AJA.009/2026

August 11, 2026

Subject Management Discussion and Analysis of the Consolidated Financial Statements for the Second Quarter of 2026

To Committee and Manager

The Stock Exchange of Thailand

Executive Summary

In the second quarter of 2026, AJ Advance Technology Public Company Limited (the "Company") continued to operate amid volatile economic conditions and a challenging business environment, with a high level of competition, particularly in the technology and electric vehicle industries. These industries have been affected by rapid technological developments, changing market conditions, price competition, and shifts in consumer behavior. Accordingly, the Company continues to conduct its business prudently, with an emphasis on liquidity management, cost and expense control, and maintaining financial discipline.

The Company is currently exploring opportunities and approaches to expand its business into the New Energy sector and the electric vehicle ecosystem ("EV Ecosystem"), in line with industry developments and the long-term trend toward clean energy. Certain new businesses and projects remain at the study and feasibility assessment stages, including the development of potential collaborations with business partners, and have not yet generated revenue for the Group.

With respect to the electric motorcycle ("EV Bike") business, which is currently operated by the Company, the Company continues to focus on managing sales and distribution channels in accordance with market conditions and consumer demand, as well as managing inventory, costs, and related expenses to enhance operational efficiency and mitigate risks arising from changes in market conditions.

As part of the development of infrastructure supporting the EV Ecosystem, the Company is currently constructing its first electric vehicle charging station. This project forms part of the Company's initiative to study and develop potential business models related to New Energy and electric vehicles. The project is currently under development and has not yet commenced commercial operations.

In terms of management, the Company continues to focus on enhancing operational efficiency, controlling costs and expenses in line with its revenue levels, and optimizing the utilization of the Group's assets and resources. At the same time, the Company closely manages its cash flow, liquidity, and working capital, while considering appropriate funding sources to maintain business continuity and support the Group's future business plans.

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Outlook and Future Prospects

The Company expects economic conditions and the competitive business environment for the remainder of 2026 to remain challenging due to economic uncertainties, consumer purchasing power, price competition, and technological developments, all of which may affect the Company's business operations.

For the New Energy business and EV Ecosystem, the Company believes that these sectors continue to offer long-term development opportunities. The Company will monitor the progress of projects currently under development while continuing to explore business opportunities and develop collaborations with potential strategic partners. Any business initiatives will be undertaken prudently, taking into consideration market conditions, business feasibility, funding readiness, and relevant risks.

At the same time, the Company will continue to focus on enhancing operational efficiency, controlling costs and expenses, and closely managing cash flow and liquidity in order to maintain business continuity and appropriately support the future development of the Group's businesses.

Operating Results

According to the resolution of the Board of Directors' Meeting No. 5/2026 of AJ Advance Technology Public Company Limited (the "Company"), held on 11 August 2026, the Board approved the financial statements for the second quarter of 2026 and the six-month period ended 30 June 2026. The Company reported a net loss attributable to equity holders of the Company of THB 53.59 million, representing an improvement of THB 7.17 million or 11.80% compared to the same period of the previous year, in which the Company reported a net loss attributable to equity holders of THB 60.76 million.

Operating Results for the Second Quarter of 2026 Compared with the First Quarter of 2025 (the six-month period)

Account	Second Quarter of 2026	Second Quarter of 2025	Change	
			Increase /(Decrease)	percentage
Revenue from sales of goods and rendering				
Revenue from sales of goods	55.06	78.74	(23.68)	(30.07)
Revenue from rendering of services	2.00	2.09	(0.09)	(4.31)
Revenue from mining digital currency	0.81	1.86	(1.05)	(56.45)
Gain on sale of digital assets	-	3.52	(3.52)	(100.00)
Other Income	2.68	1.89	0.79	41.80
Total Income	**60.54**	**88.10**	**(27.56)**	**(31.28)**
Cost of sales and rendering services	42.04	57.07	(15.03)	(26.34)

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Cost of mining digital currency	3.45	19.00	(15.55)	(81.84)
Loss on sale of digital assets	0.14	-	0.14	100.00
Loss of impairment of digital assets	3.90	3.22	0.68	21.12
Distribution costs	20.11	28.74	(8.63)	(30.03)
Administrative expenses	38.75	38.39	0.36	0.94
Finance costs	1.41	2.11	(0.70)	(33.18)
Total Expense	**109.80**	**148.53**	**(38.73)**	**(26.08)**
Gains and reversals of impairment losses (Loss from impairment) - TFRS	(5.09)	1.52	(6.61)	(434.87)
Profit (loss) before income tax expense	**(54.35)**	**(61.95)**	**7.60**	**12.27**
Profit (loss) for the period	**(53.86)**	**(61.42)**	**7.56**	**12.31**
Profit (loss) for the period attributable to equity holders of the Company	**(53.59)**	**(60.76)**	**7.17**	**11.80**

The Company would like to report the operating results for the second quarter of 2026 ended 30 June 2026, in relation to changes exceeding 20% compared to the same period of the previous year. The key reasons are summarized as follows:

1. Total revenue amounted to THB 60.54 million, decreasing by THB 27.56 million or 31.28% compared to THB 88.10 million in the same period of the previous year. The changes in total revenue by category are summarized as follows:

- Revenue from sales amounted to THB 55.06 million, decreasing by THB 23.68 million or 30.07% compared to THB 78.74 million in the same period of the previous year. The decrease was mainly attributable to lower sales of electric motorcycles (EV Bikes) and sports footwear products amid continued challenging market competition.
- Revenue from Bitcoin mining amounted to 0.3344380 Bitcoin, equivalent to THB 0.81 million, decreasing by THB 1.05 million or 56.45% compared to THB 1.86 million in the same period of the previous year. The decrease was mainly due to the reduction in the number of mining machines in operation.

2. Cost of sales and services amounted to THB 42.04 million, decreasing by THB 15.03 million or 26.34% compared to THB 57.07 million in the same period of the previous year, in line with the decrease in sales revenue.

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3. Bitcoin mining costs amounted to THB 3.45 million, decreasing by THB 15.55 million or 81.84% compared to THB 19.00 million in the same period of the previous year. The decrease was primarily attributable to efficient management of mining equipment and energy costs, as well as the reduction of operations in areas that did not generate appropriate economic returns.

4. Loss on impairment of digital assets amounted to Baht 3.90 million, representing an increasing of Baht 0.68 million, or 21.12% , compared with Baht 3.22 million in the same period of the previous year. The impairment loss was recognized as a result of the fair value measurement of digital assets in accordance with the relevant accounting standards.

5. Selling expenses amounted to THB 20.11 million, decreasing by THB 8.63 million or 30.03% compared to THB 28.74 million in the same period of the previous year. The decrease was mainly attributable to the decline in sales revenue.

Consolidated Financial Position

As of 30 June 2026 and 31 December 2025, the Company's total assets amounted to THB 597.81 million and THB 634.27 million, respectively. Total assets as of 30 June 2026 decreased by THB 36.46 million or 5.75% compared to the previous year-end, mainly due to changes in the following significant items:

Current assets

Statement of financial position (Unit: THB Million)	2026 As at 30 Jun	2025 As at 31 Dec	Increased (Decreased)	
			THB Million	Percent
Current assets				
Cash and cash equivalents	6.08	42.61	(36.53)	(85.73)
Trade and other current receivables	51.59	51.55	0.04	0.08
Inventories	32.45	55.09	(22.64)	(41.10)
Other current assets - Total	8.98	8.55	0.43	5.03
Total current assets	**99.10**	**157.80**	**(58.70)**	**(37.20)**

As of 30 June 2026 and 31 December 2025, the Company's total current assets amounted to THB 99.10 million and THB 157.80 million, respectively. Total current assets decreased by THB 58.70 million or 37.20% compared to the previous year-end.

The significant changes are summarized as follows:

- Cash and cash equivalents decreased by THB 36.53 million or 85.73%, mainly due to the utilization of working capital for business operations, including the placement of collateral through

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bank guarantees (BGs), resulting in a decrease in cash and cash equivalents as of the end of the period compared to the previous year-end.

- Inventories decreased by THB 22.64 million or 41.10% , primarily due to prudent inventory management in line with slower sales conditions and tighter inventory quality control measures.

Non-current assets

Statement of financial position (Unit: THB Million)	2026 As at 30 Jun	2025 As at 31 Dec	Increased (Decreased)	
			THB Million	Percent
Non-current assets				
Other non-current financial assets	22.55	12.55	10.00	79.68
Property, plant and equipment	413.22	415.94	(2.72)	(0.65)
Right-of-use assets	42.03	24.79	17.24	69.54
Cryptocurrency assets	6.40	11.16	(4.76)	(42.65)
Other Non-current assets – Total	14.51	12.02	2.49	20.72
Total non-current assets	**498.71**	**476.46**	**22.25**	**4.67**

As of 30 June 2026 and 31 December 2025, the Company's total non-current assets amounted to THB 498.71 million and THB 476.46 million, respectively. Total non-current assets increased by THB 22.25 million or 4.67% compared to the previous year-end, mainly due to an increase in other non-current financial assets arising from collateral placements through bank guarantees (BGs) to support the Company's project operations and the leasing of additional space.

Liabilities and Equity

Current liabilities

Statement of financial position (Unit: THB Million)	2026 As at 30 Jun	2025 As at 31 Dec	Increased (Decreased)	
			THB Million	Percent
Current liabilities				
Trade and other current payables	25.19	24.88	0.31	1.25
Current portion of lease liabilities	12.30	6.12	6.18	100.98
Other current liabilities - Total	2.34	1.82	0.52	28.57
Total current liabilities	**39.83**	**32.82**	**7.01**	**21.36**

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Non-current liabilities

Statement of financial position (Unit: THB Million)	2026 As at 30 Jun	2025 As at 31 Dec	Increased (Decreased)	
			THB Million	Percent
Non-current liabilities				
Lease liabilities	29.72	19.51	10.21	52.33
Deferred tax liabilities	42.30	42.79	(0.49)	(1.15)
Other non-current liabilities – Total	6.01	5.33	0.68	12.76
Total non-current liabilities	**78.03**	**67.63**	**10.40**	**15.38**
Total liabilities	**117.86**	**100.46**	**17.40**	**17.32**

As of 30 Jun 2026 and 31 December 2025, the Company's total liabilities amounted to THB 117.86 million and THB 100.46 million, respectively. Total liabilities increased by THB 17.40 million or 17.32% compared to the previous year-end. The increase was mainly attributable to an increase in lease liabilities resulting from the Company's additional leased space for office premises and product showrooms.

Equity

As of 30 June 2026 and 31 December 2025, total shareholders' equity amounted to THB 479.95 million and THB 533.81 million, respectively. Shareholders' equity decreased by THB 53.86 million or 10.09% , mainly due to the operating loss incurred during the current period.

Company cash flows

Cash flows (Unit: THB Million)	Year 2026 As at 30 Jun	Year 2025 As at 30 Jun
Net cash provided by (used in) operation activities		
1. Cash flows from operating activities	(19.18)	(16.31)
2. Cash flows from investing activities	(11.11)	9.26
3. Cash flows from financing activities	(6.23)	(7.91)
Net increase (decrease) in cash	**(36.52)**	**(14.96)**

As of 30 June 2026, the Company reported a net decrease in cash and cash equivalents of THB 36.52 million, consisting of:

- Net cash used in operating activities of THB 19.18 million, mainly resulting from operating losses during the period.

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- Net cash used in investing activities of THB 11.11 million, mainly attributable to collateral placements through bank guarantees (BGs) to support the Company's project operations.
- Net cash used in financing activities of THB 6.23 million, primarily from lease payments and interest expenses.

Please be informed accordingly.

Sincerely Yours,

(Mrs. Prangthip Chanvisitsak)

Company Secretary

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