บริษัท เอส.เอ.เอฟ. สเปเชียล สตีล จำกัด (มหาชน)
S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
สำนักงานใหญ่ เลขที่ 110 ซอยเทียนทะเล 24 ถนนบางขุนเทียน-ชายทะเล แขวงท่าข้าม เขตบางขุนเทียน กรุงเทพฯ

SAF # 007/2026_ENG

November 13, 2026

Subject: Management Discussion and Analysis for the nine-month period ended September 30,2026 and clarification of the operating results changed over 20% comparing to the same period of the last year

Attention: Directors and Managers
Stock Exchange of Thailand

S.A.F. Special Steel Public Company Limited (the "Company") would like to clarify the operating results for the nine-month period ended September 30, 2026 which changed over 20% comparing to the same period of the previous year per following details:

1. Summary of operating results

Statements of Comprehensive Income

Million Baht	Quarter 3/2026	Quarter 2/2026	QoQ % +(-)	Quarter 3/2026	Quarter 3/2025	YoY % +(-)	9M/2026	9M/2025	YoY % +(-)
Revenue from Sales and Services	34.44	45.05	(23.55%)	34.44	35.75	(3.66%)	119.76	130.86	(8.48%)
Cost of Sales and Services	27.98	35.07	(20.22%)	27.98	28.64	(2.30%)	94.69	105.40	(10.16%)
Gross Profit	6.46	9.98	(35.27%)	6.46	7.11	(9.14%)	25.07	25.46	(1.53%)
Distribution Costs	1.63	1.83	(10.93%)	1.63	1.60	1.87%	5.03	4.89	2.86%
Administrative Expenses	6.29	6.77	(7.09%)	6.29	6.40	(1.72%)	19.62	20.31	(3.40%)
Gain on Exchange Rate	0.00	0.30	(100.00%)	0.00	0.02	(100.00%)	0.36	0.23	56.52%
Other Income	0.19	0.05	280.00%	0.19	0.25	(24.00%)	0.44	0.42	4.76%
EBIT	(1.27)	1.73	(173.41%)	(1.27)	(0.62)	104.84%	1.22	0.90	35.56%
Financial Costs	1.02	1.15	(11.30%)	1.02	1.20	(15.00%)	3.17	3.72	(14.78%)
Tax Expense	(0.62)	0.09	(788.89%)	(0.62)	(0.38)	(63.16%)	(0.53)	(0.58)	(8.62%)
Net Profit (loss) for period	(1.67)	0.49	(440.82%)	(1.67)	(1.44)	15.97%	(1.42)	(2.24)	(36.61%)
Depreciation and Amortization	1.75	1.67	4.79%	1.75	1.69	3.55%	5.07	4.90	3.47%
EBITDA	**0.47**	**3.40**	**(86.18%)**	**0.47**	**1.07**	**(56.07%)**	**6.29**	**5.80**	**8.45%**
Gross Profit margin (%)	18.76%	22.15%		18.76%	19.89%		20.93%	19.46%	
EBITDA margin (%)	1.36%	7.49%		1.36%	2.97%		5.22%	4.41%	
Net Profit Margin (%)	(4.82%)	1.08%		(4.82%)	(4.00%)		(1.18%)	(1.70%)	
Basic loss per share (Baht)	(0.006)	0.002	(133.33%)	(0.006)	(0.005)	(16.67%)	(0.005)	(0.008)	(60.00%)

Table Showing Revenue from Sales and Services of the Company's Products Classified by Type

	For the 9-month Period Ended on September 30,			
	2026		2025	
	Million baht	percent	Million baht	percent
Revenue from Sales:				
1) Revenue from Sales of Special Steel				
- For Mold & Dies	86.67	71.89	95.42	72.56
- For Engineering Machinery	19.64	16.29	25.38	19.30
Total Revenue from Sales of Special Steel	**106.31**	**88.18**	**120.80**	**91.86**
2) Others Sales Revenue /1	6.34	5.26	5.62	4.27
Total Revenue from Sales	**112.65**	**93.44**	**126.42**	**96.13**
Revenue from Services :				
3) Revenue from Services	7.11	5.90	4.44	3.38
Total Revenue from Sales and Services	**119.76**	**99.34**	**130.86**	**99.51**
Other Income /2	0.80	0.66	0.64	0.49
Total Revenues	**120.56**	**100.00**	**131.50**	**100.00**

Remark

/1 Other sales revenue, e.g., sales revenue from bandsaw blades, band sawing machines, finished molds & dies, other equipment parts, etc.

/2 Other income consists of gain from exchange rates, gain from disposal of assets, interest income and income from the sale of scrap, etc.

Revenue from Sales

Revenue from Sales consists of sales revenue from special steel and revenue from other sales. The details are as follows:

1) Revenue from Sales of Special Steel

For the nine-month period ended September 30, 2026, the Company's primary income from the sale of special steel was 106.31 million baht, 88.18 percent of the Company's total revenue, which could be separated into two main categories: 1) Revenue from sales of special steel for molds & dies, which was equal to 71.89 percent of total revenue and 2) Revenue from sales of special steel for engineering machinery, which was equal to 16.29 percent of total revenue.

1.1 Revenue from Sales of Special Steel for Molds & Dies

For the nine-month period ended September 30, 2026, the Company's revenue from sales of special steel for molds & dies was 86.67 million baht, decrease of 8.75 million baht or 9.17 percent from the same period of last year due to significant decrease of orders from the customers in Construction Materials industry especially Aluminium Profile group resulting from the intensively price competition.

1.2 Revenue from Sales of Special Steel for Engineering Machinery

For the nine-month period ended September 30, 2026, the Company's revenue from sales of special steel for engineering machinery was 19.64 million baht, decrease of 5.74 million baht or 22.62 percent from the same period of last year due to reduction of orders for Hard-Facing plates from the customers in Cement industry as well as from Automotive parts industry.

2) Others Sales Revenue

Other sales revenue consists of sales of band saw blades, the finished molds & dies, and industrial equipment parts. For the nine-month period ended September 30, 2026, the Company's revenue from other sales was 6.34 million baht, increase of 0.72 million baht or 12.81 percent from the same period of last year as in the third quarter of this year there was additional selling of spare parts of plastic injection machine.

3) Revenue from Services

For the nine-month period ended September 30, 2026, the Company's revenue from services was 7.11 million baht, increase of 2.67 million baht or 60.14 percent from the same period of last year due to additionally specific maintenance job from a Japanese customer.

Other Income

The Company's other income consists of gain from exchange rates, gain from disposal of assets, interest income and income from the sale of scrap etc. For the nine-month period ended September 30, 2026, the Company's other income was 0.80 million baht, increase of 0.16 million baht or 25.00 percent from the same period of last year.

Cost of Sales and Services and Gross Profit Margin

	For the 9-Month Period Ended on September 30,	
	2026	2025
Revenue from Sales and Services (Million baht)	119.76	130.86
Cost of Sales and Services (Million baht)	94.69	105.40
Gross Profit Margin (Million baht)	25.07	25.46
Cost of Sales and Services (%)	**79.07**	**80.54**
Gross Profit Margin (%)	**20.93**	**19.46**

For the nine-month period ended September 30, 2026, the Company's cost of sales and services was 94.69 million baht, 79.07 percent of Revenue from Sales and Services, decrease of 10.71 million baht from the same period of last year. Meanwhile gross profit margin was 25.07 million baht, 20.93 percent of Revenue from Sales and Services, decrease of 0.39 million baht from the same period of last year, as result of decrease in total Revenue from Sales and services for 8.48 percent from the same period of last year.

Distribution Cost

For the nine-month period ended September 30, 2026, the Company's distribution cost was 5.03 million baht, increase of 0.14 million baht or 2.86 percent from the same period of last year, because of increase in sales expenses compared to the same period of last year, especially the cost of delivery but the Company start to implement cost control measures and will keep monitoring

Administrative Expenses

For the nine-month period ended September 30, 2026, the Company's administrative expenses was 19.62 million baht, decrease of 0.69 million baht or 3.40 percent from the same period of last year, due to continuous expense control measures and the last year loss from retired assets sold out.

Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)

For the nine-month period ended September 30, 2026, the Company's Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) was 6.29 million baht, increase of 0.49 million baht or 8.45 percent from the same period of last year, because of increase percentage of Gross profit margin compared to the same period of last year.

Financial Cost

For the nine-month period ended September 30, 2026, the Company's financial costs was 3.17 million baht, decrease of 0.55 million baht or 14.78 percent from the same period of last year, because of decrease in total loans from financial institutions.

Net (loss) Profit

For the nine-month period ended September 30, 2026, the Company's loss was 1.42 million baht versus the same period of last year loss of 2.24 million baht, because of increasing percentage of Gross profit margin compared to the same period of last year, but the Revenue was still in the lower level than the past.

Statements of Financial Position

	As at 30 September 2026	As at 31 December 2025	Increase / (Decrease)	
	Million baht	Million baht	Million baht	percent
Assets	387.94	384.89	3.05	0.79%
Liabilities	122.40	117.93	4.47	3.79%
Shareholders' Equity	265.54	266.96	(1.42)	(0.53%)

Total Assets

The main assets of the Company consist of 1) Cash and cash equivalents 2) Inventories 3) Trade and Other Current Receivables 4) Property, Plant and Equipment. As of September 30, 2026 total assets were 387.94 million baht, increase of 3.05 million baht or 0.79 percent compared to the end of year 2025, mainly because of the increase in Cash and cash equivalents ,Trade and other current receivable and other non-current assets for 5.86 million baht and decrease in inventories and Property, plant and equipment for 2.81 million baht.

Total Liabilities

The main liabilities of the Company consist of 1) Bank overdrafts and short-term loans from financial institutions 2) Trade payables and other current payables 3) Long-term loans from financial institutions and lease liabilities. The Company's total liabilities as of September 30, 2026 were 122.40 million baht, increase of 4.47 million baht or 3.79 percent compared to the end of year 2025, mainly due to the increase of Short-term borrowings from financial institutions, trade payable and other current payable and other liabilities for 11.00 million baht, but decrease in long-term loans from financial institutions and other current liabilities for 6.53 million baht.

Shareholders' Equity

The shareholders' equity of the Company as of September 30, 2026 was 265.54 million baht, decrease of 1.42 million baht compared to the end of year 2025, resulting from total comprehensive loss for this period of 1.42 million baht.

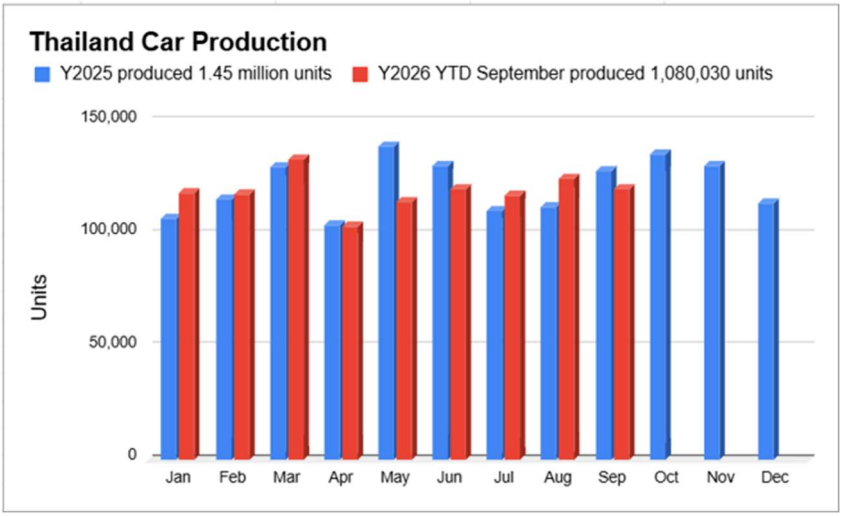
2. Summary of Financial Status

	For the 9-Month Period Ended on September 30,		For the Year Ended December 31,	
	2026	2025	2025	2024
Gross Profit Margin (%)	20.93	19.46	19.74	19.69
EBITDA (million baht)	6.29	5.80	7.56	7.63
Net Profit Margin (%)	(1.18)	(1.70)	(1.82)	(1.47)
Debt to Equity (D/E) Ratio (Times)	0.46	0.47	0.44	0.47
Return on Equity (%)	(0.53)	(0.70)	(1.13)	(0.87)
Return on Total Assets (%)	(0.37)	(0.57)	(0.78)	(0.60)

3. Overall Business Economics and Related Industries

SAF business is to sell special steels and industrial products to various industries in Thailand by importing products from manufacturers in Europe and Asia as well as provide Vacuum Hardening and Nitriding services using high efficient machines, including providing technical advices to obtain the highest customers' efficiency.

Due to the slowdown in industrial sectors especially automotive parts and construction materials manufacturing which are the company's major customer sectors, referring to the number of car production during January-September at 1.08 M units, including more than 70K units of Battery Electric Vehicle (BEV), of which locally produced parts are slightly used, the company has changed the business plan to encounter and looking for both new markets and new products to improve the revenue in the future.



Additionally, because of Middle East conflict, the product prices, fuel cost, freight cost, and various expenses have been significantly increased, but the company conducted the Risk assessment as well as prepared some measures to mitigate the effects.

4. Summary of Significant Development

In 2026, SAF is additionally appointed to be the authorized distributor in Thailand for following products:

- Special steels and alloys metal from DONGBEI GROUP having two production plants, DALIAN SPECIAL STEEL and FUSHUN SPECIAL STEEL, who are the leading and major producers in China.
- Chucks and Rotary Tables in CNC machines branded MMK (MATSUMOTO MACHINE) from Japan, which is the new product offered to the existing customers for the future.

  Moreover, SAF has developed the new official Website, which will be extended to do Direct Marketing in 2027, and also to be the center Platform of industrial products in the future.

5. Factors for Business Operation and Future Growth

With extremely high Household debt, resulting in serious striction in loans approval, negatively affect in many manufacturing industries. Moreover, with additional effects from international trade tariffs due to Trade War including effects from the Middle East prolonged conflict resulting in tendency of overall industries slowdown, the company has started to adjust strategy and diversify the business by expanding to the other industries accordingly to the business growth plan per JUMP+ Project for examples Food & Packaging, Power Plant, Electronics as well as Defense industries. Meanwhile, SAF started to set up ERS Management which is the crucial and indispensable system for entering into the supply chain of Electronics industry. Furthermore, the company is in the negotiation process to be the representative for the new type of industrial products from Japan and China.

6. Sustainability Development

SAF set up the policy and procedure regarding Environment Social and Governance (ESG) by referring to the international guideline.

For the year 2026, SAF target is to reduce the total Greenhouse Gas Emission for 5% of Carbon Intensity by product sales and aiming towards the goal of total 20% reduction in 2028 per Climate Action Plan of JUMP+ Project, and SAF has started to used EV truck for delivery in the 3rd quarter, which is not only to reduce the Greenhouse Gas Emission, but also to reduce the cost of delivery. Furthermore, SAF has declared our intention to join as a member of the Thai Private Sector Collective Action Against Corruption (CAC) and will apply for CAC Certification in 2027.

Please kindly be informed accordingly.

Yours sincerely,

Pisit Ariyadejwanich

Chief Executive Officer
S.A.F. Special Steel Public Company Limited