- Translation -

Bangkok Aviation Fuel Services Public Company Limited

Management Discussion & Analysis

For the Quarter Ended September 30, 2026

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Executive Summary

During the first nine months of 2026, Thailand's tourism industry continued to face challenges arising from both domestic and external factors, resulting in a gradual recovery of the tourism sector. According to the Ministry of Tourism and Sports, Thailand welcomed approximately 23.2 million international tourist arrivals, representing a 4% decrease compared to the same period of the previous year. Although the Chinese and Taiwanese tourist markets recorded growth, this was insufficient to fully offset the slowdown in tourist arrivals from certain key markets, particularly Malaysia and South Korea. Meanwhile, domestic tourism remained a key supporting factor, with the number of domestic trips made by Thai tourists increasing by 3% compared to the same period of the previous year.

In addition, the tourism sector continued to face pressure from the limited economic recovery and uncertainties surrounding purchasing power, as well as heavy rainfall and flooding in several areas of Thailand, particularly during September 2026. These conditions affected transportation and access to airports in certain areas and caused disruptions to some flight operations. Nevertheless, such impacts were limited to specific locations and periods, with no indications of a significant impact on overall travel demand among international tourists.

As a result of the aforementioned factors, the overall aviation industry and demand for aviation fuel experienced limited growth. This was reflected in the aviation fuel uplift volume during the first nine months of 2026, which stood at 3,955 million liters, remaining at a level comparable to the same period of the previous year. This represented 87% of the pre-COVID-19 level and 73% of the full-year target of 5,400 million liters.

When considering aviation fuel uplift volumes by region, East Asia and the Pacific continued to account for the largest share at 29% of the total volume, with fuel uplift volume decreasing by 1% compared to the same period of the previous year. Meanwhile, European routes, accounting for 23% of the total volume, recorded a 7% increase in fuel uplift volume, while domestic routes, representing 14%, recorded a 3% increase. These were key factors supporting the overall aviation fuel uplift volume. However, fuel uplift volumes on Southeast Asian and South Asian routes declined by 7% and 12%, respectively, resulting in limited growth in the overall aviation fuel uplift volume.

The Company continues to closely monitor the recovery trends of the tourism industry, changes in flight volumes and routes, as well as economic and climatic factors that may affect air travel demand. At the same time, the Company remains focused on operational management and efficiency improvements to maintain its service capabilities and support future growth opportunities in the aviation industry.

The Utilities Business recorded an oil transportation volume through the pipeline system of 927 million liters, representing a 10% decrease compared to the same period of the previous year, while the Power Business continued to actively seek investment opportunities.

During the first nine months of 2026, BAFS Pipeline Transportation Co., Ltd. (BPT) recorded a 10% decrease in fuel transportation volume through its pipeline system compared to the same period of the previous year, primarily due to high fuel prices, which affected fuel demand from consumers and businesses. As a result, customers adjusted their fuel transportation volumes through the pipeline system to align with market conditions and demand in each area.

In September 2026, a fuel contamination incident occurred in the drainage system along Chuea Phloeng Road and beneath the Rama III elevated road, resulting in the temporary suspension of certain sections of the pipeline system. However, the incident had a limited impact on the Company's operations. The Company has granted a lessee the right to lease the pipeline system along the affected route, with the lessee being responsible for the operation, maintenance, and repair of the pipeline system in accordance with the terms and conditions stipulated in the lease agreement. Meanwhile, the Company has arranged insurance coverage to protect against risks associated with the pipeline system, covering potential damages and mitigating the impact on the Company.

The affected sections of the pipeline system have undergone repairs and inspections in accordance with relevant safety standards and have resumed normal operations since October 2026.

BAFS GROUP's operating performance for the first nine months of 2026. Despite a decline in revenue and EBITDA, net profit continued to grow.

During the first nine months of 2026, although total revenue and EBITDA decreased by 4% compared to the same period of the previous year, to 2,649.1 million baht and 1,312.5 million baht, respectively, the Company maintained its profitability at a satisfactory level. As a result, net profit attributable to the Company's shareholders increased to 260.4 million baht, representing an 7% increase compared to the same period of the previous year.

Financial Highlights

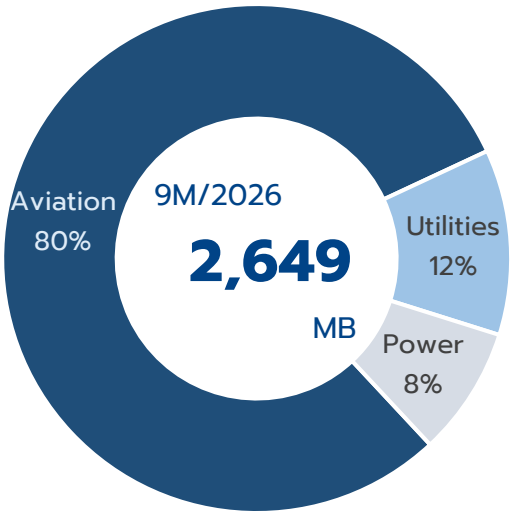
Unit : Million baht	3Q/25	2Q/26	3Q/26	Change		9M/25	9M/26	Change
				QoQ	YoY			YoY
Total Revenues [1]	915	839	843	0%	(8%)	2,758	2,649	(4%)
Total Expenses [2]	716	646	681	5%	(5%)	2,050	1,980	(3%)
Operating Profit (Loss)	199	193	162	(16%)	(19%)	709	669	(6%)
Net Profit (Loss) to Equity holders	44	61	48	(21%)	10%	243	260	7%
Earnings per Share (Baht/Share)	0.05	0.07	0.05	(23%)	7%	0.32	0.34	8%
EBITDA [3]	424	402	377	(6%)	(11%)	1,368	1,312	(4%)

[1] Total revenues excluded finance income and gain on change in value of financial assets designated at fair value through profit

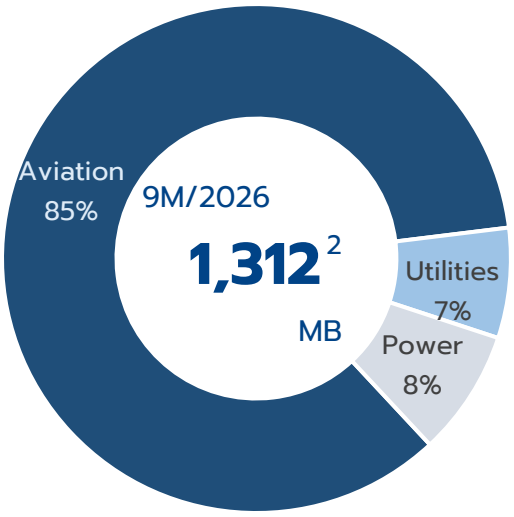
[2] Total expenses excluded finance cost and loss on change in value of financial assets designated at fair value through loss

[3] EBITDA = Operating profit (loss) + Depreciation and amortization

Total Revenue



EBITDA[1]



[1] % of EBITDA calculated from amount before eliminations

[2] EBITDA amount after eliminations

Total Performance 3Q/26 vs. 3Q/25

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries ("the Group") reported total revenue of 842.6 million baht, a decrease of 8% from the same period of the previous year. The decline was primarily attributable to lower revenue from the **Aviation Business**, reflecting a slowdown in aviation fuel uplift volume due to the impact of the situation in the Middle East, as well as a decrease in revenue from the sale of aircraft refueling vehicles compared to the same period of the previous year. Meanwhile, revenue from the **Utilities Business** declined due to the temporary suspension of pipeline operations following the detection of an fuel leak along the pipeline beneath the Rama III elevated expressway, together with a decrease in revenue from fuel storage services. Revenue from the **Power Business** also decreased as a result of lower electricity sales volume from solar power plants, in line with reduced solar irradiance.

EBITDA in 3Q/2026 amounted to 377.4 million baht, a decrease of 11% compared to the same period of the previous year, in line with the decline in revenue from all 3 business segments as mentioned above. However, the Group continued to effectively manage costs and control operating expenses. Overall operating expenses (excluding depreciation and amortization) decreased by 5% compared to the same period of the previous year, primarily due to lower costs of aircraft refueling vehicle sales in line with the decline in sales revenue, as well as lower repair and maintenance expenses for the aviation fuel storage and fuel pipeline transportation systems.

In addition, the Group continued to effectively manage its financial costs, resulting in a 16% decrease in net finance costs compared to the same period of the previous year, driven by the continuous repayment of loans to financial institutions, together with reductions in lending interest rates by commercial banks. These were key factors supporting net profit growth. As a result, in 3Q/2026, the Group recorded **net profit** attributable to shareholders of the Company of 48.0 million baht, an increase of 10% compared to the same period of the previous year, representing earnings per share of 0.05 baht and a Net Profit Margin of 4%, reflecting the Group's ability to maintain profitability despite declines in revenue and EBITDA.

Total Performance 9M/26 vs. 9M/25

BAFS GROUP recorded **net profit** attributable to the Company's shareholders of 260.4 million baht, representing an 7% increase compared to the same period of the previous year, with earnings per share of 0.34 baht and a net profit margin of 8%. Although total revenue and EBITDA declined compared to the same period of the previous year, primarily due to a slowdown in the aviation refueling services business affected by the situation in the Middle East, the Group was able to maintain its profitability through effective cost and expense management. Overall operating expenses decreased by 3%, mainly attributable to lower costs of aircraft refueling vehicle sales in line with the decline in sales revenue, as well as reduced repair and maintenance expenses.

In addition, the Group continued to effectively manage its finance costs, resulting in a 15% decrease in net finance costs compared to the same period of the previous year, driven by gradual loan repayments to financial institutions and reductions in lending interest rates by commercial banks. As a result, net profit increased compared to the same period of the previous year, despite the decline in total revenue.

Key Events in 3Q/26

- **Progress of the Northern Fuel Pipeline Transportation System Project Phase 3 (Ang Thong–Saraburi)**

  The Group continues to proceed with the construction of the Northern Fuel Pipeline Transportation Network Project Phase 3 (Ang Thong–Saraburi), covering a distance of approximately 52 kilometers. Construction progress has reached 95%, and commercial operations are expected to commence in early 2027. The project will connect the fuel pipeline transportation network from the Eastern region to the Northern region, enhance transportation efficiency, and support long-term revenue growth. The Group expects to recognize a full year of service revenue for the first time in 2027.

In addition, BPT contributes to reducing greenhouse gas emissions by transporting fuel through pipelines instead of trucks. From June 2019 to March 2026, BPT achieved cumulative greenhouse gas emission reductions of approximately 140,231 tonnes of carbon dioxide equivalent (tCO_2e). Of this amount, 48,844 tCO_2e from Phase 1 have been certified under the international VERRA standard, while 36,238 tCO_2e from Phase 2 are currently undergoing the certification process.

- **Progress of the Waste-to-Energy Power Plant Project**

  The Group has invested in Surat Eco Power Co., Ltd., holding a 30% equity stake, to invest in a waste-to-energy power plant project with an installed capacity of 9.9 megawatts, designed to process approximately 500 tons of waste per day.

  As of September 2026, the project had achieved approximately 87% construction progress and is expected to commence commercial operations by December 2026.

- **Enhancing Aircraft Refueling Service Efficiency through the IRIS System at Don Mueang International Airport**

  The Company is currently preparing to implement the IRIS (Intelligent Refuelling Information System), an intelligent refueling management system, in actual operations at Don Mueang International Airport, with implementation expected to commence within the fourth quarter of 2026, following its successful implementation in actual operations at Suvarnabhumi Airport since the second quarter of 2025. The system aims to enhance the efficiency of aircraft refueling process management, improve data accuracy, and continuously support efficient and standardized services. The system is capable of automatically collecting, integrating, and analyzing data in real time, supporting faster, more accurate, and safer refueling operations, reducing errors, and enhancing transparency in data verification, thereby elevating aircraft refueling service standards.

- **Development of the Fuel Inventory Management System (FIMS)**

  The Group continues to develop the Fuel Inventory Management System (FIMS) to enhance the efficiency of integrated fuel inventory management, covering processes from fuel receipt, storage, transfer, and inventory balance management to the preparation of service billing documents. The system focuses on data integration, improving data accuracy and transparency, reducing operational redundancy, and supporting efficient resource utilization. Currently, the project is expected to officially go live by January 2027.

Performance by Business Segment

Aviation Business

Description	3Q/25	2Q/26	3Q/26	Change		9M/25	9M/26	Change
				QoQ	YoY			YoY
Aviation Fuel Volume (Million litres)								
Don Mueang Airport	234	204	186	(9%)	(21%)	732	669	(9%)
Suvarnabhumi Airport	1,031	1,031	1,049	2%	2%	3,212	3,286	2%
Total	1,265	1,235	1,235	0%	(2%)	3,944	3,955	0%
Flights [1]	69,901	67,631	67,680	0%	(3%)	214,972	215,135	0%
Revenues (Million baht) [2/3]	747	668	695	4%	(7%)	2,225	2,161	(3%)
EBITDA (Million baht) [3]	348	316	318	1%	(9%)	1,103	1,084	(2%)

[1] Total Flights was data of flights that serviced by BAFS only at BKK and DMK

[2] The revenue of the Aviation business segment consists of the revenue of BAFS, TARCO, and BAFS INTECH

[3] Revenue and expenses excluded gain(loss) on exchange rate

Performance 3Q/26 vs. 3Q/25

- **Total revenue amounted to 695.3 million baht, a decrease of 7%.** This was primarily attributable to the Aviation Business, which recorded service revenue of 649.1 million baht, decreasing by 4% in line with the slowdown in the Group's total aviation fuel uplift volume and the total number of flights served at Suvarnabhumi and Don Mueang International Airports, which declined by 2% and 3%, respectively, compared to the same period of the previous year. This was due to the impact of the situation in the Middle East, which led to higher aviation fuel prices and increased operating costs for airlines, prompting some airlines to reduce flight frequencies, seating capacity, and suspend certain routes. In addition, revenue from the sale of aircraft refueling vehicles decreased compared to the same period of the previous year.

- **EBITDA amounted to 318.1 million baht, a decrease of 9%,** primarily due to the decline in revenue from the Aviation Business, as mentioned above. Meanwhile, operating expenses decreased, mainly attributable to lower repair and maintenance expenses for aviation fuel storage systems, as well as lower costs of aircraft refueling vehicle sales in line with the decline in sales revenue.

Performance 9M/26 vs. 9M/25

- **Total revenue amounted to 2,161.2 million baht, a decrease of 3%.** The Aviation Business recorded revenue from the sale of aircraft refueling vehicles of 27.3 million baht, decreasing by 58% due to fewer deliveries of aircraft refueling vehicles. In addition, service revenue amounted to 2,075.6 million baht, decreasing by 1%, in line with the slowdown in aviation fuel uplift volume, particularly at Don Mueang International Airport, where fuel uplift volume declined by 9% due to a decrease in the number of international flights and the average fuel uplift volume per flight. This was attributable to adjustments in airlines' operating plans and fuel uplift management to align with fuel costs and business conditions. Meanwhile, fuel uplift volume at Suvarnabhumi Airport increased by 2%, partially offsetting the decline.

  During the first nine months of 2026, the overall aviation fuel uplift volume recovered to 87% of the pre-COVID-19 level. The top 5 destinations in terms of fuel uplift volume were China, Thailand (domestic routes), Japan, India, and the United Arab Emirates. China, which accounted for the largest share, recorded a fuel uplift volume of 643.7 million liters, representing a 1% decrease compared to the same period of the previous year, due to China's economic slowdown and changes in travel behavior. Meanwhile, fuel uplift volume on routes to India decreased by 16% as airlines reduced flight frequencies and temporarily suspended certain routes to manage higher fuel costs. Nevertheless, these declines were partially offset by increases in fuel uplift volumes on domestic routes and routes to the United Arab Emirates, which grew by 3% and 5%, respectively, reflecting sustained domestic travel demand and international flight connectivity.

- **EBITDA amounted to 1,083.6 million baht, a decrease of 2%,** primarily due to the decline in revenue from the Aviation Business, as mentioned above. Nevertheless, the Group continued to effectively control its overall operating expenses, which decreased by 4% compared to the same period of the previous year, mainly attributable to lower repair and maintenance expenses for aviation fuel pipeline and storage systems, as well as lower costs of aircraft refueling vehicle sales, including spare parts and equipment, in line with the decline in sales revenue.

Utilities Business

Description	3Q/25	2Q/26	3Q/26	Change		9M/25	9M/26	Change
				QoQ	YoY			YoY
Multi-products Fuel Volume of NBPT project [1] (Million litres)	321	328	265	(19%)	(17%)	1,025	927	(10%)
Revenues (Million baht)	114	111	103	(7%)	(10%)	344	316	(8%)
EBITDA (Million baht)	38	42	30	(28%)	(20%)	127	109	(14%)

[1] BPT's multi-products fuel pipeline transportation volume for the North Fuel Pipeline Transportation (NBPT) project

Performance 3Q/26 vs. 3Q/25

- **Total revenue amounted to 102.8 million baht, a decrease of 10%,** as the Utilities Business Segment recorded revenue from ground fuel transportation and storage services of 94.7 million baht, a decrease of 15% due to lower revenue from fuel storage services, coupled with a 17% decrease in the total transportation volume of all fuel products under the NBPT Project as a result of the temporary suspension of certain sections of the pipeline system. The incident had a limited impact on operations, and the pipeline system has resumed normal operations since October 2026.

- **EBITDA amounted to 30.5 million baht, a decrease of 20%,** primarily due to the decline in revenue from the Utilities Business, as mentioned above. Nevertheless, the Group continued to effectively control its overall operating expenses, which decreased by 5%, mainly attributable to lower repair and maintenance expenses and utility costs.

Performance 9M/26 vs. 9M/25

- **Total revenue amounted to 316.2 million baht, a decrease of 8%,** as the Utilities Business Segment recorded revenue from ground fuel transportation and storage services of 304.7 million baht, a decrease of 9% due to lower revenue from fuel storage services.

- **EBITDA amounted to 108.9 million baht, a decrease of 14%,** primarily due to the decline in revenue from the Utilities Business, as mentioned above. Nevertheless, the Group continued to effectively control its overall operating expenses, which decreased by 4%, mainly attributable to lower rental and personnel expenses.

Power Business

Description	3Q/25	2Q/26	3Q/26	Change		9M/25	9M/26	Change
				QoQ	YoY			YoY
Capacity Factor (%)	15%	16%	13%			15%	15%	
Energy Sold (GWh)								
Thailand	11.70	13.31	10.29	(23%)	(12%)	37.12	37.45	1%
Japan	4.74	4.33	4.28	(1%)	(10%)	12.04	11.55	(4%)
Total	16.43	17.65	14.56	(17%)	(11%)	49.17	49.01	0%
Revenues (Million baht) [1]	64	71	56	(20%)	(12%)	204	201	(1%)
EBITDA ((Million baht) [1]	40	47	32	(31%)	(20%)	129	127	(2%)

[1] Revenue and expenses, excluding gain(loss) on exchange rate and loss from impairment on asset.

Performance 3Q/26 vs. 3Q/25

- **Total revenue amounted to 56.4 million baht, a decrease of 12%**. This was primarily attributable to the Power Business, which recorded revenue from electricity sales of 53.7 million baht, decreasing by 14% due to lower electricity sales volume from solar power plants, in line with reduced solar irradiance compared to the same period of the previous year, coupled with a decline in power generation efficiency due to the aging of solar panels. The Company is currently considering a plan to upgrade and improve the efficiency of its existing solar panels, with completion expected in early 2Q/2027.

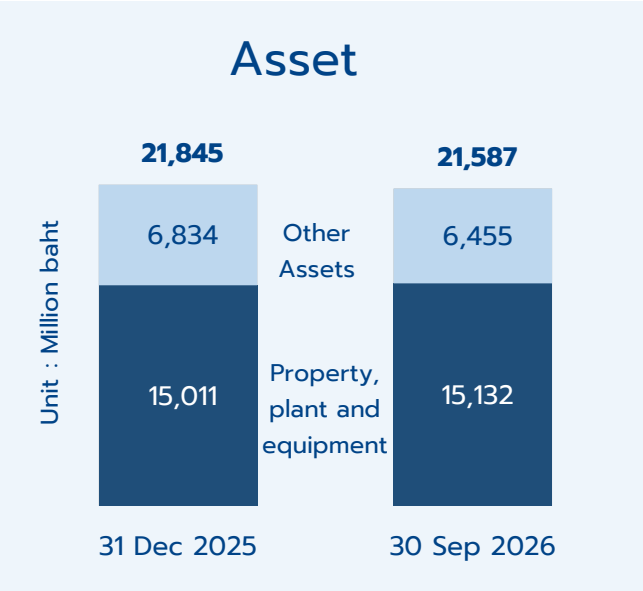
- **EBITDA amounted to 32.0 million baht, a decrease of 20%,** primarily due to the decline in revenue from the Power Business, as mentioned above, while net operating expenses increased as a result of a loss on the sale of unused assets.

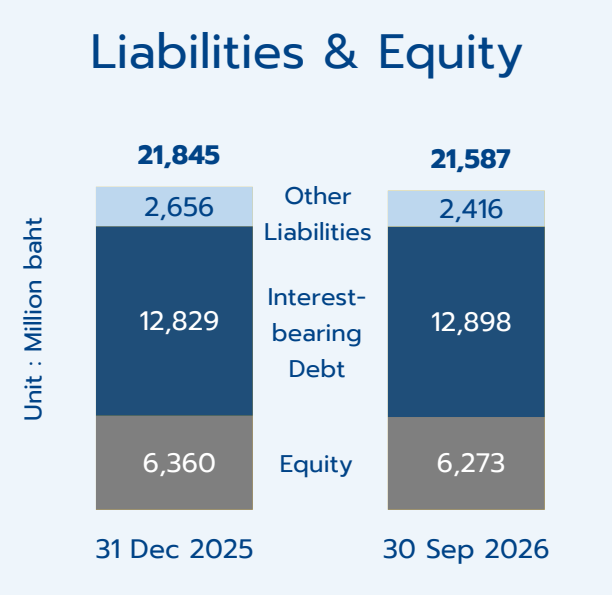
Performance 9M/26 vs. 9M/25

- **Total revenue amounted to 201.3 million baht, a decrease of 1%**, as the Power Business Segment recorded revenue from electricity sales of 195.8 million baht, a decrease of 1% due to lower electricity sales volume from solar power plants, in line with the decrease in solar irradiance compared to the same period of the previous year.

- **EBITDA amounted to 126.7 million baht, a decrease of 2%,** due to the decline in revenue from the Power Business Segment as mentioned above. However, the Group continued to effectively control its overall operating expenses, primarily through reductions in personnel expenses and power plant repair and maintenance costs.

Financial Position





Assets

As of September 30, 2026, BAFS Group's total assets amounted to 21,586.9 million baht, a decrease of 1% compared to December 31, 2025, consisting of the following key items:

- **Trade and other current receivables** amounted to 358.9 million baht, decreasing by 29%, due to lower service revenue in line with the decrease in fuel service volume, as well as the receipt of accrued interest from related parties.
- **Projects costs under concession agreements** amounted to 1,353.8 million baht, decreased by 8%, due to amortization charges during the year of 111.5 million baht.
- **Other current assets** amounted to 55.5 million baht, a decrease of 54% due to tax refunds received during the period.
- **Loans to related parties** amounted to 401.4 million baht, decreasing by 8%, due to loan repayments made by related parties during the period, net of loans provided to related parties for investment in the waste-to-energy power plant project and the U-Tapao Airport project.
- **Property, plant, and equipment** amounted to 15,132.0 million baht, increasing by 1%. This was due to additional investments in land, equipment, and construction in progress totaling 570.4 million baht, primarily related to the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi), as well as the purchase of aircraft refueling vehicles. This was partially offset by depreciation expenses during the period amounting to 439.0 million baht.

Liabilities

As of September 30, 2026, BAFS Group's total debt amounted to 15,313.5 million baht, a decrease of 1% compared to December 31, 2025. The interest-bearing debt to equity ratio is 2.1 to 1. The liabilities of the company group can be categorized as follows:

- **Trade and other current payables** amounted to 276.7 million baht, decreasing by 39%, due to payments to suppliers of goods and services and the Revenue Department, as well as payments to construction creditors for the Northern Fuel Pipeline System Connection Project Phase 3 (Ang Thong–Saraburi).
- **Bank overdrafts and short-term loans from financial institutions** amounted to 0 baht, decreasing by 100%, due to loan repayments made during the period.
- **Long-term loans from banks** amounted to 9,294.3 million baht, increasing by 3% primarily due to additional borrowings of 1,200.0 million baht during the period, net of long-term loan repayments of 928.3 million baht made during the same period.

Equity

As of September 30, 2026, the Group's total shareholders' equity amounted to 6,273.4 million baht, a decrease of 1% from December 31, 2025, primarily due to dividend payments during the period of 248.7 million baht and dividend payments on subordinated perpetual debentures classified as equity, net of income tax, of 54.8 million baht, offset by total comprehensive income for the period of 217.1 million baht. The Company's shareholders' equity amounted to 5,306.5 million baht, a decrease of 0.4%.

Cash Flow Statement

	For the period ended Sep 30, 2026 *Million baht*
Net cash flows from operating activities	1,304
Net cash flows used in investing activities	(582)
Net cash flows used in financing activities	(653)
Net increase in cash and cash equivalents	69
Cash and cash equivalents at beginning of period	419
Cash and cash equivalents at end of period	488

- **Net cash flows from operating activities** amounted to 1,303.8 million baht, resulting from the growth in the Group's operating performance.

- **Net cash flows used in investing activities** amounted to 582.0 million baht, mainly due to investment payments for the construction of the Northern Fuel Pipeline Transportation System Phase 3 (Ang Thong - Saraburi), as well as purchases of equipment and aircraft refueling vehicles, net of interest received and loan repayments from related parties during the period.

- **Net cash flows used in financing activities** amounted to 652.9 million baht, mainly due to loan repayments to financial institutions of 1,520.8 million baht, interest payments of 359.8 million baht, dividend payments of 248.6 million baht, as well as payments of dividends on perpetual bond totaling 68.5 million baht, net of cash proceeds from borrowings of 1,622.5 million baht during the period.

Key Financial Ratios

	9M/2025	9M/2026
Profitability Ratios		
1. Gross profit margin (%)	45%	45%
2. EBITDA Margin (%)	50%	50%
3. Net profit margin (%)	7%	8%
	Dec 31, 25	Sep 30, 26
Liquidity Ratios		
4. Current ratio (times)	0.7	0.7
Profitability Ratios		
5. Return on equity (%)	4.0%	4.3%
Operating Efficiency Ratios		
6. Return on assets (%)	1.0%	1.1%
Financial Policy Ratios		
7. Interest bearing debt to equity (times)	2.0	2.1
8. Debt to equity (times)	2.2	2.2
9. Debt service coverage ratio (times)	1.1	1.3

Key Financial Ratios Calculations

1. Gross profit margin = Gross profit (loss) / Service incomes and sales x 100
2. EBITDA Margin = EBITDA / Total revenues x 100
3. Net profit margin = Net profit (loss) / Total revenues x 100
4. Current ratio = Current assets / Current liabilities
5. Return on equity = Net profit (loss) (annualized) / Average equity holders of the company x 100
6. Return on assets = Net profit (loss) (annualized) / Average total assets x 100
7. Interest bearing debt to equity = Interest bearing debt* / Equity
   * Interest bearing debt = Short-term loans + long-term loans + Lease liabilities + Debentures
8. Debt to equity = Liabilities** / Equity
   ** Liabilities = Total liabilities - Lease liabilities – Provision for land leased related to concession agreement
9. Debt service coverage ratio = EBITDA (annualized) / (Short-term loans + Current portion of long-term loans + Current portion of lease liabilities)