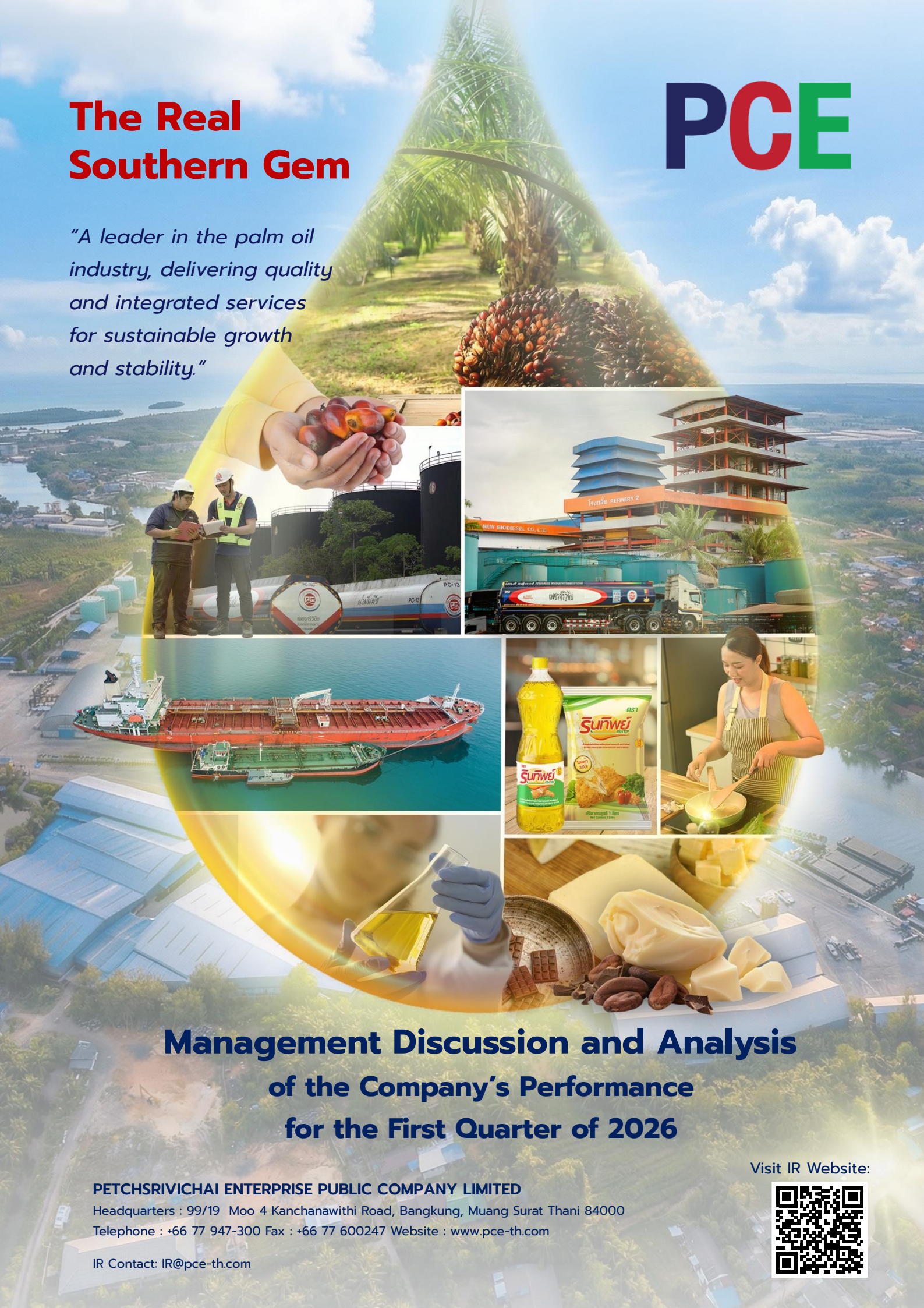


# The Real Southern Gem

# PCE

*"A leader in the palm oil industry, delivering quality and integrated services for sustainable growth and stability."*



## Management Discussion and Analysis of the Company's Performance for the First Quarter of 2026

**PETCHSRIVICHAJ ENTERPRISE PUBLIC COMPANY LIMITED**

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## Executive Summary

### *PCE Integrates Full Value Chain to Unleash Growth Potential*

In 1Q26, Petchsrivichai Enterprise Public Company Limited operated amid a palm oil market shaped by several simultaneous developments, including a recovery in supply throughout the quarter, a rapid increase in demand following the late-quarter adjustment of the biodiesel blending ratio from B5 to B7, and government policies affecting crude palm oil price direction. **Revenue from sales amounted to THB 5,108.2 million, decreasing from THB 5,384.4 million in 1Q25 (-5.1% YoY), while Revenue from services increased to THB 67.9 million from THB 52.4 million (+29.5% YoY).**



Crude Palm Oil (CPO) remained the core product and a major source of revenue, while Refined Bleached Deodorized Palm Olein (RBDOL) played an increasing role, aligning with the Company's strategy to expand value-added products. However, revenue decreased due to a year-over-year decline in average CPO prices. Conversely, the sales volume of major products grew, resulting in the continued growth of normalized operating performance. Nevertheless, a significant factor affecting the performance in this quarter was the recognition of an unusual accounting item. The Company recognized losses on changes in fair value of derivatives, an accounting item related to the exchange rate volatility of forward contracts as part of the Company's risk management. This reduced the Company's normalized operating profit in Q1/2026. However, this is a non-cash item, and it is expected to gradually decrease as products are progressively exported and payments are received during the second quarter of 2026.

**From an industry perspective,** Fresh Fruit Bunch (FFB) and crude palm oil output increased significantly. This raised national CPO inventory levels and pressured average prices in the early part of the quarter. Demand from the energy sector began to play a more significant role after the government reinstated B7 in mid-March and allowed B20 as an alternative. The Company placed greater emphasis on balancing sales across the food, energy, and export segments, while managing inventory and costs in line with price trends. **On the export side,** the market was supported by higher export taxes imposed by competing countries, which were favorable to Thailand's export direction during the quarter. However, the Thai government began implementing export controls on crude palm oil in April 2026 for a period of one year, and the Company continues to closely monitor the implications for sales channels and market conditions going forward.

**PCE remains focused on driving growth under its JUMP+ initiative** by improving production efficiency, increasing the share of value-added products, and strengthening the supply chain, alongside expanding revenue from its core products. The Company targets an increase in net profit from THB 310 million in 2025 to THB 750-800 million by 2028.

## Industry Overview and Policy Developments Affecting the Business in 1Q26

### Market Overview and Key Industry Developments

Thailand's palm oil industry in 1Q26 showed a significant recovery in supply from the low base of 2025. Fresh fruit bunch output increased in the early part of the year due to favorable rainfall and temperatures, resulting in a significant increase in crude palm oil production and inventory levels. As a result, supply and inventory levels became the key factors pressuring overall prices and influencing market sentiment.

### Policy and Regulatory Factors

However, the downward pressure was not exclusively supply-driven. Demand from the energy sector began to play a greater role from mid-March onward following the closure of the Strait of Hormuz in the Middle East, which raised fuel supply risks. Thailand had previously relied on crude oil imports from the Middle East for as much as 65-70% of its total crude oil imports. During that period, the government adjusted the biodiesel blend from B5 to B7 and introduced B20 as an alternative, resulting in higher domestic CPO consumption. These developments increased the importance of balancing the food, energy, and export segments for the Company's operations.

### External Context Affecting Business Operations

**On the export side,** Thailand's palm oil exports in 1Q26 totaled 0.29 million tons, up 779.0% YoY, supported by the recovery in supply and higher export costs among competing producers. Indonesia raised its CPO export tax to 12.5%, effective March 1, 2026, and increased export taxes on refined palm products by another 2.5% to 7.25-12.00%. In addition, after the end of 1Q26, the Thai government began requiring export permits for CPO exports effective April 7, 2026, for a period of one year. The Company continues to monitor this policy closely in relation to its sales channels and future market conditions.

**On pricing,** the average FFB price in 1Q26 was THB 6.82/kg, down 14.0% YoY in line with higher supply. However, signs of recovery began to emerge in March, when the average FFB price rebounded to THB 7.24/kg due to stronger energy-sector demand. The average CPO price during the quarter was THB 35.45/kg, down 18.8% YoY, while the average March price rebounded similarly to THB 38.65/kg, reflecting the combined influence of higher production and stronger demand from the energy sector.

**Under these market conditions, the Company closely manages pricing, palm oil inventory, and sales channels** to respond to the recovery, increased energy demand, and policy changes that may affect market direction in the coming periods.

## Key Takeaway

- **Rising supply pressured prices:** Higher output and palm oil inventories were the main factors weighing on average CPO prices in the early part of 1Q26.
- **Energy demand and policy support stabilized the market:** The usage of biodiesel (B7 and B20), along with domestic and external policy factors, played a key role in the supply-demand balance and market direction, particularly in March 2026.
- **Close management amid volatility:** The Company emphasized the management of prices, inventory, and sales channels to navigate market volatility and changing conditions.

## Business Implications for PCE's Operations

### Revenue Structure and the Role of Core Products

The sales volume of the Company's core products increased significantly, encompassing Crude Palm Oil (CPO), Refined Bleached Deodorized Palm Oil (RBDPO), Biodiesel B100, and Refined Bleached Deodorized Palm Olein (RBDOL). These products collectively accounted for approximately 86.6% of the total revenue structure in Q1/2026 (including revenue from services) and continued to serve as the Company's primary revenue base. However, overall revenue declined, driven by a year-over-year decrease in the average price of CPO, the primary upstream product. This decline occurred despite the significant upward pressure on CPO prices in March 2026, which was bolstered by adjustments in biodiesel usage policies during that month.

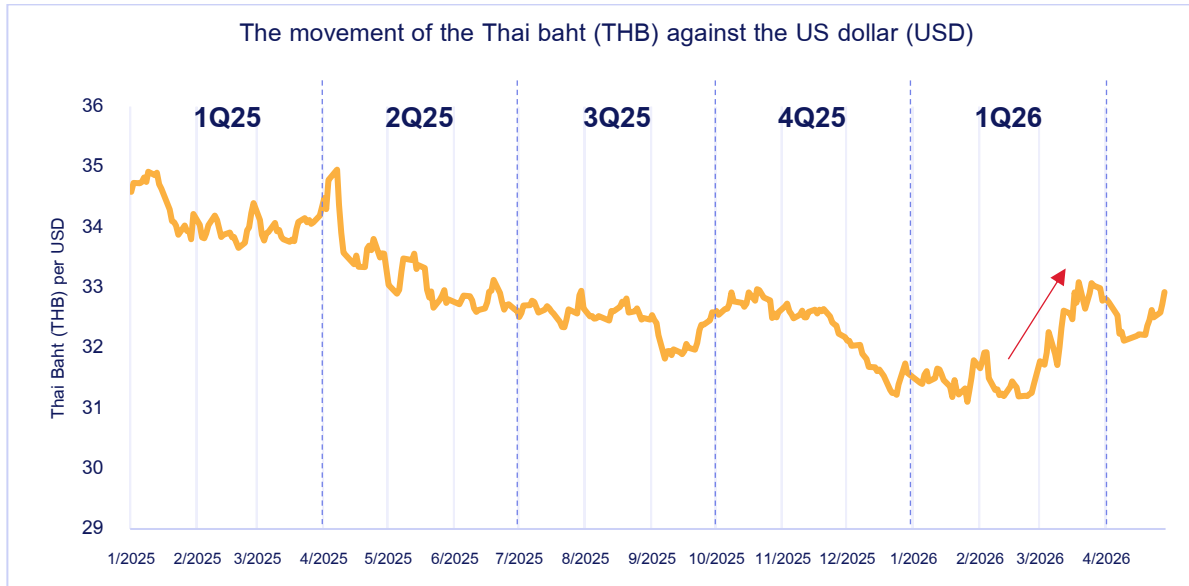
Meanwhile, packaged palm olein under the "RINTIP" brand remained another strategically key product. Although revenue declined from the same period last year due to a high base from the prior year, when the Company participated in a government-supported program to distribute RINTIP at special prices to help reduce consumers' cost of living, the product continued to show QoQ growth as distribution expanded into the modern trade channel. This reflects stronger consumer reach and positions RINTIP as one of the products expected to support the Company's growth going forward.

Other products supporting growth during the quarter included Refined Bleached Deodorized Palm Olein (RBDOL), for which sales volume increased in line with the Company's medium to long-term strategy of increasing the share of downstream products to enhance value added and reduce reliance on upstream revenue sources. At the same time, Crude Palm Kernel Oil (CPKO) revenue increased by 104.1% YoY. Although it still represents a relatively small share of total revenue, it reflects an opportunity to expand the Company's revenue base from related palm oil industry products in the future, as it serves as a raw material for higher-margin products.

Sales volume of biodiesel products also increased, supported by the government's policy to raise the biodiesel blend in diesel from B5 to B7 as the primary diesel grade, while B20 was designated as an alternative grade to support domestic energy stability. However, since the policy took effect only on March 14, 2026, toward the end of 1Q26, its positive effect was reflected to a limited extent in the Company's results for this quarter.

Nevertheless, despite improved sales volumes in certain product groups, total revenue remained under pressure, mainly due to lower CPO prices and lower average selling prices for some products. As a result, higher sales volumes were not yet fully translated into overall revenue growth.

**Impact of Forward Exchange Contracts**



Another factor affecting the Company's performance was the recognition and fair value measurement of derivative instruments. Foreign exchange forward contracts are part of the Company's ongoing exchange rate risk management approach. However, during periods of exchange rate volatility driven by global economic uncertainty, fair value measurement of such instruments may create accounting timing mismatches, which affect net profit for the period. These items arise from the Company's normal risk management mechanisms and do not directly reflect its core operating performance. Furthermore, this is a non-cash item and is expected to gradually decrease as products are progressively exported and payments are received during the second quarter of 2026.

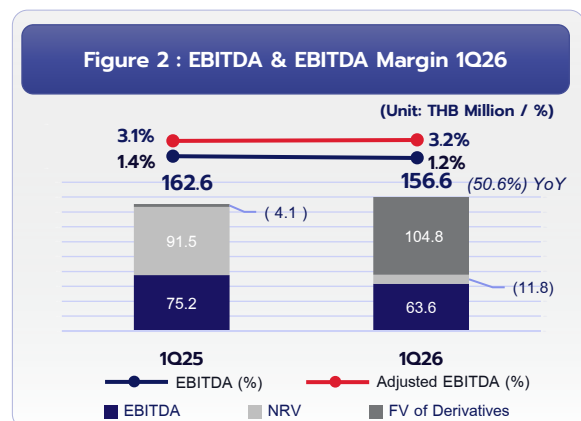
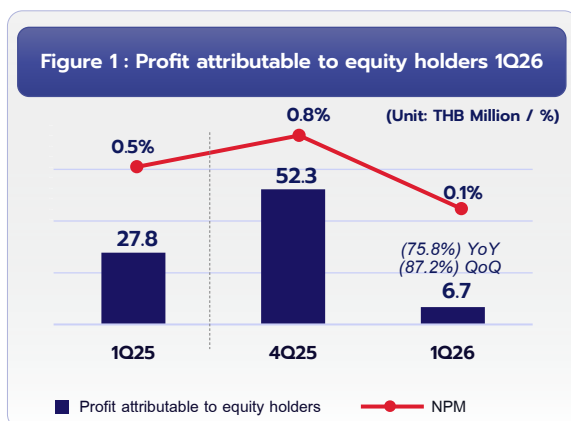
**In summary**, regarding the key impacts from internal and external factors on the Company's performance, the 1Q26 operating results were mainly pressured by lower average CPO prices, which reduced downstream product selling prices accordingly. Meanwhile, the Company incurred losses on derivatives from foreign exchange forward contracts, representing an accounting impact arising from the timing of recognition of an unusual item.

Key Takeaway

- Sales volume of core products increased across all groups:** However, total revenue decreased due to lower average CPO prices compared to the same period last year, despite a significant price recovery in March 2026 supported by biodiesel factors.
- Accounting items affected short-term performance:** The fair value recognition of derivatives from foreign exchange forward contracts impacted on net profit for the period. This was a result of accounting timing mismatches and does not directly reflect the Company's core operating performance. The impact is expected to gradually decrease in Q2/2026 upon the actual receipt of payments for goods.

For overall operating performance in 1Q26, the Group recorded net profit attributable to equity holders of the parent of THB 6.7 million, down 75.8% YoY, with a net profit margin of 0.1%. Total revenue was THB 5,206.2 million, down 4.9% YoY. The main cause was the recognition of a THB 104.8 million loss from changes in the fair value of derivative instruments, which is an accounting item related to exchange rate volatility from forward contracts booked in advance as part of the Company's risk management process. This is a temporary impact from the timing of recognition. As the delivery of related products will progressively take place in 2Q26, the effects of such transactions are expected to be gradually recognized in the subsequent period and do not reflect an impact on the Company's normal operations.

Gross profit margin stood at approximately 4.3%, improving from the same period last year, reflecting the Company's better cost management. The decline in the average CPO price consequently reduced the selling prices of downstream products and pressured the Company's sales revenue, even though the sales volume of the products still increased significantly. Meanwhile, revenue from CPO continued to grow by 7.8% YoY due to higher sales volume, and RBD Palm Olein revenue grew by 25.0% YoY, reflecting an increase in the proportion of value-added downstream products in line with the Company's strategy. However, the growth of these products was not sufficient to offset the decline in certain core products based on the details explained above. This resulted in a decline in operating profit and net profit, although the Company was still able to maintain a positive gross profit and had revenue from CPO, RBD Palm Olein, and CPKO as supporting factors in this quarter.



## Key Financial Highlights and Explanation

**Table 1** Comprehensive Financial Highlights, Quarterly Comparison 1Q26

Financial Highlights (Unit: THB million)	1Q25	4Q25	1Q26	Change (%) QoQ	Change (%) YoY
Revenue from sales & services	5,436.8	6,706.2	5,176.1	(22.8%)	(4.8%)
Other income	36.8	17.4	30.1	72.9%	(18.2%)
Total revenues	5,473.7	6,723.7	5,206.2	(22.6%)	(4.9%)
EBITDA	75.2	118.8	63.6	(46.5%)	(15.5%)
Net profit	28.0	52.4	6.7	(87.2%)	(76.1%)
Profit attributable to equity holders of the company	27.8	52.3	6.7	(87.2%)	(75.8%)
Basics Earnings Per Share	0.010	0.019	0.002	(87.2%)	(75.8%)

Note: Figures may vary slightly due to rounding.

The Group's key operating results for 1Q26, ending March 31, 2026, are summarized as follows:

**Table 2** Summary of Key Financial Performance 1Q26

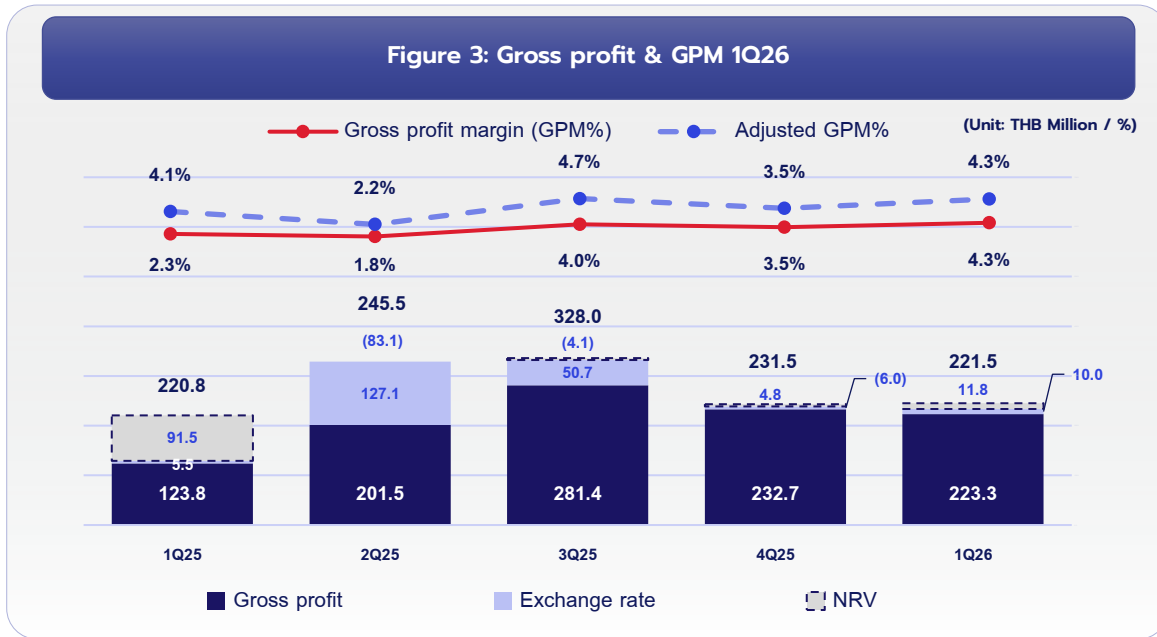
Key Financial Performance (Unit: THB million)	1Q25	4Q25	1Q26	Change (%) QoQ	Change (%) YoY
Revenue from sales & services	5,436.8	6,706.2	5,176.1	(22.8%)	(4.8%)
Gross profit	123.8	232.7	223.3	(4.0%)	80.4%
Net profit for the period	28.0	52.4	6.7	(87.2%)	(76.1%)
Profit attributable to equity holders of the company	27.8	52.3	6.7	(87.2%)	(75.8%)
Gross margin	2.3%	3.5%	4.3%		
Adjusted gross margin*	3.7%	3.5%	4.3%		
Net Profit Margin	0.5%	0.8%	0.1%		
Adjusted Net Profit Margin*	1.9%	0.9%	1.6%		

\*Note: - Adjusted NPM reflects the Company's ability to generate net profit from its normal operations by excluding the accounting impact from the mark-to-market valuation of derivative contracts, which is a temporary item. This allows the metric to better reflect operating performance under normal conditions for the period.  
- For the first quarter of 2026, the Company recognized an accounting loss from the mark-to-market valuation of derivative contracts. This was a temporary impact arising from the timing of recognition, resulting in the reported net profit margin being lower than the Adjusted NPM.

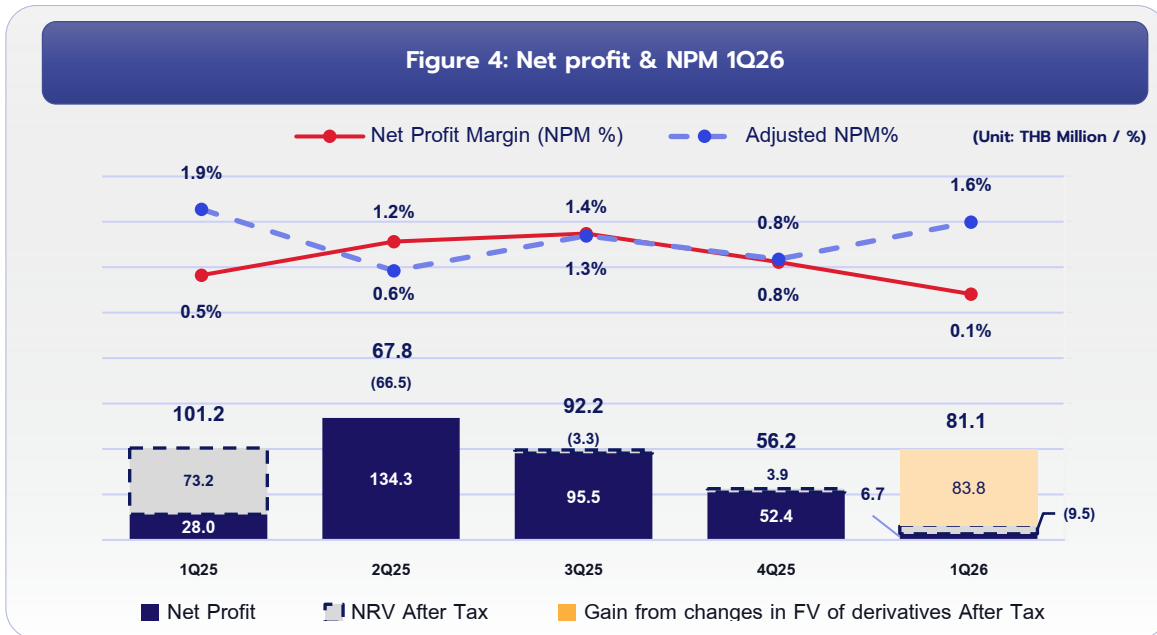
## Explanation of Key Changes in Operating Results 1Q26

- The Company recorded net profit of THB 6.7 million for the period, declining from both the previous quarter and the same period last year, with net profit margin (NPM) at 0.1%, down from 0.8% in 4Q25 and 0.5% in 1Q25.
- Net profit declined even though gross profit margin improved from the same period last year. The main reasons were lower revenue from sales and services, together with a 15.5% YoY and 46.5% QoQ decline in EBITDA, reflecting pressure from sales volume and selling prices of certain products, as well as volatility in palm oil prices and raw material costs, which continued to be influenced by the global economy, trade uncertainty, and energy price direction.
- Revenue from sales and services totaled THB 5,176.1 million, down 4.8% YoY and 22.8% QoQ. This was a result of a decline in the average crude palm oil price compared with the same period last year. However, the sales volume of core products grew noticeably, including CPO, RBDPO, RBDOL, and CPKO. Biodiesel (B100) products also recovered following the government's policy to increase the biodiesel blend from B5 to B7 starting mid-March 2026.
- Gross profit amounted to THB 223.3 million, up 80.4% YoY but down 4.0% QoQ, representing a gross profit margin (GPM) of 4.3%. This improved from 3.5% in the previous quarter and 2.3% in the prior-year period. The improvement reflected better cost management and a more favorable product mix in certain product groups, particularly downstream products. Nevertheless, gross profit declined from the previous quarter due to softer sales revenue and continued volatility in the palm oil market.
- The Company also recognized a THB 104.8 million loss from changes in the fair value of derivative instruments. This was an accounting item related to exchange rate volatility from forward contracts booked in advance and marked-to-market as part of the Company's risk management process. This temporary recognition timing effect was another key factor pressuring net performance during the period. As a result, net profit declined to THB 6.7 million (-76.1% YoY, -87.2% QoQ), despite the improvement in gross profit margin. However, this is a non-cash item, and it is expected to decrease as products are progressively exported and payments are received during the second quarter of 2026.
- On an adjusted basis, the Company's adjusted NPM was 1.6%, improving from 0.9% in 4Q25 but declining from 1.9% in 1Q25. Although the accounting NPM declined to 0.1%, the Company was still able to maintain solid profitability from its core business through cost management and maintaining a higher share of value-added products, even as overall revenue remained under pressure from market conditions and product selling prices.
- **Key Takeaway** While the Company's core operating performance continued to strengthen as evidenced by an improved gross profit margin, 1Q26 net profit was primarily impacted by a one-time non-cash accounting adjustment. Despite persistent market volatility and price pressures, the underlying business remains resilient due to effective cost management and a strategic shift toward value-added products.

Summary of Gross Profit (GP) and Gross Profit Margin (GPM) Trend 1Q26



Summary of Net Profit (NP) and Net Profit Margin (NPM) Trend 1Q26



\*Note: - Adjusted NPM reflects the Company's ability to generate net profit from its normal operations by excluding the accounting impact from the mark-to-market valuation of derivative contracts, which is a temporary item. This allows the metric to better reflect operating performance under normal conditions for the period.

- For the first quarter of 2026, the Company recognized an accounting loss from the mark-to-market valuation of derivative contracts. This was a temporary impact arising from the timing of recognition, resulting in the reported net profit margin being lower than the Adjusted NPM.

**Table 3** Revenue Structure by Business Segment 1Q26

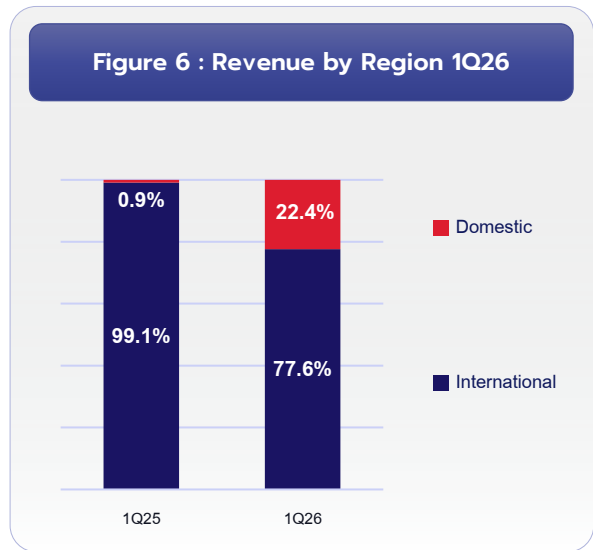
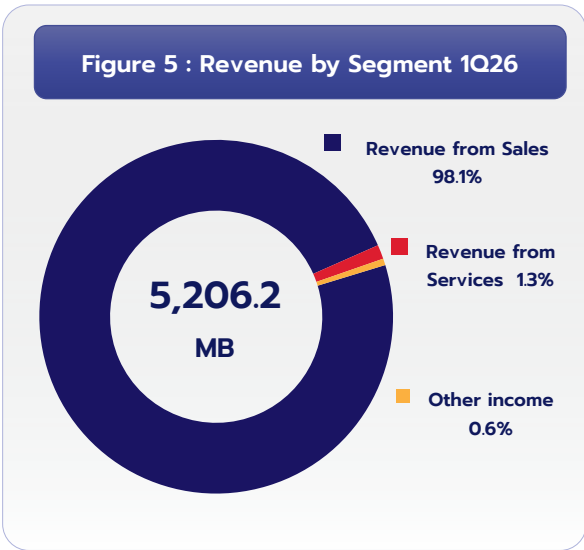
Revenue Structure (Unit: THB million)	1Q25	4Q25	1Q26	Change (%) QoQ	Change (%) YoY
Revenue from sales*	5,384.4	6,646.3	5,108.2	(23.1%)	(5.1%)
Revenue from services	52.4	59.9	67.9	13.2%	29.5%
Total revenues from sales and services	5,436.8	6,706.2	5,176.1	(22.8%)	(4.8%)
Other income	36.8	17.4	30.1	72.9%	(18.2%)
Total revenues	5,473.7	6,723.7	5,206.2	(22.6%)	(4.9%)

\*Revenue from sales consists of: (1) revenue from the palm oil business and (2) revenue from electricity sales.

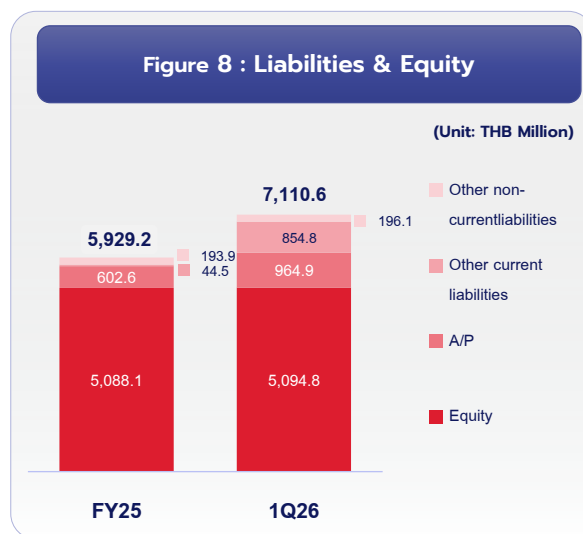
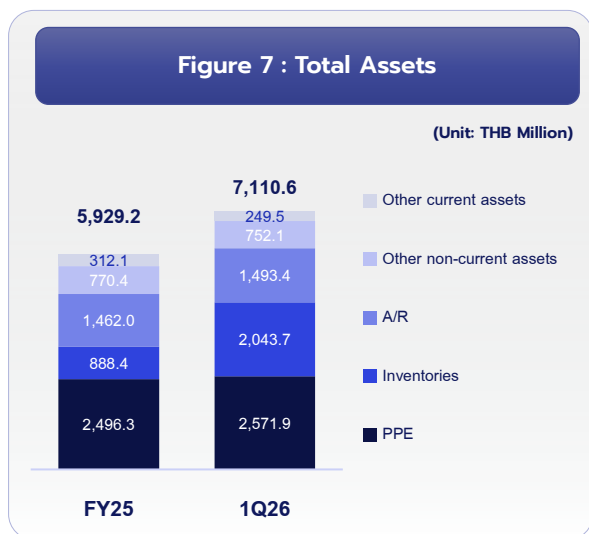
In 1Q26, the Company's core revenue came from the palm oil business, with revenue from sales amounting to THB 5,108.2 million, accounting for approximately 98.1% of total revenue, while revenue from services amounted to THB 67.9 million, or approximately 1.3%. This reflects the Company's continued reliance on the production and sale of palm oil products as its primary revenue base. Total revenue was THB 5,206.2 million, down 4.9% YoY and 22.6% QoQ.

By product group, the main supporting products remained crude palm oil (CPO) and Refined Bleached Deodorized Palm Olein (RBDOL), both of which still delivered growth compared with the same period last year. CPO was supported by higher sales volume in line with improved palm output, while RBDOL reflected the direction of increasing the share of downstream value-added products. In addition, Crude Palm Kernel Oil (CPKO) and biodiesel (B100) also showed improvement and helped diversify the Company's product portfolio.

By sales region, domestic revenue remained the primary source of sales revenue. In 1Q26, domestic revenue accounted for 77.6% of sales revenue, while export revenue accounted for 22.4%, increasing significantly from only 0.9% in 1Q25. During the same period last year, the government requested cooperation to suspend crude palm oil exports to preserve sufficient domestic supply during drought conditions. Nevertheless, although the share of export revenue increased, domestic revenue remained the Company's main revenue base, reflecting the importance of palm oil stability in the food and domestic energy sectors to the overall revenue structure. At the same time, the increase in export revenue share helped support market risk diversification and improve flexibility in managing sales channels amid continued palm oil price volatility and shifting demand across markets.



## Analysis of the Company's Financial Position



### Total Assets

As of March 31, 2026, the Group had total assets of THB 7,110.6 million, increasing by 19.9%, or THB 1,181.5 million, from the end of 2025. The increase was mainly due to a THB 1,155.3 million rise in inventories to THB 2,043.7 million in preparation for product deliveries in 2Q26. In addition, land, buildings, vessels, and equipment increased by THB 75.6 million to THB 2,571.9 million due to investment in capacity expansion, while trade and other current receivables increased by THB 31.4 million to THB 1,493.4 million. Other current assets and other non-current assets declined slightly.

### Total Liabilities

As of March 31, 2026, the Group had total liabilities of THB 2,015.8 million, increasing by 139.7%, or THB 1,174.7 million, from the end of 2025. The increase was mainly due to higher current liabilities in line with increased inventory levels and working capital requirements. Trade and other current payables increased by THB 362.2 million to THB 964.9 million, and short-term borrowings from financial institutions amounted to THB 715.0 million at the end of 1Q26. In addition, derivative liabilities increased from THB 0.8 million to THB 96.2 million, while non-current liabilities increased slightly by THB 2.2 million.

### Total Equity

As of March 31, 2026, the Group had total equity of THB 5,094.8 million, increasing slightly by 0.1%, or THB 6.7 million, from the end of 2025, as a result of total comprehensive income for the first three months of 2026. Accordingly, the increase in total assets this quarter was driven mainly by higher liabilities, particularly working capital related to inventories, trade payables, and short-term borrowings from financial institutions.

## Analysis of the Company's Cash Flow Statement

**Table 4** Cash Flow Statement Summary

Items (Unit: THB million)	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash and cash equivalents at the beginning	434.4	290.6
Net cash provided by (used in) operating activities	(400.3)	(686.2)
Net cash provided by (used in) investing activities	(45.9)	(78.5)
Net cash provided by (used in) financing activities	249.7	709.5
Net cash and cash equivalents at the end of period	238.0	235.4

**Cash flow from operating activities** showed net cash used of THB 686.2 million. This comprised cash generated from the Group's operations of THB 155.4 million. Conversely, changes in operating assets and liabilities resulted in a net decrease in cash flow of THB 841.5 million. These changes were mainly attributable to an increase in inventories of THB 1,160.3 million and an increase in trade and other current receivables of THB 35.1 million, which were partly offset by an increase in trade and other current payables of THB 357.4 million.

**Cash flow from investing activities** showed net cash used of THB 78.5 million. Major items included cash payments for the purchase of and settlement of payables for buildings and equipment of THB 93.9 million to invest in the capacity expansion of subsidiaries. Conversely, the Company received THB 17.0 million in dividends.

**Cash flow from financing activities** showed net cash provided of THB 709.5 million, mainly from an increase in bank overdrafts and short-term borrowings from financial institutions of THB 715.0 million. Conversely, cash repayments of long-term borrowings from financial institutions amounted to THB 3.1 million.

**As a result, cash and cash equivalents decreased by a net THB 55.2 million, leaving ending cash and cash equivalents of THB 235.4 million as of March 31, 2026.**

**Key Financial Ratios**

**Table 5** Key Financial Ratios Table Summary

Key Financial Ratios	FY25	1Q25	1Q26
Liquidity ratios			
Current ratio (x)	4.1	2.5	2.1
Cash cycle (days)	25	29	33
Profitability ratios			
Gross profit margin (%)	2.8%	2.3%	4.3%
EBITDA margin (%)	1.9%	1.4%	1.2%
Net profit margin (%)	1.0%	0.5%	0.1%
ROE (%)	6.0%	13.1%	5.5%
Efficiency ratios			
ROA (%)	5.6%	9.7%	4.7%
ROFA (%)	15.3%	31.3%	14.2%
Financial policy ratios			
Debt to equity ratio (x)	0.2	0.4	0.4
Interest coverage ratio (x)	20.7	9.2	0.6

# ESG Performance 1Q26

## Sustainability and Stakeholders Management Across the Value Chain

The Company recognizes that operating in the palm oil industry involves volatility in production, prices, policy, and rising sustainability expectations. It therefore places importance on sustainability management alongside business operations, with a focus on strengthening the supply chain, using resources efficiently, and engaging appropriately with stakeholders.

In 2026, the Company enhanced sustainable operations through **participation in the JUMP+ project to develop greenhouse gas data management and formulate a greenhouse gas emission reduction strategy for 2026–2028**, serving as a critical foundation to support the long-term target of achieving net zero greenhouse gas emissions; and

In 1Q26, the Company continued to advance initiatives aligned with its business context, including farmer support, traceability system development, efficient resource use, and community engagement. These efforts reflect the Company's commitment to balancing business growth, risk management, and ongoing social and environmental responsibility. The operating results are detailed under the following three topics:

### 1. Supply Chain and Farmer Support

The Company continued to strengthen its role in the palm oil supply chain through collaboration with relevant stakeholders. On March 16, 2026, it signed a memorandum of understanding to promote sustainable palm oil production in Songkhla Province together with eight public-sector agencies, educational institutions, and private-sector organizations. The initiative is intended to support procurement from independent smallholders, strengthen market linkages, and prepare internal control systems, with the Company serving as the chair of the group.

Under this cooperation framework, the Company has prioritized the development of traceability systems to verify the lawful origin of products and support farmers in progressing toward sustainable production standards such as RSPO. As of March 2026, some areas were still in the process of certification or membership enrollment, and the Company continues to monitor progress closely.

These efforts are significant to raw material sourcing capability and medium-term risk management, particularly during periods of price volatility. Working closely with farmers helps improve communication of market information and operating practices needed for upstream producers to adapt, while also strengthening transparency of raw material origins, which is becoming increasingly important under future environmental and trade regulations.

In addition, in 1Q26 the Company participated in the 2026 Supply Chain Management (SCM) Awards project, which was established to promote and elevate supply chain management practices among Thai listed companies. The Company passed the initial qualification screening and entered the data preparation stage under the project's assessment framework. This participation reflects the Company's commitment to developing an

efficient and transparent supply chain management system and to working systematically with business partners and farmers, which forms an important foundation for long-term sustainable growth.

## 2. Use of Circular Resources and Waste Management

The Company has continued projects focused on efficient resource use, waste reduction, and material circulation across its business chain, based on the 3Rs principle: Reuse, Reduce, and Recycle. These efforts cover both office and plant areas, with a target of achieving Zero Waste to Landfill by 2030.

One key initiative is the collection and exchange of used cooking oil under the "Too Good to Waste" project, which promotes proper management of used cooking oil without adverse environmental or social impacts, while returning it to the production cycle as clean biodiesel (B100) through Group companies. The number of collection points has continued to increase and currently stands at 74. Collection volume has also shown growth compared with the previous year, with cumulative collection in 1Q26 totaling 22,732 kilograms.

The Company has also expanded waste management through the PCE Green Synergy project, which aims to improve plastic waste sorting and management efficiency through partner networks such as Thailand Post's Green Hub. This supports the transportation of sorted waste, reduces costs, and helps ease logistics constraints. Collected plastic waste is upcycled into new value-added products. In 1Q26, the Company recorded cumulative sorted plastic waste of 289.5 kilograms, increasing 228.60% from the same period last year.

The Company is also extending its circular economy approach using residual materials from the palm oil industry, such as developing packaging from palm fronds that is 100% biodegradable within 45 days and trialing the use of palm bunch fiber in products such as notebooks and corporate business cards. These initiatives are still in the development and testing phase, but they have the potential to reduce greenhouse gas emissions compared with conventional paper. The Company is also developing naturally coated paper that is water resistant and 100% biodegradable within 90 days. These efforts reflect the Company's commitment to reducing waste, adding value to resources, and laying a foundation for the next phase of sustainable development.

## 3. Community and Stakeholder Engagement

In terms of community dimension, the Company has continued to carry out activities aimed at meeting local needs and linking them to business operations. These include the groundwater drilling project to provide reserve water sources for household use and agriculture during the dry season. Part of the project has already been completed, while the remaining portion is under consideration. The Company has also continued to support community activities and products made by elderly people in the area to strengthen relationships with communities surrounding the plant.

Overall, the Company's sustainability performance in 1Q26 and the plan to elevate sustainable operations for 2026 served as a supporting mechanism for business management, with an emphasis on supply chain stewardship, efficient resource utilization, and engagement with local stakeholders. These efforts enhanced the Company's resilience amid industry volatility and supported long-term business continuity.

## Definition

The Company	PETCHSRIVICHAI ENTERPRISE PUBLIC COMPANY LIMITED
The Group	The Company and subsidiaries
FFB	Fresh Fruit Bunch
CPO	Crude Palm Oil
CPKO	Crude Palm Kernel Oil
RBDPO	Refined Bleached Deodorized Palm Oil
RBDPKO	Refined Bleached Deodorized Palm Kernel Oil
B100	Biodiesel
RBDOL	Refined Bleached Deodorized Palm Olein
PFAD	Palm Fatty Acid Distillate
PKFAD	Palm Kernel Fatty Acid Distillate
RINTIP	Palm Olein Oil in Packaging, "RINTIP" Brand