13 August 2026

Subject: Management Discussion and Analysis

Operating Results for the Second Quarter and Six-Month Period Ended 30 June 2026

To: President

The Stock Exchange of Thailand

Earth Tech Environment Public Company Limited (the “Company”) would like to report the Management Discussion and Analysis of the operating results of the Company and its subsidiaries (the “Group”) for the second quarter and six-month period ended 30 June 2026 as follows:

Overview of Operating Results

In Q2/2026, the Group recorded total revenue of Baht 199.28 million, an increase of Baht 23.18 million or 13.16% from the same quarter of the previous year. Revenue from sales and services amounted to Baht 192.13 million, an increase of 13.91%, in line with the improvement in electricity sales volume of the Group’s power plants compared with the previous year.

For the first six months of 2026, the Group recorded total revenue of Baht 387.90 million, an increase of Baht 9.51 million or 2.51% from the same period of the previous year. Revenue from sales and services amounted to Baht 373.71 million, an increase of Baht 7.05 million or 1.92%.

Although gross profit for the six-month period decreased from the previous year as a result of higher cost of sales and services, net profit improved significantly. Net profit for Q2/2026 was Baht 36.02 million, an increase of 196%, while net profit for the six-month period was Baht 76.32 million, an increase of 85.57%. The key contributing factor was a significant decrease in finance costs following the reduction in the Group’s debt obligations.

Item (Baht million)	Q2/2026	Q2/2025	Change	6M/2026	6M/2025	Change
Total revenue	199.28	176.10	+13.16%	387.90	378.39	+2.51%
Revenue from sales and services	192.13	168.68	+13.91%	373.71	366.67	+1.92%
Gross profit	62.26	55.63	+11.92%	124.72	138.59	-10.01%
Profit from operating activities	38.52	39.61	-2.75%	84.87	103.47	-17.98%
Finance costs	1.61	25.45	-93.68%	3.55	58.76	-93.95%
Net profit	36.02	12.17	+195.95%	76.32	41.13	+85.57%
EBITDA	69.04	68.82	+0.32%	144.40	160.60	-10.09%

Operating Results

Revenue from Electricity Sales

The Group's principal revenue continued to be derived from electricity sales and services, representing approximately 96% of total revenue for both Q2/2026 and the six-month period.

In Q2/2026, ETC, AVA and RH power plants recorded aggregate electricity sales volume of approximately 29.48 million units, increasing by approximately 10.1% from 26.78 million units in Q2/2025. Aggregate revenue from electricity sales amounted to approximately Baht 185.22 million, an increase of 10.45%. Revenue from electricity sales of ETC, AVA and RH increased by approximately 10.97%, 16.15% and 7.16%, respectively.

For the six-month period, aggregate electricity sales volume was approximately 57.73 million units, an increase of 2.71%, while aggregate revenue from electricity sales was approximately Baht 360.16 million, broadly in line with Baht 359.58 million in the same period of the previous year, representing an increase of 0.16%. Revenue of ETC and AVA increased by 6.78% and 3.24%, respectively, while RH decreased by 6.83% due to temporary plant shutdowns during Q1/2026 for scheduled maintenance.

Gross Profit

In Q2/2026, the Group recorded gross profit of Baht 62.26 million, an increase of Baht 6.63 million or 11.92% from the previous year. Gross profit margin was approximately 32.4%, compared with 33.0% in the previous year.

For the six-month period, gross profit amounted to Baht 124.72 million, a decrease of Baht 13.87 million or 10.01%, while gross profit margin decreased from approximately 38.0% to 33.4%. The key factor was an increase in cost of sales and services of Baht 20.92 million or 9.17%, mainly due to periodic scheduled maintenance, while revenue from sales and services increased by 1.92%.

Administrative Expenses and Management Remuneration

For the six-month period, administrative expenses and management remuneration totaled Baht 54.04 million, an increase of Baht 7.20 million or 15.38% from the previous year. As a result, profit from operating activities amounted to Baht 84.87 million, a decrease of 17.98%.

Net Profit

In Q2/2026, the Group recorded net profit of Baht 36.02 million, an increase of Baht 23.85 million or 195.95% from the same quarter of the previous year. Although profit from operating activities was broadly in line with the previous year, finance costs decreased from Baht 25.45 million to Baht 1.61 million.

For the six-month period, the Group recorded net profit of Baht 76.32 million, an increase of Baht 35.19 million or 85.57%. Finance costs decreased from Baht 58.76 million to Baht 3.55 million, or approximately 93.95%, reflecting the reduction in borrowings and the capital restructuring undertaken during the preceding period. Net profit was Baht 76.32 million, compared with Baht 41.13 million in the previous year.

Financial Position

Assets

As at 30 June 2026, the Group had total assets of Baht 3,703.18 million, a decrease of Baht 131.67 million or 3.43% from the end of 2025, comprising the following:

Current assets amounted to Baht 1,357.41 million, representing 36.7% of total assets. The significant change was in cash and cash equivalents, which decreased from Baht 1,102.14 million to Baht 411.27 million as part of the Group's cash management. Baht 600.00 million was placed in fixed deposits with financial institutions to earn higher returns. Such deposits are presented under "Other Current Financial Assets". Accordingly, part of the decrease in cash and cash equivalents resulted from a change in the form in which liquid assets were held and did not represent cash used entirely in operations.

Non-current assets amounted to Baht 2,345.77 million, representing 63.3% of total assets. Significant items included:

- Property, plant and equipment of Baht 1,623.54 million, representing 43.8% of total assets
- Restricted deposits at financial institutions of Baht 389.09 million, representing 10.5% of total assets
- Investment property of Baht 144.05 million, representing 3.9% of total assets
- Long-term loan and accrued interest receivable from the parent company, net of the portion due within one year, of Baht 128.02 million, representing 3.5% of total assets

Liabilities

As at 30 June 2026, the Group had total liabilities of Baht 208.25 million, a decrease of Baht 100.47 million or 32.54% from the end of 2025. Total liabilities represented only 5.62% of total assets. The significant liabilities were interest-bearing debt of approximately Baht 83.88 million, decreasing from Baht 145.91 million as at the end of 2025, or by approximately 42.5%, comprising:

- Borrowings from financial institutions of Baht 65.82 million
- Lease liabilities of Baht 18.06 million

As a result, the debt-to-equity ratio (D/E) was approximately 0.06 times and the interest-bearing debt-to-equity ratio was approximately 0.02 times.

Shareholders' Equity

Total shareholders' equity amounted to Baht 3,494.93 million, representing 94.38% of total assets, a decrease of Baht 31.20 million from the end of 2025. During the six-month period, the Group recorded net profit of Baht 76.32 million and paid total dividends of approximately Baht 107.52 million.

Cash Flows

Cash Flows from Operating Activities

For the first six months of 2026, the Group generated net cash flows from operating activities of Baht 48.49 million, reflecting its ability to generate cash flows from operations.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to Baht 565.15 million. Significant items included Baht 600.00 million placed in fixed deposits to earn higher returns, payments for purchases of property, plant and equipment of Baht 13.06 million and investment property of Baht 2.50 million. Meanwhile, the Group received repayments from related parties of Baht 49.79 million.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to Baht 174.21 million. Significant items included repayments of borrowings from financial institutions of approximately Baht 63.16 million, interest paid of Baht 2.78 million, payments of lease liabilities of Baht 0.93 million and dividend payments of approximately Baht 107.34 million.

Cash Flow Summary

Consequently, cash and cash equivalents decreased by Baht 690.87 million from the beginning balance of Baht 1,102.14 million to Baht 411.27 million as at 30 June 2026. Nevertheless, when considered together with other current financial assets of Baht 600.00 million, the Group continued to maintain a high level of liquidity.

Conclusion

The Company continues to focus on enhancing the efficiency and reliability of its power plant operations, managing fuel costs and expenses, appropriately managing liquidity and investments, and maintaining a strong capital structure in order to support its ability to generate sustainable returns over the long term.

Yours sincerely,

(Ms. Wachiraporn Netcharu)
Director
Earth Tech Environment Public Company Limited