



THAI AGRO ENERGY PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FOR FINANCIAL STATEMENTS OF THE 3rd QUARTER 2025



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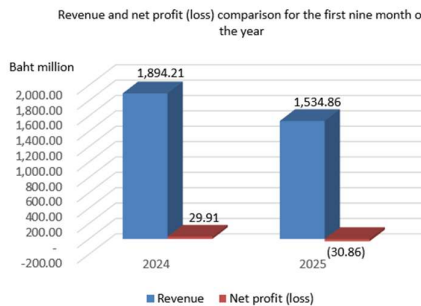
MANAGEMENT DISCUSSION AND ANALYSIS

(For the Financial Statements of the 3rd Quarter 2025)

OVERALL OPERATING RESULTS

The Company's operating results for the 3rd quarter of 2025 showed total revenue of Baht 467.24 million, an increase of Baht 8.02 million or 1.75 percent from the same period of the previous year, and a net loss of Baht 7.43 million or Baht 0.007 per share, a decrease of Baht 16.67 million or 180.41 percent from the same period of the previous year. The decline was mainly due to intense competition in the ethanol market, resulting in lower selling prices.

For the nine-month period of 2025, the Company recorded total revenue of Baht 1,534.86 million, a decrease of Baht 359.35 million or 18.97 percent from the same period of the previous year, and a net loss of Baht 30.86 million or Baht 0.031 per share, a decrease of Baht 60.77 million or 203.18 percent from the same period of the previous year. The decline was primarily due to intense competition in the ethanol market, leading to a reduction in selling prices.



OPERATING RESULTS ANALYSIS

REVENUE:

Description	Year 2025		Year 2024		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
3rd quarter (July – September)						
Sales Revenue	465.35	99.60	451.53	98.32	13.82	3.06
Compensation income from a fire broke out	-	-	0.21	0.05	(0.21)	(100.00)
Other Revenue	1.89	0.40	7.48	1.63	(5.59)	(74.73)
Total Revenue	467.24	100.00	459.22	100.00	8.02	1.75
9-Month Period (January – September)						
Sales Revenue	1,591.04	98.97	1,848.79	97.60	(329.75)	(17.84)
Compensation income from a fire broke out	-	-	24.70	1.31	(24.70)	(100.00)
Other Revenue	15.82	1.03	20.72	1.09	(4.90)	(23.65)
Total Revenue	1,534.86	100.00	1,894.21	100.00	(359.35)	(18.97)



1. The Company's total revenue in the 3rd quarter 2025 was Baht 467.24 million, which increased from the same period last year by Baht 8.02 million or 1.75 percent, due to the following reasons.

1.1 Revenue from sales increased by Baht 13.82 million, or 3.06 percent, mainly due to a 3.89 percent increase in revenue from the ethanol business, due to a 75.69 percent increase in ethanol sales volume.

1.2 In this quarter, the Company had no compensation income from a fire broke out amounting to Baht 0.21 million, and;

1.3 Other revenue decreased by Baht 5.59 million or 74.73 percent. Since the Company did not use cassava chips in its production, revenue from the sale of cassava chip residues decreased.

2. The Company's revenue in the first 9-month period of 2025 was Baht 1,534.86 million, which decreased from the same period of last year by Baht 359.35 million or 18.97 percent, due to the following reasons.

2.1 Revenue from sales decreased by Baht 329.75 million or 17.84 percent, mainly due to a 18.98 percent decrease in revenue from the ethanol business, due to a 38.17 percent decrease in average ethanol selling prices.

2.2 In the first 9-month period of 2025, the Company had no compensation income from a fire broke out amounting to Baht 24.70 million, and;

2.3 Other revenue decreased by Baht 4.90 million or 23.65 percent. Due to a decrease in revenue from the sale of cassava chip residues.

EXPENSES:

Description	Year 2025		Year 2024		Increase (Decrease)	
	Baht Million	% of Sales	Baht Million	% of Sales	Baht Million	%
3rd quarter (July – September)						
Cost of sales	436.06	93.70	401.45	88.91	34.61	8.62
Selling and administrative expense	26.28	5.65	31.16	6.90	(4.88)	(15.66)
Damage from the fire broke out	-	-	0.21	0.05	(0.21)	(100.00)
Financial cost	14.09	3.03	14.75	3.27	(0.66)	(4.47)
(Revenue) Corporate income tax	(1.76)	(0.38)	2.41	0.53	(4.17)	(173.03)
Total Expenses	474.67	102.00	449.98	99.66	24.69	5.49
9-Month Period (January – September)						
Cost of sales	1,453.49	95.68	1,636.35	88.51	(182.86)	(11.17)
Selling and administrative expense	76.84	5.06	96.85	5.24	(20.01)	(20.66)
Damage from the fire broke out	-	-	74.19	4.01	(74.19)	(100.00)
Financial cost	42.65	2.81	49.02	2.65	(6.37)	(12.99)
(Revenue) Corporate Income tax	(7.26)	(0.48)	7.89	0.43	(15.15)	(192.02)
Total Expenses	1,565.72	103.07	1,864.30	100.84	(298.58)	(16.02)



1. The Company's expenses in the 3rd quarter 2025 totaled Baht 474.67 million, which increased from the same period last year by Baht 24.69 million or 5.49 percent, due to the following reasons.

1.1 Cost of sales increased by Baht 34.61 million or 8.62 percent. Due to the increase in production costs.

1.2 Selling and administrative expenses decreased by Baht 4.88 million or 15.66 percent. Due to the decrease in factory expenses transferred to administrative expenses from the temporary production shutdown.

1.3 In 2024, a fire broke out in a warehouse that burned cassava chip, a raw material for producing ethanol, causing damages Baht 0.21 million in the 3rd quarter of 2024.

1.4 Financial cost decreased by Baht 0.66 million or 4.47 percent. Due to short term and long term loan repayment and;

1.5 Corporate income tax expenses decreased by Baht 4.17 million or 173.03 percent.

2. The Company's expenses in the first 9-month period of 2025 totaled Baht 1,565.72 million, decreased from the same period last year by Baht 298.58 million or 16.02 percent, due to the following reasons.

2.1 Cost of sales decreased by Baht 182.86 million or 11.17 percent. Due to the decrease in production costs.

2.2 Selling and administrative expenses decreased by Baht 20.01 million or 20.66 percent. Due to the decrease in factory expenses transferred to administrative expenses from the temporary production shutdown.

2.3 In 2024, a fire broke out in a warehouse that burned cassava chip, a raw material for producing ethanol, causing damages Baht 74.19 million in the first 9-month period of 2024.

2.4 Financial cost decreased by Baht 6.37 million or 12.99 percent. Due to short term and long term loan repayment and;

2.5 Corporate Income tax expenses decreased by Baht 15.15 million or 192.02 percent.



GROSS PROFIT:

Description	Year 2025		Year 2024	
	Baht Million	%	Baht Million	%
3rd quarter (July – September)				
Revenues from sales	465.35	100.00	451.53	100.00
Less cost of sales	436.06	93.71	401.45	88.91
Gross Profit	29.29	6.29	50.08	11.09
9-Month Period (January – September)				
Revenues from sales	1,519.04	100.00	1,848.79	100.00
Less cost of sales	1,453.49	95.68	1,636.35	88.51
Gross Profit	65.55	4.32	212.44	11.49

1. The Company's gross profit in the 3rd quarter 2025 was Baht 29.29 million or 6.29 percent of the sales revenue, which decreased from the same period last year. Due to the average ethanol selling price decreased by 40.62 percent

2. The Company's gross profit in the first 9-month period of 2025 was Baht 65.55 million, or 4.32 percent of the revenue from sales, which decreased from the same period of last year. Due to the average ethanol selling price decreased by 38.17 percent.

NET PROFIT:

Description	Unit	Year 2025	Year 2024	Increase/ (Decrease)	%
3rd quarter (July-September)					
NET(LOSS) PROFIT	Baht Million	(7.43)	9.24	(16.67)	(180.41)
NET(LOSS) PROFIT PER SHARE	Baht per Share	(0.007)	0.009	(0.016)	(177.78)
9-Months Period (January – September)					
NET (LOSS) PROFIT	Baht Million	(30.86)	29.91	(60.77)	(203.18)
NET (LOSS) PROFIT PER SHARE	Baht per Share	(0.031)	0.030	(0.061)	(203.33)
<u>Remark</u> Registered par value of Baht 1 per share					

1. The Company's net loss in the 3rd quarter of 2025 was Baht 7.43 million, decreased from the same period last year by Baht 16.67 million or 180.41 percent, generating a net loss at Baht 0.007 per share which decreased from the same period last year by Baht 0.016 per share or 177.78 percent, due to the reasons as described above.

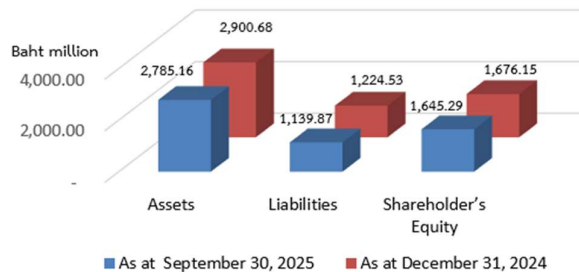


2. The Company's net loss in the first 9-month period of 2025 was Baht 30.86 million which decreased from the same period last year by Baht 60.77 million or 203.18 percent, generating a net loss at Baht 0.031 per share which decreased from the same period last year by Baht 0.061 per share or 203.33 percent, due to the reasons as described above.

STATEMENT OF FINANCIAL POSITION

Description	Unit	As at September 30, 2025	As at December 31, 2024	Increase (Decrease)	%
Total Assets	Baht Million	2,785.16	2,900.68	(115.52)	(3.98)
Total Liabilities	Baht Million	1,139.87	1,224.53	(84.66)	(6.91)
Total Shareholder's Equity	Baht Million	1,645.29	1,676.15	(30.86)	(1.84)
Book Value	Baht per Share	1.65	1.68	(0.03)	(1.79)
Remark: Registered per value of Baht 1 per share					

STATEMENT OF FINANCIAL POSITION



ASSETS: The Company's total assets as at September 30, 2025 was Baht 2,785.16 million, decreased from the end of year 2024 by Baht 115.52 million or 3.98 percent. The total assets consisting of:

1. Current assets decreased by Baht 13.69 million or 3.12 percent, consisting of: (A) Cash and cash equivalent decreased by Baht 21.72 million or 56.64 percent; (B) Trade accounts receivable and other receivables increased by Baht 14.70 million or 11.98 percent; (C) Inventories, most of which were finished goods, increased by Baht 70.28 million or 42.16 percent; (D) Advances payment for purchase goods decreased by Baht 69.52 million or 68.76 percent, and (E) Another current assets decreased by Baht 7.43 million or 72.42 percent.

2. Non-Current Assets decreased by Baht 101.83 million or 4.14 percent, consisting of: (A) Immovable property for investment decreased by Baht 0.03 million or 0.97 percent; (B) Non-current biological assets increased by Baht 3.22 million or 14.04 percent; (C) Land, plant and equipment



decreased by Baht 116.43 million or 4.86 percent; (D) Right-of-use assets increased by Baht 3.28 million or 16.77 percent, and (E) Another non-current assets most of which were deferred tax assets increased by Baht 8.13 million or 38.39 percent.

LIABILITIES: The Company's Total Liabilities as at September 30, 2025 was Baht 1,139.87 million, decreased from the end of year 2024 by 84.66 million or 6.91 percent, consisting of: (A) Short-term loan which was for raw material supply and for working capital, decreased by Baht 5.42 million or 0.58 percent (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, increased by Baht 20.82 million or 51.55 percent. (C) Long-term loan decreased by Baht 99.90 million or 50.00 percent, and (D) Other liabilities, which are mainly expenses that are not yet due for payment and liabilities under lease agreements, decreased by Baht 0.16 million or 0.35 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company as at September 30, 2025 was Baht 1,645.29 million, decreased from the end of year 2024 by Baht 30.86 million or 1.84 percent. This results in a book value of Baht 1.65 per share, which is decreased from the end of 2024 by Baht 0.03 per share, due to the net loss as described above.

CASH FLOWS

Description	Unit	First 9 month-period (January – September)	
		Year 2025	Year 2024
Cash Flows from Operating Activities	Baht Million	110.40	276.98
Cash Flows used in Investing Activities	Baht Million	(21.65)	(30.58)
Cash Flows used in Financing Activities	Baht Million	(110.47)	(279.28)
Net decrease in cash and cash equivalent	Baht Million	(21.72)	(32.88)
Cash and cash equivalent at the beginning of the period	Baht Million	38.35	47.13
Cash and Cash Equivalent at the End of the Period	Baht Million	16.63	14.25

1. The Company's net cash from operating activities in the first 9-month period of 2025 totaled Baht 110.40 million, consisting of: (A) Loss before corporate income tax of Baht 38.12 million; (B) Non-cash items such as depreciation of Baht 161.43 million; (C) The operating assets decreased by Baht 10.09 million due to the decrease in trade and other receivables, inventories and advance payments for purchase of goods and other current assets; (D) The operating liabilities increased by Baht 19.96 million due to the increase in trade accounts payable, other accounts payable and other current liabilities; (E) An interest received of Baht 0.08 million; (F) An interest expense of Baht 43.00 million; and (G) Corporate income tax payment of Baht 0.04 million.



2. The Company's net cash used in investment activities in the first 9-month period of 2025 totaled Baht 21.65 million, consisting of: (A) The cost of industrial crops planting of Baht 3.28 million; (B) Assets purchasing of Baht 17.87 million and (C) Restricted bank deposits of Baht 0.50 million.

3. The Company's net cash used in financing activities in the first 9-month period of 2025 totaled Baht 110.47 million consisting of: (A) Repayment of short-term loan from financial institution of Baht 5.41 million, (B) Repayment of long-term loan of Baht 100.00 million and (C) Repayment under financial lease of Baht 5.06 million.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The Company had a current ratio and a quick ratio of 0.38 times and 0.14 times, respectively, as of September 30, 2025. Although these ratios are low, the Company still has inventories that can be easily sold and converted into cash. In addition, its trade receivables are from large oil companies with strong financial stability. Moreover, the Company has sufficient cash generation from operations and available credit facilities to support its operations, with continued strong support from financial institutions.

(2) The total debt to equity ratio of the Company as at September 30, 2025 was 0.69:1 times.

(3) The cash cycle of the Company in the first 9-month period of 2025 was 34.67 days, which increased from the end of year 2024 by 3.44 days. The average debt collection period was at 24.15 days, which increased from the end of year 2024 by 0.19 days. The average inventory turnover was at 16.94 days, which increased from the end of year 2024 by 3.62 days, and the average debt repayment period was at 6.42 days, increased from the end of year 2024 by 0.37 days.

DEBT OBLIGATION

The Company has debt obligation in accordance with the loan agreement with a local commercial bank as follows.

(1) The Company must maintain its debt to equity ratio (D/E ratio) not to exceed 2.50 times and debt service coverage ratio (DSCR) of no less than 1.10 times throughout the duration of loan agreement. As at September 30, 2025, the Company is able to maintain its financial ratios according to the commitments in the loan contract.

(2) The lending bank has determined that Lanna Resources Public Co., Ltd. ("Lanna") must maintain its shareholding proportion in TAE of no less than 50 percent of the total number of shares during the whole duration of the loan agreement. So far, Lanna has no policy to decrease its shareholding proportion in TAE to below 50 percent of the total number of shares.



(3) The Company will not be able to pay dividends to shareholders if the Company cannot comply with the conditions set forth in the loan agreement, such as the holding of D/E and DSCR ratios, the holding of Lanna's share in the Company, etc., unless waived by such lenders.

FUTURE TREND

The demand for ethanol in the fourth quarter of 2025 is expected to increase from the previous quarter, as the demand for gasohol is likely to grow in the transportation and tourism sectors. Moreover, if the government's policy to promote Gasohol E20 as the fundamental gasoline becomes clearer, it will further boost ethanol demand. Meanwhile, the sugarcane crushing volume for the 2025/26 production season is projected to be higher than the previous season, which likely lead to a decrease in the average selling price of molasses, thereby enhancing the competitiveness of ethanol production costs.
