



**THAI AGRO ENERGY PUBLIC COMPANY LIMITED**

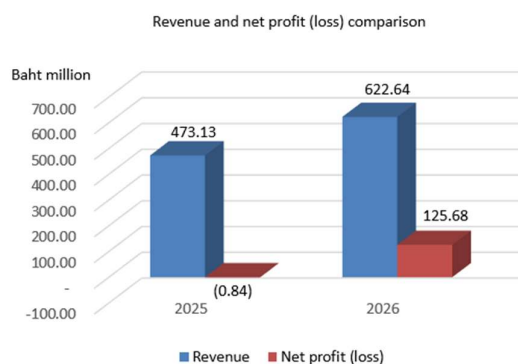
**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR FINANCIAL STATEMENTS OF THE 1<sup>st</sup> QUARTER OF 2026**

**THAI AGRO ENERGY PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
(For the Financial Statements of the 1<sup>st</sup> Quarter of 2026)

**OVERALL OPERATING RESULTS**

The Company's operating results in the 1<sup>st</sup> quarter of 2026 had a total revenue of Baht 622.64 million and a net profit of Baht 125.68 million, increasing from the same period last year by 31.60 percent and 15,061.90 percent, respectively, due to increased ethanol sales volume and effective cost control.



**OPERATING RESULTS ANALYSIS**

**REVENUE:**

Description	1 <sup>st</sup> quarter 2026		1 <sup>st</sup> quarter 2025		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
Sales revenue	609.80	97.94	465.57	98.40	144.23	30.98
Other revenue	12.84	2.06	7.56	1.60	5.28	69.84
<b>Total revenue</b>	<b>622.64</b>	<b>100.00</b>	<b>473.13</b>	<b>100.00</b>	<b>149.51</b>	<b>31.60</b>

The Company had a total revenue of Baht 622.64 million in the 1<sup>st</sup> quarter 2026, which increased from the same period last year by Baht 149.51 million or 31.60 percent, due to the following reasons.

1. Revenue from sales increased by Baht 144.23 million or 30.98 percent, with the revenue from ethanol sales increased by 33.04 percent due to the ethanol sales volume increased by 35.53 percent, and;
2. Other revenue increased by Baht 5.28 million or 69.84 percent as the Company has received payment for the purchase of cassava chips, which had been prepaid together with interest pursuant to the court judgment, through execution proceedings.

**EXPENSES:**

Description	1 <sup>st</sup> quarter 2026		1 <sup>st</sup> quarter 2025		Increase (Decrease)	
	Baht Million	% Sale	Baht Million	% Sale	Baht Million	%
Cost of sales	436.28	71.54	434.90	93.41	1.38	0.32
Sales and administrative expense	27.42	4.50	24.92	5.35	2.50	10.03
Financial cost	12.31	2.02	14.38	3.09	(2.07)	(14.39)
(Revenue) income tax expenses	20.95	3.44	(0.23)	(0.05)	21.18	9,208.70
<b>Total Expenses</b>	<b>496.96</b>	<b>81.50</b>	<b>473.97</b>	<b>101.80</b>	<b>22.99</b>	<b>4.85</b>

The Company's expenses in the 1<sup>st</sup> quarter 2026 was Baht 496.96 million, increased by Baht 22.99 million or 4.85 percent from the same period last year, due to the following reasons;

1. Cost of sales increased by Baht 1.38 million or 0.32 percent. Due to the increase of ethanol sales volume.
2. Sales and administrative expenses increased by Baht 2.50 million or 10.03 percent. Due to the increase in ethanol transportation costs
3. Financial costs decreased by Baht 2.07 million or 14.39 percent. Due to the repayment of short term and long term loan, and;
4. Income tax expenses increased by Baht 21.18 million or 9,208.70 percent.

**GROSS PROFIT:**

Description	1 <sup>st</sup> quarter 2026		1 <sup>st</sup> quarter 2025	
	Baht Million	%	Baht Million	%
Revenues from Sales	609.80	100.00	465.57	100.00
<u>Less</u> Cost of Sales	436.28	71.54	434.90	93.41
<b>Gross Profit</b>	<b>173.52</b>	<b>28.46</b>	<b>30.67</b>	<b>6.59</b>

The Company's gross profit in the 1<sup>st</sup> quarter 2026 was Baht 173.52 million or 28.46 percent of the sales revenue, which increased from the same period last year. Due to the ethanol sales volume increased by 35.53 percent

**NET PROFIT:**

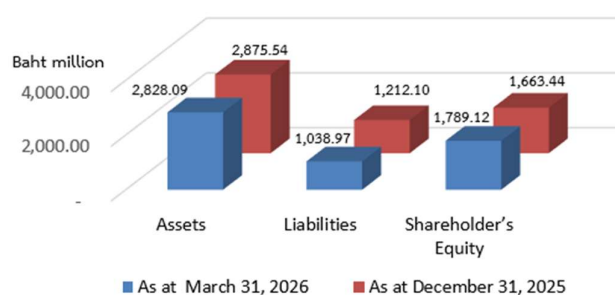
Description	Unit	1 <sup>st</sup> quarter 2026	1 <sup>st</sup> quarter 2025	Increase (Decrease)	%
NET (LOSS) PROFIT	Baht Million	125.68	(0.84)	126.52	15,061.90
NET (LOSS) PROFIT PER SHARE	Baht per Share	0.126	(0.001)	0.127	12,700.00
<u>Remark</u> Registered par value of Baht 1 per share					

The Company's net profit of the 1<sup>st</sup> quarter 2026 was Baht 125.68 million, net profit increased from the previous year by Baht 126.52 million or 15,061.90 percent, generating a net profit at Baht 0.126 per share which increased from the previous year by Baht 0.127 per share or 12,700.00 percent due to the reasons as described above.

## STATEMENT OF FINANCIAL POSITION

FINANCIAL POSITION	Unit	As at March 31, 2026	As at December 31, 2025	Increase (Decrease)	%
Total Assets	Baht Million	2,828.09	2,875.54	(47.45)	(1.65)
Total Liabilities	Baht Million	1,038.97	1,212.10	(173.13)	(14.28)
Total Shareholder's Equity	Baht Million	1,789.12	1,663.44	125.68	7.56
<b>Book Value</b>	Baht per Share	1.79	1.66	0.13	7.83
<b>Remark: Registered per value of Baht 1 per share</b>					

## STATEMENT OF FINANCIAL POSITION



**ASSETS:** The Company's total assets as at March 31, 2026 was Baht 2,828.09 million decreased from the end of year 2025 by Baht 47.45 million or 1.65 percent. The total assets consisting of:

(1) Current Assets increased by Baht 10.36 million or 1.85 percent, consisting of: (A) Cash and cash equivalent decreased by Baht 9.14 million or 31.65 percent; (B) Trade accounts receivable and other receivables increased by Baht 53.39 million or 41.60 percent; (C) Inventories, most of which were raw materials and finished goods, increased by Baht 165.37 million or 115.40 percent; (D) Advances payment for purchase goods decreased by Baht 190.04 million or 77.55 percent, and (E) Another current assets decreased by Baht 9.22 million or 58.54 percent.

(2) Non-Current Assets decreased by Baht 57.81 million or 2.50 percent, consisting of: (A) Immovable property for investment decreased by Baht 0.01 million or 0.33 percent; (B) Non-current biological assets increased by Baht 0.79 million or 2.94 percent; (C) Land, plant and equipment decreased by Baht 39.21 million or 1.75 percent; (D) Right-of-use assets decreased by Baht 0.43 million or 2.01 percent, and (E) Another non-current assets most of which were deferred tax assets decreased by Baht 18.95 million or 77.06 percent.

**LIABILITIES:** The Company's Total Liabilities as at March 31, 2026 was Baht 1,038.97 million, decreased from the end of year 2025 by 173.13 million or 14.28 percent, consisting of: (A) Short-term loan from financial institutions which was for raw material supply and for working capital, decreased by Baht 182.10 million or 18.10 percent. (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, increased by Baht 54.41 million or 95.98 percent. (C) Long-term loan decreased by Baht 49.97 million or 50.01 percent, and (D) Other liabilities, mainly undue expenses and liabilities under lease agreement increased by Baht 4.53 million or 9.18 percent.

**TOTAL SHAREHOLDERS' EQUITY:** The total shareholders' equity of the Company as at March 31, 2026 was Baht 1,789.12 million, increased from the end of year 2025 by Baht 125.68 million or 7.56 percent. This results in a book value of Baht 1.79 per share, which is increased from the end of 2025 by Baht 0.13 per share, due to the net profit as described above.

### CASH FLOWS

Cash Flows	Unit	1 <sup>st</sup> quarter 2026	1 <sup>st</sup> quarter 2025
Cash Flows from Operating Activities	Baht Million	228.48	61.24
Cash Flows used in Investing Activities	Baht Million	(3.88)	(7.36)
Cash Flows used in Financing Activities	Baht Million	(233.74)	(43.73)
Net increase (decrease) in cash and cash equivalent	Baht Million	(9.14)	10.15
Cash and cash equivalent at the beginning of the period	Baht Million	28.88	38.35
<b>Cash and Cash Equivalent at the End of the Period</b>	<b>Baht Million</b>	<b>19.74</b>	<b>48.50</b>

1. The Company's net cash from operating activities in the 1<sup>st</sup> quarter 2026 totaled Baht 228.48 million, consisting of: (A) Profit before corporate income tax of Baht 146.63 million; (B) Non-cash items such as depreciation of Baht 50.18 million; (C) The operating assets increased by Baht 12.80 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 56.28 million due to the increase in trade accounts payable, other accounts payable and other current liabilities; (E) An interest expense of Baht 11.78 million; and (F) Corporate income tax payment by Baht 0.03 million.

2. The Company's net cash used in investment activities in the 1<sup>st</sup> quarter 2026 totaled Baht 3.88 million, consisting of: (A) The cost of industrial crops planting of Baht 0.79 million; and (B) Assets purchasing by Baht 3.09 million.

3. The Company's net cash used in financing activities in the 1<sup>st</sup> quarter 2026 totaled Baht 233.74 million consisting of: (A) Repayment of short-term loan from financial institution of Baht 182.10 million, (B) Repayment of long-term loan of Baht 50.00 million and (C) Repayment under financial lease of Baht 1.64 million.

## **LIQUIDITY AND SUFFICIENCY OF CAPITAL**

(1) The current ratio and quick ratio of the Company as at March 31, 2026 were 0.57 times and 0.20 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, 2026 was 0.58:1 times.

(3) The cash cycle of the Company in the 1<sup>st</sup> quarter 2026 was 26.60 days, which decreased from the end of year 2025 by 5.98 days. The average debt collection period was 25.52 days, which increased from the end of year 2025 by 2.45 days. The average inventory turnover was 14.17 days, which decreased from the end of year 2025 by 1.33 days, and the average debt repayment period was 13.09 days, increased from the end of year 2025 by 7.10 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, 2026, 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 2<sup>nd</sup> quarter of 2026 is expected to increase, driven by the situation in the Middle East, which has led to higher base gasoline prices. As a result, the government has implemented measures to widen the price differential between Gasohol E10 and E20 through the Oil Fund mechanism in order to promote greater use of domestically produced ethanol.

In addition, the Songkran festival period and long holidays are expected to increase travel, thereby supporting higher sales of gasoline and gasohol products. Meanwhile, molasses prices are likely to rise due to increased demand for ethanol production.