THAI AGRO ENERGY PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FOR FINANCIAL STATEMENTS OF THE 2nd QUARTER OF 2026

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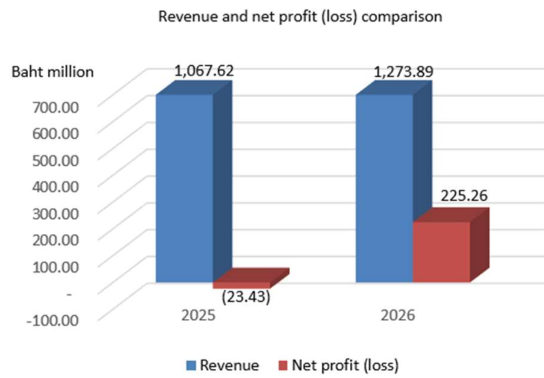
MANAGEMENT DISCUSSION AND ANALYSIS

(For the Financial Statements of the 2nd Quarter of 2026)

OVERALL OPERATING RESULTS

The Company's operating results in the 2nd quarter 2026 had a total revenue of Baht 651.25 million and a net profit of Baht 99.58 million, increasing from the same period last year by 9.55 percent and 540.81 percent, respectively, Due to the increase in ethanol selling prices and effective cost control.

For the first 6-month period of 2026, the total revenue was Baht 1,273.89 million and the net profit was Baht 225.26, increasing from the same period last year by 19.32 percent and 1,061.42 percent, respectively, Due to the increase in ethanol selling prices and effective cost control.



OPERATING RESULTS ANALYSIS

REVENUE:

Description	Year 2026		Year 2025		Increase (Decrease)	
	Baht Million	%	Baht Million	%	Baht Million	%
2nd quarter (April – June)						
Sales Revenue	648.19	99.53	588.12	98.93	60.07	10.21
Other Revenue	3.06	0.47	6.37	1.07	(3.31)	(51.96)
Total Revenue	**651.25**	**100.00**	**594.49**	**100.00**	**56.76**	**9.55**
6-Month Period (January – June)						
Sales Revenue	1,257.99	98.75	1,053.69	98.70	204.30	19.39
Other Revenue	15.90	1.25	13.93	1.30	1.97	14.14
Total Revenue	**1,273.89**	**100.00**	**1,067.62**	**100.00**	**206.27**	**19.32**

1. The Company's total revenue in the 2nd quarter 2026 was Baht 651.25 million, which increased from the same period last year by Baht 56.76 million or 9.55 percent, due to the following reasons.

1.1 Revenue from sales increased by Baht 60.07 million or 10.21 percent, Due to the increase in ethanol selling prices and higher revenue from other products and;

1.2 Other revenue decreased slightly.

2. The Company's revenue in the first 6-month period of 2026 was Baht 1,273.89 million, which increased from the same period of last year by Baht 206.27 million or 19.32 percent, due to the following reasons.

2.1 Revenue from sales increased by Baht 204.30 million or 19.39 percent, Due to the increase in ethanol selling prices and higher revenue from other products and;

2.2 Other revenue increased by Baht 1.97 million or 14.14 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	Year 2026		Year 2025		Increase (Decrease)	
	Baht Million	% of Sales	Baht Million	% of Sales	Baht Million	%
2nd quarter (April – June)						
Cost of sales	488.57	75.38	582.53	99.05	(93.96)	(16.13)
Selling and administrative expense	25.94	4.00	25.64	4.36	0.30	1.17
Financial cost	9.69	1.49	14.18	2.41	(4.49)	(31.66)
(Income) Corporate Income tax expenses	27.47	4.24	(5.27)	(0.90)	32.74	621.25
Total Expenses	**551.67**	**85.11**	**617.08**	**104.92**	**(65.41)**	**(10.60)**
6-Month Period (January – June)						
Cost of sales	924.85	73.52	1,017.43	96.56	(92.58)	(9.10)
Selling and administrative expense	53.36	4.24	50.56	4.80	2.80	5.54
Financial cost	22.00	1.75	28.56	2.71	(6.56)	(22.97)
(Income) Corporate Income tax expenses	48.42	3.85	(5.50)	(0.52)	53.92	980.36
Total Expenses	**1,048.63**	**83.36**	**1,091.05**	**103.55**	**(42.42)**	**(3.89)**

1. The Company's expenses in the 2nd quarter 2026 to was Baht 551.67 million, which decreased from the same period last year by Baht 65.41 million or 10.60 percent, due to the following reasons;

1.1 Cost of sales decreased by Baht 93.96 million or 16.13 percent. Due to effective cost control, costs are reduced.

1.2 Selling and administrative expenses increased by Baht 0.30 million or 1.17 percent. Due to the increase in ethanol transportation costs

1.3 Financial cost decreased by Baht 4.49 million or 31.66 percent. Due to the repayment of short term and long term loan, and;

1.4 Corporate income tax expenses increased by Baht 32.74 million or 621.25 percent.

2. The Company's expenses in the first 6-month period of 2026 was Baht 1,048.63 million, which decreased from the same period last year by Baht 42.42 million or 3.89 percent, due to the following reasons.

2.1 Cost of sales decreased by Baht 92.58 million or 9.10 percent. Due to effective cost control, costs are reduced.

2.2 Selling and administrative expenses increased by Baht 2.80 million or 5.54 percent. Due to the increase in ethanol transportation costs

2.3 Financial cost decreased by Baht 6.56 million or 22.97 percent. Due to the repayment of short term and long term loan and;

2.4 Corporate Income tax expenses increased by Baht 53.92 million or 980.36 percent.

GROSS PROFIT:

Description	Year 2026		Year 2025	
	Baht Million	%	Baht Million	%
2nd quarter (April – June)				
Revenues from sales	648.19	100.00	588.12	100.00
Less cost of sales	488.57	75.37	582.53	99.05
Gross Profit	**159.62**	**24.63**	**5.59**	**0.95**
6-Month Period (January – June)				
Revenues from sales	1,257.99	100.00	1,053.69	100.00
Less cost of sales	924.85	73.52	1,017.43	96.56
Gross Profit	**333.14**	**26.48**	**36.26**	**3.44**

1. The Company's gross profit in the 2nd quarter 2026 was Baht 159.62 million or 24.63 percent of the sales revenue, which increased from the same period last year. Due to the increase of ethanol selling price.

2. The Company's gross profit in the first 6-month period of 2026 was Baht 333.14 million, or 26.48 percent of the revenue from sales, which increased from the same period of last year. Due to the increase of ethanol selling price.

NET PROFIT:

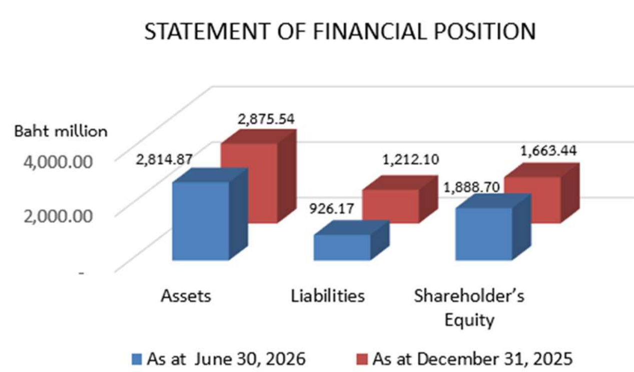
Description	Unit	Year 2026	Year 2025	Increase/ (Decrease)	%
2nd quarter (April – June)					
NET (LOSS) PROFIT	Baht Million	99.58	(22.59)	122.17	540.81
NET (LOSS) PROFIT PER SHARE	Baht per Share	0.100	(0.023)	0.123	534.78
6-Month Period (January – June)					
NET (LOSS) PROFIT	Baht Million	225.26	(23.43)	248.69	1,061.42
NET (LOSS) PROFIT PER SHARE	Baht per Share	0.225	(0.023)	0.248	1,078.26
Remark Registered par value of Baht 1 per share					

1. The Company's net loss in the 2nd quarter of 2026 was Baht 99.58 million, increased from the same period last year by Baht 122.17 million or 540.81 percent, generating a net profit at Baht 0.100 per share which increased from the same period last year by Baht 0.123 per share or 534.78 percent, due to the reasons as described above.

2. The Company's net loss in the first 6-month period of 2026 was Baht 225.26 million which increased from the same period last year by Baht 248.69 million or 1,061.42 percent, generating a net profit at Baht 0.225 per share which increased from the same period last year by Baht 0.248 per share or 1,078.26 percent, due to the reasons as described above.

STATEMENT OF FINANCIAL POSITION

FINANCIAL POSITION	Unit	As at June 30, 2026	As at December 31, 2025	Increase (Decrease)	%
Total Assets	Baht Million	2,814.87	2,875.54	(60.67)	(2.11)
Total Liabilities	Baht Million	926.17	1,212.10	(285.93)	(23.59)
Total Shareholder's Equity	Baht Million	1,888.70	1,663.44	225.26	13.54
Book Value	Baht per Share	1.89	1.66	0.23	13.86
Remark: Registered per value of Baht 1 per share					



ASSETS: The Company's total assets as at June 30, 2026 was Baht 2,814.87 million decreased from the end of year 2025 by Baht 60.67 million or 2.11 percent. The total assets consisting of:

1. Current Assets increased by Baht 26.09 million or 4.65 percent, consisting of: (A) Cash and cash equivalent increased by Baht 1.80 million or 6.23 percent;(B) Trade accounts receivable and other receivables increased by Baht 70.16 million or 54.66 percent; (C) Inventories, most of which were raw materials and finished goods, increased by Baht 77.41 million or 54.02 percent; (D) Advances payment for purchase goods decreased by Baht 112.63 million or 45.96 percent, and (E) Another current assets decreased by Baht 10.65 million or 67.62 percent.

2. Non–Current Assets decreased by Baht 86.76 million or 3.75 percent, consisting of: (A) Immovable property for investment decreased by Baht 0.02 million or 0.66 percent; (B) Non-current biological assets increased by Baht 1.04 million or 3.87 percent; (C) Land, plant and equipment decreased by Baht 66.74 million or 2.98 percent; (D) Right-of–use assets decreased by Baht 1.95 million or 9.10 percent, and (E) Another non-current assets most of which were deferred tax assets decreased by Baht 19.09 million or 77.63 percent.

LIABILITIES: The Company's Total Liabilities as at June 30, 2026 was Baht 926.17 million, decreased from the end of year 2025 by 285.93 million or 23.59 percent, consisting of: (A) Short-term loan which was for raw material supply and for working capital, decreased by Baht 333.62 million or 33.16 percent (B) Trade accounts payable and other accounts payable, most of which were raw material purchase, increased by Baht 64.85 million or 114.39 percent. (C) Long-term loan decreased by Baht 49.94 million or 49.98 percent, and (D) Other liabilities, which are mainly expenses that are not yet due for payment and liabilities under lease agreements, increased by Baht 32.78 million or 66.45 percent.

TOTAL SHAREHOLDERS' EQUITY: The total shareholders' equity of the Company as at June 30, 2026 was Baht 1,888.70 million, increased from the end of year 2025 by Baht 225.26 million or 13.54 percent. This results in a book value of Baht 1.89 per share, which is increased from the end of 2025 by Baht 0.23 per share, due to the net profit as described above.

CASH FLOWS

Description	Unit	First six months period (January – June)	
		Year 2026	**Year 2025**
Cash Flows from Operating Activities	Baht Million	408.86	96.29
Cash Flows used in Investing Activities	Baht Million	(19.97)	(15.52)
Cash Flows used in Financing Activities	Baht Million	(387.09)	(81.35)
Net increase (decrease) in cash and cash equivalent	Baht Million	1.80	(0.58)
Cash and cash equivalent at the beginning of the period	Baht Million	28.88	38.35
Cash and Cash Equivalent at the End of the Period	**Baht Million**	**30.68**	**37.77**

1. The Company's net cash from operating activities in the first 6-month period of 2026 totaled Baht 408.86 million, consisting of: (A) Profit before corporate income tax of Baht 273.68 million; (B) Non-cash items such as depreciation of Baht 105.39 million; (C) The operating assets increased by Baht 17.54 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 68.50 million due to the increase in trade accounts payable, other accounts payable and other current liabilities; (E) An interest received of Baht 0.04 million; (F) An interest expense of Baht 21.18 million; and (G) Corporate income tax payment by Baht 0.03 million.

2. The Company's net cash used in investment activities in the first 6-month period of 2026 totaled Baht 19.97 million, consisting of: (A) The cost of industrial crops planting of Baht 1.50 million; and (B) Assets purchasing by Baht 18.47 million.

3. The Company's net cash used in financing activities in the first 6-month period of 2026 totaled Baht 387.09 million consisting of: (A) Repayment of short-term loan from financial institution of Baht 333.62 million, (B) Repayment of long-term loan of Baht 50.00 million and (C) Repayment under financial lease of Baht 3.47 million.

LIQUIDITY AND SUFFICIENCY OF CAPITAL

(1) The current ratio and quick ratio of the Company as at June 30, 2026 were 0.65 times and 0.26 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 June 30, 2026 was 0.49:1 times.

(3) The cash cycle of the Company in the first 6-month period of 2026 was 27.93 days, which decreased from the end of year 2025 by 4.65 days. The average debt collection period was 26.73 days, which increased from the end of year 2025 by 3.66 days. The average inventory turnover was 15.69 days, which increased from the end of year 2025 by 0.19 days, and the average debt repayment period was 14.49 days, increased from the end of year 2025 by 8.50 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 June 30, 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 3rd quarter of 2026 is expected to remain relatively stable or increase slightly compared with the 2nd quarter of 2026. This is because the rainy season typically slows travel and transportation activities. However, the Oil Fuel Fund mechanism, which has widened the retail price differential between Gasohol E10 and E20 to encourage consumer adoption, is expected to increase demand for E20, thereby supporting higher ethanol consumption.

Meanwhile, molasses prices are expected to trend upward due to higher export volumes and increased demand for ethanol production. Nevertheless, the Company remains committed to effective cost management and continuous improvements in production efficiency to maintain its competitiveness within the industry.