



THAI AGRO ENERGY PUBLIC COMPANY LIMITED

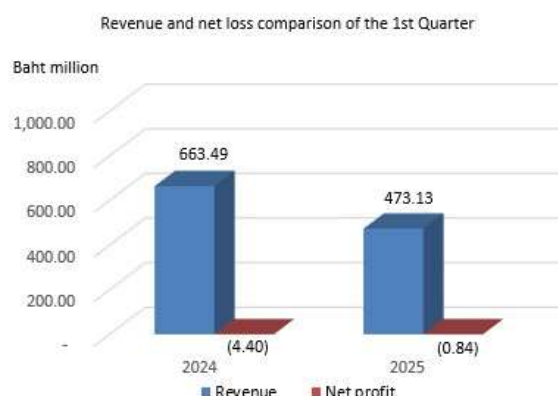
MANAGEMENT DISCUSSION AND ANALYSIS

FOR FINANCIAL STATEMENTS OF THE 1st QUARTER OF 2025

THAI AGRO ENERGY PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS
(For the Financial Statements of the 1st Quarter of 2025)

OVERALL OPERATING RESULTS

The Company's operating results in the 1st quarter of 2025 had a total revenue of Baht 473.13 million and a net loss of Baht 0.84 million or Baht 0.001 per share, decreasing from the same period last year by Baht 190.36 million and Baht 3.56 million or 28.69 percent and 80.91 percent, respectively, due to the highly competitive ethanol market, selling prices have decreased.



OPERATING RESULTS ANALYSIS

REVENUE:

Description	1 st quarter 2025		1 st quarter 2024		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
Sales revenue	465.57	98.40	645.42	97.28	(179.85)	(27.87)
Revenue from selling raw materials from a fire broke out	-	-	11.68	1.76	(11.68)	(100.00)
Other revenue	7.56	1.60	6.39	0.96	1.17	18.31
Total revenue	473.13	100.00	663.49	100.00	(190.36)	(28.69)

The Company had a total revenue of Baht 473.13 million in the 1st quarter 2025, which decreased from the same period last year by Baht 190.36 million or 28.69 percent, due to the following reasons.

1. Revenue from sales decreased by Baht 179.85 million or 27.87 percent, the revenue from selling ethanol decreased by 29.92 percent due to the average ethanol selling price decreased by 32.50 percent.
2. Compensation from the fire broke out incident by Baht 11.68 million but there was no such income in this quarter and;

- Other revenue increased by Baht 1.17 million or 18.31 percent. Due to increased revenue from selling cassava residue.

EXPENSES:

Description	1 st quarter 2025		1 st quarter 2024		Increase (Decrease)	
	Baht Million	% Sale	Baht Million	% Sale	Baht Million	%
Cost of sales	434.90	93.41	573.40	88.84	(138.50)	(24.15)
Sales and administrative expense	24.92	5.35	33.04	5.12	(8.12)	(24.58)
Damage from the fire broke out	-	-	44.97	6.97	(44.97)	(100.00)
Financial cost	14.38	3.09	17.37	2.69	(2.99)	(17.21)
(Revenue) income tax expenses	(0.23)	(0.05)	(0.89)	(0.14)	(0.66)	(74.16)
Total Expenses	473.97	101.80	667.89	103.48	(193.92)	(29.03)

The Company's expenses in the 1st quarter 2025 was Baht 473.97 million, decreased by Baht 193.92 million or 29.03 percent from the same period last year, due to the following reasons;

- Cost of sales decreased by Baht 138.50 million or 24.15percent. Due to the decrease of production costs.
- Sales and administrative expenses decreased by Baht 8.12 million or 24.58 percent. Due to the decrease in factory expenses transferred to administrative expenses from the temporary production shutdown.
- In 2024, a fire broke out in a warehouse that burned cassava chip, a raw material for producing ethanol, causing damages Baht 44.97 million.
- Financial costs decreased by Baht 2.99 million or 17.21 percent. Due to the repayment of short term and long term loan, and;
- Income tax expenses decreased by Baht 0.66 million or 74.16 percent.

GROSS PROFIT:

Description	1 st quarter 2025		1 st quarter 2024	
	Baht Million	%	Baht Million	%
Revenues from Sales	465.57	100.00	645.42	100.00
Less Cost of Sales	434.90	93.41	573.40	88.84
Gross Profit	30.67	6.59	72.02	11.16

The Company's gross profit in the 1st quarter 2025 was Baht 30.67 million or 6.59 percent of the sales revenue, which decreased from the same period last year. Due to the average ethanol selling price decreased by 32.50 percent

NET PROFIT:

Description	Unit	1 st quarter 2025	1 st quarter 2024	Increase (Decrease)	%
NET LOSS	Baht Million	(0.84)	(4.40)	(3.56)	(80.91)
NET LOSS PER SHARE	Baht per Share	(0.001)	(0.004)	(0.003)	(75.00)
<u>Remark</u> Registered par value of Baht 1 per share					

The Company's net loss in the 1st quarter 2025 was Baht 0.84 million which decreased from the same period last year by Baht 3.56 million or 80.91 percent, which accounts for net loss of Baht 0.001 per share decreased from the same period last year by Baht 0.003 per share or 75.00 percent. The reason is as described above.

STATEMENT OF FINANCIAL POSITION

FINANCIAL POSITION	Unit	As at March 31, 2025	As at December 31, 2024	Increase (Decrease)	%
Total Assets	Baht Million	2,930.01	2,900.68	29.33	1.01
Total Liabilities	Baht Million	1,254.70	1,224.53	30.17	2.46
Total Shareholder's Equity	Baht Million	1,675.31	1,676.15	(0.84)	(0.05)
Book Value	Baht per Share	1.68	1.68	-	-
<u>Remark:</u> Registered per value of Baht 1 per share					

STATEMENT OF FINANCIAL POSITION



ASSETS: The Company's total assets as at March 31, 2025 was Baht 2,930.01 million increased from the end of year 2024 by Baht 29.33 million or 1.01 percent. The total assets consisting of:

(1) Current assets increased by Baht 61.26 million or 13.95 percent, consisting of: (A) Cash and cash equivalent increased by Baht 10.15 million or 26.47 percent; (B) Trade accounts receivable and other receivables increased by Baht 24.05 million or 19.60 percent; (C) Inventories, most of which were finished goods, increased by Baht 65.33 million or 39.19 percent; (D) Advances payment for purchase goods decreased by Baht 35.09 million or 34.71 percent, and (E) Another current assets decreased by Baht 3.18 million or 30.99 percent.

(2) Non-Current Assets decreased by Baht 31.93 million or 1.30 percent, consisting of: (A) Immovable property for investment decreased by Baht 0.01 million or 0.32 percent; (B) Non-current biological assets increased by Baht 1.19 million or 5.19 percent; (C) Land, plant and equipment decreased by Baht 39.97 million or 1.67 percent; (D) Right-of-use assets increased by Baht 7.03 million or 35.94 percent, and (E) Another non-current assets most of which were deferred tax assets decreased by Baht 0.17 million or 0.80 percent.

LIABILITIES: The Company's Total Liabilities as at March 31, 2025 was Baht 1,254.70 million, increased from the end of year 2024 by 30.17 million or 2.46 percent, consisting of: (A) Short-term loan which was for raw material supply and for working capital, increased by Baht 7.93 million or 0.84 percent (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, increased by Baht 66.24 million or 164.00 percent. (C) Long-term loan decreased by Baht 49.97 million or 25.01 percent, and (D) Other liabilities, which are mainly expenses that are not yet due for payment and liabilities under lease agreements, increased by Baht 5.97 million or 13.02 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company as at March 31, 2025 was Baht 1,675.31 million, decreased from the end of year 2024 by Baht 0.84 million or 0.05 percent. This results in a book value of Baht 1.68 per share, which is the same as the end of 2024, due to the net loss as described above.

CASH FLOWS

Cash Flows	Unit	1st quarter 2025	1st quarter 2024
Cash Flows from Operating Activities	Baht Million	61.24	30.54
Cash Flows used in Investing Activities	Baht Million	(7.36)	(12.42)
Cash Flows used in Financing Activities	Baht Million	(43.73)	(25.13)
Net increase (decrease) in cash and cash equivalent	Baht Million	10.15	(7.01)
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	48.50	40.12

1. The Company's net cash from operating activities in the 1st quarter 2025 totaled Baht 61.24 million, consisting of: (A) Loss before corporate income tax of Baht 1.07 million; (B) Non-cash items such as depreciation of Baht 45.11 million; (C) The operating assets increased by Baht 35.65 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 67.33 million due to the increase in trade accounts payable, other accounts payable and other current liabilities; (E) An interest expense of Baht 14.45 million; and (F) Corporate income tax payment by Baht 0.03 million.

2. The Company's net cash used in investment activities in the 1st quarter 2025 totaled Baht 7.36 million, consisting of: (A) The cost of industrial crops planting of Baht 1.19 million; and (B) Assets purchasing by Baht 6.17 million.

3. The Company's net cash used in financing activities in the 1st quarter 2025 totaled Baht 43.73 million consisting of: (A) Received short-term loan from financial institution of Baht 7.93 million, (B) Repayment of long-term loan of Baht 50.00 million and (C) Repayment under financial lease of Baht 1.66 million.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The current ratio and quick ratio of the Company as at March 31, 2025 were 0.43 times and 0.17 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 March 31, 2025 was 0.75:1 times.

(3) The cash cycle of the Company in the 1st quarter 2025 was 32.02 days, which increased from the end of year 2024 by 0.79 days. The average debt collection period was 23.17 days, which decreased from the end of year 2024 by 0.79 days. The average inventory turnover was 18.95 days, which increased from the end of year 2024 by 5.63 days, and the average debt repayment period was 10.10 days, increased from the end of year 2024 by 4.05 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 of March 31, 2025, the Company is able to maintain the financial ratios as stipulated in the loan agreement.

(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 lending bank has stipulated that the Company cannot pay dividend to its shareholders, including Lanna, if the Company cannot comply with the conditions stipulated in the loan agreement such as maintaining of D/E and DSCR ratio, and maintaining shareholding proportion of

Lanna in the Company, etc. So far, the Company has not breached the conditions of loan agreements and has been provided with good financial support from the lending banks.

FUTURE TREND

Ethanol demand in the 2nd quarter of 2025 is expected to increase due to travel during the long holiday periods. For the year 2025, ethanol demand is projected to grow by approximately 0.2% compared to the previous year, in line with the rising demand for gasohol. Consumer behavior shows that about 83% opt for E10 and about 17% for E20, mainly due to concerns over engine problems and fuel efficiency. If the government promotes E20 as the standard gasoline, the proportion of E20 usage and ethanol demand would likely increase.

As of April 7, 2025, all 58 sugar mills nationwide had completed crushing for the 2024/25 season, with a cumulative total of 92.04 million tons of sugarcane processed. Molasses production is estimated at 3.99 million tons, an increase of 12% and 11% compared to the previous season, respectively. As a result, the average selling price of molasses is expected to decline significantly compared to the previous production season.
