August 14, 2026

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

Overview of operating performance

PP Prime Public Company Limited and its subsidiary Statement of comprehensive income (Unit: Million Baht)	Q2'2026		Q2'2025		Change increase (decrease)	Percentage
Revenue from sales	165.07	100%	117.70	100%	47.37	40%
Cost of sales	(157.12)	(95%)	(118.98)	(101%)	38.14	32%
Gross profit (loss)	7.95	5%	(1.28)	(1%)	9.23	721%
Other income	1.62	1%	5.06	4%	(3.44)	(68%)
Selling expenses	-	-	(2.28)	(2%)	(2.28)	(100%)
Administrative expenses	(19.60)	(12%)	(23.11)	(20%)	(3.51)	(15%)
Expected credit gain	27.81	17%	0.65	1%	27.16	4,178%
Gain on sale of property, plant and equipment	1.10	1%	0.46	0.4%	0.64	139%
Other gain (loss), net	1.32	1%	(21.71)	(18%)	23.03	106%
Finance costs	(1.81)	(1%)	(1.58)	(1%)	0.23	15%
Profit (loss) before income tax	18.39	11%	(43.79)	(37%)	62.18	142%
Income (expense) tax	0.08	0%	(0.77)	(1%)	0.85	110%
Profit (loss) for the period	18.47	11%	(44.56)	(38%)	63.03	141%

In the second quarter of 2026, PP Prime Public Company Limited ("the Company") and its subsidiaries generated total sales revenue of THB 165.07 million. This comprised THB 25.75 million from the poultry feed business and THB 139.32 million from the pet food business, representing 15.60% and 84.40% of total sales revenue, respectively. Total sales revenue increased by 40% year-on-year.

The Company and its subsidiaries recorded a total net profit of THB 18.47 million, primarily driven by a gain on expected credit loss of THB 27.81 million.

Management discussion and analysis of financial position and operating performance for Q2/2026

1. Operating performance

1.1 Revenue from Sales

Poultry Feed Business

Sales revenue totaled THB 25.75 million, a 100% year-on-year increase. This growth was driven by new customer acquisitions since August 2025 coupled with steady expansion in the poultry feed market, resulting in continuous order inflows.

Pet Food Business

Sales revenue totaled THB 139.32 million, up approximately 19% year-on-year. The pet food sector sustained strong demand due to the growing pet ownership population, generating higher sales volume.

1.2 Cost of Sales

Total cost of goods sold stood at THB 157.12 million, an increase of 32% year-on-year, aligning with revenue expansion. Raw material costs accounted for the largest share (75%–80% of total cost of sales). The overall cost structure remained consistent with the previous quarter.

1.3 Selling and administrative expenses

Administrative expenses were THB 19.60 million, representing a decrease of THB 5.79 million or 22.80% year-on-year. This reduction was achieved through strict ongoing control over non-essential operating expenditures.

1.4 Expected credit gain (loss)

The Company recognized gains on expected credit loss of THB 27.81 million, an increase of THB 27.16 million or 4,178% year-on-year. This improvement was predominantly due to the reversal of previously provisioned credit loss allowances following debt recoveries from high-risk debtors.

1.5 Other Income (Loss) - Net

Other net gain stood at THB 1.32 million, an increase of THB 23.03 million or 106% year-on-year. This was primarily attributable to foreign exchange gains, which amounted to THB 1.43 million in Q2/2026—a THB 22.34 million improvement compared to the same period last year.

2. Financial position

2.1 Asset

As of 30 June 2026, total assets were THB 684.66 million, a decrease of THB 116.07 million from 31 December 2025. This decline was mainly driven by a THB 93.92 million decrease in trade and other receivables following debt settlements in Q2/2026, alongside a THB 8.31 million reduction in property, plant, and equipment due to depreciation.

2.2 Liabilities

As of 30 June 2026, total liabilities stood at THB 352.34 million, reflecting a reduction of THB 88.51 million or 20% compared to 31 December 2025. The decrease was primarily due to trade and other payables reducing by THB 86.39 million following ongoing supplier repayments.

The debt-to-equity (D/E) ratios as of 30 June 2026 and 31 December 2025 were 1.06 times and 1.22 times, respectively.

2.3 Equity

As of 30 June 2026, total shareholders' equity was THB 332.32 million, decreasing by THB 27.56 million or 7.66% from 31 December 2025. The decline was primarily due to operating losses of THB 5.18 million and changes in other equity components decreasing by THB 26.85 million.

3. Liquidity

Net cash generated from operating activities was THB 1.80 million, while net cash used in investing activities was THB 4.57 million, and net cash generated from financing activities was THB 1.65 million. Consequently, cash and cash equivalents as of 30 June 2026 totaled THB 1.09 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:

On 10 August 2026, the Civil Court ruled in favor of the Company, ordering the defendants to pay principal and accrued interest totaling THB 74.22 million up to the filing date, plus interest at 7.5% per annum from the filing date (9 October 2025) until full payment is settled.

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.

On 25 June 2026, the Court of First Instance granted the Company permission to provide security for a stay of execution of the judgment of the Court of First Instance. The Company pledged an asset as security with the Court of First Instance, unless and until the Court orders otherwise

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 the distribution of assets in relation to the Company’s claim for a deposit of JPY 50 million paid for the construction of the aforementioned power plants. The private company will return the deposit through the asset distribution in the total amount of JPY 65,695, which represents the final asset distribution. The Company received the deposit as the aforementioned on 30 June 2026. Accordingly, all the matters relating to such advance payment have been concluded.

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,

PP Prime Public Company Limited

(Mr. Wiboon Rasmeepaisarn)

Director / Chief Executive Officer

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