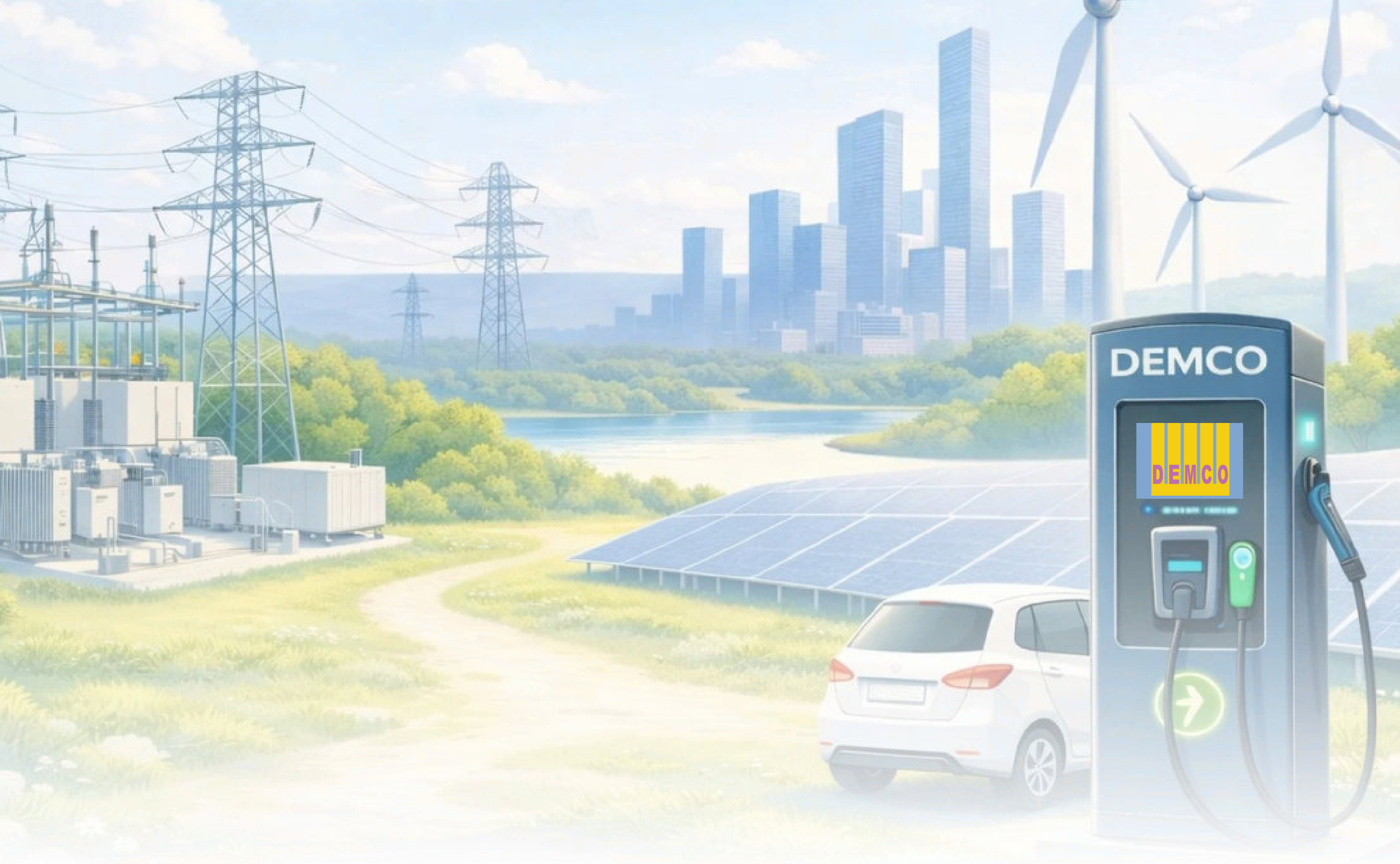
DEMCO

Management Discussion and Analysis (MD & A) Q2 Y2026

Demco Public Company Limited



Company Overview

Demco Public Company Limited operates an Engineering, Procurement, and Construction (EPC) business, providing integrated services for power and energy infrastructure projects. Its scope of work covers transmission systems, distribution systems, substation construction, underground power systems, and other related infrastructure works.

The Company also invests in and develops energy projects, particularly in renewable energy such as wind and solar power. In addition, it provides installation and maintenance services for electrical systems to generate recurring long-term revenue. Its key customers include government agencies and large private sector clients, especially projects related to the development and expansion of the national power grid, for which demand continues to grow in line with economic expansion and increasing energy consumption. The Company also has subsidiaries engaged in the manufacturing and distribution of steel structures and poles used in electrical engineering works, as well as a subsidiary that has entered into a state land concession agreement for the Ban Phanom Water Supply Development Project in Luang Prabang, Lao PDR.

The Company's primary revenue is derived from EPC construction projects, with revenue recognized based on the percentage of completion method. Operating performance therefore depends largely on project delivery schedules and the Company's project management capabilities. Meanwhile, the backlog serves as a key indicator reflecting the continuity of future revenue.

Strategically, the Company focuses on enhancing its competitiveness through strengthening engineering capabilities, improving project cost efficiency, and selectively undertaking projects that yield appropriate returns. It also seeks to expand business opportunities in renewable energy and new energy infrastructure to support the energy transition and ensure sustainable long-term growth, under its strategic framework: **Growth**+ : **Lean**+ : **Opportunity**+.

Furthermore, **the Company has participated in the Jump**+ , which aims to enhance organizational capabilities through operational efficiency improvements, fostering innovation, and strengthening long-term competitiveness. Participation in this program supports the Company in adapting to changes in the energy industry while improving its effectiveness in project and resource management.

Key Financial Performance

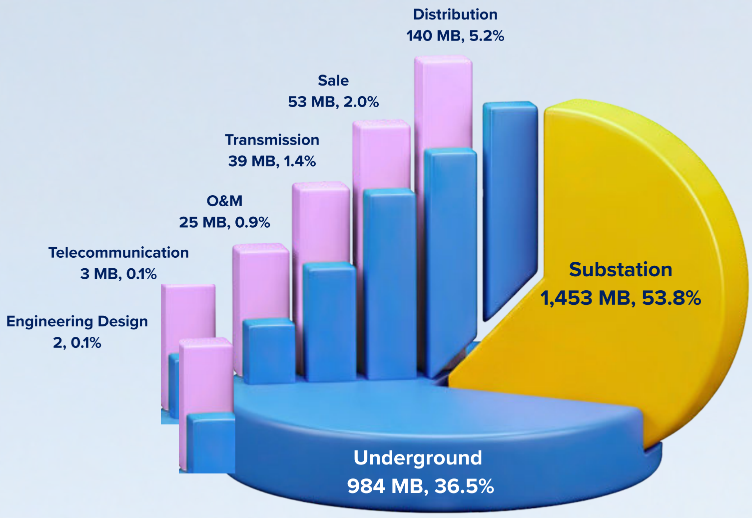
Unit : Million Baht

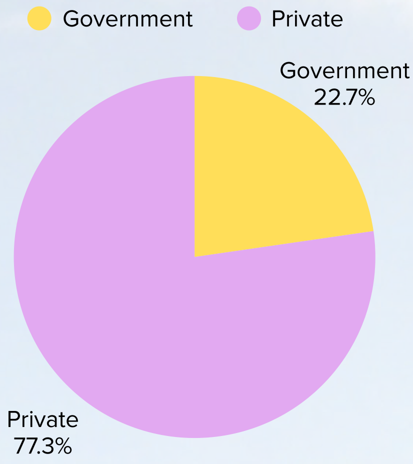
Description	Y2026	Y2025	YoY			Y2026	Y2025	YoY		
	Q2	Q2	Change	%		6M	6M	Change	%	
Total Revenue	564.4	599.0	(34.6)	(5.8%)	▼	974.5	1,165.7	(191.2)	(16.4%)	▼
Total Cost & Expense	527.3	544.8	(17.5)	(3.2%)	▲	986.8	1,111.6	(124.8)	(11.2%)	▲
Gross Profit	83.0	93.1	(10.1)	(10.8%)	▼	89.6	152.2	(62.6)	(41.1%)	▼
Operating Profit (Loss)	37.1	54.2	(17.1)	(31.5%)	▼	(12.3)	54.1	(66.4)	(122.7%)	▼
Net Profit	14.4	24.2	(9.8)	(40.5%)	▼	30.2	(7.2)	37.4	519.4%	▲
Add back: Recognition of late-completion penalty pursuant to the arbitration award	-	-	-			82.2	-	82.2	-	
Less: Deferred income tax income	6.9	(0.2)	7.1	-		(32.9)	(8.6)	(24.3)	(282.6%)	
***Net Profit (Core Profit)**	21.3	24.0	(2.7)	(11.3%)	▼	79.5	(15.8)	95.3	603.2%	▲
EBITDA	47.7	53.8	(6.1)	(11.3%)	▼	48.9	41.9	7.0	16.7%	▲
Basic Earnings (Loss) per Share (EPS) - Baht/Share	0.02	0.03	(0.01)	(40.5%)	▼	0.04	(0.01)	0.05	519.4%	▲

** Net Profit (Core Profit) is calculated from net profit per the financial statements, adjusted for non-recurring special items, comprising: (1) Add back the recognition of the late-completion penalty pursuant to the arbitration award of THB 82.2 million; and (2) Less deferred income tax income.*

Growth Direction and Future Outlook

Currently, the Company had ongoing projects under execution that have not yet been delivered, which are expected to be gradually recognized as revenue within 2028, totaling approximately THB 2,699 million.





Demco Public Company Limited is committed to driving growth under the principle of "quality and sustainable growth." The Company places strong emphasis on reinforcing its core EPC (Engineering, Procurement, and Construction) business in electrical engineering, while enhancing project management efficiency and maintaining strict cost control. These efforts aim to preserve profitability and reduce earnings volatility typically associated with large-scale project-based operations. At the same time, the Company continues to capture opportunities arising from national infrastructure investments and the global energy transition, particularly in transmission systems, substations, renewable energy, and modern energy technologies. This approach supports revenue expansion and greater diversification of income sources.

In addition, **the Company prioritizes effective liquidity and cash flow management through disciplined working capital management**, close monitoring of project collections, and cost risk control. These measures strengthen its financial position to support long-term operations. The Company also advances organizational capabilities by adopting digital technologies in project management and enhancing workforce competencies to meet increasing project complexity, while operating under strong corporate governance and comprehensive risk management frameworks.

Under this direction, **the Company focuses on selectively pursuing business opportunities that align with its capabilities and deliver appropriate risk-adjusted returns**. Emphasis is placed on generating recurring income while maintaining competitiveness in its core business. This strategy is expected to drive stable growth, create value for all stakeholders, and support the Company's vision of becoming a leading integrated energy engineering and infrastructure provider with sustainable long-term growth.

"**Current Competitive Environment the EPC industry**" in electrical engineering and construction continues to grow in line with infrastructure and energy investments by both the public and private sectors, particularly in power systems and renewable energy projects. However, competition remains intense due to the presence of numerous domestic and international players, leading to pricing pressure and margin constraints, especially for projects awarded through competitive bidding. Large contractors tend to have advantages in terms of financial strength and experience. In addition, the industry faces challenges from fluctuations in material costs, fuel prices, and labor costs, as well as risks related to project management and cash flow. Despite these challenges and ongoing economic volatility, the industry continues to present long-term growth opportunities driven by the transition toward clean energy and continued infrastructure development.

Clean Energy Investment Projects	Year COD	Installed Capacity (MW)	Investor
Solar Energy Projects - COD	2021 - 2026	6.925	DEMCO
Solar Energy Projects - Waiting COD	2026	1.361	DEMCO
Future Solar Energy Investment Plan	3 - 7 Year	11.714	DEMCO
Target Clean Energy Investment Projects		20.000	

Consolidated Statement of Profit & Loss

The operating results for Q2/2026 are based on the Company's consolidated financial statements for the period ended 30 June 2026. This analysis provides an overview of the Company's operating performance and key events, as well as the market conditions, competitive environment, and key factors affecting the consolidated financial statements, as follows:

Unit : Million Baht

Description	Y2026	Y2025	YoY			Y2026	Y2025	YoY		
	Q2	Q2	Change	%		6M	6M	Change	%	
Revenue										
Revenue from Sales and Services	29.9	27.2	2.7	9.9%	▲	54.2	155.2	(101.0)	(65.1%)	▼
Revenue from Construction Services	516.4	524.0	(7.6)	(1.5%)	▼	898.0	953.6	(55.6)	(5.8%)	▼
Other Revenue	18.1	47.8	(29.7)	(62.1%)	▼	22.3	56.9	(34.6)	(60.8%)	▼
Total Revenue	**564.4**	**599.0**	**(34.6)**	**(5.8%)**		**974.5**	**1,165.7**	**(191.2)**	**(16.4%)**	
Cost & Expense										
Cost from Sales and Services	21.8	29.1	(7.3)	(25.1%)	▲	40.6	173.0	(132.4)	(76.5%)	▲
Cost from Construction Services	441.5	429.0	12.5	2.9%	▼	822.0	783.6	38.4	4.9%	▼
Selling and Administrative Expenses	62.7	85.8	(23.1)	(26.9%)	▲	122.9	151.9	(29.0)	(19.1%)	▲
Other Expenses	1.3	0.9	0.4	44.4%	▼	1.3	3.1	(1.8)	(58.1%)	▲
Total Cost & Expense	**527.3**	**544.8**	**(17.5)**	**(3.2%)**		**986.8**	**1,111.6**	**(124.8)**	**(11.2%)**	
Gross Profit										
GP from Sales and Services	8.1	(1.9)	10.0	526.3%	▲	13.6	(17.8)	31.4	176.4%	▲
GP from Construction Services	74.9	95.0	(20.1)	(21.2%)	▼	76.0	170.0	(94.0)	(55.3%)	▼
Total Gross Profit	**83.0**	**93.1**	**(10.1)**	**(10.8%)**		**89.6**	**152.2**	**(62.6)**	**(41.1%)**	
Other List - Below Operation Profit										
Finance Cost	(12.3)	(15.9)	3.6	22.6%	▲	(24.7)	(30.6)	5.9	(19.3%)	▲
"(Reverse)"of Expected Credit Loss (TFRS 9)	4.1	(6.2)	10.3	166.1%	▲	44.3	(45.0)	89.3	198.4%	▲
Share of Profit (Loss) from Investments in Associates	(7.6)	(8.2)	0.6	7.3%	▲	(10.0)	5.7	(15.7)	(275.4%)	▼
Profit (Loss) Before Income Tax	**21.3**	**23.9**	**(2.6)**	**(10.9%)**		**(2.7)**	**(15.8)**	**13.1**	**82.9%**	
Income Tax (Expense) Income	(6.9)	0.3	(7.1)	-	▼	32.9	8.6	24.3	282.6%	▲
Profit (Loss) After Income Tax	**14.4**	**24.2**	**(9.8)**	**(40.5%)**		**30.2**	**(7.2)**	**37.4**	**519.4%**	

Financial Performance (continued)

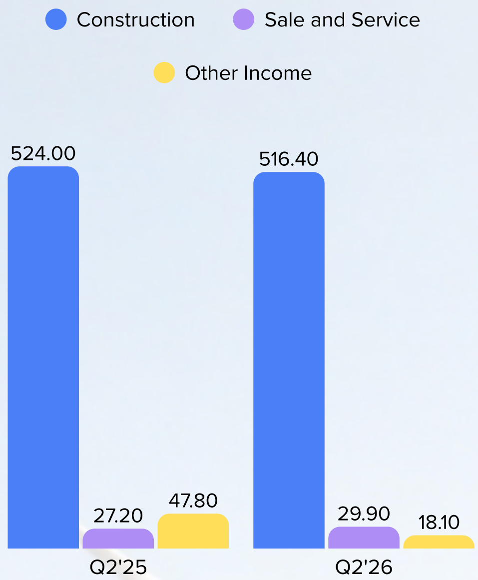
Analysis of Operating Results – Consolidated Statement of Profit or Loss (3-Month Period)

Total revenue for Q2/2026 amounted to THB 564.4 million, a decrease of THB 34.6 million or 5.8% compared to the same period of the previous year. The decline was mainly attributable to lower revenue from construction services and other revenue, while revenue from sales and services increased.

Revenue from Sales and Services
For Q2/2026, revenue from sales and services amounted to THB 29.9 million, an increase of THB 2.7 million or 9.9% compared to the same period of the previous year, mainly driven by higher revenue from the sale of steel poles and structures.

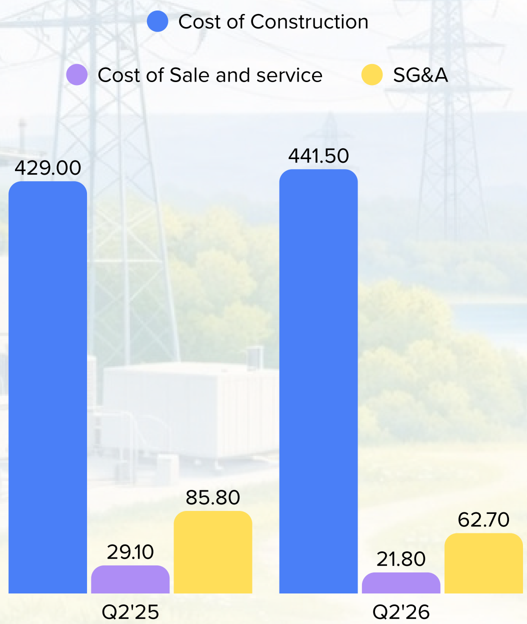
Revenue from Construction Services
For Q2/2026, revenue from construction services amounted to THB 516.4 million, a decrease of THB 7.6 million or 1.5% compared to the same period of the previous year. The key factors were lower revenue from transmission line and distribution system works, as major projects were in the late stage of execution and gradually being closed out, offset by higher revenue from substation construction and underground power system works, driven by new projects beginning revenue recognition and projects in the intensive execution phase.

Other Revenue
For Q2/2026, other revenue amounted to THB 18.1 million, a decrease of THB 29.7 million or 62.1% compared to the same period of the previous year, mainly due to lower dividend income from investments in renewable energy businesses.



599 MB. **564 MB.**

Total cost of sales and Expenses. For Q2/2026, total costs and expenses amounted to THB 527.3 million, a decrease of THB 17.5 million or 3.2% compared to the same period of the previous year, primarily due to lower cost of sales and services in line with the product mix sold, together with lower selling and administrative expenses.



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Cost of Sales and Services
For Q2/2026, the cost of sales and services amounted to THB 21.8 million, a decrease of THB 7.3 million or 25.1% compared to the same period of the previous year, mainly attributable to lower production and distribution costs of steel poles and structures in line with the revenue proportion.

Cost of Construction Services
For Q2/2026, the cost of construction services amounted to THB 441.5 million, an increase of THB 12.5 million or 2.9% compared to the same period of the previous year, driven by greater use of subcontractors in line with the expanding volume of substation construction and underground power system works.

Selling and Administrative Expenses
For Q2/2026, selling and administrative expenses amounted to THB 62.7 million, a decrease of THB 23.1 million or 26.9% compared to the same period of the previous year. The decline was mainly attributable to personnel expenses of a subsidiary, which was a one-time item incurred during the organizational restructuring in Q2/2025, together with the effects of the organizational restructuring implemented to enhance operational efficiency, resulting in a personnel cost structure and other expenses that are more appropriate and better aligned with the scale of the business.

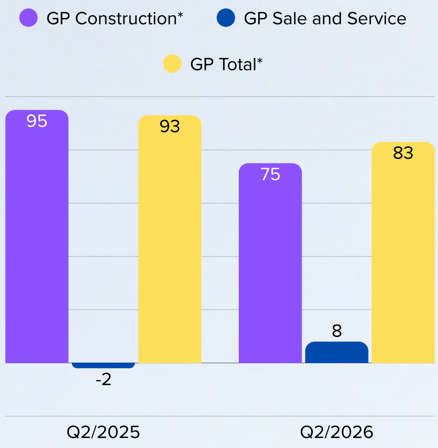
Financial Performance (continued)

Gross Profit

For Q2/2026, gross profit amounted to THB 83.0 million, a decrease of THB 10.1 million or 10.8%, with an overall gross profit margin of 15.2%, declining 1.7 percentage points compared to the same period of the previous year. This was mainly because high-margin transmission line projects were gradually being closed out, while new substation projects were still in the early stage of profit recognition.

(Unit : %)

(หน่วย : ร้อยละ)	Q2 Y2026	Q2 Y2025	Change
%GP from Sales of Goods and Services	27.1	(7.0)	34.1
%GP from Construction Services	14.5	18.1	(3.6)
Total %GP	**15.2**	**16.9**	**(1.7)**



Gross Profit from Sales and Services

For Q2/2026, gross profit from sales and services amounted to THB 8.1 million, an improvement of THB 10.0 million or 526.3% compared to the same period of the previous year, which recorded a gross loss of THB 1.9 million. The gross profit margin was 27.1%, up 34.1 percentage points from the same period of the prior year, mainly due to a decline in sales of stack monitoring equipment, which carried a low margin, while sales of steel poles and structures increased.

Gross Profit from Construction Services

For Q2/2026, gross profit from construction services amounted to THB 74.9 million, a decrease of THB 20.1 million or 21.2% compared to the same period of the previous year, with a gross profit margin of 14.5%, down from 18.1% in the same period of the prior year. This was primarily because several high-margin transmission line projects were completed and closed out, while new substation projects were still in the early stage of profit recognition, together with higher construction costs in certain projects

Finance Costs

For Q2/2026, finance costs amounted to THB 12.3 million, a decrease of THB 3.6 million or 22.6% compared to the same period of the previous year, mainly due to lower bank overdrafts and short-term borrowings from financial institutions. The Company has also been gradually repaying long-term loans in accordance with loan agreements to maintain interest expenses at an appropriate level and strengthen its long-term financial position.

Net Profit

For Q2/2026, the Company reported a net profit of THB 14.4 million, a decrease of THB 9.8 million or 40.5% compared to the same period of the previous year, which recorded a net profit of THB 24.2 million. The decrease was mainly attributable to a THB 20.1 million decline in gross profit from construction services and a THB 29.7 million decline in other revenue, netted against a THB 23.1 million decrease in selling and administrative expenses, a reversal of Expected Credit Loss (ECL) under TFRS 9 of THB 4.1 million (compared with a loss of THB 6.2 million recognized in the same period of the prior year), and a THB 3.6 million decrease in finance costs. In addition, the Company recorded an income tax expense of THB 6.9 million in this quarter from the partial reversal of deferred tax assets recognized in Q1/2026.

Analysis of Operating Results – Consolidated Statement of Profit or Loss (6-Month Period)

Total revenue for the six-month period of 2026 amounted to THB 974.5 million, a decrease of THB 191.2 million or 16.4% compared to the same period of the previous year, due to lower revenue from sales and services as well as lower revenue from construction services.

Revenue from Sales and Services
For the six-month period of 2026, revenue from sales and services amounted to THB 54.2 million, a decrease of THB 101.0 million or 65.1% compared to the same period of the previous year, mainly due to lower revenue from the sale of stack monitoring equipment and steel poles and structures.

Revenue from Construction Services
For the six-month period of 2026, revenue from construction services amounted to THB 898.0 million, a decrease of THB 55.6 million or 5.8% compared to the same period of the previous year. This includes the impact of the late-completion penalty (LD) of approximately THB 82.2 million on a power station construction project, recorded as a revenue deduction in Q1/2026. Excluding this item, revenue would have been approximately THB 980.2 million, an increase of 2.8%, driven by the expansion of substation construction and underground power system works.

Other Revenue
For the six-month period of 2026, other revenue amounted to THB 22.3 million, a decrease of THB 34.6 million or 60.8% compared to the same period of the previous year, mainly due to lower dividend income from investments in renewable energy businesses.

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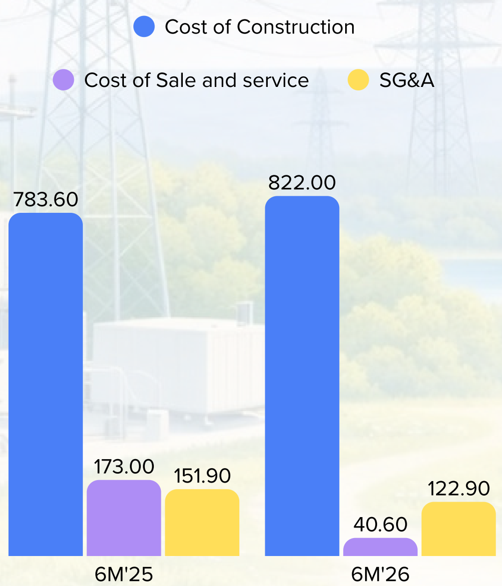
Total cost of sales and Expenses. For the six-month period of 2026, total costs and expenses amounted to THB 986.8 million, a decrease of THB 124.8 million or 11.2% compared to the same period of the previous year, due to lower cost of sales in line with the decline in revenue, together with lower selling and administrative expenses.



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Cost of Sales and Services
For the six-month period of 2026, the cost of sales and services amounted to THB 40.6 million, a decrease of THB 132.4 million or 76.5% compared to the same period of the previous year, mainly attributable to lower production and distribution costs of steel poles and structures in line with the revenue proportion.

Cost of Construction Services
For the six-month period of 2026, the cost of construction services amounted to THB 822.0 million, an increase of THB 38.4 million or 4.9% compared to the same period of the previous year, driven by greater use of subcontractors in line with the expanding volume of substation construction and underground power system works.

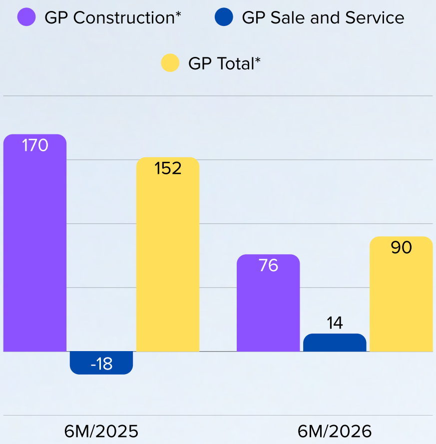
Selling and Administrative Expenses
For the six-month period of 2026, selling and administrative expenses amounted to THB 122.9 million, a decrease of THB 29.0 million or 19.1% compared to the same period of the previous year. The decline was mainly attributable to personnel expenses of a subsidiary, which was a one-time item incurred during the organizational restructuring in Q2/2025, together with the effects of the organizational restructuring implemented to enhance operational efficiency, resulting in a personnel cost structure and other expenses that are more appropriate and better aligned with the scale of the business.

Financial Performance (continued)

Gross Profit

For the six-month period of 2026, gross profit amounted to THB 89.6 million, a decrease of THB 62.6 million or 41.1%, with an overall gross profit margin of 9.4%, declining 4.3 percentage points compared to the same period of the previous year, mainly as a result of the recognition of the late-completion penalty pursuant to the arbitration award in the construction services segment.

(หน่วย : ร้อยละ)	6M Y2026	6M Y2025	Change
%GP from Sales of Goods and Services	25.1	(11.5)	36.6
%GP from Construction Services	8.5	17.8	(9.3)
Total %GP	**9.4**	**13.7**	**(4.3)**
%GP from Construction Services *	16.1*	17.8	(1.7)
Total %GP*	**16.6***	**13.7**	**2.9**



*Excluding the recognition of the late-completion penalty pursuant to the arbitration award of THB 82.2 million, which is a non-recurring special item.

Gross Profit from Sales and Services

For the six-month period of 2026, gross profit from sales and services amounted to THB 13.6 million, an improvement of THB 31.4 million or 176.4% compared to the previous year, which recorded a gross loss of THB 17.8 million. The gross profit margin was 25.1%, up 36.6 percentage points from the same period of the prior year, mainly due to a decline in sales of stack monitoring equipment, which carried a low margin.

Gross Profit from Construction Services

For the six-month period of 2026, gross profit from construction services amounted to THB 76.0 million, a decrease of THB 94.0 million or 55.3% compared to the same period of the previous year, with a gross profit margin of 8.5%, down from 17.8%. This was primarily the result of the recognition of the late-completion penalty (LD) of THB 82.2 million on a substation project in Q1/2026, which is a one-time item. Excluding this item, gross profit would have been approximately THB 158.2 million, a decrease of 6.9%, with a gross profit margin of approximately 16.1%. In addition, high-margin transmission line projects were gradually completed, while new projects were still in the early stage of profit recognition.

Finance Costs

For the six-month period of 2026, finance costs amounted to THB 24.7 million, a decrease of THB 5.9 million or 19.3% compared to the same period of the previous year, mainly due to lower bank overdrafts and short-term borrowings from financial institutions. The Company has also been gradually repaying long-term loans in accordance with loan agreements to maintain interest expenses at an appropriate level and strengthen its long-term financial position.

Net Profit

For the six-month period of 2026, the Company reported a net profit of THB 30.2 million, an improvement of THB 37.4 million or 519.4% compared to the same period of the previous year, which recorded a net loss of THB 7.2 million. The improvement was mainly supported by a reversal of Expected Credit Loss (ECL) under TFRS 9 of THB 44.3 million (compared with a loss of THB 45.0 million recognized in the same period of the prior year), following the recovery of trade receivables for which ECL provisions had previously been recognized, and the recognition of deferred income tax income of THB 32.9 million, while gross profit was impacted by the recognition of the late-completion penalty pursuant to the arbitration award of THB 82.2 million in Q1/2026.

Consolidated Statement of Financial Position

For Q2/2026, the Company maintained a sound financial position with total assets of THB 6,078.1 million and total shareholders' equity of THB 3,649.1 million.

Unit : Million Baht

Description	Q2 Y2026	Y2025	Change		%Change
Assets					
Trade and Other Current Receivables	843.6	865.5	▼	(21.9)	(2.5%)
Current Contract Assets	527.5	402.3	▲	125.2	31.1%
Inventory	160.7	151.1	▲	9.6	6.4%
Other Current Assets	107.6	116.4	▼	(8.8)	(7.6%)
Total Current Assets	**1,639.4**	**1,535.3**		**104.1**	**6.8%**
Non-Current Financial Assets	2,213.0	2,196.6	▲	16.4	0.7%
Investment in Associates	1,366.4	1,391.8	▼	(25.4)	(1.8%)
Intangible Assets	297.1	298.8	▼	(1.7)	(0.6%)
Other Non-Current Assets	562.2	576.7	▼	(14.5)	(2.5%)
Total Non-Current Assets	**4,438.7**	**4,463.9**		**(25.2)**	**(0.6%)**
Total Assets	**6,078.1**	**5,999.2**		**78.9**	**1.3%**
Liabilities					
Short-Term Borrowings and Overdrafts	928.5	1,011.4	▲	(82.9)	(8.2%)
Trade and Other Current Payables	721.9	573.9	▼	148.0	25.8%
Current Contract Liabilities	320.1	333.6	▲	(13.5)	(4%)
Other Current Liabilities	132.6	118.8	▼	13.8	11.6%
Total Current Liabilities	**2,103.1**	**2,037.7**		**65.4**	**3.2%**
Long-Term Loan	57.0	62.3	▲	(5.3)	(8.5%)
Other Non-Current Liabilities	268.9	292.8	▲	(23.9)	(8.2%)
Total Non-Current Liabilities	**325.9**	**355.1**		**(29.2)**	**(8.2%)**
Total Liabilities	**2,429.0**	**2,392.8**		**36.2**	**1.5%**

Unit : Million Baht

Description	Q2 Y2026	Y2025	Change	%Change
Equity				
Common Shares	753.8	751.0	▲ 2.8	0.4%
Share Premium	2,134.6	2,137.5	▼ (2.9)	(0.1%)
Retained Earnings (Accumulated Losses)	(194.8)	(225.0)	▲ 30.2	13.4%
Other Components of Shareholders' Equity	955.5	942.4	▲ 13.1	1.4%
Non-controlling Interests (NCI)	-	0.5	▼ (0.5)	(100.0%)
Total Equity	**3,649.1**	**3,606.4**	**42.7**	**1.2%**

Analysis of Operating Results – Consolidated Statement of Financial Position

Total Assets For Q2/2026, the Company's total assets amounted to THB 6,078.1 million, an increase of THB 78.9 million or 1.3% compared to year-end 2025, mainly due to:

•Current assets increased by THB 104.1 million or 6.8%, mainly due to an increase in current contract assets of THB 125.2 million, reflecting construction service work performed but not yet billable under the contracts, and an increase in inventories of THB 9.6 million, netted against a decrease in trade and other current receivables of THB 21.9 million following collections from customers and a decrease in other current assets of THB 8.8 million.

•Non-current assets decreased by THB 25.2 million or 0.6%, mainly due to a decrease in investments in associates under the equity method of THB 25.4 million, reflecting the share of losses for the period, and a decrease in other non-current assets of THB 14.5 million, netted against an increase in non-current financial assets of THB 16.4 million from the fair value revaluation of equity investments.

Total Liabilities For Q2/2026, the Company's total liabilities amounted to THB 2,429.0 million, an increase of THB 36.2 million or 1.5% compared to year-end 2025, mainly due to:

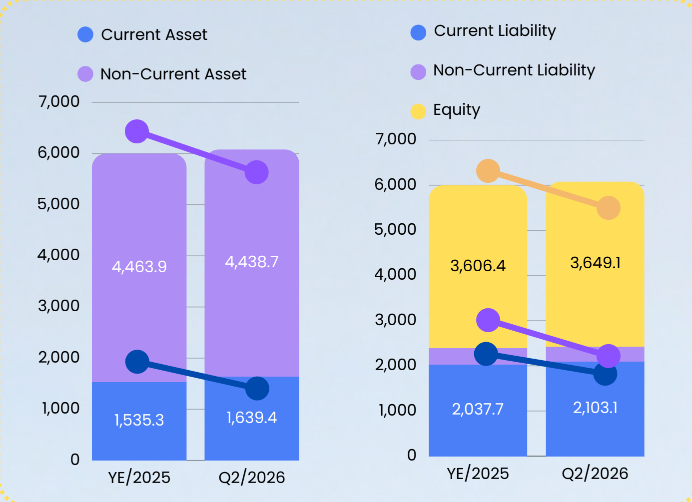
•Current liabilities increased by THB 65.4 million or 3.2%, mainly due to an increase in trade and other current payables of THB 148.0 million in line with the payment cycle to suppliers and construction volume, netted against a decrease in bank overdrafts and short-term borrowings from financial institutions of THB 82.9 million following repayments, a decrease in current contract liabilities of THB 13.5 million, and an increase in other current liabilities of THB 13.8 million.

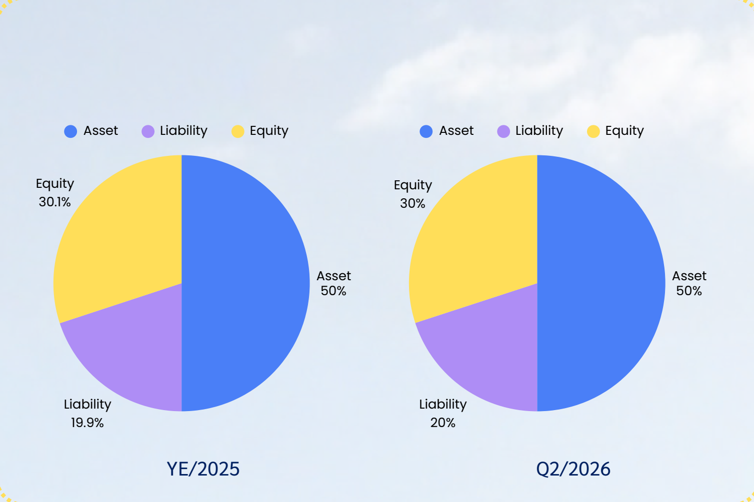
•Non-current liabilities decreased by THB 29.2 million or 8.2%, mainly due to a decrease in other non-current liabilities of THB 23.9 million, together with scheduled repayments of long-term borrowings of THB 5.3 million.

Shareholders' Equity For Q2/2026, the Company's shareholders' equity amounted to THB 3,649.1 million, an increase of THB 42.7 million or 1.2% compared to year-end 2025, mainly attributable to a reduction in accumulated losses of THB 30.2 million reflecting the net profit recorded for the period, an increase in other components of equity of THB 13.1 million from the fair value revaluation of equity instruments, and an increase in paid-up capital of THB 2.8 million from the exercise of warrants.

Financial Performance (continued)

Unit : Million Baht





Key Financial Ratios

Description	Q2 Y2026	Q2 Y2025	Change		Analysis
Ratio					
Gross Margin (%)	15.20%	16.89%	▼	(1.69%)	Decrease 1.69%
Net Profit Margin (%)	2.55%	4.03%	▼	(1.48%)	Decrease 1.48%
Return on Asset (ROA) (%)	0.50%	(0.11%)	▲	0.61%	Increase 0.61%
Return on Equity (ROE) (%)	0.83%	(0.20%)	▲	1.03%	Increase 1.03%
Current Ratio	0.78	0.77	▲	0.01	Improve 0.01
Debt Service Coverage Ratio - DSCR	0.0513	0.0346	▲	0.0167	Improve 0.0167
Debt-to-Equity (D/E)	0.67	0.74	▼	(0.07)	Improve 0.07

"ROA, ROE and DSCR are calculated based on the 6-month operating results."

- **Analysis of Operating Results – Key Financial Ratios**

In Q2/2026, the Company's key financial ratios generally improved compared to the same period of the previous year, except for profitability ratios, which declined in line with the quarter's gross profit and net profit.

(1) Profitability: Net profit for Q2/2026 was THB 14.4 million, down from THB 24.2 million in the same quarter of the prior year, resulting in a net profit margin of 2.55%, down from 4.03%, and a gross profit margin of 15.20%, down from 16.89%, in line with the lower gross profit margin of construction services. Nevertheless, the return on assets (ROA) and return on equity (ROE) turned positive at 0.50% and 0.83%, from (0.11)% and (0.20)% respectively.

(2) Capital Structure and Liquidity: The debt-to-equity (D/E) ratio improved from 0.74 times to 0.67 times, reflecting reduced financial risk, while the current ratio stood at 0.78 times, close to 0.77 times in the prior year.

(3) Debt Servicing Ability: The debt service coverage ratio (DSCR, calculated from 6-month EBITDA of THB 48.9 million) improved from 0.0346 times to 0.0513 times in line with higher EBITDA. However, the DSCR remained low as the Company had bank overdrafts and short-term borrowings from financial institutions of THB 928.5 million, most of which are revolving facilities used in construction projects. The Company is managing liquidity and accelerating revenue recognition from its backlog to strengthen its debt servicing capability going forward.

DEMCO

In the second quarter of 2026, the Company continued to operate under the DEMCO 3E+ Commitment framework, focusing on delivering sustainability outcomes aligned with its business strategy through environmental management, social development, and good corporate governance. These efforts aim to enhance competitiveness and create sustainable long-term value.

AWARDS

Environment

The Company received **certification under ISO 14064-1:2018 and Carbon Footprint for Organization (CFO) certification** from the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), reflecting its effective greenhouse gas management practices in accordance with internationally recognized standards.

Social

The Company received the honorary award for **"Organization Promoting Employment and Income Opportunities for Older Persons 2026"** from the Ministry of Social Development and Human Security. The award reflects the Company's commitment to promoting employment opportunities, enhancing quality of life, and creating sustainable value for older persons.

ACTIVITIES

2026 Seminar for Industrial and Commercial Electricity Users

The Company participated in the 2026 Seminar for Industrial and Commercial Electricity Users, organized by the Provincial Electricity Authority (PEA). At the event, DEMCO operated an exhibition booth to showcase the Company's capabilities and services and exchanged information with business and industrial operators.

The activity aimed to promote collaboration in developing secure and efficient electrical systems and energy infrastructure while supporting sustainable economic growth. The seminar was held on 10 July 2026 at Novotel Bangkok Future Park Rangsit, Pathum Thani Province.

DEMCO Blood Donation Day

In collaboration with Rajavithi Hospital, the Company organized its 49th blood donation drive on 15 July 2026 to support humanitarian assistance and help address the ongoing blood shortage faced by the Thai Red Cross Society.

A total of 38 individuals donated blood, while four individuals donated platelets, resulting in a total blood volume of 16,000 millilitres.

"Light Up to the Future" Project

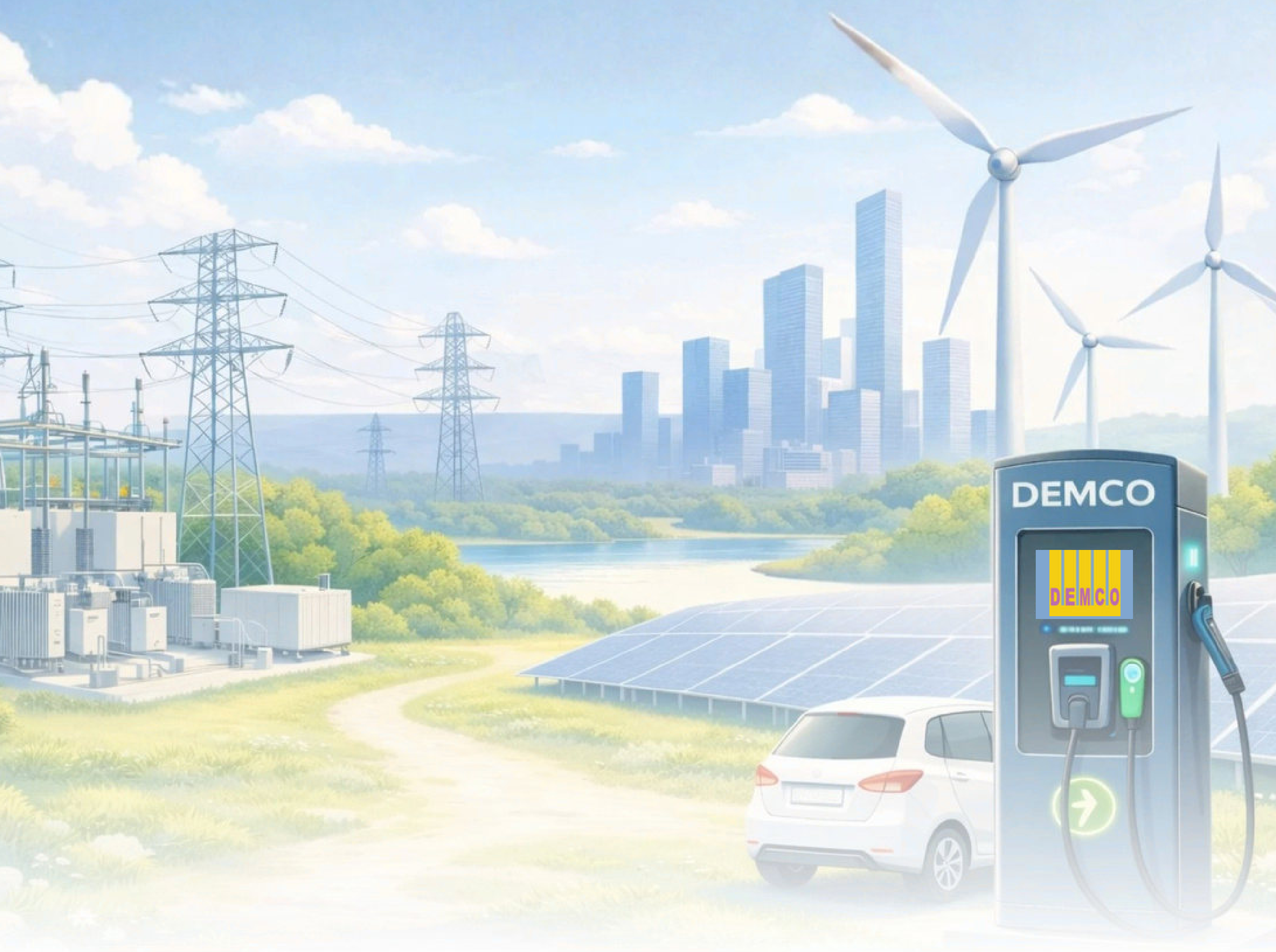
The Company implemented the **"Light Up to the Future"** Project by installing LED lighting at Wat Dao Rueang School in Pathum Thani Province on 23 May 2026.

The project aimed to improve energy efficiency and enhance the learning environment by increasing lighting levels within school buildings, improving the quality of life of students and educational personnel, and creating sustainable shared value for the community.

ESG Business Value Creation

- Enhanced competitiveness
- Improved operational and resource-use efficiency
- Strengthened stakeholder confidence
- Enhanced risk management and preparedness for change
- Created shared value for society and the environment

"Demco - to be the producer and provider for clean energy, electrical systems and utilities with innovation and high technology to create sustainable value"



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