



Management's Discussion and Analysis

The Group Performance for the 2nd Quarter 2026

Banpu Power Public Company Limited and Subsidiaries

1. Management Discussion and Analysis

In the second quarter of 2026, Banpu Power Public Company Limited (“the Company”) continued to focus on effective portfolio management amid economic and energy market volatility across multiple regions. The Company remained committed to maintaining stable cash flows, managing costs efficiently, and pursuing opportunities in energy businesses aligned with the ongoing energy transition.

The amalgamation between the Company and Banpu Public Company Limited (“BANPU”) was completed with the registration of the amalgamation on 31 July 2026. As a result, the Company and BANPU ceased to exist as separate legal entities, and a new company was established under the name “Banpu Public Company Limited” (“NewCo”), assuming all assets, liabilities, rights, duties, and obligations of both companies in accordance with applicable laws. NewCo’s shares commenced trading on the Stock Exchange of Thailand (SET) on 4 August 2026. The amalgamation constitutes an event after the reporting period and forms part of Banpu Group’s corporate restructuring aimed at enhancing operational efficiency and capital allocation, while increasing flexibility in executing its long-term growth strategy. Under the new structure, the Group will be better positioned to manage its energy portfolio in a more integrated manner, encompassing upstream energy, power generation, renewable energy, energy storage systems, and related energy businesses.

For the second quarter of 2026, the Company reported a net profit of THB 952 million, representing a 25% decrease from the same period last year. The decrease was primarily attributable to a lower share of profit from the BLCP power plant, mainly due to higher deferred tax expenses and unrealized foreign exchange losses. The share of profit from the HPC power plant also decreased, mainly due to lower revenue resulting from higher unplanned outages. Nevertheless, BLCP and HPC maintained strong operational availability, with EAF of 99% and 90%, respectively. In addition, earnings contribution from the U.S. power business decreased following the reduction in the Company’s ownership interest in the Power JV, coupled with softer operating performance driven by lower electricity prices amid mild weather conditions, which weighed on market power prices.

At the end of the quarter, the Company’s financial position strengthened significantly, with the net debt to equity ratio declining to 0.22 times from 0.47 times at the end of 2025, following repayments of loans and debentures during the period. This provides a solid financial foundation for NewCo following the amalgamation.

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2. Group Performance Analysis

The analysis and explanation of the performance for the 2nd quarter ended 30 June 2026 and 2025 are described as follows:

Consolidated Statement of Income for the 2nd quarter ended 30 June 2026 and 2025:

Consolidated financial performance (Unit: Million Baht)	2Q2026	2Q2025	Change	
			Amount	%
Sales	917	6,557	(5,640)	-86%
Cost of sales	(865)	(5,597)	4,732	85%
Gross profit	52	960	(908)	-95%
Selling & Administrative expenses	(271)	(468)	197	42%
Share of profit from associates and joint ventures	1,028	1,328	(300)	-23%
Net gains (losses) from changes in fair value of financial instruments	20	432	(412)	-95%
Net gains (losses) on exchange rate	47	(207)	254	123%
Other Income (Expense)	260	229	31	14%
Financial costs	(161)	(624)	463	74%
Profit before income taxes	975	1,650	(675)	-41%
Income taxes	(16)	(89)	73	82%
Profit for the period	959	1,561	(602)	-39%
Owners of the company	952	1,272	(320)	-25%
Non-controlling interests	7	289	(282)	-98%
Basic earnings per share (unit : Baht)	0.312	0.417	(0.105)	-25%

The group reported 2Q2026 net profit of THB 952 million, which decreased by THB 320 million, or 25%, compared to 2Q2025. This was primarily due to a decrease in profit sharing from the BLCP power plant following an increase in deferred tax expense and unrealized foreign exchange losses, and a decrease in profit sharing from the HPC power plant mainly due to lower revenue resulting from higher unplanned outages. The group's performance was also affected by a decrease in operating performance from the power business in the U.S., following both the partial disposal of its membership interest in Power JV in the previous quarter and a decline in the operating performance of Power JV. Nevertheless, the group's performance was supported by an increase in profit sharing from investments in renewable power and energy technology businesses, driven by improved operating performance of the Battery Energy Storage Systems (BESS) and energy trading businesses in Japan, and gain on exchange rate.

Details of the group's operating performance for 2Q2026 are described as follows:

Sales, Cost of sales and Gross profit

Sales were reported at THB 917 million, decreasing by THB 5,640 million or 86% compared to 2Q2025. The decrease was mainly due to lower power sales from the power business in the U.S. of THB 5,644 million following the partial divestment of membership interest in Power JV, resulting in deconsolidation and transition to equity method accounting, while power and steam sales from CHP plants in China increased by THB 4 million. Details are described as follows:

Items	Power Sold (GWh)		Steam & Others Sold (Million Tonnes)		Average Power tariff (RMB/KWh)		Average Steam & others price (RMB/Tonne)	
	2Q2026	2Q2025	2Q2026	2Q2025	2Q2026	2Q2025	2Q2026	2Q2025
100 % Basis								
Zhengding CHP	18.71	27.76	0.05	0.06	0.50	0.48	212.29	212.82
Luannan CHP	69.44	55.08	0.65	0.57	0.43	0.44	123.14	129.78
Zouping CHP	28.06	57.53	0.27	0.32	0.41	0.42	168.43	146.58
Total CHP Power Plant	116.21	140.37	0.97	0.95	0.44	0.44	140.63	140.38

Power Business in the U.S.: Decrease THB 5,644 million

Sales from the U.S. power business decreased, mainly due to deconsolidation following the partial divestment of membership interest in Power JV at the end of January 2026. As a result, the Group did not recognize power sales from the U.S. power business in 2Q2026, whereas 2Q2025 included power sales for the full quarter.

Combined Heat and Power (CHP) plants in China: increase THB 4 million

An increase in sales from CHP plants compared to 2Q2025 was derived from:

1. An increase of THB 23 million from steam sales and others. This was a result of an increase in steam demand from customers for Luannan CHP plant which led to an increase in steam sales volume of 0.02 million tonnes, together with a slight increase in average sales price per tonne of steam and others. Average selling price per tonne in 2Q2026 was RMB 140.63 (2Q2025: RMB 140.38)
2. A decrease of THB 24 million from power sales was due to a decrease in electricity demand from customers of Zhengding CHP plant and Zouping CHP plant, resulting in a decrease in sales volume of 24.16 GWh.
3. The effects of depreciation of THB currency against RMB currency compared to 2Q2025 resulted in an increase in revenue when converting to THB currency by THB 5 million. Average exchange rate of RMB/THB in 2Q2026 was THB 4.7886 (2Q2025: THB 4.5806).

Cost of sales:
Decrease 85%

Cost of sales were reported at THB 865 million, decreased by THB 4,732 million compared to 2Q2025, was derived from:

1. Cost of sales from the U.S. power business decreased by THB 4,792 million, mainly due to no cost of sales being recognized following deconsolidation as aforementioned, whereas 2Q2025 included cost of sales for the full quarter.
2. CHP plants in China had an increase in cost of sales by THB 60 million due to:
 - An increase in coal cost of THB 54 million from an increase in average coal cost per tonne by RMB 112, or 16%. Average coal cost per tonne in 2Q2026 was RMB 823 (2Q2025: RMB 711).
 - The effects of depreciation of THB currency against RMB currency resulted in an increase in cost of sales when converting to THB currency by THB 6 million. Average exchange rate of RMB/THB in 2Q2026 was THB 4.7886 (2Q2025: THB 4.5806).

Gross profit:
Decrease 95%

Gross profit was reported at THB 52 million, decreased by THB 908 million compared to 2Q2025, was derived from:

1. A decrease in operating performance from power business in the U.S. of THB 852 million, from disposition of partial investment of membership interest in Power JV in previous quarter.
2. A decrease in operating performance from CHP plants in China of THB 56 million, primarily due to higher coal costs.

Selling and Administrative expenses:
Decrease 42%

Selling and administrative expenses were THB 271 million, decreasing by THB 197 million compared to 2Q2025, mainly from administrative expenses of the U.S. power business due to deconsolidation following the partial divestment of membership interest in Power JV.

Items (Unit: Million Baht)	Profit (loss) sharing		Change	
	2Q2026	2Q2025	Amount	%
BLCP	193	445	(252)	-57%
HPC & PFMC	824	1,056	(232)	-22%
SLG	12	25	(13)	-52%
BKV-BPP LLC.	8	-	8	100%
Banpu Next	(14)	(197)	183	93%
BKV-BPP Cotton Cove LLC.	5	(1)	6	728%
Total	1,028	1,328	(300)	-23%

**Share of profit from
associates and
joint ventures:
Decrease 23%**

Recognition of profit sharing from associates and joint ventures decreased by THB 300 million compared to 2Q2025, which was a net result of:

1. A decrease in profit sharing recognition from BLCP power plant of THB 252 million was primarily due to an increase in deferred tax expense and unrealized foreign exchange losses. Nevertheless, BLCP power plant continued to maintain a high Equivalent Availability Factor (EAF) of 99%.
2. A decrease in profit sharing recognition from HPC power plant and PFMC mine, totaling THB 232 million, was primarily due to lower revenue resulting from increased unplanned outages. However, HPC power plant and PFMC mine continued to maintain a high Equivalent Availability Factor (EAF) of 90%.
3. A decrease in profit sharing recognition from the SLG power plant of THB 13 million resulted from higher coal costs.
4. An increase in profit sharing recognition from investments in renewable power and energy technology businesses of THB 183 million, mainly due to improved operating performance of the Battery Energy Storage Systems (BESS) and energy trading business in Japan and gains on exchange rate.
5. A profit sharing from investment in power business in the U.S. of THB 8 million, resulting from changing its status from a subsidiary to an associate due to the partial divestment of membership interest in Power JV.
6. A profit sharing from Carbon Capture and Sequestration (CCS) business of THB 6 million, following the commencement of commercial operations (COD) during this quarter.

**Net gains (losses) from
changes in fair value of
financial instruments**

Net gain on financial derivatives was THB 20 million, comprised of a realized gain on cross currency and interest rate swap contracts of THB 12 million and investment in debt instruments measured at fair value through profit and loss of THB 8 million.

**Net gains (losses) on
exchange rate**

Net gain on foreign exchange of THB 47 million was mainly from unrealized gain on exchange rates from conversion of USD currency loan to related parties at the end of the period. This resulted from depreciation of THB currency against USD currency. Average exchange rate of THB/USD as of 30 June 2026 was THB 33.2703 (31 March 2026: THB 32.8376).

Other income

Other income of THB 260 million was comprised of:

1. Interest income of THB 153 million.
2. Management fee income of THB 53 million that charged to related parties, including associates and joint ventures.
3. Income from congestion revenue rights (CRR) trading of THB 57 million, partially offset by losses from electricity forward contracts traded on Intercontinental Exchange (ICE) of THB 20 million, resulting in net income of THB 37 million.
4. Other income of THB 17 million.

Interest expenses and finance cost: Decrease 74 %

Interest expenses and finance cost of THB 161 million, decreased by THB 463 million compared to 2Q2025, from deconsolidation following the partial divestment of membership interest in Power JV in the U.S.

Income tax: Decrease 82%

Corporate income tax of THB 16 million, decreased by THB 73 million compared to 2Q2025. This was mainly due to a decrease in income tax from the power business in China of THB 16 million, together with a decrease in income tax from the power business in the U.S. of THB 56 million following the partial divestment of membership interest in Power JV in the U.S.

Net profit for the 2nd quarter ended 30 June 2026 reported at THB 952 million, decreased by THB 320 million compared to same quarter of the prior year.

Basic Earnings Per Share reported at THB 0.312 (2Q2025: THB 0.417).

3. Statement of Consolidated Financial Position

Statement of Consolidated Financial Position as of 30 June 2026, in comparison with Statements of Consolidated Financial Position as of 31 December 2025

Items (Unit: Million Baht)	Financial Position		Increase/(Decrease)	
	30-Jun-26	31-Dec-25	Amount	%
Assets	81,489	94,481	(12,992)	-14%
Liabilities	23,653	41,035	(17,382)	-42%
Equity	57,836	53,446	4,390	8%

3.1 Total assets of THB 81,489 million, decreased by THB 12,992 million or 14% compared to 31 December 2025. The decrease mainly came from deconsolidation and a transition to the equity method of accounting following the partial divestment of membership interest in Power JV. Details of significant changes are described as follows

Financial Position (Unit: Million Baht)	Assets		Change	
	30-Jun-26	31-Dec-25	Amount	%
Cash and cash equivalents	7,416	6,513	903	14%
Financial assets measured at fair value	582	806	(224)	-28%
Trade accounts receivable, net	1,281	2,177	(896)	-41%
Fuel and Spare parts & supplies, net	698	1,329	(631)	-47%
Other current assets	4,186	1,682	2,504	149%
Total current assets	14,163	12,507	1,656	13%
Investments in an associate and joint ventures	48,563	43,963	4,600	10%
Investment in equity instruments measured at fair value through OCI	4,838	-	4,838	100%
Property, plant and equipment, net	7,384	32,252	(24,868)	-77%
Right of use assets, net	713	559	154	28%
Other non current assets	5,828	5,200	628	12%
Total non current assets	67,326	81,974	(14,648)	-18%
Total assets	81,489	94,481	(12,992)	-14%

- Cash and cash equivalents of THB 7,416 million increased by THB 903 million or 14% (Explanation in no. 4 Statement of Consolidated Cash Flows).
- Financial assets measured at fair value of THB 582 million, decreased by THB 224 million or 28%, mainly from redemption of THB 656 million, net with additions during the period of THB 377 million, gain from fair value remeasurement of THB 8 million and the effect from foreign exchange rate conversion of THB 47 million.
- Account receivable of THB 1,281 million decreased by THB 896 million or 41%. The decreased was from the power business in the U.S. following the partial divestment of membership interest in Power JV in the U.S.

- Fuel and Spare parts, net of THB 698 million, decreased by THB 631 million or 47%, mainly from the power business in the U.S. of THB 660 million following the partial divestment of membership interest in Power JV in the U.S., and decrease from CHP plants of THB 26 million, net with the effect of foreign exchange conversion of THB 55 million.
- Other current assets of THB 4,186 million, increased by THB 2,504 million or 149%, were mainly from:
 1. An increase in short-term loans to related parties of THB 2,929 million following the change in the status of Power JV in the U.S. from a subsidiary to an associate after the partial divestment of membership interest.
 2. An increase in accrued interest income from related parties of THB 171 million. This was a net result of interest income recognition during the period of THB 212 million, accrued interest recognition of THB 70 million following the change in the status of Power JV in the U.S. from a subsidiary to an associate, cash received of THB 139 million from settlement, and unrealized gain on exchange rate of THB 28 million.
 3. An increase in value added tax receivables and prepaid income tax of THB 74 million.
 4. An increase in accrued management fee income from associates and joint ventures of THB 45 million.
 5. An increase in other current assets of THB 29 million.
 6. A decrease in prepaid expenses THB 244 million from deconsolidation following the partial divestment of membership interest in Power JV in the U.S.
 7. A decrease in restricted cash THB 500 million from deconsolidation following the partial divestment of membership interest in Power JV in the U.S.
- Investment in associates and joint ventures of THB 48,563 million increased by THB 4,600 million or 10%. This was mainly due to the recognition of the Power JV investment of THB 2,223 million following the reclassification of an investment from a subsidiary to an associate. In addition, the increase was attributable to profit sharing of THB 1,733 million, other comprehensive profit sharing of THB 432 million, and an unrealized gain on exchange rate translation at the end of the period of THB 1,029 million, net with dividend recognition during the period of THB 817 million.
- Investment in equity instruments measured at fair value through OCI of THB 4,838 million from the disposition of the partial investment of membership interest in Power JV in the U.S., with part of the consideration received in newly issued shares.

- Net property, plant and equipment of THB 7,384 million decreased by THB 24,868 million or 77%. This was mainly from deconsolidation of THB 25,219 million following the change in the status of Power JV in the U.S. from a subsidiary to an associate, depreciation charges THB 313 million, a write-off of THB 10 million, net with additions of machinery and equipment of power plants THB 278 million, and from effect of exchange rate conversion of THB 396 million.
- Right-of-use assets of THB 713 million increased by THB 154 million or 28%, from additions of THB 119 million, net with amortization for the period of THB 18 million, and from effect of exchange rate conversion of THB 53 million.
- Other non-current assets of THB 5,828 million, increased by THB 628 million or 12%, were mainly from:
 1. An increase in long-term loans to related parties of THB 493 million from additions of THB 862 million and cash received THB 369 million from settlement.
 2. An increase in intangible assets of THB 101 million from the power trading business in the U.S. and Carbon Emission Allowance from the power business in China.
 3. An increase in deferred tax assets of THB 37 million from operating performance of CHP plants in China.
 4. An increase in financial derivatives assets of THB 4 million from derivative contracts of power trading business in the U.S.
 5. A decrease from other non-current assets of THB 7 million.

3.2 Total liabilities of THB 23,653 million, decreased by THB 17,382 million or 42% compared to 31 December 2025, with details mainly described as follows:

Financial Position (Unit: Million Baht)	Liabilities		Change	
	30-Jun-26	31-Dec-25	Amount	%
Short-term loans from financial institutions	7,560	5,050	2,510	50%
Trade payables	97	125	(28)	-22%
Current portion of long-term loans from financial institutions, net	1,010	1,291	(281)	-22%
Current portion of debentures, net	-	1,500	(1,500)	-100%
Current portion of lease liabilities, net	11	10	1	10%
Other current liabilities	1,301	5,406	(4,105)	-76%
Total current liabilities	9,979	13,382	(3,403)	-25%
Long-term loans from financial institutions, net	8,814	23,342	(14,528)	-62%
Debentures, net	3,996	3,996	-	0%
Lease liabilities, net	125	3	122	4067%
Other non current liabilities	739	312	427	137%
Total non-current liabilities	13,674	27,653	(13,979)	-51%
Total liabilities	23,653	41,035	(17,382)	-42%

- Short-term loans from financial institutions of THB 7,560 million, increased by THB 2,510 million or 50%. This was a net result of loan additions of THB 7,560 million, and repayment of THB 5,050 million.
- Trade payables of THB 97 million, decreased by THB 28 million or 22% mainly from a decrease in trade payables for coal purchases from CHP plants in China.
- Current portion of long-term loans from financial institutions of THB 1,010 million decreased by THB 281 million or 22%. The decrease was from Power JV of THB 294 million following the change in status from a subsidiary to an associate after the partial divestment of membership interest. The movement also reflected the net impact of reclassification from non-current portion of THB 355 million (including net front-end fee), repayment of THB 356 million, and an unrealized loss on exchange rate translation at the end of the period of THB 14 million on USD currency loan, resulting from depreciation of THB currency against USD currency. Average exchange rate of THB/USD as of 30 June 2026 was THB 33.2703 (31 December 2025: THB 31.5826).
- Other current liabilities of THB 1,301 million decreased by THB 4,105 million or 76%, mainly from:
 1. A decrease in current portion of long-term loans from related parties of THB 3,016 million, resulting from deconsolidation of Power JV in the U.S. after the partial divestment of membership interest.
 2. A decrease in accrued expense of THB 614 million mainly from deconsolidation of Power JV in the U.S. after partial divestment of membership interest.
 3. A decrease in financial derivative liabilities of THB 256 million from deconsolidation of Power JV in the U.S. after the partial divestment of membership interest.
 4. A decrease in cash advance from steam sales customers from CHP plant of THB 240 million.
 5. A decrease in income tax payable, value-added tax payable, and withholding tax payable totaling THB 66 million.
 6. A decrease in accrued interest expense of THB 56 million.
 7. An increase in amount due to related parties from coal purchase of CHP plant of THB 143 million.
- Long-term loans from financial institutions of THB 8,814 million, decreased by THB 14,528 million or 62% mainly from deconsolidation THB 14,141 million following the partial divestment of membership interest in Power JV in the U.S. The movement also reflected the net impact of reclassification to current portion of THB 355 million, and unrealized gain on foreign exchange rate translation at the end of period THB 32 million on USD loan, resulting from depreciation of THB currency against USD currency. Average exchange rate of USD/THB as of 30 June 2026 was THB 33.2703 (31 Dec 2025: THB 31.5826).

- Other liabilities of THB 738 million increased by THB 426 million or 137%. This was mainly from:
 1. An increase in deferred tax liability of THB 474 million from utilization of tax loss carried forward on gain on the disposition of partial investment of membership interest in Power JV in the U.S.
 2. A decrease in financial derivative liability from cross-currency swap of THB 41 million.
 3. A decrease from other liabilities of THB 7 million.

3.3 Shareholders' equity of THB 57,836 million, increased by THB 4,390 million or 8% compared to 31 December 2025, was a net result of:

Financial Position (Unit: Million Baht)	Equity		Change	
	30-Jun-26	31-Dec-25	Amount	%
Owners of the parent	56,767	48,396	8,371	17%
Non-controlling interests	1,069	5,050	(3,981)	-79%
Total equity	57,836	53,446	4,390	8%

- An increase from net profit of THB 6,829 million.
- An increase in foreign exchange translation of financial statements of subsidiaries, associates and joint ventures of THB 2,460 million.
- An increase from cash flow hedge reserves of associates and joint ventures THB 459 million.
- A decrease from dividend payment of THB 1,067 million.
- A decrease from non-controlling interests of THB 3,981 million following the partial divestment of 25% membership interests in Power JV. As a result, the proportion of non-controlling interest was updated to reflect the ownership change and new investment structure.
- A decrease from the change in fair value of financial derivative applying hedge accounting of THB 310 million.

Net debt-to-equity ratio as of 30 June 2026 from consolidated financial position was 0.22 times (31 December 2025: 0.47 times).

4. Statements of Consolidated Cash Flows

Statement of consolidated cash flows for the six-month period ended 30 June 2026 reported an increase in net cash flows from 31 December 2025 totaling THB 903 million (including gain on exchange rate translation of THB 297 million). Details were as follows:

Cash flow (Unit : Million Baht)	Amount
Net cash used in operating activities	(977)
Net cash receipts from investing activities	2,003
Net cash used in financing activities	(420)
Net increase in cash and cash equivalents	606
Exchange differences on cash and cash equivalents	297
Cash and cash equivalents at beginning of the year	6,513
Cash and cash equivalents at end of the period	7,416

4.1 Net cash used in operating activities of THB 977 million comprised of:

- Collection from sales of power and steam THB 2,320 million.
- Payments to suppliers and contractors THB 1,638 million.
- Payments of corporate income tax THB 1,269 million.
- Payments of interest expense THB 363 million.

4.2 Net cash receipts from investing activities of THB 2,003 million comprised of:

- Receipts from disposition of partial investment of membership interest in Power JV in the U.S. THB 1,228 million.
- Receipts from loans to related parties THB 606 million.
- Receipts of dividends from joint ventures THB 819 million.
- Receipts from investment in debt instruments THB 641 million.
- Receipts from interest income THB 185 million.
- Payments for loans to related party THB 862 million.
- Payments for additions of property plant and equipment and project under development THB 253 million.
- Payments for investment in debt instruments THB 361 million.

4.3 Net cash used in financing activities of THB 420 million comprised of:

- Payment for short-term and long- term loans from financial institutions THB 5,406 million.
- Payment for redemption of debentures of THB 1,500 million.
- Dividend paid to shareholders of THB 1,067 million
- Payments for lease liabilities of THB 7 million.
- Receipts from short-term loans from financial institutions THB 7,560 million.