

No. NER-SET 014/2025

November 03, 2025

Re: Management Discussion and Analysis for the 9 months of 2025 ending September 30, 2025

To: The President, The Stock Exchange of Thailand

The North East Rubber Public Company Limited (“NER” or “the Company”) would like to submit the Financial Statements for the 3rd quarter of 2025, for the 3-month period ended September 30, 2025. The Company results of the operation are as follows.

Statement of Comprehensive Income for Quarter 3/2025 (3-month period)

Statement of Comprehensive Income	Quarter 3 (3 months)				Increase (Decrease)	
	2025		2024			
	Million Baht	%	Million Baht	%	Million Baht	%
Sales volume (Tons)	112,439		98,006		14,433	14.73%
Total Revenue from Local sales	5,029.30	74.76%	4,356.80	70.69%	672.51	15.44%
Total Revenue from Export sales	1,697.97	25.24%	1,806.56	29.31%	(108.59)	(6.01%)
Total Revenue from sales	6,727.27	100.00%	6,163.35	100.00%	563.92	9.15%
Cost of sales	6,126.97	91.08%	5,653.24	91.72%	473.74	8.38%
Gross profit	600.30	8.92%	510.12	8.28%	90.18	17.68%
Distribution costs	85.48	1.27%	101.49	1.65%	(16.01)	(15.78%)
Administrative expenses	89.73	1.33%	75.66	1.23%	14.07	18.59%
Operating profit	425.09	6.32%	332.97	5.40%	92.12	27.67%
Finance cost	137.05	2.04%	115.08	1.87%	21.98	19.10%
Profit (loss) before other income	288.04	4.28%	217.89	3.54%	70.15	32.19%
Other income	3.54	0.05%	10.68	0.17%	(7.14)	(66.87%)
Gain (loss) on exchange rate	38.32	0.57%	42.36	0.69%	(4.04)	(9.53%)
Unrealized gain (loss) on valuation of fair value of derivatives	(17.65)	(0.26%)	97.20	1.58%	(114.85)	(118.16%)
Profit (loss) before income tax	312.25	4.64%	368.12	5.97%	(55.88)	(15.18%)
Tax (income)	(14.34)	(0.21%)	7.34	0.12%	(21.68)	(295.29%)
Profit (loss) for the period	326.58	4.85%	360.78	5.85%	(34.20)	(9.48%)

Operating results for the third quarter of 2025 for the three-month period ending on September 30, 2025, compared to the same period of the previous year, showed a sales volume of 112,439 tons, an increase of 14,433 tons or an increase of 14.73 percent Total sales revenue was 6,727.27 million baht, an increase of 563.92 million baht or 9.15 percent, divided into domestic sales revenue of 5,029.30 million baht or 74.76 percent of total sales An increase of 672.51 million baht or 15.44 percent, and revenue from foreign sales of 1,697.97 million baht or 25.24 percent of total sales, a decrease of 108.59 million baht or 6.01 percent.

Cost of sales for the third quarter of 2025 was 6,126.97 million baht, or 91.08 percent of total sales revenue. Compared to the same period of the previous year, the cost of sales ratio to total sales revenue increased by 8.38 percent, due to the increased proportion of sales.

Distribution costs were 85.48 million baht, or 1.27 percent of total sales revenue, a decrease of 16.01 million baht, or 15.78 percent, compared to the same period last year this is a decrease in the Rubber Plantation Aid Fund of 11.93 million baht, and a decrease in transportation costs of 4.08 million baht. This decrease in distribution costs is related to the decrease in foreign sales volume.

Administrative expenses in Q3 2025 were 89.73 million baht, compared to Q3 2024, an increase of 14.07 million baht or 18.59 percent. This represents an increase in the difference from fire damages according to the book value of 151.65 million baht compared to the amount that the company received from the insurance company as the deductible of 119.00 million baht, resulting in a fire loss of 32.65 million baht.

Profit from exchange rates was 38.32 million baht, a decrease of 4.04 million baht compared to the same period last year.

Financial costs for Q3 2025 (3-month period) were 137.05 million baht, an increase of 21.98 million baht or 19.10% compared to the same period last year, due to interest payments on additional debentures issued by the Company in December 2024.

Corporate income tax expenses decreased to 14.34 million baht, compared to the same period last year, which decreased by 21.68 million baht.

Net profit for the third quarter of 2025 (3-month period) was 326.58 million baht, or 4.85 percent of total sales revenue. Compared to the same period of the previous year, net profit decreased by 34.20 million baht, or 9.48 percent the decrease in profits was due to the decrease in selling prices following the global rubber price situation.



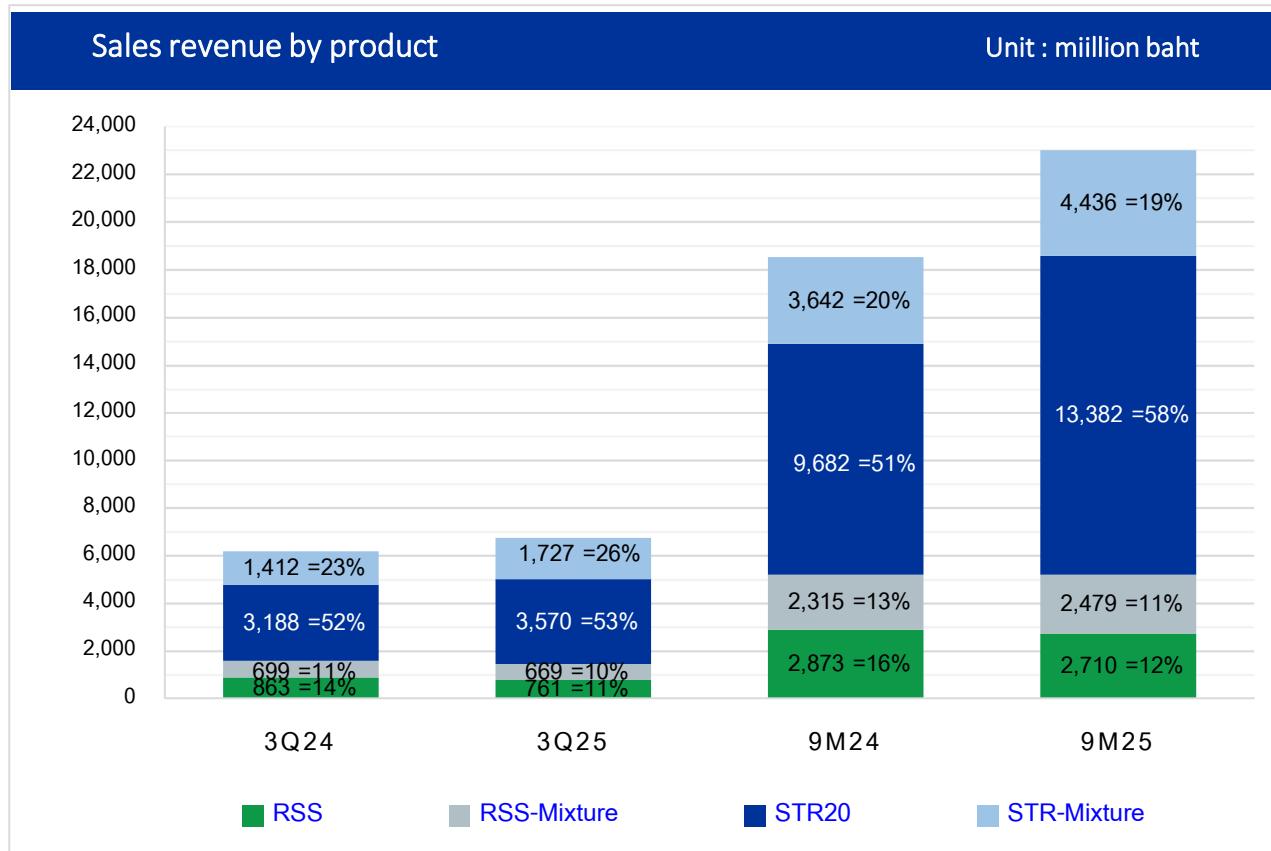
Statement of Comprehensive Income for Quarter 3/2025 (9-month period)

Statement of Comprehensive Income	Quarter 3 (9 months)				Increase (Decrease)	
	2025		2024			
	Million Baht	%	Million Baht	%	Million Baht	%
Sales volume (Tons)	351,412		303,077		48,336	15.95%
Total Revenue from Local sales	17,194.56	74.73%	13,941.00	75.30%	3,253.57	23.34%
Total Revenue from Export sales	5,815.29	25.27%	4,573.43	24.70%	1,241.86	27.15%
Total Revenue from sales	23,009.86	100.00%	18,514.43	100.00%	4,495.43	24.28%
Cost of sales	20,687.69	89.91%	16,520.08	89.23%	4,167.61	25.23%
Gross profit	2,322.17	10.09%	1,994.35	10.77%	327.83	16.44%
Distribution costs	289.79	1.26%	246.35	1.33%	43.45	17.64%
Administrative expenses	214.03	0.93%	191.85	1.04%	22.18	11.56%
Operating profit	1,818.35	7.90%	1,556.15	8.41%	262.20	16.85%
Finance cost	413.54	1.80%	339.86	1.84%	73.68	21.68%
Profit (loss) before other income	1,404.81	6.11%	1,216.29	6.57%	188.52	15.50%
Other income	10.33	0.04%	16.65	0.09%	(6.32)	(37.98%)
Gain (loss) on exchange rate	62.33	0.27%	40.51	0.22%	21.81	53.85%
Unrealized gain (loss) on valuation of fair value of derivatives	37.29	0.16%	63.27	0.34%	(25.98)	(41.06%)
Profit (loss) before income tax	1,514.76	6.58%	1,336.72	7.22%	178.03	13.32%
Tax (income)	25.34	0.11%	43.58	0.24%	(18.24)	(41.86%)
Profit (loss) for the period	1,489.42	6.47%	1,293.14	6.98%	196.27	15.18%

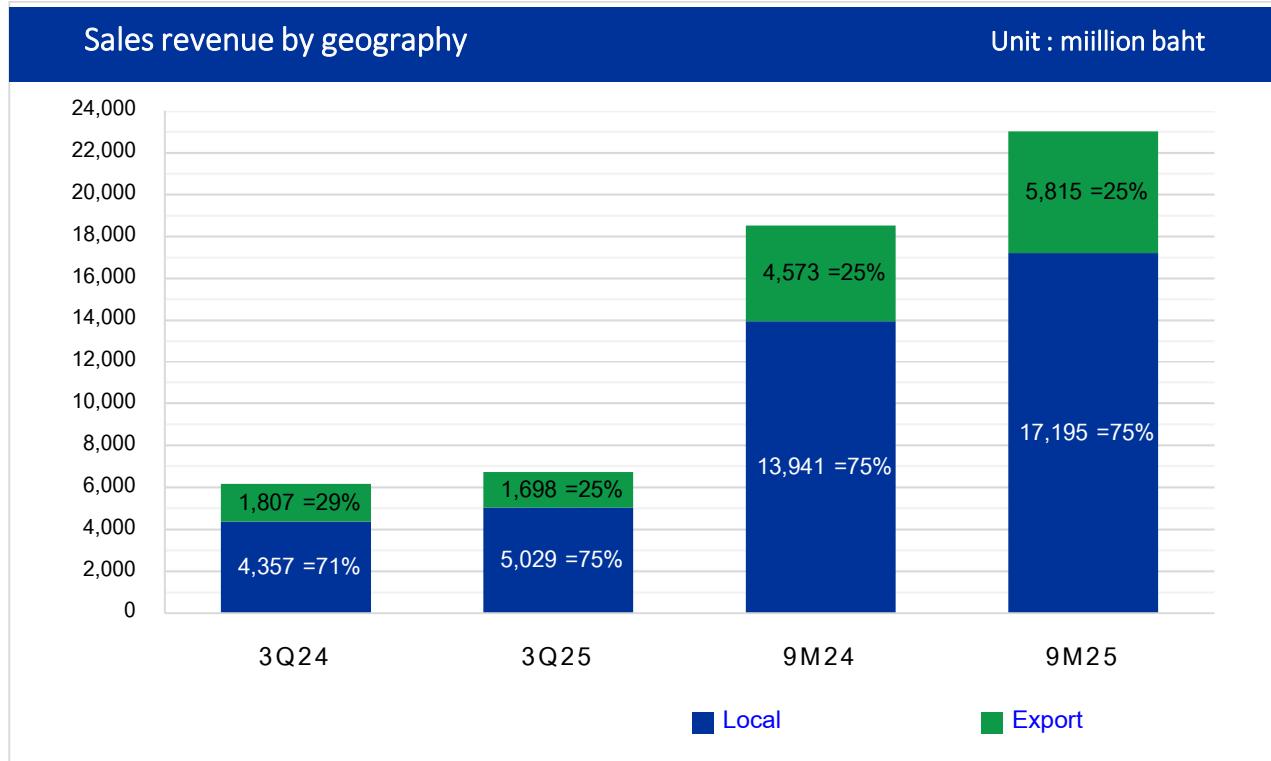
Operating results for the third quarter of 2025 (for the 9-month period) ending on September 30, 2025 compared to the same period of the previous year showed a sales volume of 351,412 tons, an increase of 48,336 tons or an increase

of 15.95 percent total sales revenue was 23,009.86 million baht, an increase of 4,495.43 million baht or 24.28 percent. Domestic sales revenue was 17,194.56 million baht, or 74.73 percent of total sales, an increase of 3,253.57 million baht or 23.34 percent and revenue from foreign sales was 5,815.29 million baht, or 25.27 percent of total sales, an increase of 1,241.86 million baht, or 27.15 percent.

Sales revenue can be separated by product compared between Q3 2025 and Q3 2024 as follows:



Sales revenue for the first nine months of 2025, compared to the same period of the previous year, increased by 24.28 percent. The increase in revenue was divided into a price difference of 1,707.75 million baht and a volume difference of 2,787.68 million baht.



The Company's total cost of sales for the first nine months of 2025 was 20,687.69 million baht, or 89.91 percent of sales revenue. This was broken down into the cost of raw materials and consumables used at 20,169.46 million baht, or 87.66 percent of sales revenue. Compared to the same period of the previous year, costs increased by 0.93 percent in proportion to raw material costs compared to sales revenue, based on the Company's average rubber purchase and selling prices as follows:



For labor costs in the first nine months of 2025, they were 123.41 million baht, or 0.54 percent, compared to the same period last year. Costs increased by 19.41 million baht, which varied according to increased production volume.

For production costs of 231.95 million baht, or 1.01 percent of sales revenue, compared to the same period of the previous year, costs increased by 28.82 million baht, which varied according to the increased production volume.

Cost of sales in Q3 2025 compared to Q3 2024, the Company's cost of sales ratio increased from 89.23 percent to 89.91 percent, or an increase of 0.68 percent of sales revenue. This resulted in the Company's gross profit margin decreasing by 0.68 percent, which represents a decrease in gross profit margin from 10.77 percent in Q3 2024 to 10.09 percent in Q3 2025.

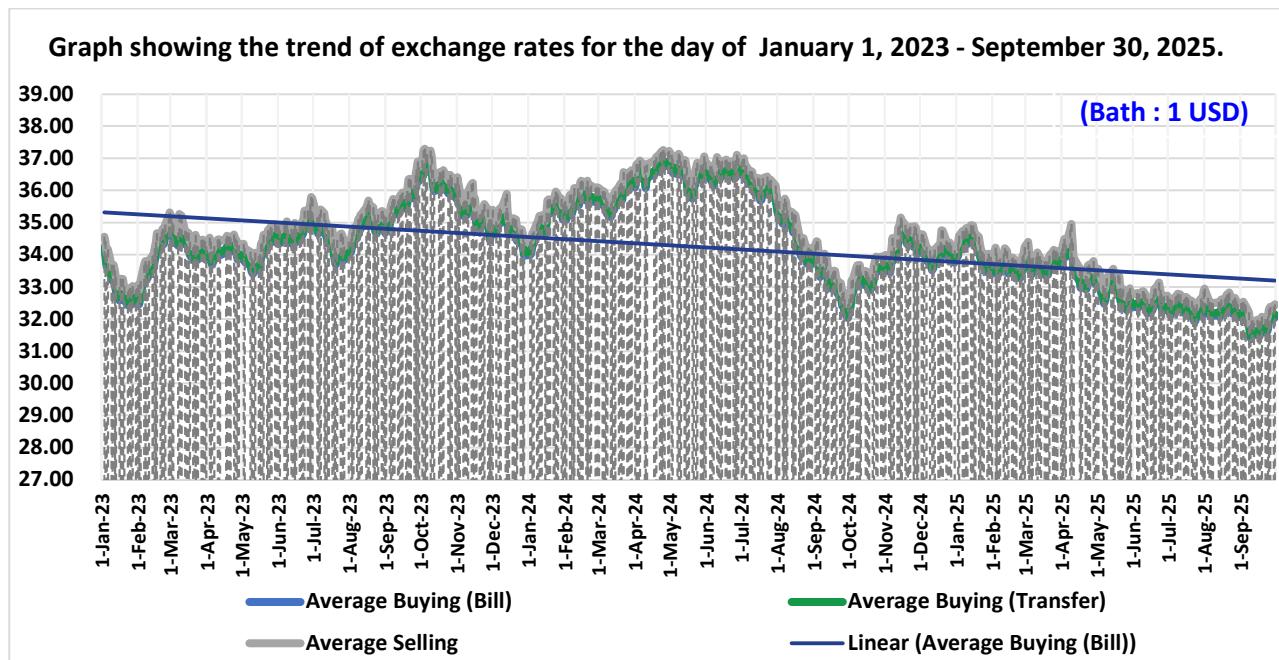
	Quarter 3 (9 months)				YoY	
	2025		2024			
	Million Baht	%	Million Baht	%		
Sales volume (Tons)	351,412		303,077		48,335	
Total Revenue from sales	23,009.86	100.00%	18,514.43	100.00%	4,495.43	
Cost of sales	20,687.69	89.91%	16,520.08	89.23%	0.68%	
Raw materials and consumables used	20,169.46	87.66%	16,057.11	86.73%	0.93%	
Salary and labor	123.41	0.54%	104.00	0.56%	(0.03%)	
Manufacturing Overhead	231.95	1.01%	203.13	1.10%	(0.09%)	
Depreciation & Amortization	162.87	0.71%	155.84	0.84%	(0.13%)	
Gross profit	2,322.17	10.09%	1,994.35	10.77%	(0.68%)	

Distribution costs were 289.79 million baht, or 1.26 percent of total sales. Compared to the same period last year, distribution costs increased by 43.45 million baht. This is divided into the rubber plantation aid fund which increased by 9.53 million baht, freight costs which increased by 15.24 million baht, and outbound freight charges which increased by 10.05 million baht. and commission increased by 8.63 million baht, with the proportion of distribution costs increasing in line with the increased sales volume.

Administrative expenses were 214.03 million baht, or 0.93 percent of total sales revenue. Compared to the same period last year, expenses increased by 22.18 million baht, or 11.56 percent. This is due to an increase in

important items, the difference from fire damages according to the book value of 151.65 million baht compared to the amount that the company received the first claim payment from the insurance company of 119.00 million baht, resulting in a loss from fire of 32.65 million baht and CSR activity expenses, in which the company provided agricultural tools to community enterprises, increased by 9.81 million baht.

For the first nine months of 2025, the Company had a foreign exchange profit of 62.33 million baht, or 0.27 percent of total sales, compared to the same period of the previous year. The Company had an increase in foreign exchange profit of 21.81 million baht and a gain from the measurement of derivative instruments of 37.29 million baht, or 0.16 percent of total sales, compared to the same period of the previous year. The Company's profit from the measurement of derivative instruments decreased by 25.98 million baht, which is the recording of the estimated accounting loss from the forward foreign exchange contract. The Company has made arrangements with financial institutions to reduce risk management due to the exchange rate fluctuation situation as follows:



Financial costs were 413.54 million baht, an increase of 73.68 million baht or 21.68 percent compared to the same period last year, due to interest paid on promissory notes from financial institutions for use as working capital.

Corporate income tax expenses were 25.34 million baht, or 0.11 percent of sales revenue, a decrease of 18.24 million baht compared to the same period of the previous year.

For the first nine months of 2025, the Company had a net profit of 1,489.42 million baht, representing a net profit margin of 6.47 percent of total sales revenue. Compared to the same period of the previous year, the Company's net profit increased by 196.27 million baht, or 15.18 percent.

Financial Position

Statement of Financial Position	30-Sep-2025		31-Dec-2024		DIFF	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	17,962.29	89.63%	17,268.40	88.75%	693.88	4.02%
Non-Current Assets	2,077.95	10.37%	2,189.40	11.25%	(111.45)	(5.09%)
Total Assets	20,040.23	100.00%	19,457.80	100.00%	582.43	2.99%
Total Liabilities	10,728.05	53.53%	10,969.84	56.38%	(241.78)	(2.20%)
Total Shareholders' Equity	9,312.18	46.47%	8,487.96	43.62%	824.22	9.71%
Total Liabilities and Shareholders' Equity	20,040.23	100.00%	19,457.80	100.00%	582.43	2.99%

The Company's total assets as of September 30, 2025, amounted to 20,040.23 million baht, an increase of 582.44 million baht or 2.99 percent from December 31, 2024, as summarized as follows:

Current assets increased by 693.88 million baht or 4.02 percent from the following items:

- Cash and cash equivalents decreased by 51.52 million baht or 23.32 percent from repayment of short-term loans to financial institutions.
- Trade and other current receivables decreased by 152.36 million baht or 18.24 percent, in line with increased sales revenue.
- Inventory increased by 895.70 million baht or 5.52 percent from purchasing rubber into stock to ensure that the quantity of rubber is sufficient to meet orders according to the production capacity of block rubber.

Non-current assets decreased by 111.45 million baht or 5.09 percent, due to a decrease in net land, buildings and equipment of 129.79 million baht and a decrease in net right-of-use assets of 2.75 million baht. Fixed deposits used as collateral by the Company increased by 14.66 million baht, and deferred tax assets increased by 5.22 million baht.

The Company's total liabilities as of September 30, 2025 were 10,728.05 million baht, a decrease of 241.78 million baht or 2.20 percent from December 31, 2024, mainly due to:

Current liabilities decreased by 178.59 million baht or 3.23 percent from the following important items:

- Trade creditors increased by 80.78 million baht, or 26.29 percent, due to the Company having more contracts to purchase rubber raw materials, which have payment terms upon receipt of the raw materials in the agreed quantity.
- Overdrafts and short-term loans from financial institutions decreased by 193.70 million baht or 4.77 percent due to the repayment of promissory notes to financial institutions.
- Long-term loans from financial institutions due within 1 year decreased by 44.75 million baht or 30.20 percent from repayment of long-term loans to financial institutions.

Non-current liabilities decreased by 63.19 million baht or 1.16 percent due to a decrease in long-term loans of 67.42 million baht or 49.30 percent from repayment of due loans.

The Company's shareholders' equity as of September 30, 2025, amounted to 9,312.18 million baht, an increase of 824.21 million baht or 9.71 percent from December 31, 2024, resulting from the following significant items:

- Increased from the company's net profit for the 9-month period of 1,489.42 million baht.
- Decreased from the interim dividend payment that the Company paid from the operating results for the six-month period ending 30 June 2025 in accordance with the resolution of the Board of Directors meeting on August 8, 2025, the Company paid dividends to shareholders at the rate of 0.05 baht per share, totaling 92.40 million baht. The Company paid the dividends to shareholders on September 5, 2025.

The company's sustainability performance for Q3/2025, covering Environmental, Social, and Governance (ESG) aspects, is summarized as follows:

Environmental

The company has implemented environmental initiatives covering waste and waste management, water management, energy management, and greenhouse gas management, as follows:

1. Waste Management

NER Sustainable Waste Reduction Project: The project aims to reduce total plastic waste per production ton compared to the 2023 baseline, with targets set in 3 phases: 20% reduction in short-term (2025), 30% medium-term (2026) reduction and 50% long-term (2028) reduction.

In Q3/2025, the project achieved an average 39% reduction in plastic waste compared to 2023, resulting in an estimated reduction of 98 kg CO₂eq.

Non-Hazardous Landfill Waste Reduction Project: This project targets a reduction in non-hazardous waste sent to landfill versus the 2023 baseline: 10% reduction in short-term (2025), 15% medium-term (2026) reduction and 25% long-term (2028) reduction.

In Q3/2025, non-hazardous waste increased by 1.2% due to higher production in the Q3/2025 compared to the 2023 baseline, resulting in an estimated increase of 5.31 tons CO₂eq.

2. Water management

NER Sustainable Water Project: The project aims to reduce water intensity (water usage per production unit) compared to the 2023 baseline, with 3 phase targets: 10% reduction in short-term (2025), 15% medium-term (2026) reduction, and 20% long-term (2028) reduction.

In Q3/2025, the project achieved a 16.7% reduction in water intensity, resulting in an estimated decrease of 172.08 tons CO₂eq.

3. Energy Management

Energy Conservation Project: The project targets a 2% reduction in energy consumption per production unit at STR-1 and STR-2 production buildings in 2025.

In Q3/2025, energy consumption per unit increased by 7.04% at STR-1 and 10.6% at STR-2.

4. Greenhouse Gas Management



Carbon Footprint of Organization The company's organizational carbon footprint has been verified by ECEE Co., Ltd. and certified by the Thailand Greenhouse Gas Management Organization (Public Organization) – TGO for the year 2025, on 22 September 2025.

Carbon Footprint of Product The company's product carbon footprint has been verified by ECEE Co., Ltd. and certified by the Thailand Greenhouse Gas Management Organization (Public Organization) – TGO for 2025, on 24 June 2025. The STR-20 rubber product is recognized as the lowest carbon-emitting product among TGO-certified products in category.



Net Zero Pathway via Science-Based Targets (SBTi) The company joined the Science-Based Targets initiative (SBTi) and announced its commitment to reducing GHG emissions on 20 August 2025, and is currently assessing feasibility, strategies, and potential projects to manage emissions using science-based methodologies.



Social

The company implements social and community, as well as labor and human rights initiatives as follows:

1. Community and Social Engagement

Sustainable Community Engagement Project: Includes participation in local events, community activities, school support, blood donation campaigns, and the “NER Pensuk” projects.

Cultural Preservation Project: Such Activities to preserve community traditions, such as “Thod-Pa-Pha-Samakkhi” and other Buddhist cultural events.

Community Livelihood and Income Project: Initiatives such as “NER Green Market” and “NER-Pan-Suk” to support local occupations.

In Q3/2025 Results: A total of 94 community engagement activities were conducted, with an average Social Return on Investment (SROI) of 4.73; the highest SROI of 20.4 was achieved by the project “NER Cares for Community Health.”



2. Labor and human rights

Labor and Human Rights Awareness & Risk Assessment Project: All 1,028 employees received training, representing 100% coverage. Additionally, safety training was provided to 336 contractors, also achieving 100% coverage.

Whistleblowing and Grievance Mechanisms Enhancement Project: The company has expanded reporting channels including 12 suggestion boxes, 10 Red QR Codes, and other channels such as email, website, and NER Line Open Chat and updated work regulations and employee welfare manuals, while a survey on employee satisfaction and organizational engagement is currently underway, with results expected by December 2025.

Governance & Economic

The company has implemented initiatives covering customer and supplier practices as well as corporate governance and fair operations, as follows:

1. Consumer-Partner Practices

NER Project for EU Deforestation Regulation (EUDR) The company has set a target to support 120,000 rai of EUDR compliant rubber annually, and in Q3/2025, 100% of the designated plantation areas were prepared, with plans underway to develop a carbon credit system in collaboration with participating farmers.

2. Corporate governance and fair operations



The company was certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) at 2-star level on 30 September 2024 and, in Q3/2025, upgraded its anti-corruption initiatives to Change Agent 3-star level by encouraging its suppliers to join the CAC network, reinforcing its commitment to good corporate governance and fostering a transparent, corruption-free business network.



The company received 200 points of AGM Checklist from the Thai Investors Association (TIA), demonstrating transparency and full compliance with governance standards, for the second consecutive year.



The company was awarded a 5-star CGR (Corporate Governance Report) rating by the Thai Institute of Directors (IOD), reflecting its responsible business operations in accordance with good corporate governance principles.



The company has participated in the CSR DIW Continuous Award for the third consecutive year, demonstrating its commitment to corporate social responsibility standards.



The company completed the ecovadis sustainability assessment, and in 2025 was upgraded from Bronze to Silver level, reflecting the company's progress in developing sustainability practices and standards at an international level.

Please be informed accordingly

Yours sincerely,

(Mr. Sakchai Jongstapongpun)

Chief Financial Officer

North East Rubber Public Company Limited