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NNCL AC008/2569

13 August 2026

Subject : Management Discussion and Analysis for the Company's Operating Results for Q2 FY2026

To : The President and Secretary-General, The Stock Exchange of Thailand

Navanakorn Public Company Limited (the "Company") and its subsidiaries hereby submit the Management Discussion and Analysis of the operating results for the second quarter of 2026 and for the six-month period ended 30 June 2026. The financial information referred to in this document is derived from the condensed interim financial statements, which have been reviewed by the Company's certified public accountant. Unless otherwise stated, all figures are presented on a consolidated basis in Baht million.

<u>Executive Summary</u>

The second quarter of 2026 marked the resumption of significant revenue recognition from real estate sales, following the transfer of ownership of industrial land plots in the Navanakorn Industrial Promotion Zone. This drove a substantial increase in operating results, while the utility services business, which represents the Company's recurring income base, continued to grow. Key highlights are as follows:

- Total revenue for the second quarter of 2026 amounted to Baht 1,007.20 million, an increase of 363 percent, and net profit amounted to Baht 335.39 million, an increase of 684 percent from the same quarter of the previous year, equivalent to basic earnings per share of Baht 0.16.
- Total revenue for the six-month period of 2026 amounted to Baht 1,219.46 million, an increase of 161 percent, and net profit amounted to Baht 396.70 million, an increase of 195 percent, equivalent to basic earnings per share of Baht 0.19.
- The principal driver was revenue from real estate sales of Baht 781.94 million, representing 64 percent of total six-month revenue, at a gross profit margin of 50.8 percent, compared with transfers of only Baht 44.00 million in the same period last year.
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- Service income for the six-month period was Baht 348.41 million, up 4 percent. However, the gross profit margin of the services business declined from 51.3 percent to 48.7 percent, reflecting higher utility and maintenance costs.
- Share of loss from joint ventures for the six-month period was Baht 24.36 million, an increase in loss of Baht 14.52 million. In the separate financial statements, the Company recognized an impairment loss on its investment in R E N Korat Energy Company Limited ("REN") of Baht 70.89 million, which had no impact on the consolidated financial statements.
- The financial position remained strong. As at 30 June 2026, cash and cash equivalents together with other current financial assets totaled Baht 1,103.50 million, interest-bearing debt was only Baht 71.12 million, the debt-to-equity ratio stood at 0.30 times, and net cash generated from operating activities for the six-month period was Baht 769.39 million, an increase of 95 percent.
- On 13 August 2026, the Board of Directors approved an interim dividend from the six-month operating results at the rate of Baht 0.07 per share, totaling Baht 143.4 million, to be paid to shareholders in September 2026.

Economic and Industry Overview

The overall economy in the second quarter of 2026 moderated from the preceding quarter, affected by higher energy prices and travel constraints arising from the conflict in the Middle East. Nevertheless, the economy continued to be supported by the global electronics upcycle and data center investment, as well as by government measures that partially cushioned the impact.

The Board of Investment (BOI) reported that investment promotion applications for the first six months of 2026 totaled 1,299 projects with a combined investment value of Baht 1,473,718 million, an increase of 37 percent compared with the same period of the previous year. The digital, data center and artificial intelligence sectors remained the principal growth drivers, followed by electronics and electrical appliances, agriculture and food processing, logistics and clean energy. Singapore, the United Kingdom, China, Taiwan and Japan were the largest source countries of investment. These trends reflect investor confidence in Thailand's potential as a base for advanced technology industries and are supportive of demand for the Company's industrial land and utility services going forward.

Business Overview

Background and Vision

Navanakorn Public Company Limited was established on 26 March 1971 as Thailand's first developer of an industrial promotion zone, located in Khlong Nueng Sub-district, Khlong Luang District, Pathum Thani Province, adjacent to Phahonyothin Road at km. 46. The project covers a total area of approximately 6,760 rai, comprising industrial, residential, commercial and free trade zones, together with utility infrastructure and green areas. The Company has also expanded its investment into the "Navanakorn Industrial Zone (Nakhon Ratchasima)", covering an area of 1,970 rai on Mittraphap Road at km. 231, Nakhon Ratchasima Province.

The Company was converted into a public limited company on 31 October 2002 and was listed on The Stock Exchange of Thailand on 24 May 2004. Its issued and paid-up share capital currently stands at Baht 2,048,254,862, divided into 2,048,254,862 ordinary shares with a par value of Baht 1 per share.

Vision: City of Industrial Innovation

Four Strategic Pillars

- Infrastructure and industrial zone development – expanding industrial zone areas to accommodate domestic and foreign investment, and developing efficient and modern electricity, water, wastewater treatment and waste management systems.
- Technology and innovation – applying digital technology and smart systems (Smart Life) to industrial zone management, including the adoption of artificial intelligence and automation to enhance efficiency.
- Investment attraction – promoting investment by Thai and foreign investors through support measures and BOI privileges, and building cooperation with the public and private sectors.
- Sustainability and environment – emphasising the use of clean energy (solar power), efficient waste management, reduction of greenhouse gas emissions and the promotion of CSR programmes for surrounding communities.

Business Structure and Associated Companies

The Company holds investments in related companies engaged in businesses that support the services provided to operators within the industrial zone, as follows:

- Navanakorn Electricity Generating Company Limited (NNEG) – a natural gas-fired SPP power plant with total generating capacity of 207.75 megawatts and steam capacity of 48 tonnes per hour, in which the Company holds a 29.99 percent interest. The Phase 3 capacity expansion project commenced commercial operation on 1 April 2026.
- R E N Korat Energy Company Limited (REN) – a combined cycle power plant in Nakhon Ratchasima Province, in which the Company holds a 35 percent interest.
- Thaithanan Company Limited – provider of internet services within the industrial zone, in which the Company holds a 51 percent interest.
- Subsidiaries in Nakhon Ratchasima Province, comprising 9 Smart Residence (dormitories), 9 Smart Development (residential), 9 Fresh Marketplace (market), 9 Hotel and Service (hotel) and Navanakorn Development (warehouses).
- Chakrin Application Technology (Thailand) Company Limited – a newly established associate providing digital services, in which the Company holds a 25 percent interest with an investment of Baht 2.5 million, registered on 23 July 2026.

Sustainability Development Policy (ESG)

The Company conducts its business in accordance with ESG principles, with key targets and initiatives as follows:

Environment

- Installation of solar power systems across multiple areas within the industrial zone to reduce energy costs and promote the use of clean energy.
- Improvement of the central wastewater collection and treatment systems, with a zero-discharge policy outside the project area.
- Maintenance and development of green areas within the industrial zone to support a healthy environment.
- Commitment to reducing greenhouse gas emissions in line with sustainable development goals.

Social

- Enhancing the quality of life of operators, employees and surrounding communities through the development of residential facilities, markets and utility services within the project.

Governance

- Conducting business with transparency and fairness, and adhering to good governance principles in all processes.
- Maintaining an anti-corruption policy and promoting business ethics.
- The Audit Committee, the Risk Management Committee and the Corporate Governance and Sustainability Committee perform their duties independently.

Summary of Operating Results for the Three-Month Period Ended 30 June 2026

The operating results for the three-month period of 2026 compared with the same period of 2025 (consolidated financial statements) are summarised as follows:

- Total revenue of Baht 1,007.20 million, an increase of Baht 789.59 million or 363 percent.
- Profit from operating activities of Baht 451.63 million, an increase of Baht 381.33 million or 542 percent.
- Net profit of Baht 335.39 million, an increase of Baht 292.62 million or 684 percent.
- Basic earnings per share of Baht 0.16 (separate financial statements: Baht 0.15).

Item (Baht million)	Q2 2026	Q2 2025	Increase/ (Decrease)	%
Total revenue	**1,007.20**	**217.61**	**789.59**	**363**
Total expenses	**555.57**	**147.31**	**408.26**	**277**
Profit from operating activities	451.63	70.30	381.33	542
Finance cost	(0.22)	(0.23)	0.01	(6)
Share of loss from joint ventures	(27.22)	(13.64)	(13.58)	100
Profit before income tax expense	424.19	56.42	367.77	652
Income tax expense	88.80	13.65	75.15	551
Net profit for the period	**335.39**	**42.78**	**292.62**	**684**
Earnings per share (Baht)	0.16	0.02	0.14	700

Note: Figures are presented on a consolidated basis in Baht million (except earnings per share) and may not sum precisely due to rounding.

Summary of Operating Results for the Six-Month Period Ended 30 June 2026

The operating results for the six-month period of 2026 compared with the same period of 2025 (consolidated financial statements) are summarised as follows:

- Total revenue of Baht 1,219.46 million, an increase of Baht 751.36 million or 161 percent.
- Profit from operating activities of Baht 522.21 million, an increase of Baht 342.49 million or 191 percent.
- Net profit of Baht 396.70 million, an increase of Baht 262.39 million or 195 percent.
- Basic earnings per share of Baht 0.19 (separate financial statements: Baht 0.17).

Item (Baht million)	6M 2026	6M 2025	Increase/ (Decrease)	%
Total revenue	**1,219.46**	**468.10**	**751.36**	**161**
Total expenses	**697.25**	**288.37**	**408.87**	**142**
Profit from operating activities	522.21	179.72	342.49	191
Finance cost	(0.39)	(0.40)	0.02	(4)
Share of loss from joint ventures	(24.36)	(9.84)	(14.52)	148
Profit before income tax expense	497.46	169.48	327.99	194
Income tax expense	100.77	35.17	65.59	186
Net profit for the period	**396.70**	**134.31**	**262.39**	**195**
Earnings per share (Baht)	0.19	0.07	0.12	171

Revenue Analysis

Revenue from real estate sales

In the second quarter of 2026, the Company recorded revenue from real estate sales of Baht 781.94 million, representing 78 percent of total revenue for the quarter, whereas no such revenue was recognised in the second quarter of 2025. For the six-month period of 2026, revenue from real estate sales amounted to Baht 781.94 million, or 64 percent of total revenue, an increase of Baht 737.94 million from Baht 44.00 million in the same period last year. The revenue arose from the transfer of ownership of land plots in the Navanakorn Industrial Promotion Zone, Pathum Thani Province, and the Navanakorn Industrial Zone, Nakhon Ratchasima Province. As disclosed in Note 6 to the financial statements, for the six-month period of 2026 the Company recorded revenue from two major customers in the real estate segment totalling Baht 705.4 million (same period last year: one major customer, Baht 44.0 million).

Management notes that revenue of this nature is recognised upon the transfer of ownership under the relevant sale agreements and is therefore inherently irregular and may fluctuate between quarters. Comparisons of quarterly operating results should accordingly be considered together with the recurring income generated by the utility services business.

Service income

Service income, which constitutes the Company's principal recurring revenue stream, amounted to Baht 177.02 million for the second quarter of 2026, an increase of Baht 4.75 million or 3 percent. For the six-month period of 2026, service income amounted to Baht 348.41 million, or 29 percent of total revenue, an increase of Baht 13.64 million or 4 percent from Baht 334.78 million in the same period last year. The growth was driven by higher utility service charges, tap water charges and industrial zone management fees, consistent with the increase in the number of operators and service consumption volumes.

Income from the use of area and infrastructure, rental income and government grant income

For the six-month period of 2026, income from the granting of rights to use area and infrastructure amounted to Baht 33.64 million, a decrease of Baht 0.49 million or 1 percent, representing the amortisation of deferred revenue arising from long-term agreements with unrelated parties (Note 10 to the financial statements). Rental income amounted to Baht 18.11 million, a decrease of Baht 1.90 million or 9 percent, and government grant income amounted to Baht 10.38 million, a decrease of Baht 0.69 million or 6 percent, in line with the amortisation of deferred government grants. These three items are presented as separate line items in the statement of comprehensive income.

In addition, the Company recorded dividend income of Baht 6.55 million, an increase of Baht 4.99 million or 320 percent, and other income of Baht 20.42 million, a decrease of Baht 2.12 million or 9 percent.

Revenue by category (consolidated financial statements)

Three-month period ended 30 June

Item (Baht million)	**Q2 2026**	**Q2 2025**	**Increase/ (Decrease)**	**%**
Revenue from real estate sales	781.94	-	781.94	n.m.
Service income	177.02	172.28	4.75	3
Rental income	8.71	9.96	(1.25)	(13)
Government grant income	5.22	5.23	(0.01)	(0.1)
Income from use of area and infrastructure	17.30	17.17	0.13	1
Dividend income	6.55	1.56	4.99	320
Other income	10.46	11.42	(0.95)	(8)
Total revenue	**1,007.20**	**217.61**	**789.59**	**363**

Six-month period ended 30 June

Item (Baht million)	**6M 2026**	**6M 2025**	**Increase/ (Decrease)**	**%**
Revenue from real estate sales	781.94	44.00	737.94	1,677
Service income	348.41	334.78	13.64	4
Rental income	18.11	20.01	(1.90)	(9)
Government grant income	10.38	11.07	(0.69)	(6)
Income from use of area and infrastructure	33.64	34.13	(0.49)	(1)
Dividend income	6.55	1.56	4.99	320
Other income	20.42	22.54	(2.12)	(9)
Total revenue	**1,219.46**	**468.10**	**751.36**	**161**

Operating Results by Segment (Six-Month Period)

In accordance with Note 6 to the financial statements, operating results by reportable segment for the six-month periods ended 30 June were as follows:

Segment (Baht million)	Revenue 2026	Revenue 2025	Segment result 2026	Segment result 2025
Real estate business	781.94	44.00	397.52	43.07
Utility services business	348.41	334.78	169.81	171.62
Others	89.11	89.32	-	-
Total	**1,219.46**	**468.10**	**567.33**	**214.69**

Total segment results amounted to Baht 567.33 million, an increase of Baht 352.64 million or 164 percent, with the real estate segment as the principal driver (an increase of Baht 354.45 million). The utility services segment declined slightly by Baht 1.81 million or 1 percent, as the cost of services rose at a faster rate than revenue growth. Segment results are stated before unallocated expenses of Baht 45.51 million (same period last year: Baht 35.37 million), share of loss from joint ventures and income tax expense.

Expense Analysis

Cost of real estate sales

Cost of real estate sales for the second quarter of 2026 and for the six-month period of 2026 amounted to Baht 384.41 million, compared with Baht 0.93 million for the six-month period of 2025, consistent with the land area transferred during the period. This represents a gross profit margin for the real estate business of 50.8 percent (same period last year: 97.9 percent, which related to plots whose costs had largely been charged out in prior periods and is therefore not directly comparable).

Cost of services

Cost of services for the second quarter of 2026 amounted to Baht 91.47 million, an increase of 9 percent. For the six-month period of 2026, cost of services amounted to Baht 178.60 million, an increase of Baht 15.45 million or 9 percent from Baht 163.15 million in the same period last year, principally due to higher utility costs, maintenance expenses for the utility systems and depreciation arising from system improvement investments. As a result, the gross profit margin of the services business declined from 51.3 percent to 48.7 percent. Management is monitoring this closely and is implementing measures to improve energy efficiency and control utility system costs.

Distribution costs

Distribution costs for the six-month period of 2026 amounted to Baht 27.29 million, an increase of Baht 17.91 million or 191 percent (second quarter of 2026: Baht 25.18 million). These costs vary directly with land transfers and comprise transfer fees, specific business tax and marketing expenses, representing only 3.5 percent of revenue from real estate sales.

Administrative expenses

Administrative expenses for the six-month period of 2026 amounted to Baht 106.94 million, a decrease of Baht 7.97 million or 7 percent from the same period last year (second quarter of 2026: Baht 54.50 million, a decrease of 10 percent), reflecting the effectiveness of central overhead cost control. Administrative expenses represented 8.8 percent of total revenue, down from 24.5 percent in the same period last year.

Expenses by category (consolidated financial statements)

Three-month period ended 30 June

Item (Baht million)	Q2 2026	Q2 2025	Increase/ (Decrease)	%
Cost of real estate sales	384.41	-	384.41	n.m.
Cost of services	91.47	84.22	7.25	9
Distribution costs	25.18	2.32	22.86	985
Administrative expenses	54.50	60.78	(6.27)	(10)
Total expenses	**555.57**	**147.31**	**408.26**	**277**

Six-month period ended 30 June

Item (Baht million)	6M 2026	6M 2025	Increase/ (Decrease)	%
Cost of real estate sales	384.41	0.93	383.48	n.m.
Cost of services	178.60	163.15	15.45	9
Distribution costs	27.29	9.38	17.91	191
Administrative expenses	106.94	114.91	(7.97)	(7)
Total expenses	**697.25**	**288.37**	**408.87**	**142**

Net Profit

Net profit (consolidated financial statements) for the six-month period of 2026 amounted to Baht 396.70 million, an increase of Baht 262.39 million or 195 percent from Baht 134.31 million for the six-month period of 2025. The movement was attributable to the following supporting and offsetting factors:

Supporting factors

- Gross profit from real estate sales increased by Baht 354.45 million (Baht 397.52 million compared with Baht 43.07 million), resulting from land transfers during the period.
- Administrative expenses decreased by Baht 7.97 million as a result of central overhead cost control.
- Dividend income increased by Baht 4.99 million.

Offsetting factors

- Gross profit from services decreased by Baht 1.81 million, as cost of services increased by 9 percent, outpacing revenue growth of 4 percent.
- Distribution costs increased by Baht 17.91 million, varying directly with land transfers.
- Rental income, government grant income, income from use of area and infrastructure and other income decreased by an aggregate of Baht 5.20 million.
- Share of loss from joint ventures increased by Baht 14.52 million to a loss of Baht 24.36 million (second quarter of 2026: loss of Baht 27.22 million), primarily reflecting the continuing operating losses of REN.

The effective tax rate for the six-month period of 2026 was 20.3 percent, broadly unchanged from 20.8 percent in the same period last year. As a result, the net profit margin improved from 28.7 percent to 32.5 percent.

In the separate financial statements, net profit for the six-month period of 2026 amounted to Baht 351.57 million, an increase of Baht 204.87 million or 140 percent from the same period last year, after including an impairment loss on the investment in the joint venture (REN) of Baht 70.89 million. As disclosed in Note 4 to the financial statements, management performed an impairment assessment by comparing the recoverable amount, determined using the discounted cash flow method, with the carrying amount of the investment. This item had no impact on the consolidated financial statements, in which the investment is already accounted for under the equity method.

Financial Position

As at 30 June 2026 compared with 31 December 2025 (consolidated financial statements)

Item (Baht million)	30 Jun 2026	31 Dec 2025	Increase/ (Decrease)	%
Current assets	2,335.25	1,947.16	388.10	20
Non-current assets	3,041.36	3,033.65	7.71	0.3
Total assets	**5,376.61**	**4,980.81**	**395.81**	**8**
Current liabilities	390.49	426.14	(35.65)	(8)
Non-current liabilities	865.46	707.81	157.65	22
Total liabilities	**1,255.95**	**1,133.94**	**122.00**	**11**
Total shareholders' equity	**4,120.67**	**3,846.86**	**273.80**	**7**

Assets

As at 30 June 2026, total assets amounted to Baht 5,376.61 million, an increase of Baht 395.81 million or 8 percent from 31 December 2025. Current assets increased by Baht 388.10 million or 20 percent, driven by an increase in other current financial assets of Baht 400.25 million and in cash and cash equivalents of Baht 135.27 million, reflecting cash receipts from real estate sales and the advance received for utility services. Real estate development for sale decreased by Baht 160.35 million or 13 percent, as land costs were transferred to cost of sales during the period. Non-current assets increased marginally by Baht 7.71 million or 0.3 percent, comprising an increase in property, plant and equipment of Baht 14.71 million and in investment property of Baht 10.93 million, offset by a decrease in investments in joint ventures of Baht 24.36 million arising from the recognition of the share of loss under the equity method.

Liabilities

Total liabilities amounted to Baht 1,255.95 million, an increase of Baht 122.00 million or 11 percent. Current liabilities decreased by Baht 35.65 million or 8 percent, mainly from a decrease in other current payables of Baht 148.67 million, offset by increases in trade payables of Baht 58.78 million and in corporate income tax payable of Baht 55.69 million in line with higher profit for the period. Non-current liabilities increased by Baht 157.65 million or 22 percent, principally from an increase in deferred revenue of Baht 197.86 million following the receipt of an advance of Baht 200.0 million for industrial water services under an agreement dated 9 April 2026 (Note 10 to the financial statements), offset by the repayment of long-term loans of Baht 21.00 million and the amortisation of deferred government grants of Baht 10.38 million.

The capital structure remains robust. Interest-bearing debt, comprising long-term loans from financial institutions including the portion due within one year, stood at only Baht 71.12 million, equivalent to an interest-bearing debt to equity ratio of 0.02 times, and the Company maintained a net cash position. The total debt to equity ratio stood at 0.30 times, broadly unchanged from 0.29 times as at the end of 2025. The majority of liabilities comprise deferred revenue and deferred government grants, which bear no interest and will be progressively recognised as income in future periods.

Shareholders' equity

Shareholders' equity as at 30 June 2026 amounted to Baht 4,120.67 million, an increase of Baht 273.80 million or 7 percent, comprising net profit for the period of Baht 396.70 million, net of the 2025 annual dividend payment of Baht 122.90 million made in May 2026. This is equivalent to a book value of Baht 2.01 per share.

Cash Flows

Item (Baht million)	6M 2026	6M 2025	Increase/ (Decrease)	%
Net cash from operating activities	769.39	394.63	374.76	95
Net cash used in investing activities	(488.12)	(378.26)	(109.86)	29
Net cash used in financing activities	(146.00)	(146.18)	0.17	(0.1)
Cash and cash equivalents at end of period	**441.32**	**225.76**	**215.56**	**95**

Net cash generated from operating activities for the six-month period of 2026 amounted to Baht 769.39 million, an increase of Baht 374.76 million or 95 percent. This comprised operating profit before changes in operating assets and liabilities of Baht 561.64 million, together with cash inflows from a decrease in real estate development for sale of Baht 160.48 million and an advance received from a customer for utility services of Baht 200.00 million, offset by a decrease in other current payables of Baht 148.57 million and income tax paid of Baht 48.29 million.

Net cash used in investing activities amounted to Baht 488.12 million, principally reflecting liquidity management through the purchase of other current financial assets of Baht 450.00 million (net of proceeds from disposal of Baht 50.00 million), the acquisition of property, plant and equipment of Baht 80.43 million and the acquisition of investment property of Baht 18.05 million, partly offset by dividends received of Baht 6.55 million and interest received of Baht 2.00 million.

Net cash used in financing activities amounted to Baht 146.00 million, comprising dividend payments of Baht 122.90 million, repayment of long-term loans from financial institutions of Baht 21.00 million and payment of lease liabilities of Baht 1.73 million. Accordingly, cash and cash equivalents as at 30 June 2026 stood at Baht 441.32 million and, together with other current financial assets of Baht 662.18 million, total liquidity amounted to Baht 1,103.50 million.

Key Financial Ratios

Performance ratios (six-month period)

Financial ratio	6M 2026	6M 2025
Gross profit margin – real estate business (%)	50.8	97.9
Gross profit margin – utility services business (%)	48.7	51.3
Operating profit margin (%)	42.8	38.4
Net profit margin (%)	32.5	28.7
EBITDA (Baht million)	594.85	248.51
Effective tax rate (%)	20.3	20.8
Basic earnings per share (Baht)	0.19	0.07
Return on equity – ROE (%)	9.96	3.56
Return on assets – ROA (%)	7.66	2.82

Financial position ratios

Financial ratio	30 Jun 2026	31 Dec 2025
Current ratio (times)	5.98	4.57
Total debt to equity ratio – D/E (times)	0.30	0.29
Interest-bearing debt to equity ratio (times)	0.02	0.02
Book value per share (Baht)	2.01	1.88

Notes: EBITDA is defined as profit from operating activities plus depreciation and amortisation. ROE and ROA are calculated using average shareholders' equity and average total assets for the period and are not annualised. Gross profit margins are calculated separately by revenue category against the directly attributable costs.

Key Factors and Events Affecting Financial Position and Operating Results

- The recognition of revenue from real estate sales of Baht 781.94 million in the second quarter of 2026 was the principal factor behind the substantial growth in operating results. Such revenue is recognised upon the transfer of ownership under the relevant agreements and is therefore irregular between periods.
- Customer concentration: for the six-month period of 2026, revenue from two major customers in the real estate segment totalled Baht 705.4 million.
- Under the water utility service agreement dated 9 April 2026, the Company received an advance of Baht 200.0 million, which will be progressively recognised as revenue based on actual water consumption, applied against 30 percent of the water service charges in each billing cycle over a period of 10 years. As at 30 June 2026, the related deferred revenue balance was Baht 199.9 million. This represents both an interest-free source of funding and a source of future revenue recognition.
- The commencement of commercial operation of the NNEG Phase 3 power plant expansion project on 1 April 2026, which increases the generating capacity and revenue of the joint venture and is expected to affect the share of profit from joint ventures in subsequent periods.

- The continuing operating losses of REN, which resulted in a higher share of loss from joint ventures in the consolidated financial statements and led to the recognition of an impairment loss on the investment of Baht 70.89 million in the separate financial statements.
- Higher utility and maintenance costs, which reduced the gross profit margin of the services business from 51.3 percent to 48.7 percent.
- The continuing inflow of foreign direct investment into Thailand, particularly in the digital, data centre and electronics sectors, which presents opportunities for land sales and customer base expansion going forward.

Events After the Reporting Period

- On 23 June 2026, the Board of Directors approved the establishment of a new associate, Chakrin Application Technology (Thailand) Company Limited, to provide digital services. The associate has registered capital of Baht 10.0 million, of which the Company holds 24,999 shares at a par value of Baht 100 per share, representing an investment of Baht 2.5 million or 25 percent of registered capital. The associate was registered with the Department of Business Development on 23 July 2026, in line with the Company's technology and innovation strategy (Smart Life).
- On 13 August 2026, the Board of Directors approved the appropriation of profit for the six-month period ended 30 June 2026 as an interim dividend at the rate of Baht 0.07 per share, totalling Baht 143.4 million, to be paid to shareholders in September 2026, representing a payout ratio of 36 percent of net profit for the six-month period.

Business Outlook for the Remainder of 2026

Management expects the utility services business, which represents the Company's recurring income base, to continue growing steadily in line with the increasing number of operators and service consumption volumes, supported by the new industrial water service agreement from which revenue will be progressively recognised. Revenue from real estate sales, however, depends on the timing of ownership transfers under the relevant agreements and may therefore fluctuate between quarters.

The Company places priority on managing the cost of services in order to protect gross profit margins, through improved energy efficiency, the expanded use of solar power and the continuous improvement of utility systems. Management also continues to monitor the performance of the joint ventures closely, particularly REN, for which an impairment loss has already been recognised in the separate financial statements, while NNEG is expected to benefit from the commercial operation of the Phase 3 expansion project.

With a strong financial position, total liquidity of Baht 1,103.50 million, a low level of interest-bearing debt and consistently positive operating cash flows, the Company is well positioned to invest in infrastructure development, expand its industrial zone areas and accommodate the continuing growth in foreign investment, while maintaining a consistent dividend policy.

Please be informed accordingly.

Yours sincerely,

Navanakorn Public Company Limited

(Mr. Pojana Saithong)

Chief Financial Officer