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Interroyal Engineering

Interroyal Engineering Public Company Limited
บริษัท อินเตอร์รอแยล เอ็นจิเนียริ่ง จำกัด (มหาชน)
Tax ID. NO. 0107566000691 (Head Office)

August 11, 2026

Subject: Operating Results for 2/2026 Ended June 30, 2026

To: President
The Stock Exchange of Thailand

Interroyal Engineering Public Company Limited and its subsidiaries (the "Company") hereby submit the Management Discussion and Analysis of the operating results based on the consolidated financial statements for the six-month period ended 30 June 2026, as approved by the Board of Directors' Meeting No. 3/2026 held on 11 August 2026, as follows:

Summary of Operating Results for the Six-Month Period Ended 30 June 2026

Statement of Comprehensive Income	30-Jun-26		31-Mar-25		Increase/(Decrease)	
	THB mn	% of TR	THB mn	% of TR	THB mn	% change
Revenue from sales	126.26	54.25%	82.55	46.70%	43.70	53%
Revenue from sales with installation.	96.60	41.51%	86.11	48.72%	10.49	12%
Total operating revenues	**222.85**	**95.76%**	**168.67**	**95.42%**	**54.19**	**32%**
Other income	9.87	4.24%	8.10	4.58%	1.77	22%
Total revenue	**232.73**	**100.00%**	**176.76**	**100.00%**	**55.96**	**32%**
Cost of sales	67.91	29.18%	45.82	25.92%	22.10	48%
Cost of goods sold with installation.	64.78	27.84%	54.57	30.87%	10.21	19%
Total operating expense	132.69	57.02%	100.38	56.79%	32.31	32%
Gross Profit	**100.03**	**42.98%**	**76.38**	**43.21%**	**23.65**	**31%**
Distribution costs	2.22	0.96%	2.08	1.18%	0.14	7%
Administrative expenses	15.53	6.67%	13.52	7.65%	2.02	15%
Profit from operating activities	**82.28**	**35.35%**	**60.78**	**34.39%**	**21.49**	**35%**
Financial costs	0.17	0.07%	0.97	0.55%	0.80	-82%
Profit before income tax.	82.10	35.28%	59.81	33.84%	22.29	37%
income tax	16.20	6.96%	10.67	6.03%	5.53	52%
Profit for the year	**65.91**	**28.32%**	**49.15**	**27.80%**	**16.76**	**34%**

Operating Revenue and Net Profit

The Company achieved strong growth in its operating performance during the first six months of 2026, with total revenue of THB 232.73 million, representing an increase of THB 55.96 million, or 32% year-on-year ("YoY"), compared with the first six months of 2025. This growth was driven by the successful implementation of the Company's strategy to expand into new business areas, as detailed below:

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Business Unit	Revenue (THB million)
Energy Business Group	72.87
Communication, Smart Solutions and Advanced Defense Technology Business Group	73.35
Petroleum and Natural Gas Business Support Business Group	6.06
Environmental Management Support and Future New Energy Business Group	70.57
Other income	9.88

During the first six months of 2026:

- Cost of sales and cost of sales with installation amounted to THB 132.69 million, representing 57% of total revenue, an increase of THB 32.31 million compared with the first six months of 2025. The increase was primarily attributable to the growth in revenue from both sales and sales with installation.
- Distribution costs and administrative expenses totaled THB 17.75 million, an increase of THB 2.15 million. This increase was mainly attributable to the expansion of the Company's workforce to support the increased volume of projects.

The Company recorded net profit for the first six months of 2026 of THB 65.91 million, representing an increase of THB 16.76 million, or 34%, compared with the first six months of 2025. The improvement was attributable to the Company's strategic adjustments, including the expansion of its business segments, expansion of its customer base, continued strengthening of relationships with key customers, effective cost control, and efficient management of distribution and administrative expenses.

Statement of Financial Position as at 30 June 2026

Consolidated Financia Statements	30-Jun-26	31-Dec-25	Increase/(Decrease)	
	THB mn	THB mn	THB mn	% change
Cash and cash equivalents.	59.96	92.72	(32.76)	-35%
Other current financial assets	241.72	309.04	(67.33)	-22%
Trade and other current receivables	97.82	37.21	60.60	163%
Inventory	22.79	51.90	(29.11)	-56%
Other non-current financial assets	131.03	119.47	11.56	0%
Other assets	84.11	83.82	0.29	0%
Total assets	**637.42**	**694.17**	**(56.75)**	**-8%**
Trade and other current payables	8.18	11.17	(2.98)	-27%
Contract liabilities	6.57	23.01	(16.45)	-71%
Outstanding corporate income tax.	15.73	20.55	(4.82)	-23%
Non-current liabilities	8.61	7.97	0.64	8%
Total liabilities	**39.09**	**62.70**	**(23.61)**	**-38%**
Ordinary shares	115.00	115.00	-	0%
Premium on ordinary shares	340.46	340.46	-	0%
Unappropriated	122.73	156.94	(34.21)	-22%
Other shareholders' portion	20.14	19.07	1.07	6%
Total shareholders' equity	**598.33**	**631.47**	**(33.14)**	**-5%**
Consolidate liabilities and shareholders' equity.	**637.42**	**694.17**	**(56.75)**	**-8%**

Total Assets

As at 30 June 2026, the Company had total assets of THB 637.42 million, representing a decrease of THB 56.75 million, or 8%, compared with the financial statements as at 31 December 2025. The major changes in the Company’s assets included decreases in cash and cash equivalents and other current financial assets, while trade and other current receivables increased. In addition, inventories at the end of the period decreased as a result of project deliveries and revenue recognition from the Communication, Smart Solutions and Advanced Defense Technology Business Group (Anti-Drone solutions).

Total Liabilities and Shareholders' Equity

As at 30 June 2026, the Company had total liabilities of THB 39.09 million, representing a decrease of THB 23.61 million, or 38%, primarily due to decreases in contract liabilities and corporate income tax payable. The Company had total shareholders' equity of THB 598.33 million, representing a decrease of THB 33.14 million compared with 31 December 2025, mainly due to the net effect of the Company's net profit and dividend payment.

Key Financial Ratios for the Consolidated Financial Statements as at 30 June 2026

Financial Ratios, Consolidated Financial Statements	31-Mar-26	31-Dec-25	Increase/(Decrease)	
	%	%	Quantity	%
Rate of return on assets	20.68%	19.50%	1.18%	6%
Return on equity	22.03%	21.44%	0.59%	3%
Liquidity ratio (times)	14.54	10.11	4.43	44%
Quick Ratio (times)	13.80	9.15	4.65	51%
Debt-to-equity ratio (times)	0.07	0.10	(0.03)	34%
Interest coverage ratio	474.82	62.68	412.13	657%

The Company's key financial ratios improved significantly across all indicators, in line with its operating performance for the six-month period ended 30 June 2026. The Company achieved an improvement in return on equity, enhanced the efficiency of its asset management, and strengthened its overall liquidity position.

Business Outlook and Backlog

The Company remains committed to pursuing continued future growth. As at 30 June 2026, the Company had a backlog of more than THB 620 million.

The Company recognizes the importance of continued business expansion, driven by recurring projects from existing customers (Recurring Income), as well as project work scheduled for delivery in both the third and fourth quarters of 2026.

In 2026, the Company is well positioned to expand into businesses with the potential to generate sustainable long-term revenue, comprising the following four principal business groups:

- Communication, Smart Solutions and Advanced Defense Technology Business Group
- Petroleum and Natural Gas Business Support Business Group
- Environmental Management Support Business Group
- Future New Energy Business Group

The expansion into these businesses will strengthen the Company's business ecosystem, enhance its competitiveness, and support sustainable long-term growth. The Company currently has projects with a total value of more than THB 2.5 billion that are expected to be available for bidding in 2026 and 2027.

Conclusion

In summary, the Company's operating results for the first six months of 2026 demonstrated significant growth in both revenue and net profit compared with the first six months of 2025. The Company continued to effectively manage its costs and expenses. In addition, the Company has expanded its existing businesses in areas where it possesses strong expertise, while also developing new business opportunities to broaden its comprehensive range of services and establish a sustainable source of revenue growth.