

May 15, 2026

Subject : Management Discussion and Analysis for the operating results for the first quarter of 2026  
 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 first quarter of 2026, with details as follows:

Performance overview

PP Prime Public Company Limited and its subsidiary Statement of comprehensive income (Unit: Million Baht)	Q1'2026		Q1'2025		Change increase (decrease)	Percentage
Revenue from sales	170.08	100%	132.24	100%	37.84	29%
Cost of sales	(163.27)	(96%)	(133.10)	(101%)	30.17	23%
Gross profit	6.81	4%	(0.86)	(1%)	7.67	(892%)
Other incomes	2.50	1%	48.67	37%	(46.17)	(95%)
Selling expenses	-	-	(2.61)	(2%)	(2.61)	(100%)
Administrative expenses	(20.40)	(12%)	(21.57)	(16%)	(1.17)	(5%)
Expected credit gain (loss)	(34.31)	(20%)	1.52	1%	35.83	2,357%
Other gain (loss), net	23.55	14%	36.45	28%	(12.90)	35%
Finance costs	(1.72)	(1%)	(1.52)	(1%)	0.20	13%
Profit (loss) before income tax	(23.57)	(14%)	60.08	45%	(83.65)	(139%)
Income tax	(0.08)	0%	(0.19)	0%	(0.11)	(58%)
Profit (loss) for the period	(23.65)	(14%)	59.89	45%	(83.54)	(139%)

In the first quarter of 2026, PP Prime Public Company Limited (“the Company”) and its subsidiaries reported total sales revenue of THB 170.08 million. This consisted of revenue from the aquatic animal feed business, poultry feed business, and pet food business, amounting to THB 5.93 million, THB 55.42 million, and THB 108.73 million, respectively. These figures represent 3.49%, 32.59%, and 63.93% of total sales revenue, respectively. The Company and its subsidiaries saw a 29% increase in sales revenue compared to the same period last year.

For the first quarter of 2026, the Company and its subsidiaries recorded net loss of THB 23.65 million. The primary factor contributing to this loss was expected credit losses amounting to THB 34.31 million.

## Explanation and analysis of financial status and operating results for the first quarter of 2026

### 1. Operating results

#### 1.1 Revenue

##### Aquatic Feed Business

Revenue from the aquatic feed business amounted to THB 5.93 million, representing a 33% decrease compared to the previous year. This was primarily due to the Company's efforts in the first quarter to attract fish feed customers and penetrate new markets, resulting in the resumption of revenue generation for this segment after a temporary production suspension.

##### Poultry Feed Business

Revenue from the poultry feed business amounted to THB 55.42 million, representing a 100% increase compared to the previous year. This significant growth was driven by the acquisition of new customers since August 2025, coupled with the continuous expansion of the poultry feed market. These factors led to a steady rise in purchase orders, resulting in a substantial increase in sales revenue.

##### Pet Food Business

Revenue from the pet food business amounted to THB 108.73 million, representing a 12% decrease compared to the previous year. Despite the continued popularity of pet food driven by the rising number of pet owners, the Company's sales performance faced a downturn. This trend was primarily due to a slowdown in customer orders, resulting from intensified domestic competition and a surge in imported pet food products competing in the market.

#### 1.2 Cost of Sales

The Company reported a total cost of goods sold (COGS) of THB 163.27 million, representing a 23% increase compared to the previous year, which is in line with the growth in sales revenue. Raw material costs remain the primary component, accounting for 75-80% of the total cost of goods sold. The structure of the cost of goods sold remains consistent with the previous quarter.

#### 1.3 Administrative expenses

Administrative expenses amounted of THB 20.41 million, representing a decrease of THB 1.11 million or 5% compared to the previous year. This reduction was primarily due to the Company's ongoing cost-control measures and the streamlining of non-essential expenses, which resulted in improved administrative efficiency.

#### 1.4 Expected credit gain (loss)

The Company recorded an expected credit loss of THB 34.31 million, representing a significant increase of THB 35.83 million or 2,357% compared to the previous year. This loss was primarily driven by the recognition of allowance for expected credit losses from trade receivables, which are assessed as unlikely to be collected.

### 1.5 Other Income (Loss) - Net

Net other income amounted to THB 23.55 million, a decrease of THB 12.90 million or 35% compared to the previous year. The majority of other income was derived from foreign exchange gains. In the first quarter of 2026, the Group reported a foreign exchange gain of THB 25.43 million, which decreased by THB 11.93 million compared to the same period last year.

## 2. Financial status

### 2.1 Asset

As of March 31, 2026, the Company and its subsidiaries reported total assets of THB 812.73 million, an increase of THB 12.00 million from December 31, 2025. This growth was primarily driven by an increase of THB 9.61 million in trade and other receivables, mainly due to new customers acquired towards the end of 2025. Additionally, inventories increased by THB 8.72 million, resulting from the procurement of raw materials in preparation for upcoming production orders.

### 2.2 Liabilities

As of March 31, 2026, the Company and its subsidiaries reported total liabilities of THB 498.63 million, representing an increase of THB 57.78 million or 13% from December 31, 2025. This increase was primarily driven by a rise in trade and other current payables, which grew by THB 55.46 million.

Debt-to-Equity (D/E) Ratio: 1.59 times (as of Mar 31, 2026) compared to 1.22 times (as of Dec 31, 2025).

### 2.3 Equity

As of March 31, 2026, the Company and its subsidiaries reported total shareholders' equity of THB 314.10 million, representing a decrease of THB 45.78 million or 13% from December 31, 2025. This decline was primarily attributable to the net loss of THB 23.65 million from operations, and a decrease in other components of equity amounting to THB 25.85 million.

## 3. Liquidity

The Company and its subsidiaries owned a net cash flow used in operating activities of Baht 2.29 million, cash flows used in investing activities of Baht 1.65 million, cash flows generated from financing activities of Baht 3.60 million. Consequently, as of March 31, 2026, the Group held cash and cash equivalents totaling THB 1.87 million.

## 4. Litigation

### Litigation Against Long-term Loan Receivable

On October 9, 2025, the Company filed a lawsuit against a debtor and their guarantors (the defendants) due to a default on principal and interest payments, with the total amount in dispute (capital) amounting to THB 74,218,727.

On May 5, 2026, the Civil Court scheduled a hearing for both parties to discuss mediation and review the defendants' debt repayment plan. During the previous hearing, the defendants waived all points of defense, admitting their full liability for the debt as claimed by the Company without further contest. Consequently, the Company's representatives proposed the following repayment options, prioritizing the Company's best interests:

Plan 1 (Short-term / 3-year plan): Focuses on full repayment within 36 installments to minimize long-term accumulated interest.

Plan 2 (Long-term / 5-year plan): Extends the repayment period to 60 installments to improve the defendants' monthly liquidity for debt servicing.

A critical condition stipulated by the Company is that the defendants must deposit cash or assets valued at no less than 10% of the total debt (approximately THB 7.4 million) with the Court as a security deposit. This is required to demonstrate good faith and mitigate damages from the default prior to signing a settlement agreement. Furthermore, the Company requested the Court to render a Judgment by Consent, with a clause stating that should the defendants default on any single installment, the Company reserves the immediate right to commence legal execution.

#### Current Status:

The Civil Court has adjourned the session to July 7, 2026, for the signing of the settlement agreement and the examination of the plaintiff's witnesses. In the event that the defendants do not accept the repayment plan, the Company's counsel will proceed with witness testimony and request a final court judgment. Based on the documentary evidence and the merits of the case, the Company remains confident that the Court will rule in its favor, compelling the defendants to settle the debt.

#### Leasehold Rights Dispute at People Park

On August 15, 2025, the Company was named as a defendant in a civil lawsuit regarding a dispute over building leasehold rights (Civil Case Black No. Por. 708/2568 and Red No. Por. 182/2569). The plaintiff, the new leasehold rights holder, filed a lawsuit against the Company as the second defendant, seeking the revocation of the lease agreement the Company had entered into with its counterparty. Furthermore, the plaintiff requested the return of the leased area and claimed damages for the loss of benefits from rental and service income that the Company had received from sub-lessees prior to the filing date.

On February 26, 2026, the Court of First Instance rendered a judgment ordering the Company to pay damages for loss of benefits to the plaintiff in the amount of THB 11.89 million, plus interest at the rate of 5% per annum on the principal amount, effective from the day after the filing date (August 15, 2025) until the full amount is paid. Additionally, the Company is ordered to pay for loss of benefits at a rate of THB 300,000 per month, calculated from the filing date until the disputed area is returned to the plaintiff.

The Court has granted the Company an extension to file an appeal until May 22, 2026. Currently, the Company is in the process of drafting the appeal, preparing the relevant documentation, and appointing legal counsel to proceed with the defense in the Court of Appeals according to legal procedures

## 5. 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.

On 7 April 2026, the Company received a notification from a private company regarding to request a division of assets for the claim of a deposit related to the construction of the aforementioned power plant, amounting to JPY 65,695. This requisition represents the final division of assets. The Company is currently awaiting for receipt of the payment, which is expected to be completed in May 2026.

### 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.

Yours sincerely,

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