10 August 2026

Subject: Explanation of operating results for the second quarter of 2026

To: The President
The Stock Exchange of Thailand

The Company would like to clarify the operating results of the Company for the second quarter ended June 30, 2026 as follows:

Summary of Operating Performance

Operating Performance

Sales Volume	Quarter 2/2026		Quarter 2/2025		Quarter 1/2026		YoY	QoQ
	Thousand tons	%	Thousand tons	%	Thousand tons	%	%	
Domestic	78.43	85.92%	157.50	68.50%	139.50	87.15%	(50.20)	(43.77)
Overseas	12.85	14.08%	72.44	31.50%	20.57	12.85%	(82.26)	(37.54)
Total	91.28	100.00%	229.94	100.00%	160.07	100.00%	(60.30)	(42.97)

The Company's overall sales volume of biomass fuel in Q2/2026 was 91.28 thousand tons, a decrease of 60.30% compared to Q2/2025, and a decrease of 42.97% compared to Q1/2026, due to the strategic adjustment of focusing on profitable sales and avoiding price competition below cost. As a result, despite the lower sales volume, the Company's gross profit improved.

Domestic sales volume

Domestic sales volume in Q2/2026 was 78.43 thousand tons, a decrease of 50.20% compared to Q2/2025, mainly due to the decrease in sales volume of fuel woodchip products. Although sales volumes of palm kernel shell products and refuse-derived fuel products continued to increase, they were not sufficient to offset the decrease in fuel woodchip products.

Overseas sales volume

Overseas sales volume in Q2/2026 was 12.85 thousand tons, a decrease of 82.26% compared to Q2/2025, mainly due to the decrease in export volume of peeled eucalyptus woodchips. This was because the Company adjusted its strategy by focusing on selling products that yield better returns in order to manage costs and maintain the Company's profitability.

Financial Performance

Operating Results

Comprehensive Income Statement	For the six-month period ended June 30				
	2026		2025		YoY
	MB	%	MB	%	
Revenues					
Revenue from sales and rendering of service	655.83	95.16	1,142.37	99.40	(42.59)
Other income	33.36	4.84	6.93	0.60	381.71
Total Revenues	689.20	100.00	1,149.30	100.00	(40.03)
Expenses					
Cost of sales and rendering of services	539.47	78.28	978.69	85.16	(44.88)
Cost of distribution	92.37	13.40	143.94	12.52	(35.83)
Administrative expenses	48.67	7.06	51.22	4.46	(4.98)
Total Expenses	680.51	98.74	1,173.85	102.14	(42.03)
Share of profit (loss) from investments in associates	12.34	1.79	(1.70)	(0.15)	(825.31)
Profit (loss) before finance costs and income tax	21.03	3.05	(26.25)	(2.28)	(180.10)
Financial costs	12.05	1.75	15.16	1.32	(20.46)
Profit (loss) before income tax	8.97	1.30	(41.41)	(3.60)	(121.67)
Income tax benefit (expense)	10.49	1.52	(7.71)	(0.67)	(236.02)
Loss for the period	(1.52)	(0.22)	(33.70)	(2.93)	(95.50)
Loss attributable to equity holders of the parent	(1.52)	(0.22)	(33.70)	(2.93)	(95.50)

The Company's operating results were as follows:

Revenue from sales of goods and rendering of services

Revenue from sales of goods and rendering of services in Q2/2026 was Baht 655.83 million, a decrease of 42.59% compared to Q2/2025. This was a result of the strategic adjustment focusing on selling products that yield good returns and have profit margins to manage costs and maintain profitability.

Cost of sales of goods and rendering of services

Cost of sales of goods and rendering of services in Q2/2026 decreased significantly compared to Q2/2025, in line with the decrease in sales volume and total sales revenue. This was due to the strategic adjustment of selling products with targeted profits and focusing on products that yield returns, resulting in a decrease in total cost of sales at a rate higher than the decrease in revenue.

The gross profit margin (GPM) for Q2/2026 increased to 17.66% (compared to 11.60% in Q2/2025), which was successfully achieved through the strategic adjustment of focusing on selling profitable products and avoiding price competition that results in losses.

Distribution costs

Distribution costs in Q2/2026 amounted to Baht 92.37 million, a decrease of 35.83% compared to Q2/2025 (Baht 143.94 million in 2025), mainly due to a decrease in export freight costs and export-related expenses, in line with the significant decrease in overseas export volume.

Share of profit (loss) from investments in associates

In Q2/2026, the Company recognized a share of profit from investments in associates of Baht 12.34 million, recovering significantly compared to the same period of the previous year, where a share of loss of Baht 1.70 million was recognized. This represents an increase of Baht 14.04 million due to the continuous improvement in the operating results of the associates, driven by the growth of investments in government infrastructure and private sector projects with higher demand for electrical transformers.

Finance costs

Finance costs in Q2/2026 amounted to Baht 12.05 million, a decrease of 20.46% compared to Q2/2025 (Baht 15.16 million in 2025). The main factors were the decrease in interest expenses on short-term loans, resulting from reduced working capital borrowing, coupled with the faster repayment of promissory notes, export credits, and trust receipts, as well as the reduction of interest expenses on long-term loans after the Company fully repaid a loan agreement in April 2026.

In Q2/2026, the Company reported a net loss attributable to shareholders of the parent of Baht 1.52 million, which represents a significant decrease in loss of 95.50% compared to Q2/2025, which had a net loss of Baht 33.70 million. Although total sales revenue decreased due to the strategic adjustment, the Company was able to increase the gross profit margin to 17.66%, along with efficiently controlling distribution and financial costs, and was supported by the significantly increased share of profit from associates.

Financial Position

Assets

Financial Position	As of					
ASSETS	June 30, 2026		December 31, 2025		Change	
	MB	%	MB	%	MB	%
Cash and cash equivalents	20.93	1.64	25.57	1.75	(4.64)	(18.13)
Trade and other current receivables	140.16	10.98	173.83	11.89	(33.67)	(19.37)
Inventories	64.36	5.04	151.10	10.33	(86.74)	(57.41)
Advance payment for goods	4.34	0.34	3.54	0.24	0.80	22.57
Derivative assets	-	-	0.33	0.02	(0.33)	(100.00)
Total current assets	229.80	18.01	354.37	24.23	(124.58)	(35.15)
Other non-current financial assets	52.50	4.11	52.20	3.57	0.30	0.57
Investments in associates	339.42	26.60	345.05	23.60	(5.63)	(1.63)
Other non-current receivables	69.47	5.44	57.18	3.91	12.29	21.50
Investment properties	148.17	11.61	147.93	10.12	0.24	0.16
Non-current operating assets	429.41	33.65	488.30	33.39	(58.89)	(12.06)
Other non-current assets	7.21	0.57	17.56	1.20	(10.35)	(58.93)
Total non-current assets	1,046.19	81.99	1,108.22	75.79	(62.03)	(5.60)
Total assets	1,275.99	100.00	1,462.60	100.00	(186.61)	(12.76)

Total assets as of June 30, 2026 were Baht 1,275.99 million, a decrease of Baht 186.61 million or 12.76% compared to December 31, 2025. The key changes were as follows:

Cash and cash equivalents: was Baht 20.93 million, a decrease of 18.13%.

Trade and other current receivables: was Baht 140.16 million, a decrease of 19.37%, due to the gradual debt collection during the period and slowing sales.

Inventories: was Baht 64.36 million, a significant decrease of 57.41% due to accelerating inventory clearance to reduce storage costs and improve management efficiency, as the Company manages inventory to be sufficient for sales plans.

Non-current operating assets: was Baht 429.41 million, a decrease of 12.06%, mainly due to the gradual recognition of depreciation and amortization during the period, as well as the disposal of vehicles and assets not necessary for operations.

Liabilities and Equities

Financial Position	As of					
LIABILITIES AND EQUITY	June 30, 2026		December 31, 2025		Change	
	MB	%	MB	%	MB	%
Short-term loans	456.60	35.78%	585.68	40.04%	(129.08)	(22.04)
Trade and other current payable	31.58	2.48%	59.24	4.05%	(27.66)	(46.69)
Other current liabilities	1.45	0.11%	0.48	0.03%	0.97	204.35
Total current liabilities	**489.64**	**38.37%**	**645.40**	**44.13%**	(155.77)	(24.14)
Long-term loans and lease liabilities	32.18	2.52	59.65	4.08	(27.47)	(46.05)
Other non-current liabilities	11.81	0.93%	11.87	0.81	(0.06)	(0.52)
Total non-current liabilities	**43.99**	**3.45%**	**71.52**	**4.89%**	**(27.53)**	**(38.50)**
Total liabilities	**533.62**	**41.82%**	**716.92**	**49.02%**	**(183.30)**	**(25.57)**
Shareholders' equity	742.36	58.18%	745.67	50.98%	(3.31)	(0.44)
Total liabilities and Shareholders' equity	**1,275.99**	**100.00%**	**1,462.60**	**100.00%**	**(186.61)**	**(12.76)**

Total liabilities and shareholders' equity as of June 30, 2026 was Baht 1,275.99 million, a decrease of Baht 186.61 million or 12.76% compared to December 31, 2025. The details of changes are as follows:

Total liabilities: was Baht 533.62 million, a decrease of Baht 183.30 million (a decrease of 25.57%), mainly due to the following factors:

Short-term loans: decreased by Baht 129.08 million (a decrease of 22.04%) due to repayments in accordance with the Company's liquidity management cycle.

Trade and other current payables: decreased by Baht 27.66 million (a decrease of 46.69%) due to lower purchasing orders and operating activities, in line with the strategic adjustment of slowing down sales of non-profitable products.

Long-term loans from financial institutions: decreased by Baht 14.05 million (a decrease of 30.40%) as the group gradually repaid the principal according to the loan agreement schedule.

Lease liabilities: decreased by Baht 23.85 million (a decrease of 64.21%), mainly due to the gradual principal repayments of Baht 2.20 million under lease agreements, and the disposal of investment in a subsidiary which reduced lease liabilities in the consolidated financial statements by Baht 21.62 million.

Shareholders' equity: was Baht 742.36 million, a slight decrease of Baht 3.31 million (a decrease of 0.44%), reflecting the net loss incurred during the period.

Statement of Cash flows

Cash flow	Q2/2026	Q2/2025
	Million Baht	
Net cash from (used in) operating activities	61.19	(18.56)
Net cash from (used in) investing activities	69.06	8.86
Net cash from (used in) financing activities	(134.93)	141.19
Net increase (decrease) in cash and cash equivalents	**(4.68)**	131.49

Cash flows for Q2/2026 were as follows:

Net cash from operating activities amounted to Baht 61.19 million, mainly driven by the operating profit before income tax, coupled with efficient working capital management through accelerating inventory clearance and debt collection from trade receivables.

Net cash from investing activities amounted to Baht 69.06 million, mainly due to cash received from the disposal of investment in a subsidiary of Baht 62.29 million, and interest and dividend income received of Baht 16.37 million, offset by capital expenditures on fixed and intangible assets of Baht 9.30 million.

Net cash used in financing activities amounted to Baht 134.93 million, mainly due to repayments of bank overdrafts and short-term loans from financial institutions of Baht 114.64 million, repayments of long-term loans of Baht 14.05 million, and repayments of lease liabilities of Baht 6.25 million.

Upcoming Projects

The Company plans to invest in the production and distribution of refuse-derived fuel with a focus on quality products that meet international standards. This investment aims to enhance the Company's sourcing capability to better meet customer demand, strengthen business partnerships, and broaden energy solutions available to customers.

This is submitted for your information.

Sincerely yours,

(Pongtham Danwungderm)
Deputy Managing Director
And Chief of Financial Officer (CFO)

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