Eurasia Total Logistics Public Company Limited

Management Discussion and Analysis

For the Three-Month and Six-Month Periods Ended 30 June 2026

(1) Business Overview

Eurasia Total Logistics Public Company Limited (“ETL”) (Stock Symbol: ETL) focuses on cross-border road transportation between China and Southeast Asia, with expansion into Europe through multimodal transportation solutions. Backed by over 10 years of experience in fast, flexible, and efficient cross-border trucking services, the Company is well-positioned to support business sector expansion while responding to evolving market conditions and customer demands. ETL maximizes the utilization of available resources, integrates technological innovation, and delivers professional services to continuously and sustainably enhance the value of its service offerings to customers.

Management Discussion and Analysis

Euroasia Total Logistics Public Company Limited (“ETL”) reported its operating results for the second quarter of 2026, recording service revenue of THB 565.1 million, gross profit of THB 25.3 million, and a net loss attributable to the equity holders of the Company of THB 13.5 million.

(2) Summary of Significant Events and Developments

During the second quarter of 2026, shipment volume remained strong at an average of approximately 2,000 shipments per month, with the majority of cargo transported from China to Southeast Asia. Despite the ongoing energy crisis that continued from the first quarter, resulting in freight cost increases of approximately 20%–30%, ETL's gross profit margin recovered from 1.6% in the first quarter of 2026 to 4.5% in the second quarter of 2026, and the Company's net loss narrowed compared with the first quarter after excluding approximately THB 10 million of non-recurring items recorded within administrative expenses (comprising a THB 8 million write-off of receivables at the Malaysian subsidiary and THB 2 million of set-up costs for the new China subsidiary).

During the second quarter of 2026, the Company's subsidiary in China invested in a new subsidiary in China with a registered capital of RMB 2 million to support the expansion of the Group's business. The capital contribution was made in two installments of RMB 1 million each. The first installment was paid on 16 April 2026, and the second installment was paid on 30 July 2026, using the Group's working capital.

During the same period, one of the Company's subsidiaries in Malaysia, which is a co-defendant in a civil lawsuit relating to the misappropriation of trade secrets, was subject to a preliminary court judgment finding it liable. However, the case is currently at the stage where the court is assessing the amount of damages. The next court decision, relating to the assessment of damages, is scheduled for May 2027.

With respect to internal management during the second quarter of 2026, ETL implemented the following changes to its executive management and chief accountant:

1) **Chief Executive Officer (CEO)**: Mr. Pornchai Daungkeowuttikri was succeeded by Mr. Dhanes Mekintharanggur, effective **1 July 2026**
2) **Chief Accountant:** Ms. Paveena Buranarungrueangkit was succeeded by Ms. Paveesaya Jindawong, effective **25 June 2026**.

(3) Operating Results and Financial Position

3.1 Historical Operating Results

For the second quarter of 2026, the Group recorded service revenue growth of 4% year-on-year (YoY) and 9% quarter-on-quarter (QoQ). Shipment volume increased by 10%, primarily driven by the expansion of the data center business in Thailand and the relocation of manufacturing facilities to countries across Southeast Asia.

With respect to temperature-controlled container transportation, shipment volume decreased by approximately 13% year-on-year (YoY). This was primarily attributable to a 30% increase in fuel costs, which significantly affected the transportation of fruits, particularly durian, resulting in lower shipment volumes for ETL during the year. However, on a quarter-on-quarter (QoQ) basis, temperature-controlled container shipments increased by 38%, as the second quarter coincides with the peak fruit harvest season, particularly for durian.

With respect to gross profit margin, the Group's gross profit margin recovered from 1.6% in the first quarter of 2026 to 4.5% in the second quarter of 2026, primarily as a result of more effective management of the increased fuel costs. In addition, the Group's net loss for the second quarter narrowed compared with the first quarter of 2026 after excluding approximately THB 10 million of non-recurring items recorded within administrative expenses (see the Selling and Administrative Expenses section below).

Summary of the Group's Operating Results for the Second Quarter of 2026 Compared with the Second Quarter of 2025 and the First Quarter of 2026

Consolidated Statement of Comprehensive Income (Unit: THB million)	Q2'25	Q1'26	Q2'26	YoY		QoQ	
				Increase (Decrease)		Increase (Decrease)	
Service revenue	542.9	517.9	565.2	22.3	4%	47.3	9%
Cost of services	(499.1)	(509.7)	(539.8)	40.7	8%	30.1	6%
Gross profit	43.8	8.2	25.3	(18.5)	(42%)	17.2	210%
Other income	14.0	0.7	0.2	(13.8)	(99%)	(0.5)	(71%)
Selling expenses	(1.0)	(2.6)	(2.9)	1.9	190%	0.3	12%
Administrative expenses	(27.4)	(27.1)	(39.3)	11.9	43%	12.2	45%
Reversal of (expected credit loss)	-	-	-	-	-	-	-
Gain (loss) on exchange rate - net	(5.3)	4.5	5.2	10.5	198%	0.7	16%
Profit (loss) before finance costs and income tax	23.9	(16.2)	(11.5)	(35.4)	(148%)	4.9	(30%)
Finance costs	(2.1)	(1.3)	(1.2)	(0.9)	(43%)	(0.1)	(8%)
Income tax	(6.3)	0.3	(3.7)	(2.6)	(41%)	4.0	1,333%
Net profit (loss)	15.5	(17.2)	(16.4)	(31.9)	(206%)	0.8	(5%)
Profit attributable to:							
Equity holders of the Company	22.0	(13.2)	(13.5)	(35.5)	(161%)	(0.3)	(2%)
Non-controlling interests of subsidiaries	(6.4)	(4.0)	(2.9)	3.5	55%	1.1	28%
Gross profit margin	8.07%	1.59%	4.48%	(3.59%)		2.89%	
Net profit margin	2.86%	(3.32%)	(2.90%)	(5.76%)		0.42%	

Summary of the Group's Operating Results for the six-month period ended 30 June 2026 compared with six-month period ended 30 June 2025

Consolidated Statement of Comprehensive Income (Unit: THB million)	Six-Month Period		YoY	
	2025	2026	Increase (Decrease)	
Service revenue	855.6	1,083.0	227.4	27%
Cost of services	(768.2)	(1,049.5)	281.3	37%
Gross profit	87.4	33.6	(53.9)	(62%)
Other income	15.5	0.9	(14.6)	(94%)
Selling expenses	(2.3)	(5.5)	3.2	139%
Administrative expenses	(55.9)	(66.4)	10.5	19%
Gain (loss) on exchange rate - net	(6.9)	9.7	16.6	(241%)
Profit (loss) before finance costs and income tax	37.8	(27.7)	(65.5)	(173%)
Finance costs	(3.9)	(2.5)	(1.4)	(36%)
Income tax expenses	(7.9)	(3.4)	(4.5)	(57%)
Net profit (loss)	26.0	(33.6)	(59.6)	(229%)
Profit attributable to:				
Equity holders of the Company	35.0	(26.7)	(61.7)	(176%)
Non-controlling interests of subsidiaries	(9.0)	(6.9)	2.1	23%
Gross profit margin	10.22%	3.10%	(7.12%)	
Net profit margin	3.04%	(3.10%)	(6.14%)	

Service Revenue

For the second quarter of 2026, the Group recorded total service revenue of THB 565 million, representing an increase of 4% year-on-year (YoY). This growth was primarily driven by a 10% increase in shipment volume, supported by the expansion of imports related to the electronics and data center industries, as well as cross-border transportation services arising from the relocation of manufacturing facilities within Southeast Asia.

However, service revenue increased by only 4% despite the higher shipment volume, mainly because the volume of temperature-controlled container shipments declined. In particular, the transportation of fruits such as durian, mangoes, and longan decreased compared with the previous year due to higher freight rates resulting from increased fuel prices, which reduced demand for cross-border fruit exports.

However, compared with the first quarter of 2026, service revenue increased by 9% quarter-on-quarter (QoQ), primarily because the second quarter coincides with the fruit harvest season. As a result, the volume of temperature-controlled container shipments increased by 38% QoQ.

For the six-month period ended 30 June 2025 and 30 June 2026, the Group recorded service revenue of THB 856 million and THB 1,083 million, respectively, representing an increase of 27%. This growth was primarily attributable to an 11% increase in shipment volume compared with the previous year, driven mainly by the expansion of imports related to the electronics and data center industries, consistent with the factors contributing to the Group's performance in the second quarter of 2026 as discussed above.

<u>Gross Profit and Gross Profit Margin</u>

The Group's gross profit margin (GPM) recovered significantly, from 1.6% in the first quarter of 2026 to 4.5% in the second quarter of 2026, an improvement of 2.9 percentage points. In monetary terms, gross profit increased from THB 8.2 million in the first quarter of 2026 to THB 25.4 million in the second quarter of 2026. This improvement was primarily attributable to the Group's ability to pass on increased fuel costs to customers at levels closely reflecting the actual increase in fuel expenses, as well as more efficient transportation cost management. Such measures included better management of empty truck movements and improved operational efficiency in cross-border transportation at border checkpoints. However, on a year-on-year (YoY) basis, the Group's gross profit declined by 42%, from THB 43.8 million in the second quarter of 2025 to THB 25.4 million in the second quarter of 2026. For the six-month period, gross profit also decreased by 62% compared with the corresponding period of the previous year. This decline was primarily attributable to the significant increase in fuel prices, particularly during the period from March to May 2026, across Vietnam, China, and Thailand. Although the Group was able to fully reflect these higher transportation costs in its freight rates by the second quarter of 2026, the higher freight costs led some customers to shift to alternative modes of transportation, such as sea and air freight. In addition, demand for certain temperature-controlled cargo, particularly durian shipments, declined as higher transportation costs reduced the competitiveness of cross-border exports, prompting customers to adopt alternative transportation solutions.

Other Income

The Group's other income decreased in 2026 compared with the previous year. This was primarily because, in the second quarter of 2025, the Group's subsidiary in China received a government incentive of approximately THB 10 million from the Chinese government in recognition of being one of the leading cross-border logistics companies with a significant increase in shipment volume during the year.

Selling and Administrative Expenses

In the second quarter of 2026, the Group's selling and administrative expenses (SG&A) increased by THB 12 million compared with both the previous quarter (QoQ) and the corresponding quarter of the previous year (YoY). The increase was primarily attributable to the write-off of receivables in Malaysia amounting to THB 8 million and expenses of approximately THB 2 million incurred in connection with the establishment of a new subsidiary in China. These two items, totaling approximately THB 10 million, are non-recurring. Excluding them, the Group's selling and administrative expenses would have increased by only approximately 7% both QoQ and YoY in the second quarter of 2026, broadly in line with the normal growth of business volume.

Gain (Loss) on Exchange Rate

In the second quarter of 2026, the Group recorded a net foreign exchange gain of THB 5.2 million, representing an improvement of THB 10.5 million compared with the second quarter of 2025, during which the Group recognized a net foreign exchange loss of THB 5.3 million. The net foreign exchange gain also increased by THB 0.7 million compared with the first quarter of 2026. This improvement was primarily attributable to the Group's more effective management of foreign exchange exposure. The currencies that contributed most significantly to the favorable exchange rate movements were the Malaysian Ringgit (MYR), the Chinese Renminbi (RMB), and the U.S. Dollar (USD).

Finance Costs

The Group's finance costs for the second quarter of 2026 amounted to THB 1.2 million, representing a decrease of THB 0.9 million, or 41%, compared with the corresponding quarter of the previous year. This reduction was primarily attributable to the continued repayment of lease liabilities and borrowings from financial institutions, with certain loan facilities having been fully repaid during the period.

Net Profit

The Group recorded a net loss of THB 13.5 million for the second quarter of 2026, compared with a net profit of THB 21.9 million in the second quarter of 2025. The deterioration in operating results was primarily attributable to higher transportation costs, particularly a 30% increase in fuel prices during the period from March to May 2026 across Vietnam, China, and Thailand, as well as an increase in empty-haul trips, which significantly reduced the Group's gross profit. In addition, selling and administrative expenses increased by THB 12 million (43% YoY), of which approximately THB 10 million related to non-recurring items – the write-off of receivables at the Malaysian subsidiary and the set-up costs of the new China subsidiary – which was a further factor behind the wider net loss for the quarter, in addition to the impact of higher transportation costs. The Group nonetheless continued to manage foreign exchange fluctuations and finance costs effectively.

3.2 Analysis of the Group's Financial Position

Statements of Financial Position	Consolidated Financial Statements as at			
	31 Dec 25		30 Jun 26	
	THB million	%	THB million	%
Assets				
Cash and cash equivalents	131.66	11.13%	130.69	9.97%
Other financial assets measured at fair value through profit or loss	28.38	2.40%	7.19	0.55%
Trade and other current receivables	444.07	37.53%	598.95	45.71%
Contract assets	144.39	12.20%	137.16	10.47%
Other current assets	29.90	2.53%	38.13	2.91%
Leasehold improvements and equipment	158.57	13.40%	180.11	13.75%
Right-of-use assets - net	136.82	11.56%	106.72	8.15%
Other non-current assets	109.55	9.25%	111.26	8.49%
Total assets	1,183.34	100.00%	1,310.21	100.00%

<u>Assets</u>

As at 30 June 2026, the Group's total assets amounted to THB 1,310.21 million, representing an increase of THB 126.87 million, or 10%, compared with 31 December 2025. This increase was primarily attributable to higher trade receivables and other current receivables arising from increased transportation activities and service revenue in 2026 compared with the previous year.

Statements of Financial Position	Consolidated Financial Statements as at			
	31 Dec 25		30 Jun 26	
	THB million	%	THB million	%
Liabilities and shareholders' equity				
Trade and other current payables	501.13	42.35%	685.01	52.28%
Borrowings from financial institutions	10.76	0.91%	3.31	0.25%
Lease liabilities	84.79	7.17%	79.91	6.10%
Other current liabilities	9.41	0.80%	4.97	0.38%
Non-current liabilities	6.98	0.58%	7.72	0.59%
Total shareholders' equity	570.27	48.19%	529.29	40.40%
Total liabilities and shareholders' equity	1,183.34	100.00%	1,310.21	100.00%

<u>Liabilities and Shareholders' Equity</u>

As at 30 June 2026, the Group's total liabilities amounted to THB 780.92 million, representing an increase of THB 167.85 million, or 27%, compared with 31 December 2025. This increase was primarily attributable to higher trade payables and other current payables resulting from the increased volume of transportation services and overall business activities.

As at 30 June 2026, the Group's total equity decreased by THB 40.98 million compared with 31 December 2025. The decrease was primarily attributable to the operating loss incurred during the current reporting period.

3.3 Liquidity Analysis

Unit: THB million	For the 6-month period	
	Q2/2025	Q2/2026
Cash at beginning of period: 1 January	81.58	131.66
Net cash provided by (used in) operating activities	82.03	28.61
Net cash provided by (used in) investing activities	26.53	15.16
Net cash provided by (used in) financing activities	(44.16)	(32.60)
Exchange differences on translation of cash and cash equivalents	(0.97)	(12.14)
Net increase (decrease) in cash and cash equivalents	64.4	(0.97)
Cash at end of period: 31 June	145.01	130.69

In the second quarter of 2026, the Group generated net cash from operating activities of THB 28.61 million, representing a decrease of THB 53.42 million, or 65.12%, compared with the corresponding period of the previous year, primarily due to the Group's operating results during the period. Net cash used in investing activities amounted to THB 15.16 million, an increase of THB 11.37 million, or 42.86%, compared with the previous year, mainly due to investments made during the period. Net cash used in financing activities amounted to THB 32.60 million, representing a decrease of THB 11.56 million, or 26.18%, compared with the corresponding period of the previous year. This primarily comprised repayments of borrowings from financial institutions, repayments of lease liabilities, and payments of interest on bank borrowings and lease liabilities. The reduction from the previous year was mainly attributable to the Group's continued repayment of borrowings in accordance with the agreed repayment schedules, with certain loan facilities having been fully repaid during the current quarter.

As at 30 June 2026, the Group's cash and cash equivalents amounted to THB 130.69 million, representing a decrease of THB 14.32 million, or 9.88%, compared with the balance as at 31 December 2025.

3.4 Financial Ratios

	2025	2026
Gross profit margin	8.1%	4.5%
Net profit margin	2.8%	(2.9%)
Current ratio	1.40	1.25
Debt-to-equity ratio (D/E ratio)	1.08	1.48
Interest-bearing debt-to-equity ratio	16.8%	15.7%

Based on the financial ratios presented above, the Group's overall financial position has improved and remains more stable compared with the previous year. In terms of operating performance, management has implemented pricing strategy adjustments aimed at enhancing the Group's profitability and strengthening its ability to generate sustainable earnings.

4) Business Outlook for 2026

The outlook for the international logistics and transportation business in 2026, although still facing volatility in goods costs and energy prices, the volume of Cross Border Transport (CBT) in the second quarter continued to grow steadily, reflecting the strength of the market and customer confidence. In this regard, the Company has efficiently implemented a proactive management plan to cope with the volatility of energy rates during the past period, and is confident that the growth trend will continue even amid rising oil prices.

In terms of product groups, at present the automotive products group, home electrical appliances, food and beverages, as well as everyday consumer goods, continue to have strong transportation demand, while the electronic parts and components group continues to have stable demand and is expected to grow continuously in the third quarter, which is a positive result from the relocation of production bases into Thailand and the government's investment promotion policies, particularly in the Eastern Economic Corridor (EEC), which is an important supporting factor for business expansion.

For the temperature-controlled logistics business (Cold Chain Logistics), the Group sees clear and continuous growth opportunities, particularly the transportation of agricultural products and fruits, processed food, beverages, and frozen goods (F&B) between Thailand and China, which remains a business with a stable customer base and demand for services. In this regard, the Company has prepared Food Grade containers and Reefer Containers (frozen containers) in advance, in order to accommodate growth and the expansion of the customer base in the said group to its full potential.

For the multimodal transport business (Multimodal Transport), although Land-to-Air transport and sea transport have been affected by energy costs and the uncertainty of shipping routes, these factors have instead been beneficial in allowing multimodal transport connected with land transport and cross-border trucking to expand further. The Company has adopted the Sea-to-Land model to alleviate the problem of congestion at border checkpoints, and used the Rail-Road Transport model to expand service routes, whereby the Group sees growth opportunities on the Central Asia transport routes, particularly the cross-border transport of goods from China and ASEAN to Central Asia.

In terms of business operation strategy, the Group focuses on managing profit margins more efficiently, together with prudent management of financial liquidity, in order to strengthen cost stability and operational continuity, and has also planned the Group's marketing strategy to enhance the efficiency of internal collaboration within the Network through the establishment of a Standardized Process and the implementation of mutually supportive marketing strategies within the Group.

For the China market, the Group expects that the volume of exports from China will grow continuously, whereby in the third quarter the transportation volume on the Southbound route from China to the ASEAN region tends to increase, which is an important opportunity to expand the volume of work and strengthen the Company's service network.

In this regard, the Group continues to place importance on the application of technology to enhance operational efficiency, together with adopting Applications to assist in planning and managing the control of vehicle movement, enhancing efficiency in reducing Congestion Time and the turnover of containers, in accordance with the marketing plan that has been set, in order to raise competitive capability and create sustainable growth.

In summary, the Group will continue to pursue the following key business strategies:

1. Focus on expanding the cross-border logistics business to achieve continuous growth in the third quarter.
2. Manage the main product groups, particularly electronics, to continue growing in Q3, driven by the relocation of production bases and the EEC.
3. Increase the transportation volume of Cold Chain, particularly Thailand–China F&B, together with Food Grade and Reefer containers.

4. Manage Multimodal transport by using Sea-to-Land to solve border checkpoint congestion, and Rail-Road to expand into Europe–Central Asia.
5. Drive the strategy with a focus on managing profit, liquidity, and a Standardized Process within the Network.
6. Expand the volume of work and strengthen the Company's service network, driven by the growth of the Southbound route from China to the ASEAN region.
7. Develop the operating system and adopt Applications to enhance Visibility and Data Analytics, improving the efficiency of vehicle movement and container turnover.

Key Sustainability Initiatives

The Group conducts its business in accordance with the principles of sustainable development by integrating Environmental, Social, and Governance (ESG) considerations throughout its value chain. This approach enables the Group to achieve sustainable business growth while creating shared value for all stakeholders and supporting the transition toward a low-carbon economy in line with internationally recognized sustainability practices. The Company places significant emphasis on the effective management of its material sustainability topics through the establishment of comprehensive policies, measurable objectives, and implementation plans covering all three ESG dimensions, as follows:

Environmental

The Group is committed to systematically managing the environmental impacts arising from its logistics operations. It places strong emphasis on reducing greenhouse gas emissions, improving energy efficiency, and advancing Green Logistics initiatives to support sustainable business growth and contribute to the transition toward a low-carbon economy.

The Company has established and implemented a comprehensive organizational carbon footprint (Carbon Footprint for Organization: CFO) management system. Its greenhouse gas inventory has been verified and certified by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), and the Company has also obtained certification under ISO 14064-1:2018. These certifications reflect the Company’s commitment to transparent, systematic, and verifiable greenhouse gas emissions management and disclosure in accordance with internationally recognized standards.

To support the reduction of greenhouse gas emissions in the transportation sector, the Company plans to deploy eight electric trucks (EV Trucks) on its cross-border transportation route connecting Thailand (Nakhon Phanom Checkpoint), the Lao People's Democratic Republic (Naphao Checkpoint), and the Socialist Republic of Vietnam (Cha Lo Checkpoint). The project is expected to commence operations in the second quarter of 2026. This initiative represents a significant milestone in the Company's Green Logistics strategy and will serve as a pilot project for the future expansion of electric vehicle deployment across other transportation routes.

Social

The Group is committed to creating shared value for society by undertaking initiatives that are aligned with its expertise in logistics, while simultaneously developing the capabilities of its employees and fostering a safe, inclusive, and supportive working environment that promotes sustainable growth for both the organization and its people.

The Company plans to implement educational support programs in collaboration with local communities and government agencies to expand learning opportunities for young people in the areas where it operates. In addition, the Group remains committed to contributing to the sustainable development and well-being of surrounding communities through initiatives aimed at improving their quality of life and fostering long-term social value.

The Company places great importance on the well-being of its employees across all dimensions, including occupational health and safety, as well as the continuous development of their knowledge, skills, and capabilities. These initiatives are aimed at enhancing operational efficiency, strengthening employee engagement, and equipping the workforce to effectively adapt to future business challenges and organizational transformation.

The Group is committed to advancing its social performance in alignment with the expectations of its stakeholders by integrating its social initiatives with the Company's core expertise in logistics. Through this approach, the Group aims to create shared value and deliver sustainable positive impacts for society while supporting the long-term success of its business.

Governance

The Group places strong emphasis on good corporate governance by adhering to the principles of transparency, accountability, fairness, and ethical business conduct. These principles serve as the foundation of the Group’s operations and are intended to strengthen the confidence of shareholders, investors, customers, employees, and all other stakeholders.

The Company promotes a strong culture of corporate governance and business ethics through continuous communication and training programs for employees at all levels. These initiatives are designed to ensure that employees understand and consistently adhere to the principles of good corporate governance, ethical business conduct, and regulatory compliance in the performance of their duties.

The Company is committed to continuously strengthening its corporate governance framework, enterprise risk management, and internal control systems in line with internationally recognized standards and best practices.

These efforts are intended to support the Group's sustainable growth, enhance organizational resilience, and ensure effective, transparent, and accountable business operations over the long term.

In addition, the Company is in the process of implementing a Quality Management System (QMS) in accordance with the ISO 9001 standard, with certification expected to be completed by the second quarter of 2026. This initiative is intended to enhance operational efficiency, establish standardized service processes, and further strengthen the confidence of customers and other stakeholders in the Company's service quality and long-term operational excellence.

The Group remains committed to continuously advancing its sustainability performance across all dimensions by integrating ESG principles into its business strategy and day-to-day operations. Through this approach, the Group aims to achieve balanced and sustainable growth, enhance its competitive advantage, meet the evolving expectations of stakeholders, and create long-term value for society, the economy, and the environment.

Yours sincerely,

Euroasia Total Logistics Public Company Limited

Mr. Dhanes Mekintharanggur

Chief Executive Officer