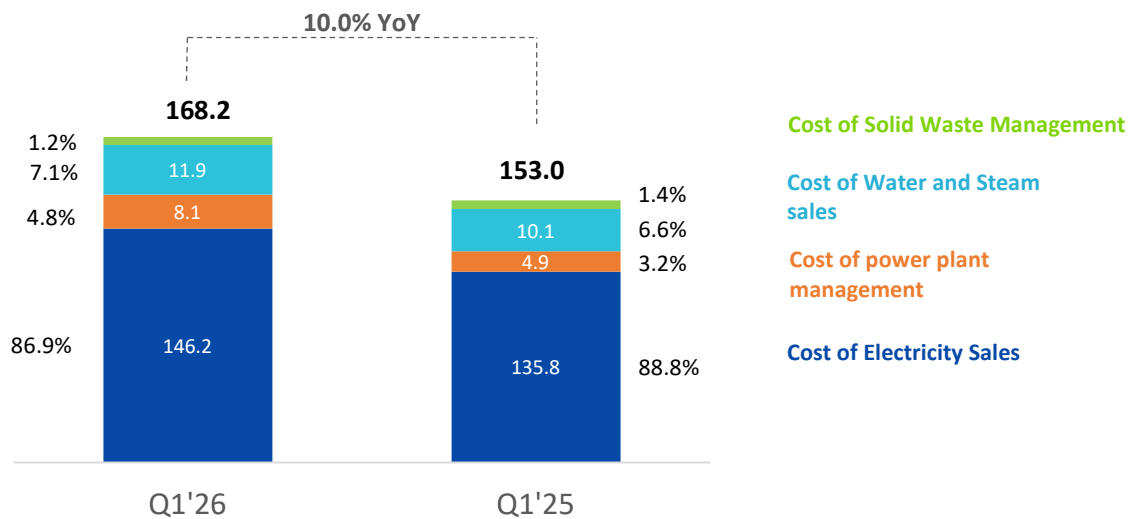


YoY Q1/26 vs Q1/25

In Q1/2026, the group recorded other income of Baht 11.0 million, an increase of Baht 10.8 million compared to Q1/2025, due to an insurance compensation for machinery recognized in Q1/2026 of Baht 10.3 million. Excluding this item, other income slightly increased by Baht 0.5 million.

## 3. Cost of sales and services

Unit: Million Baht, %

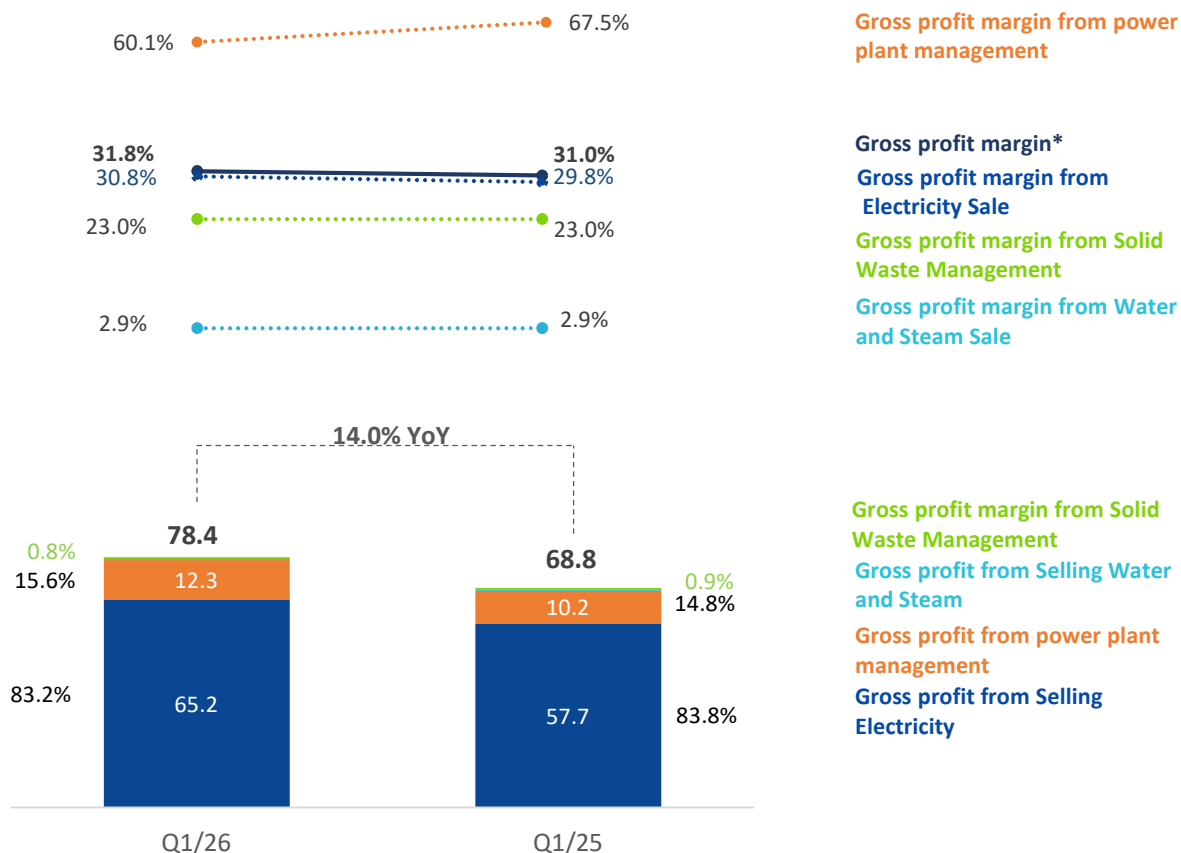


YoY Q1/26 vs Q1/25

In Q1/2026, the Group's cost of sales and services amounted to Baht 168.2 million, an increase of Baht 15.2 million or 10.0%, primarily due to an increase in raw material cost in accordance with increased quantity of electricity and steam sales. In addition, there was an increase of cost of biogas power plant management, which was primarily due from higher repair and maintenance expenses.

## 4. Gross Profit and Gross Profit Margin

Unit: Million Baht, %



\* Note: Excluding revenue and cost from construction of solid waste power plant

### YoY Q1/26 vs Q1/25

**Gross profit:** in Q1/2026, the Group recorded gross profit of Baht 78.4 million, an increase of Baht 9.6 million or 14.0% from Q1/2025. The key contributing factors are as follows:

- **Gross profit from Electricity Sale:** In Q1/2026, gross profit was Baht 65.2 million, an increase of Baht 7.5 million or 13.1%, primarily due to an increase of revenue from electricity sales under main agreements and additional agreement.
- **Gross profit from power plant management:** was Baht 12.3 million in Q1/2026, an increase of Baht 2.1 million or 20.4%, due to an increase in the volume of wastewater, which is raw material in the biogas power plant.
- **Gross profit from Water and Steam Sale:** in Q1/2026 was Baht 0.4 million, a slightly increase of Baht 0.1 million, mainly due to increased steam sales revenue.
- **Gross profit from Solid Waste Management:** in Q1/2026 was Baht 0.6 million, insignificantly changed from Q1/2025.

**Gross Profit Margin:** In Q1/2026, the gross profit margin (excluding revenue and cost of construction under concession agreements) was 31.8%, slightly increased from 31.0%. This was mainly due to an increase in gross profit margin of electricity sales.

## 5. Administrative Expenses

YoY Q1/26 vs Q1/25

In Q1/2026, administrative expenses amounted to Baht 32.1 million, an increase of Baht 17.9 million or 126.8% from Q1/2025. The main reason was from the loss from impairment provision of damaged machinery parts. Excluding this item, the administrative expenses increased by Baht 1.9 million due to higher personal expenses to support the group's growth in municipal solid waste power plants.

## 6. Finance Cost

YoY Q1/26 vs Q1/25

In Q1/2026, finance costs totaled Baht 5.0 million, a decrease of Baht 3.0 million or 37.2% from Q1/2025, due to the repayment of long-term loans from banks in accordance with loan agreements

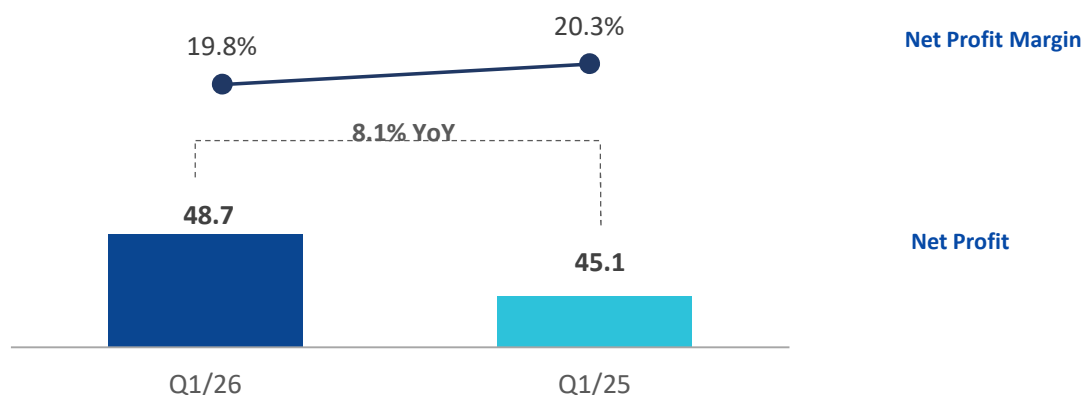
## 7. Income Tax Expense

YoY Q1/26 vs Q1/25

The Group's income tax expense increased in line with the higher taxable profit generated by TGE's power plant operations.

## 8. Net Profit and Net Profit Margin

Unit: Million Baht, %



\* Note: Excluding revenue and cost from construction of solid waste power plant

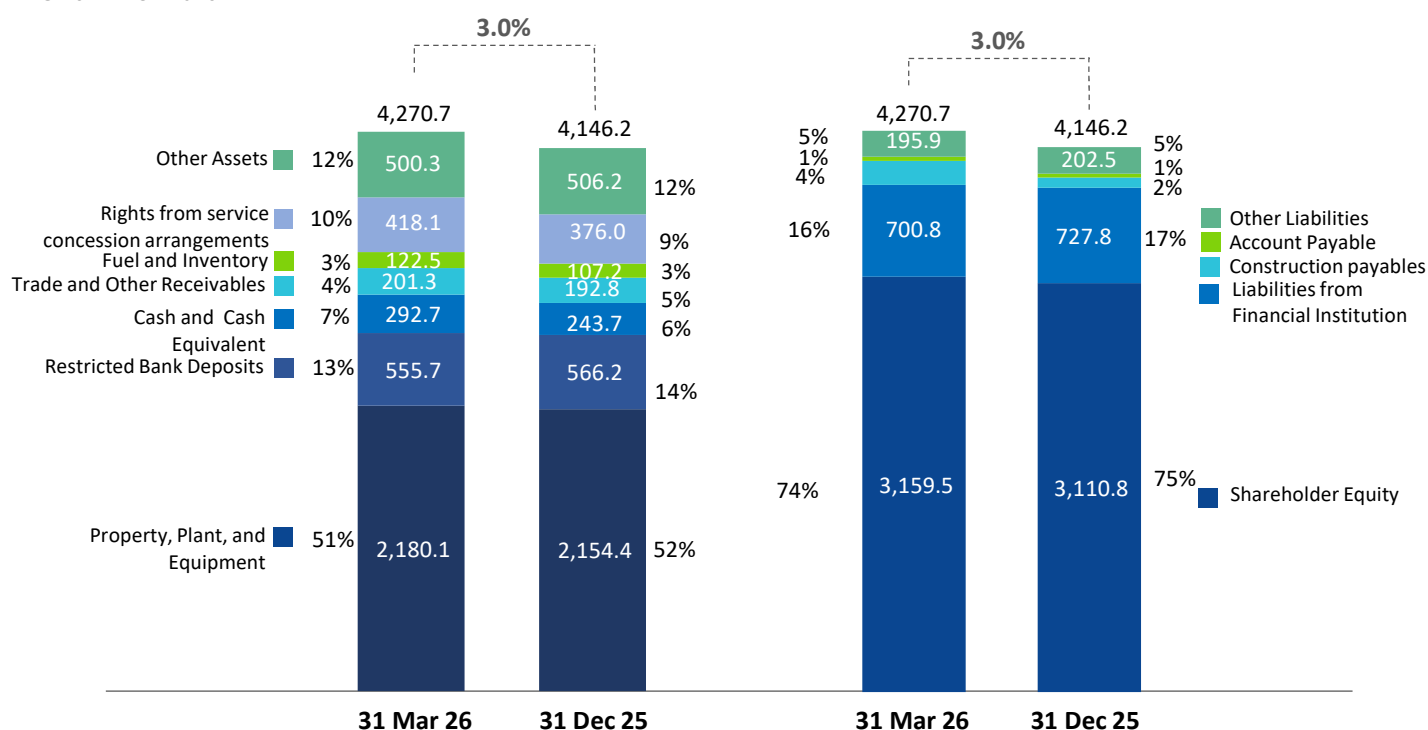
YoY Q1/26 vs Q1/25

**Net profit:** In Q1/2026, the Group recorded a net profit of Baht 48.7 million, an increase of 3.7 million or 8.1% from Q1/2025. The increase was mainly due to higher gross profit from electricity sales and power plant management, decrease in finance costs, net with higher administrative expenses to support the expansion of the Group's municipal solid waste power plants.

**Net Profit Margin:** The net profit margin for Q1/2026 was 19.8%, slightly decreased from 20.3% in Q1/2025, mainly due to (i) higher revenue and gross profit margin, net with (ii) higher administrative expenses as stated above.

## Statement of Financial Position

Unit: Million Baht



### Total Assets

As of 31 March 2026, the Group reported total assets of Baht 4,270.7 million, an increase of Baht 124.5 million or 3.0% compared to 31 December 2025, with the key changes as follows:

- **Cash and Cash Equivalents:** Increased by Baht 49.0 million, primarily due to (i) net of proceeds from operating activities, net with (ii) loan repayments to financial institutions.
- **Property, Plant, and Equipment:** Increased by Baht 25.8 million, mainly from the net effect of (i) construction of the TES RBR municipal solid waste power plant, asset acquisitions in the biomass power plants, and (ii) depreciation expenses for the period.
- **Rights from service concession arrangements:** Increased by Baht 42.1 million, driven by construction activities at the TES CPN municipal solid waste power plants.

### Total Liabilities

As of 31 March 2026, the Group reported total liabilities of Baht 1,111.1 million, representing an increase of Baht 75.8 million or 7.3% compared to 31 December 2025, with key changes as follows:

- **Liabilities from Financial Institutions:** Decreased by Baht 27.0 million from repayments according to long-term loan agreements, net with additional short-term loans of the Group.
- **Construction payables:** Increased by Baht 106.5 million due to the construction of municipal solid waste power plants (TES CPN and TES RBR).

As of 31 March 2026, the debt-to-equity ratio was 0.35, increased from 0.33 as of 31 December 2025, mainly from additional construction payables. The interest-bearing debt-to-equity ratio was 0.13, slightly decreased from 0.14 as of 31 December 2025 from loan repayments of loans from financial institution and operating results of the period.

### Total Shareholders' Equity

As of 31 March 2026, the Group reported shareholders' equity of Baht 3,159.5 million, an increase of Baht 48.7 million or 1.6% compared to 31 December 2025 from the net profit generated during the period.