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Bangkok Aviation Fuel Services Public Company Limited

Management Discussion & Analysis

For the Quarter Ended June 30, 2026

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Executive Summary

During the first half of 2026, Thailand's tourism sector faced pressure from global economic conditions, geopolitical tensions, and rising travel costs. Approximately 16.2 million international tourists visited Thailand during the period, representing a 3% decline from the same period of the previous year. This reflects a relatively modest recovery in tourist arrivals, particularly from short-haul markets, which tend to be more sensitive to travel costs and economic conditions than long-haul markets. In addition, during the second quarter, the aviation industry was affected by higher jet fuel prices driven by geopolitical tensions in the Middle East. The price of Jet A-1 fuel rose above USD 200 per barrel toward the end of the first quarter, significantly increasing fuel costs. Nevertheless, the Tourism Authority of Thailand (TAT) continues to target 33 million international tourist arrivals in 2026, in accordance with its action plan announced in July 2026. This target is broadly in line with the 2025 level and reflects expectations that the tourism sector will be able to maintain its recovery momentum during the second half of the year, supported by ongoing tourism promotion measures and proactive marketing initiatives, despite continued uncertainty in the global economy.

Under the expectation that the number of international tourists will remain at a level close to that of the previous year, together with fuel and operating costs that remain high due to tensions in the Middle East, airlines are therefore likely to manage their service capacity more cautiously. This may include reducing flight frequencies, suspending services on certain routes with low demand or low commercial viability, and adjusting flight networks in line with travel demand. However, international travel demand is expected to remain strong, particularly toward the end of the year, which is the High Season. As a result, the number of flights and passengers is expected to continue recovering, although the growth rate may slow compared with the recovery period following the COVID-19 situation.

The Aviation Business Segment, despite facing external pressure factors, continued to record overall growth in service volume. Aircraft refueling volume in the first half of 2026 was 2,721 million liters, an increase of 2% compared with the same period of the previous year, representing 89% of the pre-COVID-19 level and 50% of the full-year target of 5,400 million liters.

During the first half of 2026, the Company's aircraft refueling service volume increased by 2% compared with the same period of the previous year, supported by the high level of flight volumes and travel demand during the first quarter, which was the tourism season. However, in the second quarter, the number of international tourists slowed, while jet fuel prices and airline operating costs increased. As a result, some airlines reduced flight frequencies and seat capacity, and suspended certain routes, causing aircraft refueling service volume in the second quarter to slow down. Nevertheless, the growth recorded in the first quarter was able to offset such impacts, resulting in the overall service volume for the first half of the year remaining higher than the previous year.

The Utilities Business Segment recorded fuel transportation volume through the pipeline system of 662 million liters, a decrease of 6% compared with the same period of the previous year, while the Power Business Group continued to seek investment opportunities.

During the first half of 2026, BAFS Pipeline Transportation Company Limited (BPT) recorded a 6% decrease in fuel transportation volume through the pipeline system to the northern region compared with the same period of the previous year, representing 49% of the full-year target of 1,345 million liters. The decrease was mainly due to high fuel prices, which resulted in a slowdown in fuel demand from consumers and the business sector, causing customers to reduce the volume of fuel received through the pipeline system in line with the level of demand in the area.

BAFS GROUP's operating performance in the first half of 2026 showed growth in net profit, despite softer revenue and EBITDA.

During the first half of 2026, although total revenue decreased slightly compared with the same period of the previous year and EBITDA decreased by 1% to 935.1 million baht, the Company was able to maintain its profitability at a satisfactory level, resulting in net profit attributable to equity holders of the Company increasing to 212.3 million baht, up 7% compared with the same period of the previous year.

Financial Highlights

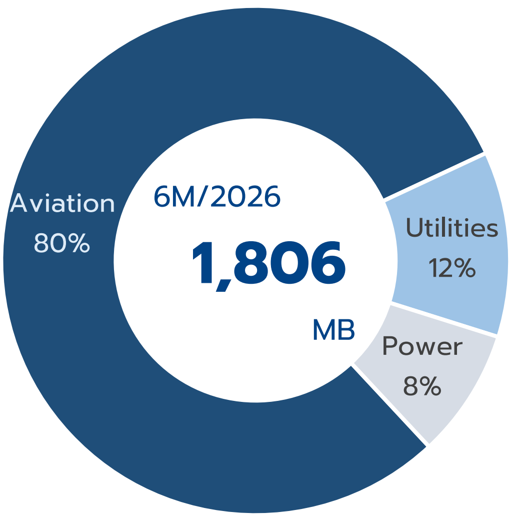
Unit : Million baht	2Q/25	1Q/26	2Q/26	Change		6M/25	6M/26	Change
				QoQ	YoY			YoY
Total Revenues [1]	877	967	839	(13%)	(4%)	1,844	1,806	(2%)
Total Expenses [2]	670	653	646	(1%)	(4%)	1,334	1,300	(3%)
Operating Profit (Loss)	207	313	193	(38%)	(6%)	510	507	(1%)
Net Profit (Loss) to Equity holders	56	152	61	(60%)	8%	199	212	7%
Earnings per Share (Baht/Share)	0.07	0.22	0.07	(68%)	0%	0.27	0.29	8%
EBITDA [3]	423	533	402	(25%)	(5%)	944	935	(1%)

[1] Total revenues excluded finance income and gain on change in value of financial assets designated at fair value through profit

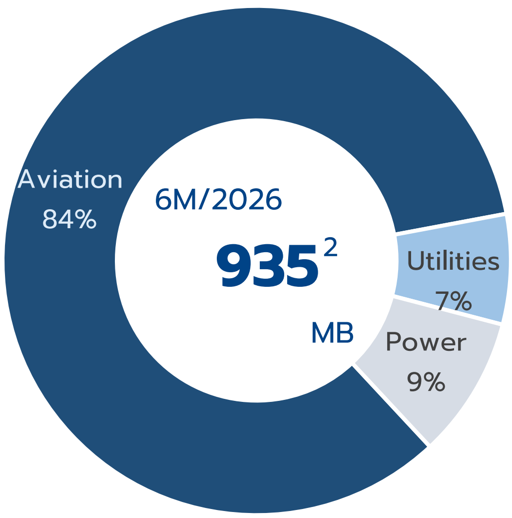
[2] Total expenses excluded finance cost and loss on change in value of financial assets designated at fair value through loss

[3] EBITDA = Operating profit (loss) + Depreciation and amortization

Total Revenue



EBITDA[1]



[1] % of EBITDA calculated from amount before eliminations

[2] EBITDA amount after eliminations

Total Performance 2Q/26 vs. 2Q/25

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries ("BAFS GROUP") reported total revenue of 839.5 million baht, a decrease of 4% from the same period of the previous year. The decrease was mainly attributable to lower revenue from **the Aviation business** segment, resulting from a slowdown in aircraft refueling service volume due to the impact of the situation in the Middle East. In addition, revenue from the sale of spare parts and equipment for aircraft refueling vehicles decreased, as the Company recorded revenue from such sales in the same period of the previous year, while there were no such sales transactions in the current year. Meanwhile, revenue from **the Utilities business** segment decreased due to lower revenue from fuel storage services. However, the decrease in revenue from these two business was partially offset by higher revenue from **the Power business** segment, resulting from an increase in electricity sales volume from solar power plants, as well as the commencement of revenue recognition from a new project under a Power Purchase Agreement (PPA).

EBITDA in 2Q/2026 amounted to 402.2 million baht, a decrease of 5% from the same period of the previous year, mainly due to **the Aviation business** segment, as overall gross profit decreased in line with the aircraft refueling volume, and **the Utilities business** segment, due to lower fuel storage service revenue. Nevertheless, the Group continued to manage operating expenses efficiently, with overall operating expenses (excluding depreciation and amortization) decreasing by 4%, mainly due to lower cost of sales of aircraft refueling vehicles in line with the decrease in sales revenue, as well as lower repair and maintenance expenses. Net finance costs decreased by 18%, resulting from the gradual repayment of loans to financial institutions and reductions in commercial banks' lending interest rates. As a result, in 2Q/2026, **net profit** attributable to equity holders of the Company amounted to 60.5 million baht, an increase of 8%, representing earnings per share of 0.07 baht and a Net Profit Margin of 6%.

Total Performance 6M/26 vs. 6M/25

BAFS GROUP recorded **net profit** attributable to equity holders of the Company of 212.3 million baht, an increase of 7% from the same period of the previous year, representing earnings per share of 0.29 baht and a Net Profit Margin of 10%. Although total revenue and EBITDA decreased from the same period of the previous year, mainly due to the slowdown in the aircraft refueling service business, which was affected by the situation in the Middle East, BAFS GROUP was still able to maintain its profitability through efficient cost and expense management. Overall operating expenses decreased by 3%, mainly due to lower cost of sales of aircraft refueling vehicles in line with the decrease in sales revenue, as well as lower repair and maintenance expenses.

In addition, BAFS GROUP was also able to manage finance costs efficiently, resulting in a 13% decrease in finance costs from the same period of the previous year. This was attributable to the gradual repayment of loans to financial institutions and reductions in commercial banks' lending interest rates. As a result, net profit increased compared with the same period of the previous year, despite the decrease in total revenue.

Key Events in 2Q/26

- **Extension of the Aircraft Refueling Service Concession at Suvarnabhumi Airport**

BAFS GROUP was notified by Airports of Thailand Public Company Limited (AOT) that it may continue operating the aircraft fuel service system project (Into-plane Services) at Suvarnabhumi Airport following the expiration of the existing agreement, under the same principles and conditions as the existing agreement, until AOT completes the selection of a new operator under the Public-Private Partnership Act B.E. 2562 (2019).

The temporary operating period shall not exceed 3 years and 6 months from the expiration date of the existing agreement. The extension of the operating period will enable the Company to continue its business operations, reduce uncertainty arising from the expiration of the concession, and support the continuity of services provided to users and airlines. It will also ensure continuity of the Company's business operations and revenue recognition from its core business under the existing terms and conditions until AOT completes the process of selecting a new operator.

- **Progress of the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi)**

BAFS GROUP continues to proceed with the construction of the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi), covering a distance of approximately 52 kilometers. The construction is currently approximately 91% complete and is expected to commence commercial operations by early 2027. The project will fully connect the fuel pipeline network from the eastern region to the northern region, enhance transportation efficiency, and support long-term growth in fuel transportation volume. In addition, the project is expected to be a key driver supporting BAFS GROUP's revenue growth, with full-year service revenue expected to be recognized for the first time in 2027.

- **Progress of the Waste-to-Energy Power Plant Project**

BAFS GROUP has invested in Surat Eco Power Company Limited, with a 30% shareholding, to invest in a waste-to-energy power plant project with an installed capacity of 9.9 megawatts. The project is designed to accommodate approximately 500 tons of waste per day.

As of June 2026, the project's construction progress was approximately 81%, and commercial operation is expected to commence by December 2026.

- **Dividend Payment Announcement**

The Board of Directors' Meeting No. 3/2026 approved the payment of an interim dividend for the operating results of the first six months of 2026 at the rate of 0.13 baht per share. The record date for shareholders entitled to receive the dividend is set for 28 August 2026, and the dividend payment date is scheduled for 10 September 2026.

Performance by Business Segment

Aviation Business

Description	2Q/25	1Q/26	2Q/26	Change		6M/25	6M/26	Change
				QoQ	YoY			YoY
Aviation Fuel Volume (Million litres)								
Don Mueang Airport	232	280	204	(27%)	(12%)	497	484	(3%)
Suvarnabhumi Airport	1,025	1,206	1,031	(15%)	1%	2,181	2,237	3%
Total	1,257	1,486	1,235	(17%)	(2%)	2,678	2,721	2%
Flights [1]	69,621	79,824	67,631	(15%)	(3%)	145,071	147,455	2%
Revenues (Million baht) [2/3]	691	798	668	(16%)	(3%)	1,477	1,466	(1%)
EBITDA (Million baht) [3]	324	449	316	(30%)	(2%)	755	766	1%

[1] Total Flights was data of flights that serviced by BAFS only at BKK and DMK

[2] The revenue of the Aviation business segment consists of the revenue of BAFS, TARCO, and BAFS INTECH

[3] Revenue and expenses excluded gain(loss) on exchange rate

Performance 2Q/26 vs. 2Q/25

- **Total revenue amounted to 668.3 million baht, a decrease of 3%,** as the Aviation business segment recorded service revenue of 648.8 million baht, a decrease of 2%, in line with the slowdown in total aircraft refueling service volume and the total number of flights serviced by the Group at Suvarnabhumi Airport and Don Mueang International Airport, which decreased by 2% and 3% from the same period of the previous year, respectively, due to the impact of the situation in the Middle East. This resulted in higher jet fuel prices and airline operating costs, causing some airlines to reduce flight frequencies and seat capacity, and suspend certain routes, net of a decrease in revenue from the sale of aircraft refueling vehicles, as in the same period of the previous year, spare parts and equipment for aircraft refueling vehicles were sold to domestic customers, while there were no such sales in the current year.

- **EBITDA amounted to 316.3 million baht, a decrease of 2%,** due to the aforementioned decrease in revenue from the Aviation business segment, together with lower operating expenses from repair and maintenance expenses for the aviation fuel storage system and lower cost of sales of spare parts and equipment for aircraft refueling vehicles in line with the decrease in sales revenue.

Performance 6M/26 vs. 6M/25

- **Total revenue amounted to 1,465.9 million baht, a decrease of 1%,** mainly due to a decrease in revenue from the sale of spare parts and equipment for aircraft refueling vehicles, as in the same period of the previous year, the Company sold such spare parts and equipment to domestic customers, while there were no such sales transactions in the current year. However, the decrease in such revenue was partially offset by an increase in service revenue. During the first half of 2026, the Aviation business segment recorded service revenue of 1,426.4 million baht, an increase of 1% from the same period of the previous year. Although aircraft refueling volume decreased in the second quarter as mentioned above, this was supported by strong operating performance in the first quarter, which was the tourism season, resulting in a high level of flight volumes and travel demand.

  During the first half of 2026, the aircraft fuel volume serviced by the Group and the number of flights serviced by the Group at Suvarnabhumi Airport and Don Mueang International Airport increased by 2% from the same period of the previous year and recovered to 89% of the pre-COVID-19 level, reflecting the continued recovery of the aviation industry. The top five destination countries with the highest aircraft refueling volumes were China, Thailand (domestic routes), Japan, India, and the United Arab Emirates.

- **EBITDA amounted to 765.5 million baht, an increase of 1%**. Although the Aviation business segment recorded the aforementioned decrease in revenue, it was still able to efficiently control overall operating expenses, which decreased by 3% from the same period of the previous year, mainly due to lower repair and maintenance expenses for the aviation fuel pipeline and storage systems, as well as lower cost of sales of spare parts and equipment for aircraft refueling vehicles in line with the decrease in sales revenue.

Utilities Business

Description	2Q/25	1Q/26	2Q/26	Change		6M/25	6M/26	Change
				QoQ	YoY			YoY
Multi-products Fuel Volume of NBPT project [1] (Million litres)	341	333	328	(2%)	(4%)	704	662	(6%)
Revenues (Million baht)	113	103	111	8%	(2%)	230	213	(7%)
EBITDA (Million baht)	42	36	42	17%	1%	89	78	(12%)

[1] BPT's multi-products fuel pipeline transportation volume for the North Fuel Pipeline Transportation (NBPT) project

Performance 2Q/26 vs. 2Q/25

- **Total revenue amounted to 110.6 million baht, a decrease of 2%,** as the Utilities business segment recorded revenue from ground fuel transportation and fuel storage services of 109.1 million baht, a decrease of 1%, due to the decrease in revenue from fuel storage services.

- **EBITDA amounted to 42.3 million baht, an increase of 1%**. Although the Utilities business segment recorded the aforementioned decrease in revenue, it was still able to efficiently control overall operating expenses, which decreased by 4%, mainly due to lower rental and utility expenses.

Performance 6M/26 vs. 6M/25

- **Total revenue amounted to 213.4 million baht, a decrease of 7%,** as the Utilities business segment recorded revenue from ground fuel transportation and fuel storage services of 210.0 million baht, a decrease of 7%, due to the decrease in revenue from fuel storage services.

- **EBITDA amounted to 78.5 million baht, a decrease of 12%,** due to the aforementioned decrease in revenue from the Utilities business segment. However, the Group was still able to efficiently control overall operating expenses, which decreased by 4%, mainly due to lower rental and personnel expenses.

In addition, the Utilities Business Group also plays a role in supporting greenhouse gas emission reductions through the transportation of fuel by pipeline as a substitute for transportation by truck. From June 2019 to March 2026, cumulative greenhouse gas emissions were reduced by approximately 140,231 tons of carbon dioxide equivalent. A key highlight is that the Phase 1 greenhouse gas emission reduction of 48,844 tons of carbon dioxide equivalent has been certified under the VERRA Standards, an internationally recognized standard in global carbon credit markets, while the Phase 2 reduction of 36,238 tons of carbon dioxide equivalent is currently in the certification process.

Certification under the VERRA Standards not only reflects the credibility and transparency of the greenhouse gas emission reduction results, but also helps elevate the Group's environmental performance into an Environmental Asset with the potential to be further developed into business opportunities and new sources of revenue in the future under the growing carbon market mechanism, particularly from the demand of the global aviation industry to reduce greenhouse gas emissions toward the Net Zero target. This achievement also reflects the Group's role in developing efficient and safe energy infrastructure, reducing reliance on road transportation, and concretely supporting Thailand's transition toward a low-carbon society.

Power Business

Description	2Q/25	1Q/26	2Q/26	Change		6M/25	6M/26	Change
				QoQ	YoY			YoY
Capacity Factor (%)	16%	16%	16%			15%	16%	
Energy Sold (GWh)								
Thailand	12.10	13.90	13.31	(4%)	10%	25.43	27.21	7%
Japan	4.62	3.22	4.33	34%	(6%)	7.31	7.55	3%
Total	16.73	17.12	17.65	3%	5%	32.79	34.77	6%
Revenues (Million baht) [1]	66	74	71	(4%)	7%	140	145	4%
EBITDA ((Million baht) [1]	43	48	47	(3%)	9%	89	95	6%

[1] Revenue and expenses, excluding gain(loss) on exchange rate and loss from impairment on asset.

Performance 2Q/26 vs. 2Q/25

- **Total revenue amounted to 70.9 million baht, an increase of 7%,** as the Power business segment recorded revenue from electricity sales of 69.4 million baht, an increase of 7%, in line with the increase in electricity sales volume. In addition, the Company began recognizing revenue from a new PPA project, which commenced commercial operations and revenue recognition from May 2026 onwards.

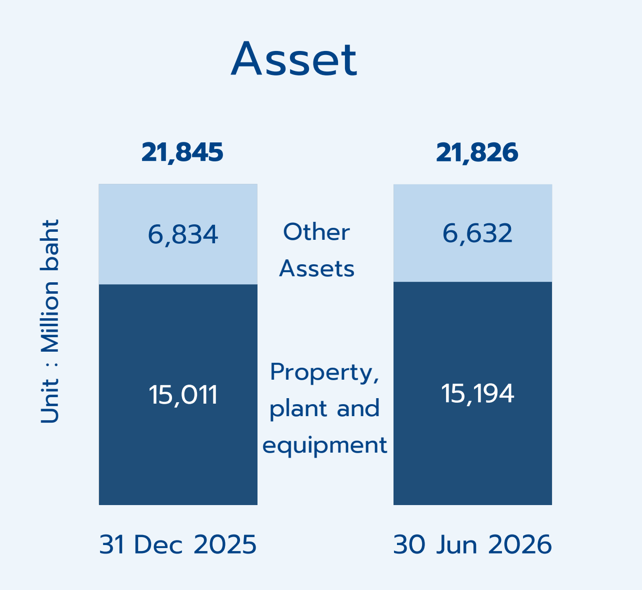
- **EBITDA amounted to 46.6 million baht, an increase of 9%,** due to the aforementioned increase in revenue from the Power business segment, while net operating expenses increased only slightly by 2%, mainly due to rental and utility expenses.

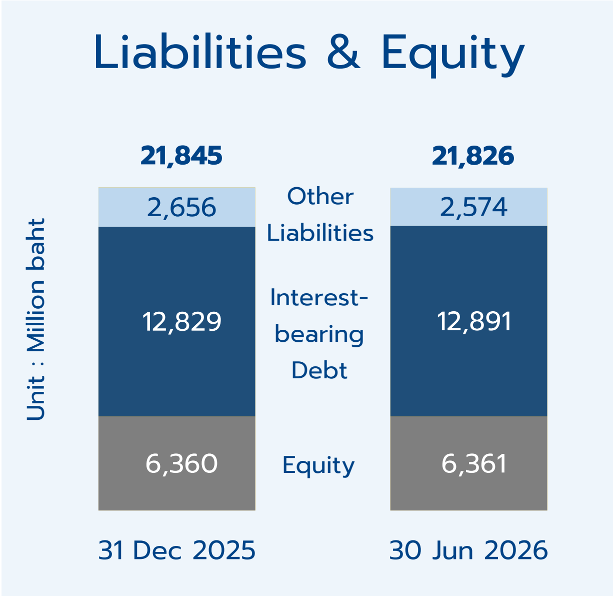
Performance 6M/26 vs. 6M/25

- **Total revenue amounted to 144.9 million baht, an increase of 4%,** as the Power Business Segment recorded revenue from electricity sales of 142.1 million baht, an increase of 5%, in line with the increase in electricity sales volume from solar power plants in both Thailand and Japan. In addition, the Company began recognizing revenue from a new PPA project, which commenced commercial operations and revenue recognition from May 2026 onwards, net of a decrease in other income due to the absence of revenue from the sale of Renewable Energy Certificates (RECs), as recorded in the previous year.

- **EBITDA amounted to 94.7 million baht, an increase of 6%,** due to the aforementioned increase in revenue from the Power Business Segment. At the same time, the Group was still able to efficiently control overall operating expenses, which decreased by 1%, mainly due to lower personnel expenses and repair and maintenance expenses for power plants.

Financial Position





Assets

As of June 30, 2026, BAFS Group's total assets amounted to 21,826.4 million baht, a decrease of 0.1% compared to December 31, 2025, consisting of the following key items:

- **Trade and other current receivables** amounted to 396.0 million baht, decreasing by 22%, due to lower service revenue in line with the decrease in fuel service volume, as well as the receipt of accrued interest from related parties.
- **Loans to related parties** amounted to 360.6 million baht, decreasing by 17%, due to loan repayments made by related parties during the period, net of loans provided to related parties for investment in the waste-to-energy power plant project and the U-Tapao Airport project.
- **Property, plant, and equipment** amounted to 15,193.8 million baht, increasing by 1%. This was due to additional investments in land, equipment, and construction in progress totaling 479.8 million baht, primarily related to the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi), as well as the purchase of aircraft refueling vehicles. This was partially offset by depreciation expenses during the period amounting to 292.3 million baht.
- **Cash and cash equivalents** amounted to 525.9 million baht, increasing by 25%, mainly due to cash flows from operating activities and net cash proceeds from borrowings from financial institutions, net of investment payments for the construction of the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi), as well as dividend payments during the period.

Liabilities

As of June 30, 2026, BAFS Group's total debt amounted to 15,465.1 million baht, a decrease of 0.1% compared to December 31, 2025. The interest-bearing debt to equity ratio is 2.0 to 1. The liabilities of the company group can be categorized as follows:

- **Bank overdrafts and short-term loans from financial institutions** amounted to 2.5 million baht, decreasing by 99%, due to loan repayments made during the period.
- **Trade and other current payables** amounted to 398.8 million baht, decreasing by 12%, mainly due to payments made to settle payables for goods and services, as well as construction-related payables for the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi).
- **Long-term loans from banks** amounted to 9,289.9 million baht, increasing by 3% primarily due to additional borrowings of 900.0 million baht during the period, net of long-term loan repayments of 632.2 million baht made during the same period.

Equity

As of June 30, 2026, the Group of companies had total shareholders' equity of 6,361.3 million baht, increasing by 0.02% from December 31, 2025. This increase was primarily driven by accumulated comprehensive income during the period totaling 184.9 million baht, net of dividend payments during the period of 155.7 million baht and the payment of dividends on perpetual bond, which resembles net income from income tax, amounting to 27.6 million baht. The Company's shareholders' equity amounted to 5,368.7 million baht, an increase of 1%.

Cash Flow Statement

	For the period ended Jun 30, 2026
	Million baht
Net cash flows from operating activities	846
Net cash flows used in investing activities	(351)
Net cash flows used in financing activities	(388)
Net increase in cash and cash equivalents	107
Cash and cash equivalents at beginning of period	419
Cash and cash equivalents at end of period	526

- **Net cash flows from operating activities** amounted to 845.8 million baht, resulting from the growth in the Group's operating performance.

- **Net cash flows used in investing activities** amounted to 351.4 million baht, mainly due to investment payments for the construction of the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi), as well as purchases of equipment and aircraft refueling vehicles, net of loan repayments from related parties during the period.

- **Net cash flows used in financing activities** amounted to 388.0 million baht, mainly due to loan repayments to financial institutions of 1,222.2 million baht, interest payments of 247.0 million baht, dividend payments of 155.7 million baht, as well as payments of dividends on perpetual bond totaling 34.5 million baht, net of cash proceeds from borrowings of 1,322.5 million baht during the period.

Key Financial Ratios

	6M/2025	6M/2026
Profitability Ratios		
1. Gross profit margin (%)	47%	48%
2. EBITDA Margin (%)	51%	52%
3. Net profit margin (%)	9%	10%
	Dec 31, 25	Jun 30, 26
Liquidity Ratios		
4. Current ratio (times)	0.7	0.7
Profitability Ratios		
5. Return on equity (%)	4.0%	4.2%
Operating Efficiency Ratios		
6. Return on assets (%)	1.0%	1.0%
Financial Policy Ratios		
7. Interest bearing debt to equity (times)	2.0	2.0
8. Debt to equity (times)	2.2	2.2
9. Debt service coverage ratio (times)	1.1	1.2

Key Financial Ratios Calculations

1. Gross profit margin = Gross profit (loss) / Service incomes and sales x 100
2. EBITDA Margin = EBITDA / Total revenues x 100
3. Net profit margin = Net profit (loss) / Total revenues x 100
4. Current ratio = Current assets / Current liabilities
5. Return on equity = Net profit (loss) (annualized) / Average equity holders of the company x 100
6. Return on assets = Net profit (loss) (annualized) / Average total assets x 100
7. Interest bearing debt to equity = Interest bearing debt* / Equity
   * Interest bearing debt = Short-term loans + long-term loans + Lease liabilities + Debentures
8. Debt to equity = Liabilities** / Equity
   ** Liabilities = Total liabilities - Lease liabilities – Provision for land leased related to concession agreement
9. Debt service coverage ratio = EBITDA (annualized) / (Short-term loans + Current portion of long-term loans + Current portion of lease liabilities)