NOVA EMPIRE
NOVA EMPIRE PUBLIC COMPANY LIMITED

No. CS010/2026

Date 11 August 2026

Subject: Management Discussion and Analysis of Financial Statements for the six-month period ended 30 June 2026

To: The President of the Stock Exchange of Thailand

We, Nova Empire Public Company Limited ("the Company"), would like to report the operating results of the Company and subsidiaries (collectively as "the Group") for the six-month period ended 30 June 2026 and clarify on the change of operational performance exceeding 10%.

A Summary of Significant Events for the six-month period ended 30 June 2026

For the six-month period ended 30 June 2026, the Group reported total revenue from sales and services of THB 361.52 million, an increase of THB 95.96 million, or 36%, compared to the same period of the previous year, and gross profit of THB 102.83 million, representing a 132% increase. This was mainly driven by Nova X Company Limited, a subsidiary, which commenced commercial operations of the crude oil storage and offloading vessel with single point mooring system project (the "FSO Project") for PTTEP Energy Development Company Limited ("PTTEP ED") on 26 February 2025. Continuous operations allowed the Group to recognise a full six months of service income in the current period, whereas the same period last year recognised only approximately four months from the commencement date.

However, the Group reported a net loss of THB 74.25 million for the period, compared to a net profit of THB 21.44 million in the same period last year. This was primarily due to a one-time liquidated damages from project delay under the PTTEP ED service contract amounting to THB 33.58 million (equivalent to USD 1.02 million) resulting from the delayed project delivery. Additionally, the Group recorded a net loss on exchange rate of THB 55.60 million, compared to a gain on exchange rate of THB 70.04 million in the same period last year, due to the depreciation of the Thai Baht against the US Dollar, affecting foreign-currency-denominated assets and liabilities. Finance cost also increased in line with the long-term loan obligations utilized for the FSO Project investment.

Total comprehensive loss for the period was THB 62.82 million, compared to total comprehensive income of THB 21.44 million in the same period last year, reflecting the net loss above, offset by a gain on cash flow hedges of THB 11.43 million (net of income tax).

The analysis of operating results and financial position details are as follows.

Summary of Operating Results *(Unit: Million Baht)*

For the six-month period ended	30 Jun 2026	30 Jun 2025	Increase/ (Decrease)	%
Revenue:				
Sales of electricity	20.88	24.36	(3.48)	(14%)
Service income	340.64	241.20	99.44	41%
Total revenue	*361.52*	*265.56*	*95.96*	*36%*
Cost:				
Cost of sales of electricity	(14.12)	(15.51)	(1.39)	(9%)
Cost of service	(244.57)	(205.79)	38.78	19%
Total cost	*(258.69)*	*(221.30)*	*37.39*	*17%*
Gross profit:				
Offshore service business	96.07	35.41	60.66	171%
Gross profit margin (%)	*28%*	*15%*	-	-
Solar power business	6.76	8.85	(2.09)	(24%)
Gross profit margin (%)	*32%*	*36%*	-	-
Total gross profit	**102.83**	**44.26**	**58.57**	**132%**
Gross profit margin (%)	*28%*	*17%*	-	-
Other income	8.82	0.72	8.10	1,125%
Administrative expenses	(33.99)	(33.19)	0.80	2%
Liquidated damages from project delay	(33.58)	-	(33.58)	-
Loss on exchange rate - net	(55.60)	70.04	(125.64)	(179%)
Operating profit (loss)	**(11.54)**	**81.83**	**(93.37)**	**(114%)**
Finance cost	(73.65)	(60.24)	13.41	22%
Profit (loss) before income tax	**(85.19)**	**21.59**	**(106.78)**	**(495%)**
Income tax benefit (expenses)	10.95	(0.14)	11.09	-
Profit (loss) for the period	**(74.25)**	**21.44**	**(95.69)**	**(446%)**

Gain on cash flow hedges - net of income tax	11.43	-	11.43	-
Total comprehensive income (loss) for the period	**(62.82)**	**21.44**	**(84.26)**	**(393%)**

The Group reported total revenue from sales and services for the six-month period ended 30 June 2026 of THB 361.52 million, an increase of THB 95.96 million, or 36%, compared to the same period of the previous year, mainly driven by the full-period recognition of service income from the FSO Project operated by Nova X Company Limited (a subsidiary) under the service agreement with PTTEP ED. In the current period, service income increased by THB 99.44 million, or 41%, as this marked the first full six-month revenue recognition, compared to only approximately four months recognised in the same period last year following the commercial operation date on 26 February 2025. Meanwhile, electricity sales revenue from the solar business decreased by THB 3.48 million, or 14%, due to lower electricity generation; the Group is currently improving the efficiency of equipment in the solar power project to increase output and restore the performance of the solar business to target levels.

On the cost side, the Group’s cost of service increased by THB 38.78 million, or 19%, in line with the full-period recognition of service income from the FSO Project. The increase was mainly attributable to depreciation and amortisation of plant and equipment and right-of-use assets under lease agreements for the FSO vessel and mooring system, as well as personnel costs associated with project operations. As a result, the Group recorded gross profit of THB 102.83 million, an increase of THB 58.57 million, or 132%, compared to the same period of the previous year. Gross profit from the offshore service business increased to THB 96.07 million from THB 35.41 million in the same period last year, while gross profit from the solar power business was THB 6.76 million compared to THB 8.85 million in the same period last year.

Other income for the six-month period ended 30 June 2026 was THB 8.82 million, an increase of THB 8.10 million, or 1,125%, from the same period last year, mainly from interest income which increased from THB 0.72 million to THB 7.54 million, being interest income from foreign-currency fixed deposits.

However, the Group reported an operating loss of THB 11.54 million for the period, compared to an operating profit of THB 81.83 million in the same period last year. Although gross profit increased, it was offset by two main factors: (1) liquidated damages from project delay, a one-time item of THB 33.58 million, for which the subsidiary received a confirmation of the claim from PTTEP ED in June 2026 arising from the delivery of the project beyond the timeline specified in the service agreement; and (2) a net loss on exchange rate of THB 55.60 million, compared to a gain on exchange rate of THB 70.04 million in the same period last year, resulting from the depreciation of the Thai Baht against the US Dollar. In addition, administrative expenses increased by THB 0.80 million, or 2%.

The net loss on exchange rate of THB 55.60 million resulted from the depreciation of the Thai Baht from approximately THB 31.39 per US Dollar as at 31 December 2025 to approximately THB 32.75 per US Dollar as at 30 June 2026 (a depreciation of 4.3%), which affected the Group's US-Dollar-denominated assets and liabilities, particularly the FSO Project whose revenue, borrowings and lease obligations are denominated in US Dollars. This can be divided into two parts, as follows:

Part 1 – Unrealised loss of THB 71.94 million, a non-cash item arising from the translation of US-Dollar monetary items at the closing rate at period-end in accordance with accounting standards. The principal item is the FSO vessel lease liability denominated in US Dollars — a 10-year lease (18 July 2024 – 30 November 2034) with a lease liability of approximately USD 63.5 million as at 30 June 2026, being the largest US-Dollar-denominated liability among the Group's foreign-currency liabilities. Accordingly, when the Baht depreciated, the value of the liability in Baht increased, and the subsidiary recognised a translation loss on the lease liability of THB 85.41 million, netted against a translation gain on US-Dollar-denominated assets (foreign-currency deposits, receivables and derivatives) of THB 23.42 million and related accounting-standard adjustments of THB 9.95 million, leaving a net unrealised loss of THB 71.94 million. This item will reverse when the exchange rate moves in the opposite direction, as in the same period last year when the Baht appreciated and the Group recognised an unrealised gain.

Part 2 – Realised gain of THB 15.52 million, a cash item arising from exchange rate differences between the transaction recording date and the actual receipt or payment date during the period, comprising a gain on payment of the FSO vessel lease in US Dollars of THB 17.77 million, a gain on the settlement/maturity of foreign-exchange forward contracts used for hedging of THB 2.02 million, and a net loss of THB 4.27 million from receiving service income in US Dollars and from adjusting deposit and foreign-currency deposit (FCD) accounts to actual rates, leaving a net realised gain of THB 15.52 million. Accordingly, the subsidiary's net loss on exchange rate was THB 56.42 million, and after including the items of other group companies and intercompany elimination, the net loss on exchange rate per the consolidated financial statements was THB 55.60 million.

In addition, finance cost for the period increased by THB 13.41 million, or 22%, compared to the same period last year. As the Group drew down borrowings and recognised lease liabilities during 2025, finance cost mainly comprised interest on lease liabilities of THB 44.67 million, an increase of THB 1.25 million from last year, and interest on long-term loans from financial institutions of THB 27.20 million, an increase of THB 11.53 million from last year, following the completion of the FSO Project and the commencement of full-period commercial operations. The Group therefore reported a loss before income tax of THB 85.19 million and an income tax benefit of THB 10.95 million, mainly from the recognition of deferred tax assets on tax losses during the period, leaving a net loss for the period of THB 74.25 million, compared to a net profit of THB 21.44 million in the same period last year, representing a basic loss per share of THB 0.63 compared to earnings per share of THB 0.16 in the same period last year.

During the period, the Group began applying cash flow hedge accounting for foreign-exchange forward contracts used to hedge US-Dollar-denominated revenue and borrowings, resulting in the recognition of a gain on hedging of THB 11.43 million (net of income tax) within other comprehensive income. Accordingly, total comprehensive loss for the period was THB 62.82 million, compared to total comprehensive income of THB 21.44 million in the same period last year.

Summary of Financial Position *(Unit: Million Baht)*

	30 Jun 2026	31 Dec 2025	Increase/ (Decrease)	%
Current assets	852.26	851.32	0.94	-
Non-current assets	3,234.25	3,393.74	(159.49)	(5%)
Total assets	**4,086.51**	**4,245.06**	**(158.55)**	**(4%)**
Current liabilities	559.86	519.41	40.45	8%
Non-current liabilities	2,346.23	2,482.40	(136.17)	(5%)
Total liabilities	**2,906.09**	**3,001.82**	**(95.73)**	**(3%)**
Shareholders' equity	**1,180.42**	**1,243.24**	**(62.82)**	**(5%)**

As at 30 June 2026, the Group reported total assets of THB 4,086.51 million, a decrease of THB 158.55 million, or 4%, from THB 4,245.06 million as at 31 December 2025.

Current assets increased by THB 0.94 million to THB 852.26 million, mainly due to a decrease in restricted bank deposit of THB 45.19 million, or 99%, resulting from the utilisation of the pledged deposit in accordance with the terms of the project loan agreement, and a decrease in cash and cash equivalents of THB 25.81 million. However, these were partially offset by: (1) an increase in trade and other current receivables of THB 21.31 million, or 33%, in line with higher service revenue; (2) an increase in inventories of THB 14.35 million, resulting from the stocking of spare parts and consumable materials for FSO vessel maintenance; (3) an increase in other current assets of THB 29.40 million, or 67%; and (4) the recognition of current derivative assets of THB 5.22 million.

Non-current assets decreased by THB 159.49 million, or 4%, to THB 3,234.25 million, mainly due to depreciation and amortisation of plant and equipment of THB 80.91 million and right-of-use assets of the FSO vessel and mooring system of THB 93.97 million. These decreases were partially offset by an increase in deferred tax assets of THB 11.74 million, or 134%, from tax losses during the period and the recognition of non-current derivative assets of THB 6.55 million from foreign-exchange forward contracts used in hedge accounting.

On the liabilities side, as at 30 June 2026 the Group reported total liabilities of THB 2,906.09 million, a decrease of THB 95.73 million, or 3%, from THB 3,001.82 million as at 31 December 2025. Current liabilities increased by THB 40.45 million, or 8%, to THB 559.86 million, due to an increase in trade and other current payables of THB 15.18 million, or 12%, in line with the FSO Project operating expenses, together with an increase in the current portion of lease liabilities of THB 15.79 million and an increase in other current liabilities of THB 5.97 million.

Non-current liabilities decreased by THB 136.17 million, or 5%, to THB 2,346.23 million, due to scheduled repayment of the principal of long-term loans from financial institutions, which reduced long-term loans (net of current portion) by THB 80.57 million, and the scheduled amortisation of lease liability principal (net of current portion) of THB 56.92 million, in accordance with the loan and lease repayment schedules.

Shareholders' equity decreased by THB 62.82 million, or 5%, to THB 1,180.42 million, consistent with the total comprehensive loss for the period of THB 62.82 million.

Statement of Cash Flows *(Unit: Million Baht)*

For the six-month period ended	30 Jun 2026	30 Jun 2025	Increase/ (Decrease)	%
Net cash from operating activities	147.42	1.93	145.49	7,538%
Net cash from (used in) investing activities	26.65	(388.92)	415.57	107%
Net cash from (used in) financing activities	(199.88)	720.24	(920.12)	(128%)
Net increase (decrease) in cash and cash equivalents	**(25.81)**	**333.25**	**(359.06)**	**(108%)**

For the six-month period ended 30 June 2026, the Group had net cash provided by operating activities of THB 147.42 million, an increase of THB 145.49 million compared to net cash provided by operating activities of THB 1.93 million in the same period last year, a direct result of the FSO Project commencing commercial operations and continuously receiving service payments from its major customer, reflecting the cash-generating capability of the core business after the completion of the project investment.

Net cash provided by investing activities was THB 26.65 million, a positive change of THB 415.57 million compared to net cash used in investing activities of THB 388.92 million in the same period last year, because in the same period last year the Group was in the FSO Project investment phase, with expenditure on the purchase of plant and equipment of THB 223.82 million, whereas in the current period the project investment was completed with equipment purchases of only THB 13.80 million, together with the return of restricted bank deposits of THB 45.19 million in accordance with the terms of the project loan agreement.

Net cash used in financing activities was THB 199.88 million, compared to net cash provided by financing activities of THB 720.24 million in the same period last year, because in the same period last year the Group drew down long-term loans from financial institutions of THB 1,250.00 million to invest in the FSO Project, whereas in the current period the Group made scheduled repayments of long-term loans of THB 80.00 million and repayments of lease liability principal of THB 119.88 million.

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As a result of the above, cash and cash equivalents decreased by a net THB 25.81 million during the period, leaving cash and cash equivalents as at 30 June 2026 of THB 202.95 million.

Please be informed accordingly.

Yours faithfully,

Miss Nattaya Huatsoontorn

Director