No. TMC_CS-012/2569

13 August 2026

Subject Management Discussion and Analysis (MD&A) for the Operating Results for Q2/2026

To The President

The Stock Exchange of Thailand

Economic Overview

In 2026, Thailand's manufacturing sector is undergoing significant changes driven by economic conditions, technological developments, and intensifying global competition. These factors are prompting industry operators to accelerate their adaptation in order to maintain competitiveness, particularly companies in the automotive parts and manufacturing sectors, which are being affected both directly and indirectly by the current economic environment.

The Thai economy continues to experience a gradual recovery, while domestic purchasing power remains relatively weak. At the same time, operating costs have continued to rise, including labor costs, electricity costs, raw material prices, and financing costs. As a result, the manufacturing sector is facing increasing cost pressures and declining profit margins. Meanwhile, customers across several industries remain cautious about spending and have postponed investments, resulting in greater volatility in orders in certain industries.

In addition, the increasing presence of Chinese manufacturers and intensified price competition have become significant pressures on Thai businesses. Many manufacturers are facing greater price negotiations from customers, as well as competition from foreign manufacturers with lower cost structures. Nevertheless, these challenges also present opportunities for companies with high manufacturing standards, effective management systems, and the ability to meet customers' requirements for quality and timely delivery. Such companies may have opportunities to enter new supply chains, both domestically and internationally.

At the same time, ESG, sustainability, and good corporate governance are receiving increasing attention from investors, customers, and international business partners. Companies that are able to develop their operations toward Green Industry standards, establish effective sustainability management systems, and demonstrate transparency in their operations will have greater opportunities to gain stakeholder confidence and build long-term competitive advantages.

Although the current economic environment presents significant challenges, it also represents an important period of transformation for Thailand's industrial sector. Companies that can adapt rapidly, invest in technology, enhance production capabilities, and pursue future-oriented businesses will be better positioned to turn challenges into opportunities and achieve sustainable long-term growth. In particular, organizations with the potential to evolve into strong, modern industrial enterprises will be well positioned to strengthen their competitiveness and create sustainable value in the future.

Operating Results for Q2/2026 Ended 30 June 2026

T.M.C. Industrial Public Company Limited would like to report the operating results and financial position of the Company and its subsidiaries for the period ended 30 June 2026, the key details of which are summarized as follows:

Unit : Thousand Baht

Descriptions	Q2/2026		Q2/2025		Increase (Decrease)	
					Quantity	Proportion
Revenue from Sales and Services	69,173	100%	58,852	100%	10,321	18%
Cost of Sales and Services	(62,693)	-91%	(45,593)	-77%	17,100	38%
Gross Profit	**6,480**	**9%**	**13,259**	**23%**	**(6,779)**	**-51%**
Other Income	3,738	5%	3,233	5%	505	16%
Selling and Administrative Expenses	(15,898)	-23%	(14,482)	-25%	1,416	10%
Gain (Loss) on Changes in Fair Value	380	1%	(19,480)	-33%	19,860	-102%
Profit (Loss) before Finance Costs and Share of Profit (Loss) of Associates	**(5,300)**	**-8%**	**(17,470)**	**-30%**	**12,170**	**70%**
Finance Costs	(183)	-0.3%	(217)	0%	34	16%
Share of Profit of Associates	-	0%	-	0%	-	0%
Profit (Loss) before Income Tax	**(5,483)**	**-8%**	**(17,687)**	**-30%**	**12,204**	**69%**
Income Tax	-	0%	-	0%	-	0%
Net Profit (Loss)	**(5,483)**	**-8%**	**(17,687)**	**-30%**	**12,204**	**69%**

Revenue

In Q2/2026, the Company recorded revenue from sales and services of THB 69,173 thousand, representing an 18% increase compared with the same period of the previous year. Further details are presented in the table of revenue, cost of sales and services, and gross profit by product.

Cost of Sales and Services

In Q2/2026, the Company recorded cost of sales and services of THB 62,693 thousand, representing an increase of THB 17,100 thousand, or 38%, compared with Q2/2025. The increase was primarily attributable to the continued economic impact of the war, which resulted in persistently high prices of key raw materials used in production, including steel, consumables, transportation costs, and other related costs. Nevertheless, the Company forecasted its raw material requirements in advance and had already placed orders accordingly.

Gross Profit

In Q2/2026, the Company recorded a gross profit of THB 6,480 thousand, representing a 51% decrease compared with Q2/2025. Nevertheless, the Company continued to focus on increasing sales to both existing and new customers, while introducing new products to maintain sales and profitability.

Selling and Administrative Expenses

In Q2/2026, the Company recorded selling and administrative expenses of THB 15,898 thousand, representing 23% of revenue, an increase of THB 1,416 thousand, or 10%, compared with Q2/2025. The increase was mainly attributable to the annual salary adjustments.

Finance Costs

In Q2/2026, the Company recorded finance costs of THB 183 thousand, representing a decrease of THB 34 thousand, or 16%, compared with Q2/2025. The finance costs mainly comprised interest expenses arising from lease agreements.

Corporate Income Tax

In Q2/2026 and Q2/2025, the Company had no income tax expense due to tax losses carried forward from previous years. Consequently, no income tax expense was recognized in Q2/2026.

Net Profit (Loss)

In Q2/2026, the Company recorded a net loss of THB 5,483 thousand, representing 8% of revenue, a decrease in net loss of THB 12,204 thousand, or 69%, compared with Q2/2025. The net loss was primarily attributable to increases in the prices of key raw materials, driven by the impacts of the war and geopolitical tensions.

Revenue, Cost of Sales, and Gross Profit by Product Category

- **Machinery Manufacturing and Sales Business**

  Revenue from the machinery manufacturing and distribution business decreased by THB 15,853 thousand, or 34%, compared with Q2/2025. The decrease was primarily due to the economic slowdown, which led businesses to delay their investment decisions and purchases of machinery.

- **Machinery Repair, Maintenance, and Relocation Services**

  Revenue from services increased by THB 26,944 thousand, or 268%, compared with Q2/2025. In addition to machinery repair services, the Company's subsidiary expanded into new businesses, including aerial surveying of watersheds and wastewater treatment pond system services, providing an additional source of revenue for the Company.

- **Healthcare Services Business**

  Revenue from the healthcare services business decreased by THB 770 thousand, or 47%, compared with Q2/2025. The decrease was primarily due to intensified competition, limited purchasing power, and an uneven economic recovery amid the impacts of the war.

Statement of Financial Position

Unit : Thousand Baht

Descriptions	30 June 2026		31 December 2025		Increase (Decrease)	
Current Assets	505,399	73%	478,308	72%	27,091	6%
Non-Current Assets	185,849	27%	176,379	28%	9,470	5%
Total Assets	**691,248**	**100%**	**654,687**	**100%**	**36,561**	**6%**
Current Liabilities	83,764	12%	36,428	7%	47,336	130%
Non-Current Liabilities	38,376	6%	37,718	6%	658	2%
Total Liabilities	**122,140**	**18%**	**74,146**	**13%**	**47,994**	**65%**
Shareholders’ Equity	569,108	82%	580,541	87%	(11,433)	-2%
Total Liabilities and Shareholders’ Equity	**691,248**	**100%**	**654,687**	**100%**	**36,561**	**6%**

Assets

As of 30 June 2026, the Company had total assets of THB 691,248 thousand, representing an increase of THB 36,560 thousand, or 6%, compared with total assets of THB 654,687 thousand as of 31 December 2025. The increase was mainly attributable to an increase in cash and cash equivalents of THB 67,610 thousand. Trade receivables decreased by THB 8,129 thousand, current income tax assets decreased by THB 841 thousand, right-of-use assets decreased by THB 716 thousand, other current financial assets decreased by THB 90,169 thousand, and other non-current financial assets decreased by THB 2,530 thousand. Meanwhile, inventories increased by THB 24,866 thousand, property, plant and equipment, net increased by THB 8,368 thousand, and other non-current assets and other assets increased by THB 38,102 thousand.

Liabilities

As of 30 June 2026, the Company had total liabilities of THB 122,140 thousand, representing an increase of THB 47,994 thousand, or 65%, compared with total liabilities as of 31 December 2025. The increase was mainly attributable to the purchase of a significant amount of raw materials, resulting in an increase in trade and other payables of THB 47,697 thousand, while current employee benefit liabilities and other liabilities increased by THB 297 thousand.

Equity

As of 30 June 2026, the Company had shareholders' equity of THB 569,108 thousand, representing a decrease of THB 11,433 thousand, or 2%, compared with 31 December 2025, mainly due to the Company's net loss for the period.

Key Financial Ratios

Descriptions	Q2/2026	2025	Difference
1. Current Ratio	6.03	13.13	(7.10)
2. Debt/Equity Ratio	0.21	0.13	0.01

- **Current Ratio**

  As of 30 June 2026, the Company's current ratio was 6.03 times, compared with 7.10 times as of 31 December 2025. Nevertheless, the Company continued to maintain a strong liquidity position and had no interest-bearing debt.

- **Debt to Equity Ratio**

  As of 30 June 2026, the Company's debt-to-equity ratio was 0.21 times, which was relatively close to the ratio as of 31 December 2025.

Unit : Thousand Baht

Cash Flow Statement	30 June 2026	31 December 2025	Increase (Decrease)
Operating Activities	(17,590)	(1,108)	16,482
Investing Activities	86,623	(3,345)	(89,968)
Financing Activities	(1,741)	(1,150)	591
Effect of Exchange Rate Changes	318	(7)	(325)
Net Cash Flow	67,610	(5,610)	73,220
Cash and Cash Equivalents at Beginning of Period	88,187	81,978	(6,209)
Cash and Cash Equivalents at End of Period	155,797	76,368	79,429

Cash and cash equivalents of the Company and its subsidiaries as of 30 June 2026 amounted to Baht 155.797 million, representing an increase of Baht 74.429 million from Baht 76.368 million as of 31 December 2025. The significant changes were as follows:

Operating Activities The net change in cash flows from operating activities, including cash receipts from trade receivables and other items, increased by Baht 15.209 million.

Investing Activities The net change in cash flows from investing activities was mainly attributable to a decrease of Baht 37.005 million in cash payments for fixed-term deposits for investment purposes, an increase of Baht 8.000 million in cash payments for the acquisition of assets, and an increase of Baht 53.408 million in interest payments capitalized as part of the cost of assets and other items.

Financing Activities The net change in cash flows from financing activities was mainly attributable to an increase of Baht 0.150 million in lease liabilities.

Outlook and Strategic Plans for Q2/2026

Outlook and Strategic Plans for Q2/2026

1. Products and Services The Company has adjusted its business management structure in order to enhance its competitiveness, as follows:

   1.1 Machinery Manufacturing and Sales Division This division includes the Company’s existing products as well as new products designed to improve energy efficiency and reduce global warming, as follows:

Biomass Carbonization System – Biochar Furnace

Remark:

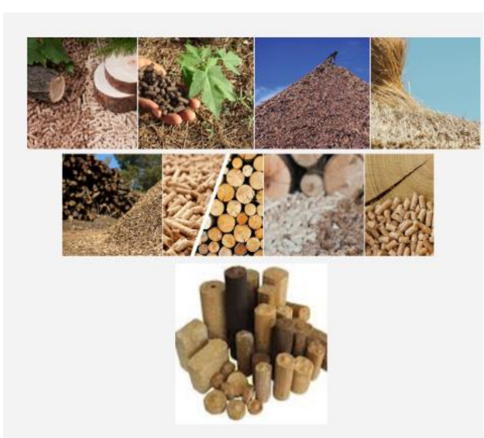
- Production capacity: 200 liters per batch
- Production capacity: 1,000 liters per batch
- Production capacity: 5,000 liters per batch

Operating Characteristics:

The biomass charcoal furnace system has been developed with a design in which one section of the furnace serves as the fuel combustion chamber to generate heat and transfer it to the carbonization chamber used for producing biochar. The heat transfer process occurs through thermal convection within the furnace system.

Part of the heat is released directly to the outside through a pipe connected from the combustion chamber, which induces airflow into the combustion chamber. Meanwhile, the large amount of smoke generated within the biochar production chamber is trapped and directed to circulate through pipes leading to the lower combustion chamber. The smoke is then eliminated through complete combustion, resulting in a smokeless process while simultaneously generating additional heat to substitute part of the fuel consumption.

Biomass Production System



Operating Characteristics:

The biomass production system is designed to convert organic materials that can be transformed into energy sources. These include various agricultural residues such as rice straw, rice husks, bagasse, palm bunches, wood chips, waste from agro-industrial processing plants, and community waste. In this context, the focus is specifically on agricultural residues, which are processed into fuel for generating heat used in cooking and industrial manufacturing processes.

The production process begins with the collection of

	raw materials, followed by size reduction and drying to reduce moisture content. The processed materials are then conveyed for briquetting and subsequent packaging.

1.2 1.2 Machinery Repair, Maintenance, and Relocation Services Division The Company has established a separate division for machinery repair, maintenance, and relocation services to enhance management efficiency and competitiveness.

Products and Services

1.3 Health Services Business For the clinic services business, the Company has expanded its service offerings by introducing the Hyperbaric Oxygen Therapy (HBOT) Chamber, or “high-pressure oxygen therapy” system. This technology enables patients to breathe pure oxygen under pressure levels higher than normal atmospheric pressure, thereby increasing the amount of oxygen in the bloodstream and enhancing oxygen delivery to various tissues throughout the body.

Progress of the Implementation of the Sustainability Development Plan

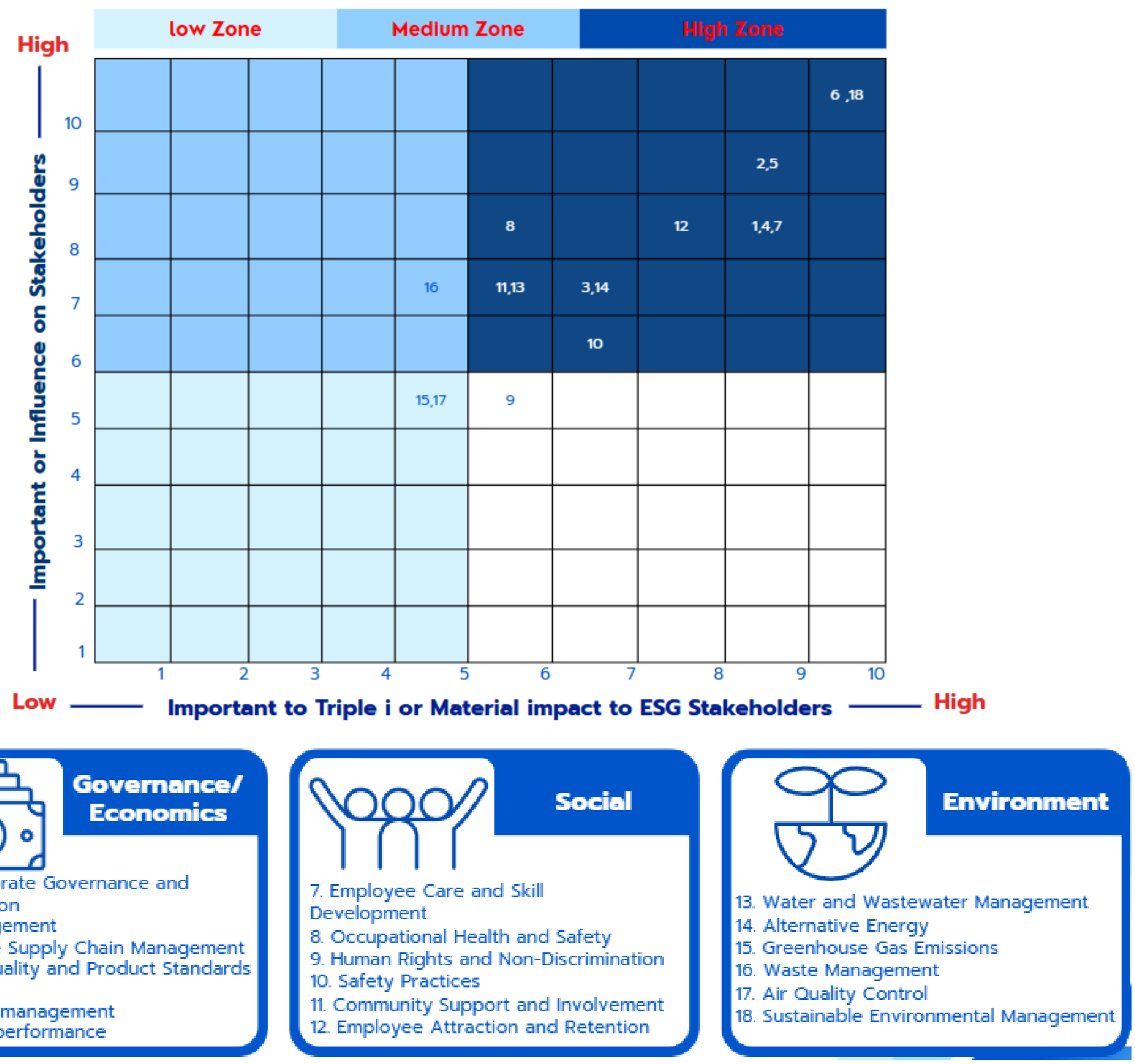
Sustainable Business Strategy

In line with the Company's vision to develop internationally recognized, high-quality machinery innovations that comprehensively meet customer needs, while driving the organization through sustainable business practices and ethical conduct for the greatest benefit of the economy, society, and the environment, the Company has established the "4 Greens" strategy as a framework for its operations in order to align with its approach toward sustainable organizational development, as follows:

GOVERNANCE AND ECONOMICS	SOCIAL	ENVIRONMENT	
Green Company	**Green Procurement**	**Green Process**	**Green Products**
Organizational Development: Focus on managing and developing resources efficiently and training personnel to have knowledge in environmental management.	**Sustainable Procurement:** Choose environmentally friendly materials and services from manufacturers with sustainable standards.	**Improve Production Processes:** Use modern technology to reduce waste and energy to increase production efficiency.	**Environmentally friendly products:** Develop products to use recycled materials and environmentally friendly production processes.
			
• Good Corporate Governance • Anti-Corruption • Building Good Relationships and Producing Quality Products According to customer needs • Co-developing business partners in conducting business responsibly • Focusing on creating innovations and new technologies	• Employee Care and Development • Considering Human Rights and Fair Labor Treatment • Promoting Good Health and Safety at Work • Complaint Management • Community Support and Engagement	• Environmental Management System: To reduce the environmental impacts caused by business operations • Reducing Energy Consumption and Using Energy Efficiently • Reducing Greenhouse Gas Emissions into the Atmosphere • Risk Management • Efficient Resources Usage • Improving Water Management	• Research and Develop Environmentally Friendly Products • Create Production System Standards • Traceability: Create a tracking system from raw material procurement, production, and delivery to ensure that there are no impacts on the environment and society.

Materiality Assessment Results

The Company places importance on sustainable development in the areas of corporate governance, economic, social, and environmental dimensions. The Company has conducted stakeholder engagement surveys, impact assessments, and prioritization of key sustainability issues. In 2025, the Company identified 18 material sustainability topics, as follows:



Disclosure in Accordance with International Standards and ESG Assessment Results

Disclosure in Accordance with International Standards

1. GRI : Global Reporting Initiative
2. CDP : Carbon Disclosure Project
3. SASB : Sustainability Accounting Standard Board

Assessment Results for 2025

1. The Company's CG Score was upgraded from 3 stars to 4 stars under the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors Association.
2. The Company received the Outstanding Innovation Company Award from the Stock Exchange of Thailand.
3. The Company received CAC Certification from the Thai Institute of Directors Association.
4. The Company obtained ISO 14001:2015 Certification.

Sustainable Business Goals

Goals	6M/2026 Performance / Progress Toward Target	Target Year
Economics		
EBITDA 40 million baht	-2.65 million baht	2028
Governance		
CAC Certification	Certified	2026
Climate Action		
Reduce greenhouse gas emissions by at least 7% compared to the base year	Assessment not yet conducted	2028

Please be informed accordingly.

Sincerely,

(Mr. Warin Phadungsinth)

Managing Director