7 August 2025 Alla Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance Overview

The Thai economy continues to experience a slowdown, driven by political uncertainty, high levels of household debt, and weakened domestic consumption. At the same time, the risk of U.S. import tariff measures could lead to a contraction in Thailand's export sector. As a manufacturer and distributor of industrial products that are closely tied to investment and production activities, the Group may be indirectly impacted if upstream industries or key business partners are affected. Nevertheless, the Group has been closely monitoring the situation and adjusting its strategies to mitigate the impact, while maintaining its ability to generate consistent profits.

In the second quarter of 2025, the Group's revenue from contracts with customers decreased compared to the same period of the previous year. This was due to the specific nature of revenue recognition, which depends on the delivery schedule according to each project's plan. In this regard, the readiness of customer sites and internal processes remains a key factor influencing project delivery, resulting in quarterly revenue volatility, which is inherent to project-based businesses.

However, for the first six months of 2025, the revenue from contracts with customers increased compared to the same period last year. This reflects the Group's operational efficiency, along with the scheduled delivery of orders that had been secured since the previous year—particularly in the crane and electric hoist product lines, which continue to serve as key contributors to the Group's recurring revenue.

The gross profit margin declined compared to the previous year, primarily due to the recognition of revenue from a special engineering project in the prior period, whereas in the current period, the Group faced intensified price competition. Nevertheless, the Group continued to manage costs efficiently, enabling it to maintain a gross profit margin above 30% consistently. This reflects the Group's strong cost management capabilities amid a changing business environment.

The Group's net profit decreased compared to the same period of the previous year, mainly due to higher administrative expenses, particularly personnel costs in support functions, and the engagement of

consultants for internal system development — especially in the areas of human resources and information technology. These are considered strategic investments aimed at enhancing organizational efficiency and supporting long-term growth.

The Group continues to receive orders from customers on an ongoing basis. As of the end of the second quarter of 2025, the backlog stood at THB 390 million, which will be gradually recognized as revenue during the second half of the year. This reflects continuing market demand for the Group's products, which are fundamental components in various industrial sector projects.

The Group has maintained a strong financial structure, with a sound liquidity ratio and a low debt-to-equity ratio. This supports its ability to invest and expand the business sustainably in the future. Currently, the Group continues its operations as usual, with no downsizing, and remains committed to driving its long-term growth strategies forward.

Consolidated Financial Performance for the second quarter and the six-month period of 2025

Operating Income						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2025	2Q 2024	%Chg.	6M 2025	6M 2024	%Chg.
Revenues from contracts with customers	155,281	174,370	(11%)	338,475	307,469	10%
Other income	266	1,002	(73%)	524	1,419	(63%)
Total Operating Income	155,547	175,372	(11%)	338,999	308,888	10%

Revenues structure						
	6M 2025		6M 2024		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales and services						
Crane and Electric Hoist	148,813	44%	85,207	28%	63,606	75%
Loading Dock and Equipment	50,449	15%	90,811	29%	(40,362)	(44%)
Warehouse system and Equipment	1,356	0%	6,029	2%	(4,673)	(78%)
Solar cell system	30,616	9%	14,391	5%	16,225	113%
EV Charging Station	115	0%	3,774	1%	(3,659)	(97%)
Total revenue from sales and services	**231,349**	**68%**	**200,212**	**65%**	**31,137**	**16%**

Revenues structure						
	6M 2025		6M 2024		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from after-sales service						
Crane and Electric Hoist	81,286	24%	83,980	27%	(2,694)	(3%)
Loading Dock and Equipment	25,388	8%	23,002	8%	2,386	10%
Training center	452	0%	275	0%	177	64%
Total revenue from after-sales service	**107,126**	**32%**	**107,257**	**35%**	**(131)**	**0%**
Other income	**524**	**0%**	**1,419**	**0%**	**(895)**	**(63%)**
Total Operating Income	338,999	100%	308,888	100%	30,111	10%

For the six-month period ended June 2025, the Group recorded total operating revenue of THB 339 million, representing an increase of THB 30 million or 10% compared to the same period of the previous year. Revenue can be analyzed by major business segments as follows:

1. Material Handling Systems: Revenue recognition in this segment depends on the delivery schedule aligned with the readiness of the customer's site. Each project has its own timeline and level of readiness, resulting in fluctuations in project delivery and revenue recognition.
   - Cranes and Electric Hoists: Revenue increased by THB 64 million or 75%, mainly due to the recognition of revenue from the project backlog that was secured in the prior year and completed during the current period.
   - Loading Dock and Equipment: Revenue decreased by THB 40 million or 44%, as the same period of the previous year included the delivery of a large-scale project.

2. Clean Energy Products: Revenue from sales of solar cell system increased by THB 16 million or 113%, driven by private sector project orders that were gradually completed during this period.

3. After-Sales Services: Revenue remained stable, supported by continued work orders from existing customers.

As of the end of June 2025, the Group had a project backlog of THB 390 million. Although the Group had already recognized revenue of THB 338 million in the first half of the year, the backlog increased by THB 13 million or 3% compared to the end of the previous year. This backlog is expected to be gradually

recognized as revenue from the third quarter of 2025 onward, reflecting both the strength of the Group's order book and the continued growth of its operating activities.

Operating Expenses						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2025	2Q 2024	%Chg.	6M 2025	6M 2024	%Chg.
Cost of sales and services	104,413	109,617	(5%)	222,771	190,850	17%
Selling expenses	9,073	9,058	0%	18,047	17,860	1%
Administrative expenses	26,369	22,159	19%	48,053	43,774	10%
Total Operating Expenses	139,855	140,834	(1%)	288,871	252,484	14%

In the second quarter of 2025, the Group's total operating expenses amounted to THB 140 million, a slight decrease of THB 1 million or 1% compared to the same period of the previous year. For the six-month period, total operating expenses amounted to THB 289 million, representing an increase of THB 36 million or 14% year-over-year.

- Cost of sales and services moved in line with revenue from contracts with customers.
- Selling expenses remained largely unchanged with no material fluctuations.
- Administrative expenses increased, primarily due to higher personnel costs in support functions and the engagement of consultants for strategic planning and the development of management systems, particularly in the areas of human resources and information technology. These expenses are considered strategic investments aimed at enhancing operational efficiency and strengthening the Group's long-term competitiveness.

Other Items						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2025	2Q 2024	%Chg.	6M 2025	6M 2024	%Chg.
Finance income	808	845	(4%)	1,610	1,734	(7%)
Finance cost	(173)	(116)	49%	(357)	(207)	72%
Income tax expenses	(3,222)	(7,013)	(54%)	(10,168)	(11,530)	(12%)
Total Other Items	(2,587)	(6,284)	(59)%	(8,915)	(10,003)	(11%)

- Finance income and Finance cost did not change significantly.
- Income tax expenses decreased in line with the operating profits.

Profitability Analysis						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2025	2Q 2024	%Chg.	6M 2025	6M 2024	%Chg.
Gross profit	50,868	64,753	(21%)	115,704	116,619	(1%)
Gross profit margin	33%	37%		34%	38%	
Net profit	13,105	28,254	(54%)	41,213	46,401	(11%)
Net profit margin	8%	16%		12%	15%	
Basic earnings per share (Baht)	0.022	0.047	(53%)	0.069	0.077	(10%)

- Gross profit and gross profit margin decreased compared to the same period of the previous year, due to a high profit base in the prior year resulting from the delivery of a special engineering project, combined with intensified price competition in the current period.
- Net profit and net profit margin also declined in line with the decrease in gross profit, with additional impact from increased administrative expenses during the current period.

Consolidated Financial Position for the six-month period of 2025

Financial Position			
(Thousand Baht)	June 2025	December 2024	%Chg.
Total Assets	1,152,439	1,228,524	(6%)
Total Liabilities	218,691	269,989	(19%)
Total Shareholders' Equity	933,748	958,535	(3%)

- Total assets decreased by THB 76 million or 6%, with details as follows:
  - Cash and cash equivalents decreased by THB 86 million, with the group generating THB 84 million from operating activities; cash outflows included investments in fixed deposits of THB 30 million, capital expenditures of THB 44 million, repayment of short-term loan of THB 30 million, and dividend payments of THB 66 million.
  - Trade and other receivables decreased by THB 26 million due to collections during the period.
  - Inventories decreased by THB 25 million from project deliveries during the period.
  - Other current financial assets increased by THB 30 million from investments in fixed deposits.

- Land, buildings, and equipment increased by THB 34 million, mainly due to construction in progress related to the Power Purchase Agreement (PPA) project.

- Total liabilities decreased by THB 51 million or 19%, with details as follows:
  - Short-term loan from financial institution decreased by THB 30 million due to repayments during the period.
  - Accrued expenses decreased by THB 12 million, primarily due to bonus payments made in April.
- Total shareholders' equity decreased by THB 25 million or 3%, reflecting an increase from net profit for the period of THB 41 million, partially offset by dividend payments of THB 66 million.

Liquidity and Capital Management

Cash Flows		
(Thousand Baht)	6M 2025	6M 2024
Net cash from operating activities	83,663	7,214
Net cash from (used in) investing activities	(72,572)	19,006
Net cash used in financing activities	(97,526)	(72,870)
Net decrease in cash and cash equivalents	**(86,435)**	**(46,650)**
Beginning cash and cash equivalents	316,845	236,429
Ending cash and cash equivalents	**230,410**	**189,779**

For the six-month period of 2025, the Group's cash and cash equivalents decreased by a net amount of THB 86 million. The Group's opening net cash balance was THB 316 million, resulting in a closing net cash balance of THB 230 million. The details of cash flows from each activity are as follows:

- Net cash flows from operating activities amounted to THB 84 million.
- Net cash used in investing activities amounted to THB 73 million, primarily from investments in fixed deposits totaling THB 30 million and investments in property, plant, and equipment totaling THB 44 million.
- Net cash used in financing activities amounted to THB 97 million, mainly due to repayment of short-term borrowing from financial institution totaling THB 30 million and dividend payments of THB 66 million made in May.

Ratios Analysis		
	6M 2025	6M 2024
Return on Asset (%)	10.39%	12.54%
Return on Equity (%)	10.43%	12.96%
Current ratio (x)	5.08	4.21
Total debt to equity (x)	0.23	0.28

The return on assets and return on equity decreased by 2.15% and 2.53%, respectively, following the same trend as the decline in profit compared to the same period last year.

The current ratio increased by 0.87 times, while the debt-to-equity ratio decreased by 0.05 times. These changes were primarily due to a greater reduction in current liabilities compared to current assets, mainly resulting from a decrease in deposits received compared to the same period last year.