No. SKE-SET-011/69

11 November 2026

Management's Discussion and Analysis

For the nine-month period ended 30 September 2026

Operating result

Unit: in Million Baht

	Three-month period			% Increase (Decrease)		Nine-month period		Inc(Dec)	%
	Q3'2025	Q2'2026	Q3'2026	YoY	QoQ	2025	2026		
Revenues									
Revenue from sales of goods	73.45	86.51	87.90	19.7%	1.6%	274.83	254.80	(20.03)	(7.3%)
Revenue from rendering of services	5.48	8.10	5.03	(8.2%)	(37.9%)	12.25	21.25	9.00	73.5%
Interest income	0.15	0.11	0.09	(40.0%)	(18.2%)	0.91	0.33	(0.58)	(63.7%)
Other income	1.95	2.80	3.20	64.1%	14.3%	3.45	8.62	5.17	149.9%
Total revenue	81.03	97.52	96.22	18.7%	(1.3%)	291.44	285.00	(6.44)	(2.2%)
Expenses									
Cost of sales of goods	75.56	61.17	65.26	(13.6%)	6.7%	269.35	185.91	(83.44)	(31.0%)
Cost of rendering of services	2.89	10.03	2.93	1.4%	(70.8%)	6.59	26.75	20.16	305.9%
Selling and Administrative expenses	37.60	30.67	32.99	(12.3%)	7.6%	112.04	89.97	(22.07)	(19.7%)
Finance costs	12.13	11.50	11.42	(5.9%)	(0.7%)	37.02	34.42	(2.60)	(7.0%)
Tax expense (income)	(3.10)	0.72	1.74	156.1%	141.7%	(9.75)	3.23	12.98	133.1%
Total expenses	125.08	114.09	114.34	(8.6%)	0.2%	415.25	340.28	(74.97)	(18.1%)
Loss for the period	(44.05)	(16.57)	(18.12)	58.9%	(9.4%)	(123.81)	(55.28)	68.53	55.4%
Gain (loss) attributable to non-controlling interests	(0.43)	2.26	2.43	665.1%	7.5%	(1.25)	6.07	7.32	585.6%
Loss attributable to owners of the parent	(43.62)	(18.83)	(20.55)	52.9%	(9.1%)	(122.56)	(61.35)	61.21	49.9%

Revenues

Unit: in Million Baht

	Three-month period						Nine-month period			
	Q3'2025		Q2'2026		Q3'2026		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenues										
Revenue from sales of goods	73.45	90.5%	86.51	88.7%	87.90	91.4%	274.83	94.3%	254.80	89.4%
Revenue from rendering of services	5.48	6.8%	8.10	8.3%	5.03	5.2%	12.25	4.2%	21.25	7.5%
Interest income	0.15	0.2%	0.11	0.1%	0.09	0.1%	0.91	0.3%	0.33	0.1%
Other income	1.95	2.5%	2.80	2.9%	3.20	3.3%	3.45	1.2%	8.62	3.0%
Total revenue	81.03	100.0%	97.52	100.0%	96.22	100.0%	291.44	100.0%	285.00	100.0%

Significant changes can be summarized as follows:

Revenue from sale of goods

For the three-month period ended 30 September 2026, revenue from sales of goods of Baht 87.90 million was comprised of revenue from generating and distribution of electricity of Baht 79.93 million, revenue from sale of RDF of Baht 5.21 million, revenue from trading of RDF raw materials of Baht 1.06 million and revenue sales of software code of Baht 1.70 million. And for the nine-month period ended 30 September 2026, revenue from sales of goods of Baht 254.80 million was comprised of revenue from generating and distribution of electricity of Baht 234.61 million, revenue from sale of RDF of Baht 14.51 million, revenue from trading of RDF raw materials of Baht 3.98 million and revenue from sales of software code of Baht 1.70 million. The Group's revenue from sales of goods decreased compared to the same period of the previous year. The changes were attribute to the following reasons:

Revenue from generating and distribution of electricity sale to the Provincial Electricity Authority (PEA) for the three-month and nine-month periods ended 30 September 2026, increased from the same period of the previous year by Baht 12.61 million or 18.7% and Baht 14.52 million or 6.6%, respectively. This increase was driven by the upward adjustment of the electricity purchase rate (Feed-in Tariff, variable component) announced by the PEA and an increase in the volume of electricity units delivered to the PEA system, as well as a decrease in shutdown hours for repair and maintenance compared to the same period of the previous year.

Revenue from sale of RDF for the three-month and nine-month periods ended 30 September 2026, decreased from the same period of the previous year by Baht 0.93 million or 15.2% and Baht 40.23 million or 73.5%, respectively. This decrease was due to the restructuring of the business model of the RDF production and distribution plant in Saraburi Province to providing moisture-reduction drying service for RDF quality improvement, effective since the third quarter of 2025.

Revenue from sales of software code for the three-month and nine-month periods ended 30 September 2026, increased from the same period of the previous year by Baht 1.70 million, as a subsidiary sold software source code developed in-house to the customer.

Revenue from rendering of services

For the three-month and nine-month periods ended 30 September 2026, revenue from rendering of services amounted to Baht 5.03 million and Baht 21.25 million, respectively, comprising revenue from the treatment of wastes service and revenue from RDF moisture-reduction service. The Group's service revenue increased compared to the same period of the previous year due to the following reasons:

Revenue from the treatment of wastes service for the three-month and nine-month periods ended 30 September 2026, increased from the same period of the previous year by Baht 1.29 million or 34.6% and Baht 2.67 million or 25.5%, respectively. This increase varied in line with higher waste volumes within industrial estate and waste volumes from treatment of waste service provided to new customers.

Revenue from RDF moisture-reduction drying service for the three-month period ended 30 September 2026, decreased from the same period of the previous year by Baht 1.74 million, as a main customer ceased supplying the RDF, resulting in the subsidiary suspending operations at the Saraburi plant since June 2026 onward. Meanwhile, for the nine-month period ended 30 September 2026, revenue increased from the same period of the previous year by Baht 6.33 million, representing revenue generated prior to the suspension of operations. The plant in Saraburi Province had restructured its business model from the production and sale of RDF to providing moisture-reduction dryings service for RDF quality improvement starting from the third quarter of 2025.

Other income

Other income mainly consists of rental income from machinery, revenue from scrap sales and proceeds from insurance claim.

For the three-month and nine-month periods ended 30 September 2026, other income increased from the same periods of the previous year by Baht 0.40 million and Baht 5.17 million, respectively. This was primarily due to a subsidiary leasing out idle machinery assets, representing the company's asset management strategy to enhance operational efficiency and maximize returns through commercial utilization and the generation of working cash flow.

Expenses

Unit: in Million Baht

	Three-month period						Nine-month period			
	Q3'2025		Q2'2026		Q3'2026		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Expenses										
Cost of sales of goods	75.56	60.4%	61.17	53.6%	65.26	57.1%	269.35	64.9%	185.91	54.6%
Cost of rendering of services	2.89	2.3%	10.03	8.8%	2.93	2.6%	6.59	1.6%	26.75	7.9%
Selling and Administrative expenses	37.60	30.1%	30.67	26.9%	32.99	28.9%	112.04	27.0%	89.97	26.4%
Finance costs	12.13	9.7%	11.50	10.1%	11.42	10.0%	37.02	8.9%	34.42	10.1%
Tax expense (income)	(3.10)	(2.5%)	0.72	0.6%	1.74	1.5%	(9.75)	(2.3%)	3.23	1.0%
Total expenses	125.08	100.0%	114.09	100.0%	114.34	100.0%	415.25	100.0%	340.28	100.0%

Costs of sales of goods

For the three-month period ended 30 September 2026, cost of sales of goods amounted of Baht 65.26 million, was comprised of the cost of generating and distribution of electricity of Baht 60.40 million, the cost of production and distribution of RDF of Baht 3.78 million and the cost of trading of RDF raw materials of Baht 1.08 million. And for the nine-month period ended 30 September 2026, cost of sales of goods amounted of Baht 185.91 million, was comprised of the cost of generating and distribution of electricity of Baht 173.25 million, the cost of production and distribution of RDF of Baht 8.86 million and the cost of trading of RDF raw materials of Baht 3.80 million. The Group's cost of sales of goods decreased compared to the same period of the previous year. The changes were attributable to the following reasons:

Cost of generating and distribution of electricity for the three-month and nine-month periods ended 30 September 2026, increased from the same period of the previous year by Baht 6.80 million or 12.7% and Baht 2.14 million or 1.3%, respectively. This was primarily driven by an increase in the volume of electricity units generated, which corresponded with the increase in revenue from generating and distribution of electricity sale.

Cost of production and distribution of RDF for the three-month and nine-month periods ended 30 September 2026, decreased from the same period of the previous year by Baht 18.17 million or 82.8% and Baht 89.38 million or 91%, respectively. This was primarily due to the restructuring of the business model at the RDF production and distribution plant in Saraburi Province from the RDF production and distribution to providing RDF moisture-reduction drying services, effective since the third quarter of 2025.

Costs of rendering of services

For the three-month period ended 30 September 2026, cost of rendering of services amounted to Baht 2.93 million, comprising costs of the treatment of wastes of Baht 2.18 million and costs of securities trading of Baht 0.75 million. And for the nine-month period ended 30 September 2026, costs of rendering of services amounted to Baht 26.75 million, comprising costs of RDF moisture-reduction drying service of Baht 19.13 million, costs of the treatment of wastes service of Baht 5.09 million, and costs of securities trading of Baht 2.53 million. The Group's costs of rendering of services increased compared to the same period of the previous year. The changes were attributable to the following reasons:

Costs of the treatment of wastes service for the three-month period ended 30 September 2026, decreased from the same period of the previous year by Baht 0.02 million. Meanwhile, for the nine-month period ended 30 September 2026, costs increased from the same period of the previous year by Baht 0.74 million, which was in line with the volume of industrial wastes within industrial estate.

Costs of securities trading for the three-month and nine-month periods ended 30 September 2026, increased from the same period of the previous year by Baht 0.06 million and Baht 0.29 million, respectively, primarily resulting from software amortization cost.

Costs of RDF moisture-reduction drying service for nine-month period ended 30 September 2026, increased from the same period of the previous year by Baht 19.13 million, corresponding to the service revenue generated.

Selling and administrative expenses

For the three-month and nine-month periods ended 30 September 2026, the Group's selling and administrative expenses decreased from the same period of the previous year by Baht 4.61 million or 12.3% and Baht 22.07 million or 19.7%, respectively. This was primarily driven by lower depreciation expense following the recognition of an impairment loss on certain idle assets in 2025, coupled with a decrease in employee expenses and effective office expenses control, which contributed to an overall reduction in the Group's expenses.

Selling and administrative expenses of the Group mainly consist of employee expenses, depreciation and amortization, transportation expenses, other service fees, and other administrative expenses.

Finance costs

For the three-month and nine-month periods ended 30 September 2026, finance cost decreased from the same period of the previous year by Baht 0.71 million or 5.9% and Baht 2.60 million or 7%, respectively. The was due to repayment of borrowings from financial institutions and leasing companies in accordance with their scheduled due dates, as well as lower borrowing interest rates from commercial banks compared to the same period of the prior year.

Tax expense (income)

For the three-month and nine-month periods ended 30 September 2026, the Group's income tax expense amounted to Baht 3.23 million and Baht 1.74 million, respectively. This was primarily due to deferred tax adjustments resulting from temporary differences between accounting and taxation treatments regarding the recognition of allowance for asset impairment.

Gross profit and net loss for the period

1. Gross profit *

For the three-month period ended 30 September 2026, the Group's gross profit amounted to 24.74 million, an increase of Baht 24.26 million compared to the same period of the previous year. The gross profit margins for the three-month period ended 30 September 2026 and 2025 were 26.6% and 0.6%, respectively.

For the nine-month period ended 30 September 2026, the Group's gross profit amounted to Baht 63.39 million, an increase of Baht 52.25 million compared to the same period of the previous year. The gross profit margins for the nine-month period ended 30 September 2026 and 2025 were 23% and 3.9%, respectively.

The increase in gross profit was primarily driven by lower repair and maintenance costs for the power plant, as well as an increase in the volume of RDF production and distribution and treatment of wastes services at the RDF production and distribution plant in Chonburi Province, which supported the Group's gross profitability. In addition, the Group was able to manage production costs effectively, amidst rising production costs, particularly fuel costs affected by domestic oil price volatility.

Remark Gross profit * = (Revenue from rendering of services + Revenue from sale of goods) – (Cost of rendering of services + Cost of sales of goods)

Gross profit margin = Gross profit / (Revenue from rendering of services + Revenue from sale of goods)

2. Net loss for the period

For the three-month period ended 30 September 2026, the Group incurred a net loss of Baht 18.12 million, representing a decreased in loss from the same period of the previous year by Baht 25.93 million or 58.9%. For the nine-month period ended 30 September 2026, the Group incurred a net loss for the period of Baht 55.28 million, representing a decrease in loss from the same period of the previous year by Baht 68.53 million or 55.4%.

The losses were primarily attributable to the RDF production and distribution segment. Although restructuring the business model of the plant in Saraburi Province from RDF production and distribution to providing RDF moisture-reduction drying service resulting in an improvement in gross profit, operations could not be run at full capacity, operations were suspended starting from June 2026. Consequently, this segment continued to record a net loss for the current period.

Financial Position **Unit: in Million Baht**

	As at 30 September 2026	As at 31 December 2025	Decrease	%
Total assets	1,352.38	1,428.94	(76.56)	(5.4%)
Total liabilities	740.45	761.73	(21.28)	(2.8%)
Total equity	611.93	667.21	(55.28)	(8.3%)

Total assets

Total assets of the Group mainly consist of property, plant and equipment, investment properties, and intangible assets. As of 30 September 2026 and 31 December 2025, total assets of the Group amounted to Baht 1,352.38 million and Baht 1,428.94 million, respectively. Total assets decreased by Baht 76.56 million or 5.4% primarily due to depreciation and amortization expenses recognized during the period.

Total liabilities

Total liabilities of the Group mainly consist of borrowings from financial institutions, bank overdrafts and short-term borrowings and debentures. As of 30 September 2026 and 31 December 2025, total liabilities of the Group amounted to Baht 740.45 million and Baht 761.73 million. Total liabilities decreased by Baht 21.28 million or 2.8%, largely resulting from the repayments of loans to financial institutions and leasing companies in accordance with their schedule due dates.

Equity

As of 30 September 2026 and 31 December 2025, equity of the Group amounted to Baht 611.93 million and Baht 667.21 million, respectively. Equity decreased by Baht 55.28 million, or 8.3%, resulting from the net loss for the nine-month period ended 30 September 2026.