(Translation)

REF: BSM 007/2026

August 13, 2026

Subject: Management Discussion and Analysis of Operation Results for the 2nd Quarter, ending June 30, 2026

To: The President
The Stock Exchange of Thailand

BuilderSmart Public Company Limited ("the Company") would like to clarify the performance of the Company and its subsidiaries for the 2nd Quarter, ending June 30, 2026, as follows:

1) Overall Performance

For Q2/2026, the Company and its subsidiaries reported total revenue of 92.82 million baht, a decrease of 9.83 million baht, or 9.57%, compared with Q2/2025. Gross profit amounted to 33.09 million baht, representing a gross profit margin of 36.02%, compared with 33.21% in Q2/2025. The improvement was mainly attributable to more effective cost management. However, the Company continued to face a slowdown in economic conditions, particularly in the real estate sector. Nevertheless, the core construction materials business continued to maintain its gross profit margin and manage costs effectively.

2) Performance of Each Business Segment

2.1) Construction Materials Business (operated by BuilderSmart Public Company Limited and Alloy Solutions Asia Limited)

The Group's construction materials business generated total revenue of 80.15 million baht, a decrease of 9.64 million baht, or 10.74%, from Q2 of the previous year. The decrease in revenue was mainly attributable to the slowdown in commercial construction projects in both the private and public sectors, due to rising oil prices and construction material costs. Nevertheless, the Company was able to maintain its gross profit despite the economic slowdown. The Company continued to focus on cost management, enabling it to maintain an appropriate level of profitability despite challenging market conditions.

2.2) Real Estate Business (operated by Sansara Project and Teak Development Co., Ltd.)

2.2.1) Sansara Project (Hua Hin)

Sansara is a residential development for sale and long-term lease located in Hua Hin, Prachuap Khiri Khan. Total revenue in Q2 to 4.39 million baht, representing management income, a decrease of 1.75 million baht, or 28.45%, from Q2 of the previous year, as there was no revenue from residential unit sales.

2.2.2) Teak Development Co., Ltd.

The Company develops and sells condominiums in central business areas, including TEAK-Sathorn and TEAK-Ratchada. Total revenue in Q2 to 7.34 million baht, an increase of 18.51% from Q2 of the previous year. However, the Company continued to be affected by the sluggish condominium market, lower consumer purchasing power, tighter housing loan approval by financial institutions, and higher interest rates.

For 6M/2026, the Company recorded revenue from sales and services of 189.33 million baht. Including other income, interest income, and net gain foreign exchange gains, total revenue amounted to 192.48 million baht. Compared with the first six months of the previous year, revenue from sales and services decreased by 23.71 million baht, or 11.13%, while total revenue decreased by 22.15 million baht, or 10.32%. Nevertheless, the Company was able to maintain its gross profit for the first six months amounting to 64.76 million baht, which close to 65.19 million baht recorded in the same period of the previous year.

3) Costs and Expenses

Cost of sales and services amounted to 58.78 million baht, representing 63.98% of sales and service revenue, a decrease of 2.81% compared with Q2 of the previous year. This improvement was mainly attributable to the construction materials business, which managed costs and its supply chain more efficiently, enabling the Company to better maintain its gross profit margin. However, selling and administrative expenses amounted to 34.01 million baht, an increase from 31.76 million baht in the previous year. This increase was due to one subsidiary recording a reversal of an accounting provision for withholding tax receivable of 2.25 million baht. Excluding this item, selling and administrative expenses would have remained at approximately the same level as the previous year.

For 6M/2026, Selling and administrative expenses amounted to 65.13 million baht, an increase from 64.01 million baht in the first six months of the previous year, mainly due to the tax reversal mentioned above.

4) Finance Costs and Tax

Finance costs amounted to 5.85 million baht, a decrease of 0.91 million baht, or 13.42%, from Q2 of the previous year. This was mainly due to the Company's monthly repayment of loans, effective liquidity management, and financing at appropriate costs. Income tax expense amounted to 0.87 million baht.

For 6M/2026, finance costs amounted to 13.63 million baht, a decrease of 1.00 million baht from the same period of the previous year, while income tax expense amounted to 2.33 million baht.

5) Net Operating Results

The Company recorded a net loss attributable to owners of the parent of 6.69 million baht, broadly in line with the net loss of 6.42 million baht recorded in Q2 of the previous year.

For 6M/2026, the Company recorded a net loss attributable to owners of the parent of 13.19 million baht, an improvement from the net loss of 16.56 million baht in the same period of the previous year.

6) Business Outlook for the Next Quarter

Going forward, the Company will continue to focus on strengthening its financial position, improving profitability, and continuously reducing its debt burden.

The construction materials business will remain the core business generating revenue and cash flow for the Group. The Company will focus on expanding its customer base in commercial and infrastructure projects while maintaining an appropriate gross profit margin.

For the real estate business, the Company will focus on prudent inventory management and disciplined cash flow management to strengthen liquidity and reduce financial obligations.

7) Conclusion

Although the business environment remains challenging due to various factors, the Company will continue to focus on developing the construction materials business to achieve greater stability and sustainability while generating sustainable profitability. The Company will continue to adjust its strategies in line with market conditions, implement disciplined financial management, control costs, manage risks prudently, and develop its businesses on a sustainable and stable basis.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit

Chief Executive Officer

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