

February 27, 2026

Subject : Management Discussion and Analysis for the operating results of the year 2025
 Attention : The President
 The Stock Exchange of Thailand

PP Prime Public Company Limited hereby submits the Management Discussion and Analysis (MD&A) regarding the operating results for the fiscal year 2025, with details as follows:

Performance overview

PP Prime Public Company Limited and its subsidiary Statement of comprehensive income (Unit: Million Baht)	2025		2024		Change increase (decrease)	Percentage
Revenue from sales	579.58	100%	725.39	100%	-145.81	-20%
Cost of sales	-568.71	-98%	-708.59	-98%	-139.88	20%
Gross profit	10.87	2%	16.80	2%	-5.93	-35%
Other incomes	62.41	11%	26.16	4%	36.25	139%
Selling expenses	-8.65	-1%	-16.74	-2%	-8.09	48%
Administrative expenses	-88.56	-15%	-126.62	-17%	-38.06	30%
Expected credit gain (loss)	-65.63	-11%	-3.06	0%	-62.57	2045%
Gain on disposals of assets	0.81	0.1%	47.45	7%	-46.64	-98%
Loss on impairment of assets	-	-	-78.61	-11%	78.61	-100%
Other gain (loss), net	-102.62	-18%	-77.62	-11%	-25.00	32%
Finance costs	-5.89	-1%	-6.67	-1%	-0.78	12%
Profit (loss) before income tax	-197.26	-34%	-218.91	-30%	21.65	-10%
Income tax	-16.84	-3%	-5.68	-1%	11.16	-196%
Profit (loss) for the period	-214.10	-37%	-224.59	-31%	10.49	-5%

For the year 2025, PP Prime Public Company Limited (“the Company”) and its subsidiaries reported total sales revenue of Baht 579.58 million. This figure comprises revenue from the aquatic animal feed business, poultry feed business, and pet food business, amounting to Baht 39.51 million, Baht 153.09 million, and Baht 386.97 million, respectively. These represent 6.82%, 26.41%, and 66.77% of total sales revenue, respectively. The Company and its subsidiaries experienced a 20% decrease in sales revenue compared to the previous year.

The Company and its subsidiaries recorded a consolidated net loss of Baht 214.10 million, representing a reduction in loss by Baht 10.49 million. The primary factors contributing to the 2025 net loss were foreign exchange losses from overseas subsidiaries totaling Baht 93.75 million, and expected credit losses amounting to THB 65.63 million.

Explanation and analysis of financial status and operating results for 2025

1. Operating results

1.1 Revenue

Aquatic Feed Business

The Company's revenue from aquatic animal feed was 39.51 million Baht, a 74% decrease year-on-year. This was due to the stagnant shrimp farming industry in Thailand, leading the Company to implement a policy to halt production to mitigate risks associated with customer defaults.

Poultry Food Business

The Company's revenue from poultry food business was 153.09 million Baht, an increase of 100% year-on-year. This growth was driven by the acquisition of new customers and continuous growth in the poultry feed market, resulting in increased purchase orders.

Pet Food Business

The Company's revenue from the pet food business was 386.97 million Baht, a decrease of approximately 33% year-on-year. Despite the continued popularity of pet food driven by rising pet ownership, the Company's sales declined due to deferred orders caused by intense domestic competition and an increase in imported pet food products.

1.2 Cost of Sales

In 2025, total cost of sales was 568.71 million Baht, a 20% decrease year-on-year, aligning with the 20% decline in sales revenue. Raw material costs remained the primary component, accounting for 75-80% of total COGS. The cost structure remained consistent with the previous year.

1.3 Selling expenses

Selling expenses amounted to 8.65 million Baht, a decrease of 8.09 million Baht (or 48%) compared to the prior year. This reduction resulted from a workforce restructuring designed to better align with the Company's customer base.

1.4 Administrative expenses

Administrative expenses were 88.56 million Baht, decreasing by 38.06 million Baht (or 30%) year-on-year. This was attributed to organizational restructuring and the ongoing implementation of cost-control policies for non-essential expenses.

1.5 Expected credit gain (loss)

Expected credit losses in 2025 totaled 65.63 million Baht, an increase of 62.57 million Baht (or 2,045%) year-on-year. This significant increase was primarily due to the recognition of an allowance for expected credit losses on long-term loans to other companies, amounting to 48.70 million Baht.

1.6 Net profit (loss)

The Company and its subsidiaries recorded a net loss for 2025 of 214.10 million Baht, equivalent to a net loss per share of 0.269 Baht.

2. Financial status

2.1 Asset

As of December 31, 2025, total assets were 800.73 million Baht, an increase of 3.96 million Baht from December 31, 2024. Key changes included :

- An increase of 96.13 million Baht in trade and other receivables from new customers.
- A decrease of 50.17 million Baht in loans to other companies.
- A decrease of 30.49 million Baht in Property, Plant, and Equipment, primarily due to annual depreciation.

2.2 Liabilities

As of December 31, 2025, total liabilities reached 440.85 million Baht, an increase of 100.98 million Baht (or 30%) from the end of 2024. This was largely driven by an increase in trade and other current payables amounting to 126.06 million Baht.

Debt-to-Equity (D/E) Ratio: 1.22 times (as of Dec 31, 2025) compared to 0.74 times (as of Dec 31, 2024).

2.3 Equity

As of December 31, 2025, total shareholders' equity was 359.88 million Baht, a decrease of 97.02 million Baht (or 21%) from the previous year. This was primarily due to the 214 million Baht net loss, partially offset by a capital increase of 16 million Baht and an increase in other components of equity amounting to 95.98 million Baht.

3. Liquidity

In 2025, the Company and its subsidiaries owned a net cash flow used in operating activities of Baht 28.64 million, cash flows generated from investing activities of Baht 3.39 million, cash flows generated from financing activities of Baht 22.43 million. Therefore, the Company's cash and cash equivalents decreased by Baht 2.82 million. As of 31 December 2025, the Group held cash and cash equivalents at the end of Baht 2.21 million.

4. Other

Advanced payment for construction of geothermal power plants

The advanced payment is a deposit for land to build geothermal power plants. Sumo Power Company Limited, a subsidiary of the Company, paid a deposit of JPY 103 million for land to construct two power plants to two private companies.

Then, Sumo Power Company Limited entered a land transfer agreement for a plot of land located in Beppu, Oita, Japan with the first private company. The first private company transferred the plot of land to the second private company. However, the first private company was obligated to transfer this plot of land to Sumo Power Company Limited. The total asset transfer price was JPY 300 million. Sumo Power Company Limited has already paid the private company JPY 50 million.

On 26 May 2020, Sumo Power Company Limited took legal action against the second company regarding the transfer of ownership of the land and a claim for JPY 1 million in damages from the first company.

At the Company's Board of Directors Meeting No.9/2022 held on 27 July 2022, the Board of Directors resolved not to initiate legal proceedings to recover a deposit of JPY 53 million from another private company. In reaching the decision, the Board primarily considered the opinion of Japanese legal counsel, which indicated that the claim to recover the deposit may be dismissed by the court.

On 5 September 2022, the Company assigned the lawyer to withdraw the case and on 14 September 2022, the court judged that the Company's claims were dismissed. Therefore, the case is finalised and completed.

The Group is currently in the process of applying for asset distribution in order to claim a deposit of JPY 50 million for the construction of the aforementioned power plants.

Advanced payment for hot spring rights

The advanced payment is a deposit for the royalties from four units of hot spring from the construction of geothermal power plants project, worth JPY 120 million. S-Power Company Limited and Otomeyama Energy Co., Ltd., the subsidiaries, paid the deposit in June 2016.

Advance payment for Riverside Project

The advanced payment is a deposit of JPY 210 million, for a joint venture in a mixed-use real estate project under the Riverside Tower Project ("Riverside Project") in Da Nang, Vietnam. The Company will invest in the amount not exceeding JPY 3,100 million, as part of a joint investment in the project. The Company would have the right to sell and receive all returns from the sale of the project's condominium units, which accounted for at least 50% of the project's total residential area. The Company would be guaranteed a minimum investment return of 6% per year of unsold condominium units. The Company would pay the rest of the investment when the conditions specified in the investment contract were met. However, if the conditions weren't completely fulfilled within the specified period, the Company would have the right to request the deposit be paid back in full.

On 2 July 2018, the Company entered a memorandum of understanding with the joint investment company's shareholders. The shareholders agreed to transfer all their shares to the Company at its par value (JPY 10 million) as collateral for the Company's JPY 210 million deposit payment. The Company has already paid JPY 10 million for the shares used as collateral.

On 30 July 2019, the Company issued a letter to cancel the investment and requested for the deposit to be refunded in full. This is due to the delay in the development of the project and the higher cost of developing such a project.

In November 2019 and May 2020, the Company received JPY 171 million and JPY 5 million of the deposit, respectively, as a refund with JPY 44 million remaining. The Company had followed up to collect the remaining balance but had not received a response.

At the Company's Board of Directors Meeting No.3/2025 held on 14 August 2025, the Board of Directors resolved not to initiate legal proceedings against the joint investment company to recover the remaining deposit. In reaching this decision, the Board considered that approximately 80% of the deposit has already been recovered, that pursuing litigation to recover the remaining balance would entail significant costs estimated at approximately 50% of the claim amount.

Advanced payment for wind power plant

The advanced payment is for investment in the construction of seven units of wind power plants in Japan, with a total value of JPY 247 million. In 2017, the Group's subsidiary paid the advance payment of JPY 232 million to Aura Green Energy Co., Ltd. (a Japanese juristic person joint venture with PPSN Co., Ltd.). The seven wind power plants were in operation and have made sales revenue since 2017.

In December 2019, the Company assigned its legal advisor to send a notice to Aura Green Energy Co., Ltd. regarding the transfer of ownership in the wind power plants but Aura Green Energy Co., Ltd. opposed that the power plants had been handed over to the subsidiary, which doesn't match the facts. As at 30 May 2022, the Company filed Aura Green Energy Co., Ltd., the contracting party, to hand over the power plants and any electricity charges received earlier to the Group's subsidiary.

Subsequently, on 24 October 2022, Aura Green Energy Co., Ltd. filed a counter argument by referring to a memorandum of understanding dated 25 June 2022 which specified that PPSN Co., Ltd. does not have any claims against Aura Green Energy Co., Ltd. and will withdraw the lawsuit. However, the Company's legal advisor gave the opinion to file a counter argument for the validity of the memorandum of understanding. Currently, it is in the process of examination of evidence relating to the memorandum of understanding. Currently, it is in the process of examination of evidence relating to the memorandum of understanding.

On 12 May 2023, the court considered the evidence of PPSN Co., Ltd. relating to the payments for the construction of wind power plants to Aura Green Energy Co., Ltd. Currently, it is in the process of examination of evidence relating to the payments. The court scheduled for the next hearing on 21 December 2023.

On 30 April 2024, the court considered the evidence of PPSN Co., Ltd. relating to the payments for the construction of wind power plants to Aura Green Energy Co., Ltd. again. Currently, it is in the process of examination of evidence relating to the payments. The court scheduled for the next hearing on 3 June 2024.

On 17 June 2024, the court requested PPSN Co., Ltd. and Aura Green Energy Co., Ltd. to submit additional documents relating to the payments and delivering of the power plant.

On 7 August 2024, the court considered the additional submitted documents and Aura Green Energy Co., Ltd. withdrew the argument relating to the memorandum of understanding. Also, the court designated the hearing for witness examination on 10 October 2024.

At the Company's Board of Directors Meeting No.3/2025 held on 14 August 2025, the Board of Directors resolved to discontinue legal proceedings in relation to the wind power plant. This decision was made considering the judgment of the court of first instance dated 15 May 2025, under which PPSN Co., Ltd. was dismissed. In reaching its decision, the Board primarily relied on the court's judgment and considered the opinion of Japanese legal counsel, which indicated that continuing the proceedings would be protracted and entail significant additional costs, with no reasonable expectation of a favourable outcome or recovery of the amounts paid.

Short-term loan from and loan to Auluxe Power Co., Ltd.

Loan from Auluxe Power Co., Ltd. amount of THB 0.20 million, which related company bear interest at the rate of 3 percent p.a. and has maturity on January 2020. The company will not make a new contract and in the future, this will be offset with loan to related company.

Loan to Auluxe Power Co., Ltd. amount of THB 51.66 million, which related company bear interest at the rate of 3 percent p.a. and has maturity in 2020 - 2021. When the company has better liquidity, the company will continue to follow up by using legal counsel.

The Group's management has assessed the expected credit loss of short-term borrowings by considering the ability to pay the debt of those related parties. As a result, the Company has a risk for uncollectible borrowings in the total amount. Therefore, the loss allowance for short-term borrowings were recognized in the financial statements.

Advance received from sales contract of geothermal power plants

On 21 June 2018, the Company entered a preliminary agreement on the sale of 15 geothermal power plants, which are commercially operated. The total purchase price was approximately JPY 4,800 million and was paid to Relocation House Corporation (Relocation Group), a company established under Japanese law (the buyer). The Company considered disposing the power plant projects by either selling shares in the Company's subsidiary who owned the power plant projects or disposing of the assets of the power plant projects. The Company received a deposit of JPY 200 million. According to a preliminary agreement (Memorandum of Understanding), the buyer (Relocation Group), was required to pay the remaining amount of JPY 4,600 million by February 2019.

Subsequently, in February 2019, Relocation Group transferred its rights and obligations under the preliminary agreement to Beppu Forest Power Co., Ltd. (BF Power), who shared directors with the asset seller subsidiary until 30 June 2019, and PPSN Co., Ltd. (PPSN), a subsidiary. BF Power entered a contract to purchase 15 power plant projects ("Power Plant Project") (Contract No. 1) on 25 February 2019. It was agreed that BF Power would pay a deposit of JPY 400 million and transfer 25% of BF Power's shares to PPSN on 15 March 2019. PPSN would transfer ownership of four power plants (part of the 15 plants above) to BF Power within 15 days of completing the payment.

On 5 April 2019, PPSN entered a contract to sell four power plants (Contract No. 2) to BF Power at a total price of JPY 800 million. This involved JPY 400 million to be paid within two weeks of the contract date and another JPY 400 million to be paid within one year of the contract date. PPSN has already received the deposit of JPY 400 million. The Group received a total deposit of JPY 600 million, represented as deposit received, and the transfer must be approved by the Board of Directors. The memorandum stated that BF Power has the right to terminate the contract if the transfer wasn't approved by the Board of Directors. The contract was created for four parties: BF Power, PPSN, Lena Power Station No.1 LLC (LENA) and the Company. BF Power and PPSN were the only party to sign the contract. The Company's legal advisor gave the following opinions on the second contract as follows:

1. If LENA could prove that it didn't authorise PPSN to sign the contract on its behalf, LENA wouldn't be bound to the contract.
2. If the Company could prove that it didn't authorise PPSN to sign the contract on its behalf, the Company wouldn't be bound to the contract.

The second former director at that time confirmed he didn't sign the contract, but the first former director signed it on his behalf. The legal advisor in Japan advised that this is a matter of true intention of entering a contract, according to Japanese law. If it conflicted with the intention of a signatory, this contract would be void. If it could be proven that the second former director didn't sign this contract, but the first former director signed it, this contract wouldn't be binding for PPSN.

In December 2019, the Company sent a notice requesting BF Power to pay the remaining amount of JPY 4,200 million to the Company by 31 January 2020. If BF Power failed to pay the rest of the money, the Company would exercise their right to terminate the contract and confiscate the deposit of JPY 600 million. The Company confirmed that they would sell the power plants at JPY 320 million each and didn't accept the contract that BF Power made later to buy the four power plants at JPY 200 million each.

During January 2020, PPSN and LENA were notified by the electricity buyers of subsidiaries in the electricity generating group totaling four power plants that the electricity charges paid to the subsidiaries for the period of January 2020 onwards has been placed at the Oita Legal Affairs Bureau, which currently has money deposited in the amount of JPY 11,383,944 and JPY 16,599,528.

On 18 June 2020, PPSN received a letter from BF Power referring to the second contract dated 5 April 2019 by BF Power to cancel the purchase of two power plants owned by LENA, a subsidiary of the Company. On 17 July 2020, PPSN received "a summons to report on the date of the first verbal statement and a request letter for a response letter" from BF Power. It demanded that PPSN should pay BF Power JPY 40,540,542 plus 3% of accrued interest per year, starting from 2 May 2020 until the payment was completed, and the cost of litigation. However, "the summons to report on the date of the first verbal statement and a request letter for a response letter" required PPSN to submit the testimony on 27 August 2020.

On 6 August 2020, PPSN received two copies of an order for a temporary seizure of assets from the Tokyo District Court in Japan. The orders are summarised below.

1. According to order no. 1 for the temporary seizure of assets, the court ordered the temporary seizure of two of PPSN's plots of land where one power plant is located (power plant unit B). BF Power was required to place a guarantee of JPY 300,000. If PPSN could pay a security deposit of JPY 1,404,131, PPSN could request to suspend or withdraw the order.
2. According to order No. 2 on the temporary seizure of assets, the court ordered the temporary suspension of revenue from the sale of electricity generated by power plant unit B from 17 July 2020 to 16 July 2021. It also required BF Power to pay a guarantee of JPY 7.90 million. If PPSN could pay a security deposit of JPY 39,433,306, PPSN could request to suspend or withdraw the order.

In response, the Company assigned a lawyer to the case to file a petition to counter the two orders.

On 8 June 2021, an offset of debt and expenses of JPY 40.5 million was added with the next hearing date scheduled on 26 July 2021, which BF Power didn't file a counter argument as it was in the process of settlement negotiations. The next hearing date was scheduled on 20 January 2022.

During 2023 and 2024, the Company is still in the process of settlement negotiation with BF Power for the sale of a power plant of PPSN. However, the conditions and obligation of the mentioned purchase have been continuously presented in the next court hearings and still could not be finalised.

On 10 January 2024, The Company presented the conditions and obligation of the mentioned sale agreement to BF Power for consideration. BF Power proposed to change some conditions. The settlement agreement was signed by both parties on 29 February 2024. The subsidiary has transferred power plants to BF Power in the exchange of deposit amounting to JPY 400 million, equivalent to Baht 95.88 million, that received from BF Power on 11 April 2019. According to conditions in the agreement, the Company transferred power plant at total selling price of JPY 363.64 million, equivalent to Baht 87.16 million and net book value of JPY 185.11 million, equivalent to Baht 44.37 million. As a result, the Group recognised gain on disposals of the assets of JPY 178.53 million, equivalent to Baht 42.79 million in the consolidated statements of comprehensive income during the period. The electricity charges which the electricity buyers of subsidiaries placed at the Oita Legal Affairs Bureau belong to BF Power and LENA in the amount of JPY 11,383,944 and JPY 16,599,528, respectively. The subsidiary also complied with other conditions specified in the agreement already. Consequently, BF Power has withdrawn the lawsuit relating to the power plant sale contract with the subsidiary. As a result, the dispute between the subsidiary and the buyer in the geothermal power plant sale contract in Japan finalised.

On 25 March 2025, PPSN received a letter from Relocation Group confirming that PPSN and Relocation Group has no obligations nor any responsibility among each party to be bound by any provisions of the preliminary agreement (Memorandum of Understanding) dated 21 June 2018. As a result, the Company recorded a reversal of the deposit of JPY 200 million, equivalent to Baht 44.55 million, received from Relocation Group and recognised the transaction in the statements of comprehensive income during the period, which presented in other income.

Yours sincerely,

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Director / Chief Executive Officer

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