



THAI AGRO ENERGY PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FOR FINANCIAL STATEMENTS OF YEAR 2024



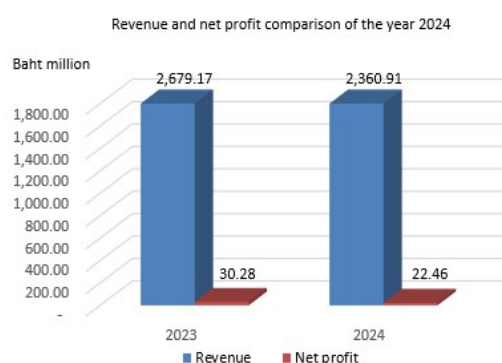
THAI AGRO ENERGY PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

(For the Financial Statements of Year 2024)

OVERALL OPERATING RESULTS

The Company's overall operating results in 2024 recorded total revenue of Baht 2,360.91 million and a net profit of Baht 22.46 million, equivalent to Baht 0.022 per share. This represents a decrease of Baht 318.26 million in revenue and Baht 7.82 million in net profit from the previous year, or 11.88 percent and 25.83 percent, respectively, due to a decrease in ethanol sales volume.



OPERATING RESULTS ANALYSIS

REVENUE:

Description	Year 2024		Year 2023		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
Sales Revenue	2,262.04	95.81	2,644.78	98.72	(382.74)	(14.47)
Compensation for fire broke out incident	70.91	3.00	-	-	70.91	100.00
Other Revenue	27.96	1.19	34.39	1.28	(6.43)	(18.70)
Total Revenue	2,360.91	100.00	2,679.17	100.00	(318.26)	(11.88)

The Company's revenue in year 2024 totaled Baht 2,360.91 million, which decreased from the previous year by Baht 318.26 million or 11.88 percent, due to the following reasons.

1. Revenue from sales decreased by Baht 382.74 million or 14.47 percent with the revenue from ethanol sales decreased by Baht 390.80 million due to ethanol sales volume decreased by 15.49 percent although the average sales price increased by 0.48 percent.

2. Compensation from the fire broke out incident by Baht 70.91 million or 100 percent and;



3. Other revenue decreased by Baht 6.43 million or 18.70 percent due to the Company received a fine in case the contractual party was unable to comply with the contract last year, but there is no such income this year.

EXPENSES:

Description	Year 2024		Year 2023		Increase (Decrease)	
	Baht Million	% Sales	Baht Million	% Sales	Baht Million	%
Cost of sales	2,048.86	90.58	2,414.48	91.29	(365.62)	(15.14)
Selling and administrative expenses	145.57	6.43	158.55	6.00	(12.98)	(8.19)
Damage from the fire broke out	74.33	3.29	-	-	74.33	100.00
Financial cost	63.16	2.79	68.13	2.58	(4.97)	(7.29)
Income tax revenue	6.53	0.29	7.73	0.29	(1.20)	(15.52)
Total Expenses	2,338.45	103.38	2,648.89	100.16	(310.44)	(11.72)

The Company's expenses in year 2024 totaled Baht 2,338.45 million, which decreased from the previous year by Baht 310.44 million or 11.72 percent, due to the following reasons;

1. Cost of sales decreased by Baht 365.62 million or 15.14 percent. This was due to the decrease in the ethanol sales volume by 15.49 percent.

2. Selling and administrative expenses decreased by Baht 12.98 million or 8.19 percent. Due to the freight cost of ethanol distribution has decreased in line with ethanol sales volume.

3. Damage from the fire broke out was Baht 74.33 million or 100 percent Due to a fire broke out incident involving cassava chips, which are raw materials for ethanol production, stored in the Company's warehouse, the Company had previously secured an All-Risk Insurance policy. This policy includes coverage conditions and a compensation limit that fully covers damages from such incidents. In 2024, the Company received full compensation from the insurance provider.

4. Financial cost decreased by Baht 4.97 million or 7.29 percent. This was due to the repayment of short term loan and long term loan and;

5. Income tax revenue decreased by Baht 1.20 million or 15.52 percent.

GROSS PROFIT:

Description	Year 2024		Year 2023	
	Baht Million	%	Baht Million	%
Revenues from sales	2,262.04	100.00	2,644.78	100.00
Less cost of sales	2,048.86	90.58	2,414.48	91.29
Gross Profit	213.18	9.42	230.30	8.71



The Company's gross profit of year 2024 was Baht 213.18 million, or 9.42 percent of the revenue from sales, increased from the previous year due to average ethanol selling prices increased by 0.48 percent and average cost of ethanol sales decreased by 1.15 percent.

NET PROFIT:

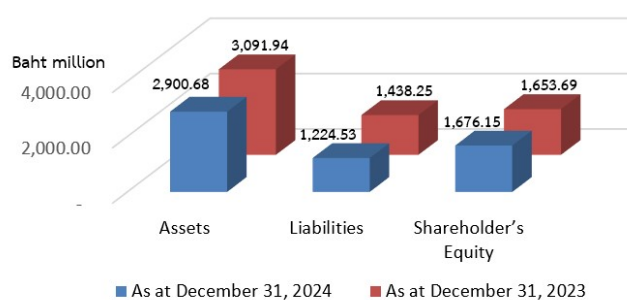
Description	Unit	Year 2024	Year 2023	Increase/ (Decrease)	%
NET PROFIT	Baht Million	22.46	30.28	(7.82)	(25.83)
NET PROFIT PER SHARE	Baht per Share	0.022	0.030	(0.008)	(26.67)
Remark Registered par value of Baht 1 per share					

The Company's net profit of year 2024 was Baht 22.46 million decreased from the previous year by Baht 7.82 million or 25.83 percent, generating a net profit at Baht 0.022 per share which decreased from the previous year by Baht 0.008 per share or 26.67 percent due to the reasons as described above.

STATEMENT OF FINANCIAL POSITION

Description	Unit	As at December 31, 2024	As at December 31, 2023	Increase (Decrease)	%
Total Assets	Baht Million	2,900.68	3,091.94	(191.26)	(6.19)
Total Liabilities	Baht Million	1,224.53	1,438.25	(213.72)	(14.86)
Total Shareholder's Equity	Baht Million	1,676.15	1,653.69	22.46	1.36
Book Value	Baht per Share	1.68	1.65	0.03	1.82
Remark: Registered per value of Baht 1 per share					

STATEMENT OF FINANCIAL POSITION



ASSETS: The Company's total assets as at December 31, 2024 was Baht 2,900.68 million decreased from the end of year 2023 by Baht 191.26 million or 6.19 percent. The total assets consisting of:



1. Current Assets decreased by Baht 48.76 million or 9.99 percent, consisting of: (A) Cash and cash equivalent decreased by Baht 8.78 million or 18.63 percent;(B) Trade accounts receivable and other receivables decreased by Baht 56.19 million or 31.41 percent; (C) Inventories, most of which were finished goods, decreased by Baht 50.79 million or 23.35 percent;(D) Advances payment for purchase goods increased by Baht 66.09 million or 188.77 percent, and (E) Another current assets increased by Baht 0.91 million or 9.73 percent.

2. Non–Current Assets decreased by Baht 142.50 million or 5.47 percent, consisting of: (A) Immovable property for investment increased by Baht 3.09 million or 100 percent; (B) Biological assets increased by Baht 3.96 million or 20.88 percent; (C) Land, plant and equipment decreased by Baht 143.42 million or 5.65 percent; (D) Right-of–use assets decreased by Baht 0.93 million or 4.54 percent, and (E) Another non-current assets most of which were deferred tax assets decreased by Baht 5.20 million or 19.71 percent.

LIABILITIES: The Company's total liabilities as at December 31, 2024 was Baht 1,224.53 million decreased from the end of year 2023 by Baht 213.72 million or 14.86 percent, due to (A) Short-term loan which was for raw material supply and for working capital, decreased by Baht 46.10 million or 4.68 percent. (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, decreased by Baht 28.77 million or 41.60 percent. (C) Long-term loan decreased by Baht 128.64 million or 39.17 percent, and (D) Other liabilities, mainly undue expenses and liabilities under lease agreement decreased by Baht 10.21 million or 18.21 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company as at December 31, 2024 was Baht 1,676.15 million increased from the end of year 2023 by Baht 22.46 million or 1.36 percent. As a result, the book value of the shares increased from Baht 1.65 per share to Baht 1.68 per share, which increased by Baht 0.03 per share or 1.82 percent due to the net profit as described above.

CASH FLOWS

Description	Unit	Year 2024	Year 2023
Cash Flows from Operating Activities	Baht Million	219.71	690.86
Cash Flows used in Investing Activities	Baht Million	(45.90)	(94.45)
Cash Flows used in Financing Activities	Baht Million	(182.59)	(571.22)
Net increase (decrease) in cash and cash equivalent	Baht Million	(8.78)	25.19
Cash and cash equivalent at the beginning of the period	Baht Million	47.13	21.94
Cash and Cash Equivalent at the End of the Period	Baht Million	38.35	47.13



1. The Company's net cash from operating activities in year 2024 was Baht 219.71 million, consisting of: (A) Profit before corporate income tax of Baht 28.99 million; (B) Non-cash items such as depreciation of Baht 268.93 million; (C) The operating assets decreased by Baht 22.19 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 decreased by Baht 37.66 million due to the decrease in trade accounts payable, other accounts payable and other current liabilities; (E) An interest received of Baht 0.21 million; and (F) An interest expense of Baht 62.92 million; and (G) Corporate income tax payment by Baht 0.03 million.

2. The Company's net cash used in investment activities in year 2024 was Baht 45.90 million, consisting of: (A) The cost of industrial crops planting of Baht 4.48 million; and (B) Assets purchasing by Baht 41.42 million.

3. The Company's net cash used in financing activities in year 2024 was Baht 182.59 million consisting of: (A) Repayment of short-term loan from financial institution of Baht 46.25 million, (B) Repayment of long-term loan of Baht 128.81 million and (C) Repayment under financial lease of Baht 7.53 million.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

1. The current ratio and quick ratio of the Company as at December 31, 2024 were 0.40 times and 0.15 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, 2024 was 0.73:1 times.

3. The cash cycle of the Company in year 2024 was 31.23 days, which increased from the end of year 2023 by 7.44 days. The average debt collection period was 23.96 days, which decreased from the end of year 2023 by 0.34 days. The average inventory turnover was 13.32 days, which increased from the end of year 2023 by 6.18 days, and the average debt repayment period was 6.05 days, which decreased from the end of year 2023 by 1.60 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, 2024, 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 average demand for fuel and ethanol in 2025 is expected to remain stable compared to 2024. However, if the government provides clear policies on defining the types of basic fuel to support the use of ethanol derived from agricultural products, ethanol demand is likely to increase. Meanwhile, the forecast for sugarcane crushing in the 2024/25 production season indicates a significant increase compared to the previous season, driven by higher rainfall and attractive sugarcane prices for farmers. This is expected to result in a higher supply of molasses, a byproduct of sugar production, with its price likely to decrease significantly compared to the previous production season.
