Management Discussion and Analysis

BBGI Public Company Limited

For The Second Quarter 2026

Ended 30 June 2026

Driving Clean Energy Value
through Operational Excellence

Email : ir@bbgigroup.com
Tel : +66 2335 8812 / 8814

Executive Summary

In Q2/2026, the global economy remained subject to uncertainty from geopolitical developments and monetary policy direction. Although the prolonged conflict in the Middle East eased to some extent in mid-June 2026, lowering geopolitical risk premiums and softening global crude oil prices, energy prices remained volatile and continued to feed into inflationary pressure. This prompted the U.S. Federal Reserve (FED) to maintain a cautious monetary policy stance. The situation in the Middle East therefore warrants close monitoring, given its potential impact on energy prices and production costs.

Thai economy continued to expand, although the recovery was not yet broad-based across all sectors. Growth was mainly supported by exports and private investment, which benefited from the upcycle in the technology industry. Meanwhile, private consumption remained under pressure from the elevated living costs and slower income growth. The Bank of Thailand estimated that the Thai economy would grow by 2.3% in 2026. Headline inflation in June 2026 slowed to 2.4%, in line with lower energy prices after tensions in the Middle East began to ease. The Monetary Policy Committee (MPC) resolved to maintain the interest rate at 1.0% per annum at its meeting on 24 June 2026. Nevertheless, energy and raw material price trends remain uncertain and are key factors affecting the biofuel industry.

Sources: Bank of Thailand (BOT), K Research

Key Business Highlights for Q2/2026

Average Reference Price (THB/Liter)	Q2/2026	Q2/2025	YoY	Q1/2026	QoQ
Biodiesel Product (B100)	42.44	35.61	19%	36.94	15%
Ethanol Product	21.79	19.38	12%	20.82	5%

Source: Energy Policy and Planning Office (EPPO), Ministry of Energy

○ Biodiesel Business

In Q2/2026, the government continued to implement measures to strengthen energy security. The Energy Policy Administration Committee (EPAC) resolved to maintain the biodiesel blending ratio in high-speed diesel at B7 until 13 September 2026. In addition, the promotion of B20 diesel usage in April supported continued growth in domestic biodiesel demand throughout the quarter.

Domestic crude palm oil (CPO) prices remained elevated, supported by higher biodiesel consumption in major producing countries such as Indonesia and Malaysia as part of their energy security policies. This reduced CPO availability for export markets. In addition, energy and chemical costs used in biodiesel production remained high in line with global energy price conditions. As a result, the average B100 reference price in Q2/2026 was THB 42.44 per liter, representing increases of 19% YoY and 15% QoQ. The Company will continue to monitor government subsidy measures and biodiesel policy developments in the period ahead.

- **Ethanol Business**

In Q2/2026, the average ethanol reference price was THB 21.79 per liter, increasing 12% YoY, supported by lower domestic ethanol inventories following higher export demand. The reference price also increased 5% QoQ, reflecting continued high costs of key raw materials. Cassava prices were supported by export demand, while molasses supply remained limited due to demand from industrial users. These factors kept domestic ethanol prices at a high level, continuing from the previous quarter.

Measures to promote the use of E20 and E85 gasohol through price gap restructuring, which became effective in March 2026, continued to support domestic ethanol consumption. E20 remained popular among consumers due to its price competitiveness. However, raw material supply and price conditions, together with domestic demand trends, should be closely monitored, as these factors may affect ethanol price direction, domestic consumption, and future ethanol blending ratios.

BBGI Public Company Limited (the "Company") considers that geopolitical tensions in the Middle East, as well as the outcomes of international negotiations, remain highly uncertain and may affect energy price volatility, raw material prices, and market conditions in the next period. The Company therefore focuses on managing production, raw material sourcing, sales, and inventory levels to align with market conditions and customer demand, to reduce the impact of cost volatility and support business continuity.

Company Performance

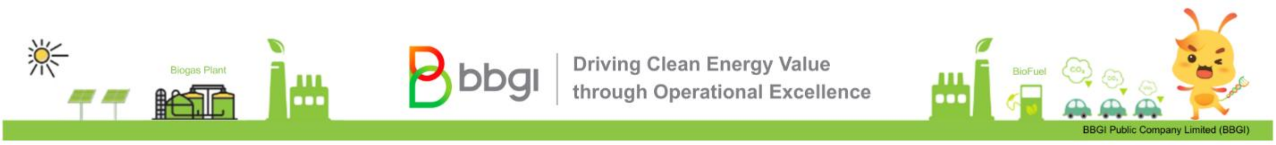
Sales Volume (Million Liters)	Q2/2026	Q2/2025	YoY	Q1/2026	QoQ	6M2026	6M2025	YoY
Biodiesel (B100)	115.47	83.33	39%	94.88	22%	210.35	170.51	23%
Ethanol	67.28	46.54	45%	68.67	-2%	135.95	113.19	20%

Unit: THB Million	Q2/2026	Q2/2025	YoY	Q1/2026	QoQ	6M2026	6M2025	YoY
Revenue from Sale of Goods	6,388	3,789	69%	4,849	32%	11,237	9,176	22%
Gross Profit (Loss)	631	46	1,254%	410	54%	1,040	326	219%
Profit (Loss) Attributable to Owners of Parent	485	(40)	1,318%	265	83%	750	89	745%

For Q2/2026, BBGI Public Company Limited and its subsidiaries (the "Group") recorded revenue from sale of goods of THB 6,388 million (+69% YoY, +32% QoQ), EBITDA of THB 607 million (+614% YoY, +49% QoQ), and profit attributable to owners of parent of THB 485 million (+1,318% YoY, +83% QoQ).

Operating performance by business segment is summarized below.

▲YoY	▲QoQ
Biodiesel Business (B100)	
(+) Gross profit increased due to higher B100 sales volume, supported by the continued B7 blending ratio throughout the quarter. The increase was also driven by a higher average B100 reference price and contribution from by-products, which recorded higher sales volume and selling prices in the global market compared with the same period last year. The Company focused on efficient production process management, energy usage, and cost control to mitigate the impact of elevated energy and chemical costs amid global energy price conditions.	(+) Gross profit increased from higher sales volume and a higher average B100 reference price compared with the previous quarter. This was supported by the continued B7 blending ratio throughout the quarter and contribution from by-products, which recorded higher sales volume and selling prices in the global market. The Company implemented measures to improve production efficiency, energy usage, and cost management to ensure appropriate resource utilization and reduce the impact of energy and chemical costs, which stayed elevated in line with global energy price conditions.
Ethanol Business	
(+) Gross profit increased due to higher ethanol sales volume and improved production process efficiency, together with effective raw material cost management and production cost control. These efforts helped reduce the impact of energy costs and production costs, which remained at a high level.	(-) Gross profit decreased due to higher raw material costs in the market, which pressured profit margins. Sales volume also declined slightly, partly due to the planned annual maintenance shutdown during the quarter. In addition, energy costs and production costs remained high. The Company continued to focus on production efficiency management and ongoing cost control.



For the first half of 2026 (6M2026), the Group recorded revenue from sale of goods of THB 11,237 million (+22% YoY), EBITDA of THB 1,014 million (+172% YoY), and profit attributable to owners of parent of THB 750 million (+745% YoY).

Operating performance by business segment is summarized below.

▲YoY
Biodiesel Business (B100)
(+) Gross profit increased due to higher B100 sales volume after the Department of Energy Business announced an increase in the biodiesel blending ratio in high-speed diesel to B7 from B5, effective from 14 March to 13 September 2026. The business was also supported by by-products, whose average prices increased in line with global markets compared with the same period last year. In addition, the Company implemented measures to improve production efficiency, energy usage, and cost management to ensure appropriate resource utilization and mitigate the impact of elevated energy and chemical costs amid global energy price conditions.
Ethanol Business
(+) Gross profit increased due to higher sales volume and improved average selling prices compared with the same period last year, together with continuous management of production efficiency and raw material costs. Although energy costs and production costs remained high, the Company continued to focus on efficient production process management, energy usage, and cost control to reduce the impact of high production costs.

Significant Events in Q2/2026

○ BSGF Co., Ltd. commenced commercial production of Sustainable Aviation Fuel (SAF)

On 21 May 2026, BSGF Co., Ltd. (BSGF), an associate in which the Company holds a 20% stake, commenced commercial operations and made the first delivery of Sustainable Aviation Fuel (SAF) from Thailand's first standalone SAF production unit, located within the Phra Khanong Refinery. With a production capacity of 7,000 barrels per day, the facility marks a significant milestone in the Company's expansion into clean energy and low-carbon aviation fuel.

Statement of Income

Unit: THB Million	Q2/2026	Q2/2025	YoY	Q1/2026	QoQ	6M2026	6M2025	YoY
Revenue from Sale of Goods	6,388	3,789	69%	4,849	32%	11,237	9,176	22%
Cost of Sale of Goods	(5,757)	(3,743)	54%	(4,439)	30%	(10,197)	(8,851)	15%
Gross Profit (Loss)	**631**	**46**	**1,254%**	**410**	**54%**	**1,040**	**326**	**219%**
Other Income	9	22	-60%	5	68%	14	26	-46%
Distribution Costs and Administrative Expenses	(147)	(100)	47%	(114)	29%	(260)	(204)	28%
Losses from Impairment and Write-off of Assets	(174)	(0.18)	99,177%	(0.81)	21,317%	(175)	(0.50)	35,011%
Share of Profit (Loss) of Associate and Joint Venture	177	(1)	16,930%	(9)	2,023%	168	(9)	1,937%
Profit (Loss) Before Tax Income (Expense)	**496**	**(33)**	**1,620%**	**291**	**70%**	**787**	**139**	**465%**
Finance Costs	(10)	(18)	-45%	(12)	-19%	(22)	(38)	-42%
Tax Income (Expense)	(8)	10	-181%	(14)	-44%	(22)	(14)	56%
Profit (Loss) for the Period	**478**	**(41)**	**1,281%**	**264**	**81%**	**742**	**87**	**748%**
Profit (Loss) Attributable to Owners of Parent	485	(40)	1,318%	265	83%	750	89	745%
Basic Earnings (Loss) per Share (in Baht)	0.34	(0.03)		0.18		0.52	0.06	

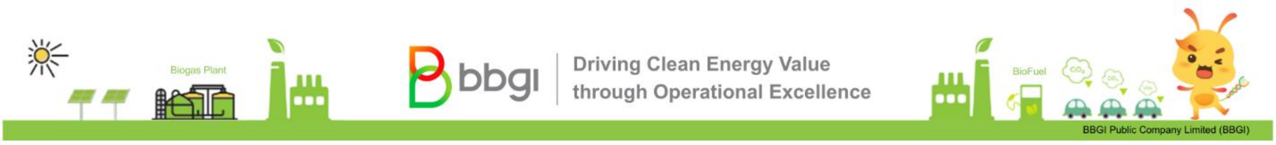
Note: Certain percentage changes are significant due to a low base or loss position in the comparative period.

For Q2/2026, the Group reported revenue from sale of goods of THB 6,388 million (+69% YoY, +32% QoQ), gross profit of THB 631 million (+1,254% YoY, +54% QoQ), and profit attributable to owners of parent of THB 485 million (+1,318% YoY, +83% QoQ), equivalent to earnings of THB 0.34 per share.

Key operating performance highlights are summarized below.

- **Revenue from sale of goods**

  The Group reported revenue from sale of goods of THB 6,388 million, increasing by THB 2,599 million or 69% YoY, and THB 1,539 million or 32% QoQ. The increase was mainly driven by higher sales volume and higher average reference prices for biodiesel products, particularly B100 sales volume following the continued B7 blending ratio in high-speed diesel throughout the quarter. Revenue growth was also supported by higher ethanol sales volume and higher average ethanol reference prices compared with the same period last year.



- **Gross Profit**

  The Group recorded gross profit of THB 631 million, increasing by THB 584 million or 1,254% YoY, and THB 221 million or 54% QoQ. The increase was primarily driven by improved performance in the biodiesel business, supported by higher sales volume, higher average B100 reference prices, and contributions from by-products. The ethanol business also benefited from higher average reference prices. However, profitability was pressured by higher raw material costs and a slight decline in sales volume compared with the previous quarter. Energy and chemical costs also remained high. The Company continued to focus on production efficiency, energy management, and cost control to mitigate the impact of higher production costs.

- **Distribution costs and administrative expenses**

  The Group recorded distribution costs and administrative expenses of THB 147 million, increasing THB 47 million or 47% YoY, and THB 33 million or 29% QoQ. The increase was mainly attributable to higher distribution expenses in line with increased sales volume, higher transportation costs following oil price movements, and operating support expenses across the Group.

- **Net Profit**

  Profit attributable to owners of parent was THB 485 million, increasing by THB 525 million or 1,318% YoY, and THB 220 million or 83% QoQ. The improvement was mainly driven by higher gross profit from the Group's core businesses and a higher share of profit from investments in associates and joint ventures. In Q2/2026, the Group recognized a share of profit from associates and joint ventures of THB 177 million, contributing to stronger operating results compared with the previous quarter and a significant recovery from the loss recorded in the same period last year. During the quarter, the Group reviewed the utilization plan for certain assets to align with future business policies and production plans. As a result, the Group recognized total impairment and write-off of assets amounting to THB 174 million. This item does not reflect the normal operating performance of the Group's core business.

For the first half of 2026 (6M2026), the Group reported revenue from sale of goods of THB 11,237 million (+22% YoY), gross profit of THB 1,040 million (+219% YoY), and profit attributable to owners of parent of THB 750 million (+745% YoY), equivalent to earnings of THB 0.52 per share.

Key operating performance highlights are summarized below.

- **Revenue from sale of goods**

  The Group reported revenue from sale of goods of THB 11,237 million, increasing by THB 2,061 million or 22% YoY. The increase was mainly driven by higher sales volumes of biodiesel and ethanol products compared with the same period last year, particularly higher B100 sales volume following the increase in the biodiesel blending ratio in high-speed diesel to B7. Revenue was also supported by by-products, which recorded higher average selling prices compared with the same period last year.

- **Gross Profit**

  The Group recorded gross profit of THB 1,040 million, increasing by THB 714 million or 219% YoY. The increase was mainly driven by higher sales volumes of biodiesel and ethanol products compared with the same period last year, together with contributions from biodiesel by-products, which recorded higher average selling prices, and continued management of production efficiency and raw material costs. However, production costs increased due to higher energy and chemical costs following geopolitical tensions in the Middle East. The Company continued to focus on production cost management and operational efficiency improvement to mitigate these impacts.

- **Distribution costs and administrative expenses**

  The Group recorded distribution costs and administrative expenses of THB 260 million, increasing THB 56 million or 28% YoY. The increase was mainly attributable to higher distribution expenses in line with increased sales volume, higher transportation costs following oil price movements, and operating support expenses across the Group.

- **Net Profit**

  Profit attributable to owners of parent was THB 750 million, increasing by THB 661 million or 745% YoY. The improvement was mainly driven by higher gross profit from increased sales volume of the Group's core products, continued management of production efficiency and raw material costs, and a higher share of profit from investments in associates and joint ventures of THB 168 million recognized in Q2/2026. These factors contributed to a significant improvement in operating results compared with the previous year.

Financial Position

Unit: THB Million	30 June 2026	31 December 2025
Total Assets	13,649	12,682
Total Liabilities	3,741	3,339
Total Equity	9,907	9,343

- **Assets**

  As of 30 June 2026, the Group reported total assets of THB 13,649 million, increasing by THB 967 million or 8% compared with 31 December 2025. Total assets comprised current assets of THB 4,549 million, or 33% of total assets, and non-current assets of THB 9,100 million, or 67% of total assets. Key changes during the period included an increase in trade receivables of THB 843 million, in line with higher sales from the B7 policy and higher selling prices, and an increase in inventories of THB 480 million due to seasonal raw material stockpiling. Meanwhile, other current receivables decreased by THB 389 million following the gradual receipt of raw materials.

- **Liabilities**

  As of 30 June 2026, the Group reported total liabilities of THB 3,741 million, increasing by THB 402 million or 12% compared with 31 December 2025. Total liabilities comprised current liabilities of THB 2,947 million, or 79% of total liabilities, and non-current liabilities of THB 794 million, or 21% of total liabilities. Key changes during the period included an increase in trade payables of THB 985 million, in line with higher raw material purchase volume for production under the B7 policy and higher raw material prices. Meanwhile, the Group repaid loans from financial institutions totaling THB 290 million.

- **Equity**

  As of 30 June 2026, the Group reported total equity of THB 9,907 million, increasing by THB 565 million or 6% compared with 31 December 2025. The increase was mainly driven by profit for the period. The Group also paid dividends totaling THB 217 million in accordance with the resolution of the 2026 Annual General Meeting of Shareholders.

Cash Flow

As of 30 June 2026, the Group reported cash and cash equivalents of THB 560 million, with details as follows.

Unit: THB Million	30 June 2026	30 June 2025
Net cash from (used in) operating activities	1,092	615
Net cash from (used in) investing activities	(42)	(353)
Net cash from (used in) financing activities	(892)	(438)
Net increase (decrease) in cash and cash equivalents	159	(176)
Cash and cash equivalents at the beginning of the period	401	547
Cash and cash equivalents at the end of the period	560	371

- Net cash from operating activities amounted to THB 1,092 million. Key items included profit for the period of THB 742 million and an increase in trade payables of THB 985 million, partially offset by an increase in trade receivables of THB 843 million and an increase in inventories of THB 481 million due to raw material procurement to support the B7 policy.
- Net cash used in investing activities amounted to THB 42 million, primarily reflecting investments to improve production efficiency and maintain equipment and systems related to the Group's operations.
- Net cash used in financing activities amounted to THB 892 million, reflecting the Group's capital structure and liquidity management. Key items included repayment of short-term loans from related parties of THB 357 million, repayment of loans from financial institutions of THB 290 million, and dividend payment of THB 217 million.

Key Financial Ratios

	Q2/2026	Q2/2025	Q1/2026
Gross Profit Margin (%)	9.87%	1.23%	8.45%
Net Profit Margin (%)	7.48%	-1.08%	5.45%
Return On Equity (ROE) (%)	10.00%	1.5%	4.49%
Return On Assets (ROA) (%)	8.12%	2.27%	4.10%
Current Ratio (Times)	1.54	1.29	1.48
Interest-Bearing Debt To Equity (IBD/E) (Times)	0.19	0.30	0.22

Note:

Gross Profit Margin (%)	= Gross Profit / Total Revenue
Net Profit Margin (%)	= Profit (Loss) for the Period / Total Revenue
Return On Equity (ROE) (%)	= Profit (Loss) Attributable to Owners of Parent / Average Total Equity Attributable to Owners of Parent
Return On Assets (ROA) (%)	= Profit (Loss) Before Finance Costs and Tax Income (Expense) / Average Total Assets
Current Ratio (Times)	= Current Assets / Current Liabilities
Interest-Bearing Debt To Equity (IBD/E) (Times)	= Interest Bearing Debt / Total Equity

Corporate Sustainability Operations

In Q2/2026, the business environment remained uncertain amid global economic conditions, geopolitical conflicts, and volatility in energy and raw material prices, which could affect the Company's costs and operations. The Company closely monitored relevant risks and managed its business prudently, with an emphasis on good corporate governance, transparency, and financial discipline to support business continuity and operational stability.

The Company continued to carry out activities related to environmental impact management, greenhouse gas emission intensity, energy and resource efficiency, and stakeholder engagement. These activities support risk management and long-term business resilience. Key activities during the period are summarized below:

1. Environmental Dimension The Company places importance on efficient energy management across the Group. This includes the appropriate use of renewable energy, energy generated from production processes, and resource sharing among group companies. These efforts help reduce reliance on external energy sources, control operating costs, and manage environmental impacts across the value chain. Key initiatives are summarized as follows:
    - Climate Change The Company monitored and managed greenhouse gas emission intensity. Based on the Group's cumulative six-month performance, emission intensity was 122 tons of carbon dioxide equivalent per million liters of products, which was below the Company's target. This performance was supported by ongoing management and improvement of energy and utility efficiency in the production process.
    - ASAFA IPS Thailand 2026 The Company participated in ASAFA Members Day and shared information on the development of Thailand's SAF industry, including feedstock readiness, industry progress, and development directions. The Company also exchanged views with representatives from aviation and energy organizations, as well as related agencies from several countries. The Company has exposure to the biofuel business through its investment in BSGF Co., Ltd. (BSGF), a company under Bangchak Group that produces Sustainable Aviation Fuel (SAF) using HEFA-SPK technology.
2. Social Dimension The Company conducts its business with consideration of stakeholder interests and social responsibility. The Company has applied the Creating Shared Value (CSV) approach by using the organization's capabilities and resources to support community development, income generation, and quality-of-life improvement, while creating appropriate economic value for the business.

    In addition, the Company adheres to the principles of respect for human rights, stakeholder engagement, and compliance with laws and standards on safety, occupational health, and working environment, to prevent potential impacts on employees, contractors, communities, and relevant stakeholders.

- Corporate Social Responsibility
  - BBGI Biodiesel Co., Ltd. organized a public awareness campaign under the "Fry to Fly" project, encouraging communities to properly separate and manage used cooking oil and avoid disposal into waterways. The activity included community visits to provide knowledge on used cooking oil management, raise awareness of environmental impact reduction, and promote awareness of health considerations related to repeatedly used frying oil. The Company also communicated the potential use of used cooking oil as a feedstock for further development into alternative energy, including Sustainable Aviation Fuel (SAF).
  - BBGI Bioethanol Public Company Limited, Nam Phong Branch, Khon Kaen Province, organized the Ban Na Khu Community Water Supply System Development Project to improve the community water supply system and enhance water availability for local use. The project also promoted collaboration among public and private sector organizations and relevant agencies in the area.

3. Governance and Economic Dimension The Company conducts its business prudently and transparently, with a commitment to good corporate governance and financial discipline. The Company aims to create appropriate returns for shareholders and value for stakeholders, while strengthening organizational resilience and supporting long-term business development.
   - Corporate Governance The Company held the 2026 Annual General Meeting of Shareholders, at which the meeting approved the dividend payment from the 2025 operating results at the rate of 0.15 THB per share. The Company paid the dividend on 30 April 2026 in accordance with the shareholders' resolution. This reflected the Company's operations under good corporate governance principles, consideration of shareholder returns, and financial discipline. The Company also continued to drive its Operational Excellence strategy to improve efficiency and competitiveness, while pursuing growth opportunities through the project to produce Sustainable Aviation Fuel (SAF) from used cooking oil to support long-term business development.
   - Anti-Corruption The Company received its first renewal certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC). The Company continued to implement anti-corruption measures through policies, risk assessment, internal control systems, whistleblowing channels, and communications to directors, executives, and employees. These measures support transparent and accountable operations, compliance with applicable laws and good corporate governance principles, and stakeholder confidence.