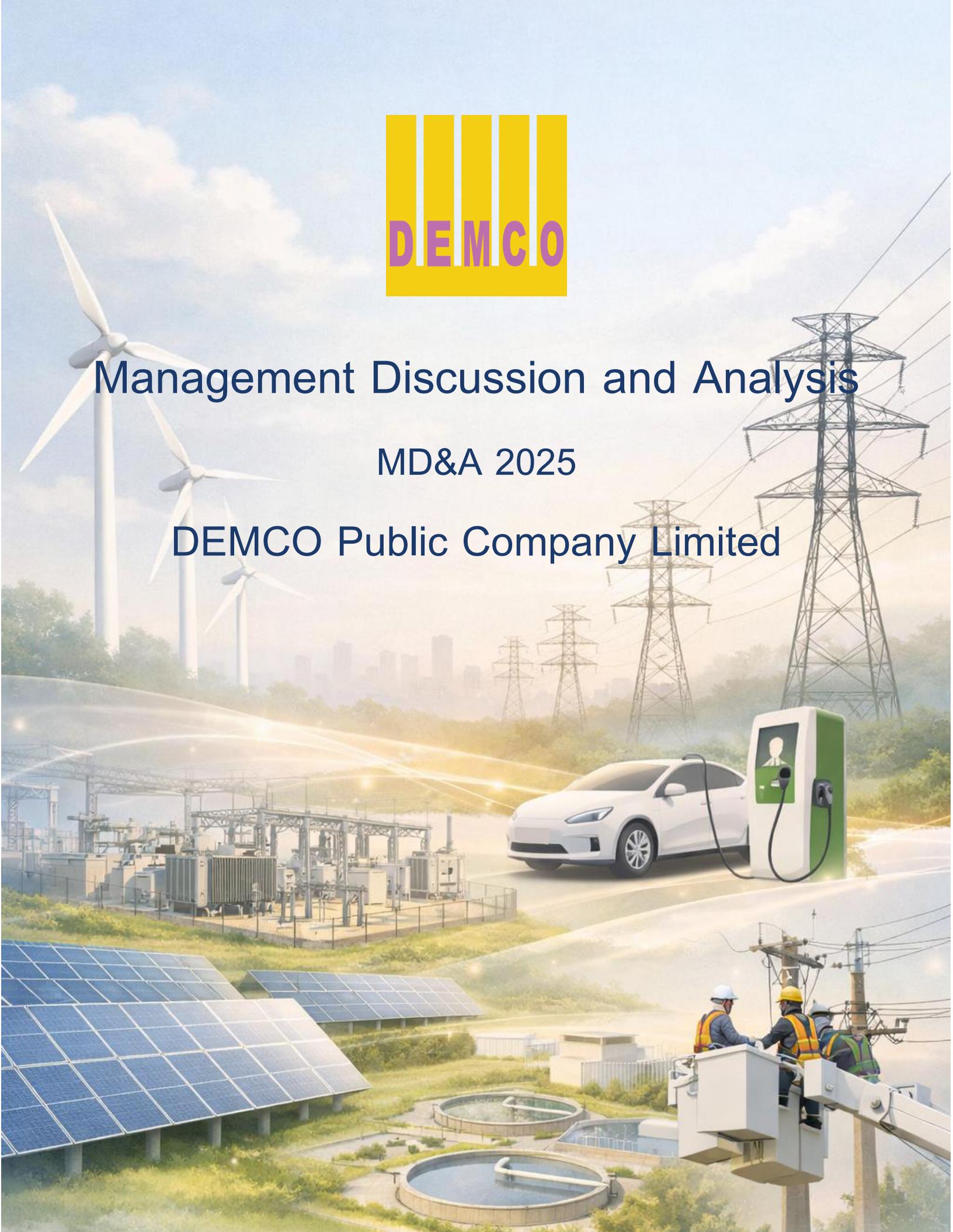




Management Discussion and Analysis

MD&A 2025

DEMCO Public Company Limited



Management Discussion and Analysis for Q4/2025 Performance

DEMCO Public Company Limited would like to report on the performance of the twelve-month period of 2025 according to the Company's consolidated financial statements ended December 31, 2025. The analysis below provides an overview of the Company's performance and the factors affecting the consolidated financial statements as follows:

Summary of FY2025 operating results

Summary of Operating Results for the 12-Month Period Ended December 31, 2025					
Unit: THB Million					
Description	FY 2025	FY 2024	Change	%YoY	Gross Profit Margin
REVENUE · REVENUE					
Revenue from Sales of Goods and Services	211.6	851.4	(639.8)	▼ 75.1%	—
Revenue from Construction Services	1,932.5	2,124.2	(191.7)	▼ 9.0%	—
Other Income	62.4	236.6	(174.2)	▼ 73.6%	—
Total Revenue	2,206.6	3,212.2	(1,005.6)	▼ 31.3%	—
COSTS AND EXPENSES · COSTS & EXPENSES					
Cost of Sales of Goods and Services	220.6	832.0	611.4	▼ 73.5%	—
Cost of Construction Services	1,602.4	1,920.7	318.3	▼ 16.6%	—
Selling and Administrative Expenses	287.6	293.8	6.2	▼ 2.1%	—
Total Costs and Expenses	2,118.3	3,062.8	944.4	▼ 30.8%	—
GROSS PROFIT · GROSS PROFIT					
Gross Profit (Loss) from Sales of Goods and Services	(9.0)	19.4	(28.4)	▼ 146.4%	(4.3%) vs 2.2%
Gross Profit from Construction Services	330.1	203.5	126.6	▲ 62.6%	17.1% vs 9.6%
Total Gross Profit	321.1	222.9	98.2	▲ 44.1%	15.0% vs 7.5%
DESCRIPTION · BELOW OPERATING PROFIT					
Finance Cost	60.3	69.1	8.8	▼ 12.7%	—
Impairment Loss (Reversal) under TFRS 9	43.4	162.5	(119.1)	▼ 73.3%	—
Share of Profit (Loss) from Investments in Associates	19.8	26.3	(6.5)	▼ 24.7%	—
Profit (Loss) before Income Tax	4.5	(55.8)	60.3	▲ 108.1%	—
Income Tax Expense (Income)	(8.3)	6.8	(15.1)	▼ 222.1%	—
Net Profit (Loss)	12.8	(62.7)	75.5	▲ 120.4%	0.6% vs (1.9%)

—Source: Consolidated Financial Statements ended December 31, 2025 - DEMCO Public Company Limited

Revenue

For the full year 2025, total revenue was THB 2,207.1 million, a decrease of THB 1,005.1 million or 31.3% compared to the same period in the previous year, primarily due to decreases in revenue from sales of goods and services and revenue from construction services. However, the Company achieved a significantly higher gross profit margin through more efficient project cost and expense management.

Revenue from sales of goods and services

For the full year 2025, revenue from sales was THB 211.6 million, a decrease of THB 639.8 million or 75.1% compared to the same period in the previous year (YoY). The decrease was primarily due to lower sales of flue inspection equipment and steel tower.

Revenue from construction services

For the full year 2025, revenue from construction services was THB 1,932.5 million, a decrease of THB 191.7 million or 9.0% compared to the same period in the previous year (YoY). The decrease was primarily due to lower revenue from underground electrical systems, transmission line systems, and distribution systems.

Other Income

For the full year 2025, other income was THB 62.4 million, a decrease of THB 174.2 million or 73.6% compared to the same period in the previous year (YoY). The decrease was primarily due to lower dividend income from investments in the renewable energy business.

Cost and expenses of selling and administrative

For the full year 2025, total cost and expenses of selling and administrative amounted to THB 2,118.8 million, a decrease of THB 943.9 million or 30.8% compared to the same period in the previous year (YoY), due to a reduction in the cost of goods sold in proportion to the decline in revenue. Overall, the Company was able to manage costs more efficiently, resulting in a significant improvement in the overall gross profit margin compared to the previous year.

Cost of sales of goods and services

For the full year 2025, cost of sales of goods and services amounted to THB 220.6 million, a decrease of THB 611.4 million or 73.5% compared to the same period in the previous year (YoY), mainly due to lower manufacturing and selling costs of steel tower in proportion to the decline in revenue.

Cost of construction services

For the full year 2025, cost of construction services amounted to THB 1,602.4 million, a decrease of THB 318.3 million or 16.6% compared to the same period in the previous year (YoY), due to more efficient project cost management and continuous control of on-site expenses.

Selling and Administrative Expenses

For the full year 2025, selling and administrative expenses amounted to THB 287.6 million, a decrease of THB 6.2 million or 2.1% compared to the same period in the previous year (YoY). Overall, total expenses for the year continue to show a declining trend in line with the organizational restructuring policy and cost management to improve the Company's overall efficiency.

Gross Profit

For the full year 2025, the Company recorded a gross profit of THB 321.1 million, an increase of THB 98.2 million or 44.1%, with a gross profit margin of 15.0%, an improvement of 7.5 percentage points compared to the same period in the previous year (YoY), resulting from more efficient project cost management.

Gross profit from sales of goods and services

For the full year 2025, the Company reported a gross loss of THB 9.0 million, an increase in gross loss of THB 28.4 million or 146.4% compared to the previous year, with a gross loss margin of 4.3%, an increase of 6.5 percentage points compared to the same period in the previous year (YoY). The main reason was lower sales of flue inspection equipment and steel tower.

Gross profit from construction services

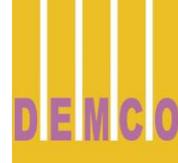
For the full year 2025, the Company reported a gross profit from construction services of THB 330.1 million, an increase of THB 126.6 million or 62.6%, with a gross profit margin of 17.1%, an improvement of 7.5 percentage points compared to the same period in the previous year (YoY). The main reasons were more efficient operations and continuous good project cost control.

Finance Cost

For the full year 2025, the Company reported finance costs of THB 60.3 million, a decrease of THB 8.8 million or 12.7% compared to the same period in the previous year (YoY). The decrease was mainly due to the continuous repayment of long-term loans, resulting in lower outstanding liabilities and reduced interest expenses. The Company continues to repay long-term loans to maintain an appropriate interest burden and strengthen its long-term financial position.

Net Profit

For the full year 2025, net profit was THB 12.8 million, an increase of THB 75.5 million or 120.4% compared to the same period in the previous year which had a net loss of THB 62.7 million (YoY). Although total revenue and dividend income decreased, the Company was able to maintain a significantly better gross profit margin through efficient cost and expense management, together with a reduction in impairment losses in accordance with TFRS 9.



Projects Under Construction

Projects not yet delivered and under operation as of December 31, 2025, which are expected to progressively recognize revenue by 2027, are categorized by project type as follows:

Projects Not Yet Delivered and Under Operation (Backlog) as of December 31, 2025		BACKLOG
Unit: THB Million · Expected to progressively recognize revenue within 2027		
Project Type	Project Value (THB Million)	Share
BACKLOG BY PROJECT TYPE		
Substation Works	2,115	81.4%
Power Transmission System	242	9.3%
Underground Electrical System	104	4.0%
Distribution System	59	2.3%
Operation & Maintenance	31	1.2%
Telecommunication System	28	1.1%
Sales Works	16	0.6%
Engineering Design	3	0.1%
Total Project Value (Total Backlog)	2,598	100.0%

— Backlog data as of December 31, 2025 · Expected to progressively recognize revenue within 2027

Financial Position Summary as of December 31, 2025

Financial Position Summary as of December 31, 2025							BALANCE SHEET
							Unit: THB Million
Description	31 Dec 2025	%Share	31 Dec 2024	%Share	Change	%YoY	
ASSETS - ASSETS							
<i>Current Assets</i>							
Trade Receivables and Other Current Receivables	865.5	14.4%	1,035.1	15.5%	(169.6)	▼ 16.4%	
Contract Assets (Current)	402.3	6.7%	390.1	5.8%	12.2	▲ 3.1%	
Inventories	151.1	2.5%	350.9	5.2%	(199.8)	▼ 57.0%	
Other Current Assets	116.4	1.9%	184.5	2.8%	(68.1)	▼ 36.9%	
Total Current Assets	1,535.3	25.6%	2,000.4	29.9%	(465.2)	▼ 23.3%	
<i>Non-Current Assets</i>							
Other Non-Current Financial Assets	2,196.6	36.6%	2,367.7	35.4%	(171.1)	▼ 7.2%	
Investments in Associates	1,391.8	23.2%	1,439.6	21.5%	(47.8)	▼ 3.3%	
Intangible Assets	298.8	5.0%	306.5	4.6%	(7.7)	▼ 2.5%	
Other Non-Current Assets	576.7	9.6%	581.0	8.7%	(4.3)	▼ 0.7%	
Total Non-Current Assets	4,463.9	74.4%	4,694.8	70.1%	(230.9)	▼ 4.9%	
Total Assets	5,999.2	100.0%	6,695.3	100.0%	(696.0)	▼ 10.4%	
LIABILITIES - LIABILITIES							
<i>Current Liabilities</i>							
Bank Overdrafts and Short-Term Loans	1,011.4	16.9%	1,251.8	18.7%	(240.4)	▼ 19.2%	
Trade Payables and Other Current Payables	579.5	9.7%	918.5	13.7%	(339.0)	▼ 34.9%	
Contract Liabilities (Current)	368.5	6.1%	369.9	5.5%	(1.4)	▼ 0.4%	
Other Current Liabilities	83.9	1.4%	107.9	1.6%	(24.0)	▼ 22.2%	
Total Current Liabilities	2,043.3	34.1%	2,648.0	39.6%	(610.3)	▼ 23.1%	
<i>Non-Current Liabilities</i>							
Long-Term Loans	62.3	1.0%	72.8	1.1%	(10.6)	▼ 14.5%	
Other Non-Current Liabilities	286.9	4.8%	319.2	4.8%	(32.3)	▼ 10.1%	
Total Non-Current Liabilities	349.2	5.8%	392.0	5.9%	(36.9)	▼ 9.4%	
Total Liabilities	2,392.8	39.9%	3,040.1	45.4%	(647.2)	▼ 21.3%	
SHAREHOLDERS' EQUITY - EQUITY							
Common Shares	751.0	12.5%	751.0	11.2%	—	→ 0.0%	
Share Premium	1,967.6	32.8%	1,967.6	29.4%	—	→ 0.0%	
Retained Earnings (Accumulated Deficit)	(307.3)	(5.1%)	(319.3)	(4.8%)	12.0	▲ 3.8%	
Other Components of Equity	942.4	15.7%	1,008.8	15.1%	(66.4)	▼ 6.6%	
Non-Controlling Interests (NCI)	252.7	4.2%	247.1	3.7%	5.6	▲ 2.3%	
Total Shareholders' Equity	3,606.4	60.1%	3,655.2	54.6%	(48.8)	▼ 1.3%	

— Source: Consolidated Financial Statements ended December 31, 2025 - DEMCO Public Company Limited

As of December 31, 2025, the Company has a strong financial position with total assets of THB 5,999.2 million and shareholders' equity of THB 3,606.4 million.

Total assets:

As of December 31, 2025, the Company had total assets of THB 5,999.2 million, a decrease of THB 696.0 million or 10.40% compared to December 31, 2024. The main reasons were:

1. Current assets decreased by THB 465.2 million or 23.25% due to the decrease in trade receivables from collection and the decrease in inventory due to the business adjusting and reducing production capacity in the sales of goods segment.
2. Non-current assets decreased by THB 230.9 million or 4.92% from the return of other long-term investments due to business liquidation, the decrease in fair value of other long-term investments, and the decrease in investments in associates from lower operating performance.

Total liabilities

As of December 31, 2025, the Company had total liabilities of THB 2,392.8 million, a decrease of THB 647.2 million or 21.29% compared to December 31, 2024. The main reasons were:

- (1) Current liabilities decreased by THB 610.3 million or 23.05% because the Company received cash from trade receivables and was able to use it to repay short-term loans from financial institutions and partially settle trade payables.
- (2) Non-current liabilities decreased by THB 36.9 million or 9.42% due to the decrease in long-term loans and deferred income tax liabilities.

Shareholders' Equity

As of December 31, 2025, the Company had shareholders' equity of THB 3,606.4 million, a decrease of THB 48.8 million or 1.34% compared to December 31, 2024. The decrease was primarily from the decrease in other components of equity from fair value changes of long-term investments measured through other comprehensive income. However, retained earnings improved by THB 12.0 million from net profit in the year 2025.

Key Financial Ratios

Key Financial Ratios for the 12-Month Period of 2025				RATIOS
Based on Consolidated Financial Statements ended December 31, 2025				
Financial Ratio	FY 2025	FY 2024	Change	Analysis
PROFITABILITY · PROFITABILITY				
Gross Profit Margin	15.0%	7.5%	+7.5%	↑ +7.5% increase
Net Profit Margin	0.6%	(2.0%)	+2.5%	↑ +2.5% increase
Return on Assets (ROA)	0.2%	(0.9%)	+1.1%	↑ +1.1% increase
Return on Equity (ROE)	0.4%	(1.7%)	+2.1%	↑ +2.1% increase
LIQUIDITY · LIQUIDITY				
Current Ratio	0.8x	0.8x	—	→ Stable
DEBT SERVICE COVERAGE · LEVERAGE				
Debt Service Coverage Ratio (DSCR)	1.5x	0.6x	+0.9x	↑ +0.9x improvement
Debt-to-Equity Ratio (D/E)	0.7x	0.8x	(0.1x)	↑ +0.1x improvement

—Source: Consolidated Financial Statements ended December 31, 2025 - DEMCO Public Company Limited

Yours sincerely,

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MR. Chokchawan Yangthaworntrakul

(Chief Financial Officer)