



**THAI AGRO ENERGY PUBLIC COMPANY LIMITED**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR FINANCIAL STATEMENTS OF YEAR 2025**



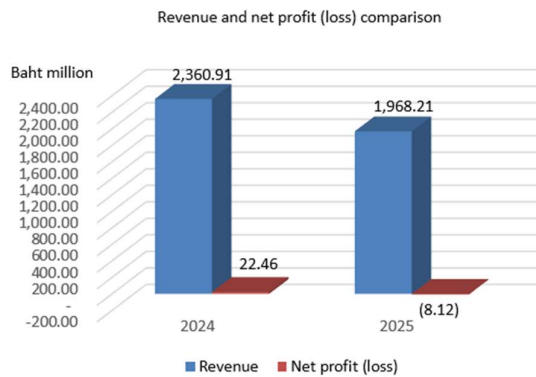
## THAI AGRO ENERGY PUBLIC COMPANY LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS

(For the Financial Statements of Year 2025)

#### OVERALL OPERATING RESULTS

The Company's overall operating results in 2025 recorded total revenue of Baht 1,968.21 million decreased from the previous year by Baht 392.70 million or 16.63 percent and a net loss of Baht 8.12 million, equivalent to Baht 0.008 per share. Net profit decreased from the previous year by Baht 30.58 million or 136.15 percent, due to intense competition in the ethanol market, which led to lower selling prices.



#### OPERATING RESULTS ANALYSIS

##### REVENUE:

Description	Year 2025		Year 2024		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
Sales Revenue	1,950.00	99.07	2,262.04	95.81	(312.04)	(13.79)
Compensation for fire broke out incident	-	-	70.91	3.01	(70.91)	(100.00)
Other Revenue	18.21	0.93	27.96	1.18	(9.75)	(34.87)
<b>Total Revenue</b>	<b>1,968.21</b>	<b>100.00</b>	<b>2,360.91</b>	<b>100.00</b>	<b>(392.70)</b>	<b>(16.63)</b>

The Company's revenue in year 2025 totaled Baht 1,968.21 million, which decreased from the previous year by Baht 392.70 million or 16.63 percent, due to the following reasons.

1. Revenue from sales decreased by Baht 312.04 million or 13.79 percent with the revenue from ethanol sales decreased by 15.18 percent due to the average ethanol sales price decreased by 36.13 percent.

2. In 2024, the Company has compensation from the fire broke out incident by Baht 70.91 million and;



3. Other revenue decreased by Baht 9.75 million or 34.87 percent due to a decrease in revenue from the sale of cassava chip residues.

#### EXPENSES:

Description	Year 2025		Year 2024		Increase (Decrease)	
	Baht Million	% Sales	Baht Million	% Sales	Baht Million	%
Cost of sales	1,816.01	93.13	2,048.86	90.58	(232.85)	(11.36)
Selling and administrative expenses	106.28	5.45	145.57	6.43	(39.29)	(26.99)
Damage from the fire broke out	-	-	74.33	3.29	(74.33)	(100.00)
Financial cost	55.54	2.85	63.16	2.79	(7.62)	(12.06)
(Revenue) Corporate income tax	(1.50)	(0.08)	6.53	0.29	(8.03)	(122.97)
<b>Total Expenses</b>	<b>1,976.33</b>	<b>101.35</b>	<b>2,338.45</b>	<b>103.38</b>	<b>(362.12)</b>	<b>(15.49)</b>

The Company's expenses in year 2025 totaled Baht 1,976.33 million, which decreased from the previous year by Baht 362.12 million or 15.49 percent, due to the following reasons;

1. Cost of sales decreased by Baht 232.85 million or 11.36 percent. Due to a decrease in production costs.
2. Selling and administrative expenses decreased by Baht 32.29 million or 26.99 percent. Due to a decrease in factory expenses transferred to administrative expenses from the temporary production shutdown.
3. In 2024, a fire broke out in a warehouse that burned cassava chip, a raw material for producing ethanol, causing damages Baht 74.33 million in 2024.
4. Financial cost decreased by Baht 7.62 million or 12.06 percent. This was due to the repayment of short term loan and long term loan and;
5. Corporate income tax expenses decreased by Baht 8.03 million or 122.97 percent.

#### GROSS PROFIT:

Description	Year 2025		Year 2024	
	Baht Million	%	Baht Million	%
Revenues from sales	1,950.00	100.00	2,262.04	100.00
<b>Less</b> cost of sales	1,816.01	93.13	2,048.86	90.58
<b>Gross Profit</b>	<b>133.99</b>	<b>6.87</b>	<b>213.18</b>	<b>9.42</b>

The Company's gross profit of year 2025 was Baht 133.99 million, or 6.87 percent of the revenue from sales, decreased from the previous year due to average ethanol selling prices decreased by 36.13 percent.



## NET PROFIT:

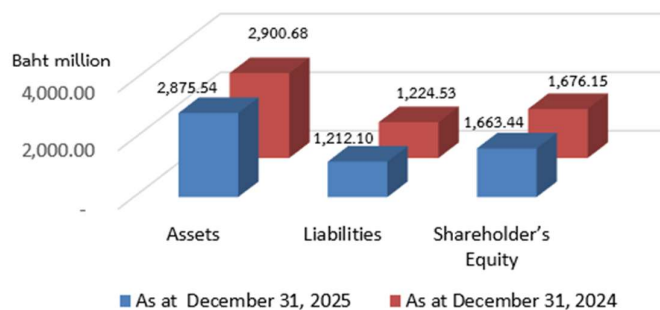
Description	Unit	Year 2025	Year 2024	Increase/ (Decrease)	%
NET(LOSS) PROFIT	Baht Million	(8.12)	22.46	(30.58)	(136.15)
NET(LOSS) PROFIT PER SHARE	Baht per Share	(0.008)	0.022	(0.030)	(136.36)
<u>Remark</u> Registered par value of Baht 1 per share					

The Company's net loss of year 2025 was Baht 8.12 million, net profit decreased from the previous year by Baht 30.58 million or 136.15 percent, generating a net loss at Baht 0.008 per share which decreased from the previous year by Baht 0.030 per share or 136.36 percent due to the reasons as described above.

## STATEMENT OF FINANCIAL POSITION

Description	Unit	As at December 31, 2025	As at December 31, 2024	Increase (Decrease)	%
Total Assets	Baht Million	2,875.54	2,900.68	(25.14)	(0.87)
Total Liabilities	Baht Million	1,212.10	1,224.53	(12.43)	(1.02)
Total Shareholder's Equity	Baht Million	1,663.44	1,676.15	(12.71)	(0.76)
Book Value	Baht per Share	1.66	1.68	(0.02)	(1.19)
<u>Remark:</u> Registered per value of Baht 1 per share					

## STATEMENT OF FINANCIAL POSITION



**ASSETS:** The Company's total assets as at December 31, 2025 was Baht 2,875.54 million decreased from the end of year 2024 by Baht 25.14 million or 0.87 percent. The total assets consisting of:

1. Current Assets increased by Baht 122.23 million or 27.84 percent, consisting of: (A) Cash and cash equivalent decreased by Baht 9.47 million or 24.69 percent;(B) Trade accounts receivable



and other receivables increased by Baht 5.67 million or 4.62 percent; (C) Inventories, most of which were raw materials and finished goods, decreased by Baht 23.40 million or 14.04 percent; (D) Advances payment for purchase goods increased by Baht 143.94 million or 142.37 percent, and (E) Another current assets increased by Baht 5.49 million or 53.51 percent.

2. Non-Current Assets decreased by Baht 147.37 million or 5.99 percent, consisting of: (A) Immovable property for investment decreased by Baht 0.04 million or 1.29 percent; (B) Non-current biological assets increased by Baht 3.91 million or 17.05 percent; (C) Land, plant and equipment decreased by Baht 156.53 million or 6.54 percent; (D) Right-of-use assets increased by Baht 1.88 million or 9.61 percent, and (E) Another non-current assets most of which were deferred tax assets increased by Baht 3.41 million or 16.10 percent.

**LIABILITIES:** The Company's total liabilities as at December 31, 2025 was Baht 1,212.10 million decreased from the end of year 2024 by Baht 12.43 million or 1.02 percent, due to (A) Short-term loan which was for raw material supply and for working capital, increased by Baht 67.67 million or 7.21 percent. (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, increased by Baht 16.30 million or 40.36 percent. (C) Long-term loan decreased by Baht 99.87 million or 49.99 percent, and (D) Other liabilities, mainly undue expenses and liabilities under lease agreement increased by Baht 3.47 million or 7.57 percent.

**TOTAL SHAREHOLDERS' EQUITY:** The total shareholders' equity of the Company as at December 31, 2025 was Baht 1,663.44 million decreased from the end of year 2024 by Baht 12.71 million or 0.76 percent. This results in a book value of Baht 1.66 per share, which is decreased from the end of 2024 by Baht 0.02 per share, due to the net loss as described above.

#### CASH FLOWS

Description	Unit	Year 2025	Year 2024
Cash Flows from Operating Activities	Baht Million	54.90	219.71
Cash Flows used in Investing Activities	Baht Million	(25.35)	(45.90)
Cash Flows used in Financing Activities	Baht Million	(39.02)	(182.59)
Net decrease in cash and cash equivalent	Baht Million	(9.47)	(8.78)
Cash and cash equivalent at the beginning of the period	Baht Million	38.35	47.13
<b>Cash and Cash Equivalent at the End of the Period</b>	<b>Baht Million</b>	<b>28.88</b>	<b>38.35</b>

1. The Company's net cash from operating activities in year 2025 was Baht 54.90 million, consisting of: (A) Loss before corporate income tax of Baht 9.62 million; (B) Non-cash items such as depreciation of Baht 219.69 million; (C) The operating assets increased by Baht 113.58 million due to the increase in trade and other receivables, inventories and advance payments for purchase of goods



and other current assets; (D) The operating liabilities increased by Baht 14.53 million due to the increase in trade accounts payable, other accounts payable and other current liabilities; (E) An interest received of Baht 0.11 million; and (F) An interest expense of Baht 56.19 million; and (G) Corporate income tax payment by Baht 0.04 million.

2. The Company's net cash used in investment activities in year 2025 was Baht 25.35 million, consisting of: (A) Restricted bank deposits of Baht 0.50 million; (B) The cost of industrial crops planting of Baht 3.97 million and (C) Assets purchasing of Baht 20.88 million.

3. The Company's net cash used in financing activities in year 2025 was Baht 39.02 million consisting of: (A) Received short-term loan from financial institution of Baht 67.67 million, (B) Repayment of long-term loan of Baht 100.00 million and (C) Repayment under financial lease of Baht 6.69 million.

#### **LIQUIDITY AND SUFFICIENCY OF CAPITAL**

1. The current ratio and quick ratio of the Company as at December 31, 2025 were 0.48 times and 0.13 times, respectively, which is low but the Company have remaining inventories that can be easily exchanged to cash and the trade accounts receivable is the major fuel company that have stable financial situation. In addition, the Company has cash generation and adequate credit line for working in the future project with good support from financial institution.

2. The total debt to equity ratio of the Company as at December 31, 2025 was 0.73:1 times.

3. The cash cycle of the Company in year 2025 was 32.58 days, which increased from the end of year 2024 by 1.35 days. The average debt collection period was 23.07 days, which decreased from the end of year 2024 by 0.89 days. The average inventory turnover was 15.50 days, which increased from the end of year 2024 by 2.18 days, and the average debt repayment period was 5.99 days, which decreased from the end of year 2024 by 0.06 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 December 31, 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 forecast for ethanol demand in 2026 is expected to remain stable compared with the previous year. This outlook depends on the clarity of government policies promoting the use of Gasohol E20 as the base gasoline, which would help increase ethanol consumption. Meanwhile, the forecast for sugarcane crushing volume and molasses supply in the 2025/26 production season is expected to be close to or slightly higher than the previous season, due to higher rainfall and better distribution compared with the previous year. Accordingly, the Company plans to use molasses as a raw material for ethanol production in 2026 in order to maintain a competitive cost structure.

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