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No. NER-SET 008/2026

August 05, 2026

Re: Management Discussion and Analysis for the first 6 months of 2026 ending June 30, 2026

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 2nd quarter of 2026, for the 3-month period ended June 30, 2026. The Company results of the operation are as follows.

Compare operating results for the 3-month periods ending 30 June 2026 and 2025.

| Statement of Comprehensive Income | Quarter 2 (3 months) | | | | Increase (Decrease) | |
|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| **Sales volume (Tons)** | **108,909** | | **111,883** | | **(2,974)** | (2.66%) |
| Total Revenue from Local sales | 5,612.53 | 78.57% | 6,087.80 | 80.27% | (475.28) | (7.81%) |
| Total Revenue from Export sales | 1,531.06 | 21.43% | 1,496.76 | 19.73% | 34.29 | 2.29% |
| **Revenue from sales** | **7,143.58** | **100.00%** | **7,584.57** | **100.00%** | **(440.98)** | **(5.81%)** |
| Other income | 3.89 | 0.05% | 3.34 | 0.04% | 0.55 | 16.31% |
| Unrealized gain on valuation of fair value of derivatives | 22.50 | 0.31% | 27.37 | 0.36% | (4.86) | (17.77%) |
| **Total Revenue** | **7,169.97** | **100.00%** | **7,615.28** | **100.00%** | **(445.30)** | **(5.85%)** |
| Cost of sales | 6,411.73 | 89.76% | 6,785.47 | 89.46% | (373.74) | (5.51%) |
| **Gross profit** | **731.85** | **10.24%** | **799.10** | **10.54%** | **(67.25)** | **(8.42%)** |
| Distribution costs | 85.87 | 1.20% | 84.83 | 1.11% | 1.04 | 1.22% |
| Administrative expenses | 70.12 | 0.98% | 68.61 | 0.90% | 1.51 | 2.20% |
| Loss on exchange rate | 33.51 | 0.47% | (37.25) | (0.49%) | 70.76 | (189.96%) |
| **Operating profit** | **568.74** | **7.93%** | **713.61** | **9.37%** | **(144.87)** | **(20.30%)** |
| Finance cost | 131.55 | 1.83% | 137.24 | 1.80% | (5.69) | (4.15%) |
| **Profit (loss) before income tax** | **437.19** | **6.10%** | **576.37** | **7.57%** | **(139.18)** | **(24.15%)** |
| Tax (income) | 0.83 | 0.01% | 22.37 | 0.29% | (21.54) | (96.27%) |
| Profit (loss) for the period | 436.36 | 6.09% | 554.00 | 7.27% | (117.64) | (21.23%) |

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Operating results for the second quarter of 2026, for the three-month period ending June 30, 2026, compared to the same period of the previous year, showed sales volume of 108,909 tons, a decrease of 2,974 tons or 2.66 percent, resulting in total sales revenue of 7,143.58 million baht, a decrease of 440.98 million baht or 5.81 percent This is divided into domestic sales revenue of 5,612.53 million baht, or 78.57 percent of total sales ,which decreased by 475.28 million baht ,or 7.81 percent, and international sales revenue of 1,531.06 million baht or 21.43 percent of total sales, an increase of 34.29 million baht or 2.29 percent.

Cost of sales for the second quarter of 2026 amounted to 6,411.73 million baht, or 89.76 percent of total sales revenue. Compared to the same period of the previous year, the cost of sales decreased by 373.74 million baht, in line with the decrease in the cost of sales as a percentage of sales revenue.

Distribution costs amounted to 85.87 million baht, or 1.20 percent of total sales revenue. Compared to the same period last year, this represents an increase of 1.04 million baht, or 1.22%. This increase is attributed to a 5.34 million baht increase in the rubber plantation welfare fund, a 0.60 million baht increase in commissions, and a 4.90 million baht decrease in transportation costs. This increase in distribution costs is related to the increase in overseas sales.

Administrative expenses in the second quarter of 2026 amounted to 70.12 million baht, compared to the second quarter of 2025, an increase of 1.51 million baht or 2.20 percent.

In the second quarter of 2026, due to the impact of exchange rate volatility, the company incurred a net exchange rate loss of 11.01 million baht. This consisted of an actual exchange rate loss from debt collection from foreign debtors of 33.51 million baht and an unrealized gain from the valuation of derivative instruments of 22.50 million baht. This accounting loss is an unrealized item arising from the mark-to-market measurement of forward foreign exchange (US dollar) contracts that the company had entered into to hedge against exchange rate volatility.

Financial costs for the second quarter of 2026 (3-month period) amounted to 131.55 million baht, a decrease of 5.69 million baht or 4.15% compared to the same period last year. This decrease is primarily due to interest payments on NER299A debentures that the company redeemed before maturity in March 2026.

Corporate income tax expenses amounted to 0.83 million baht, a decrease of 21.54 million baht or 96.27% compared to the same period last year. This reduction is due to the company utilizing the corporate income tax exemption under the BOI-CSR (Board of Investment-Corporate Social Responsibility) investment promotion certificate.

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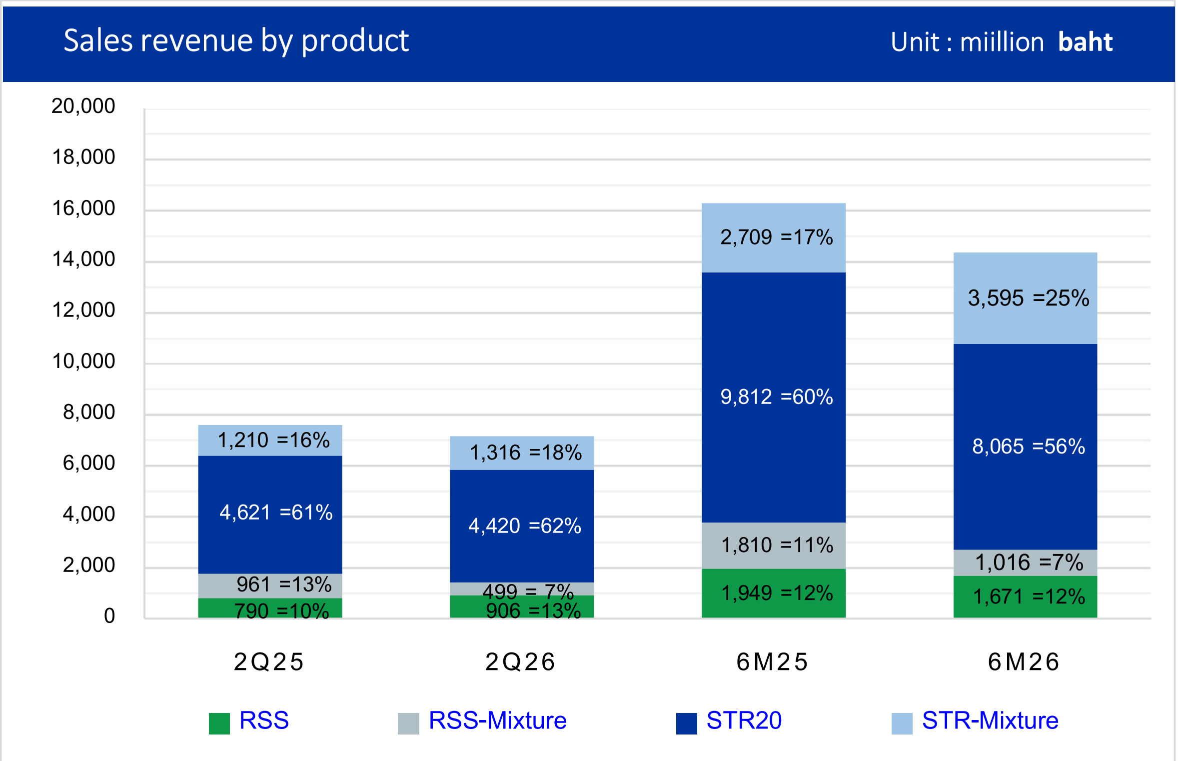
Net profit for the second quarter of 2026 (3-month period) was 436.36 million baht, or 6.09 percent of total sales revenue. Compared to the same period of the previous year, net profit decreased by 117.64 million baht, or 21.23 percent.

Statement of Comprehensive Income for Quarter 2/2026 (6-month period)

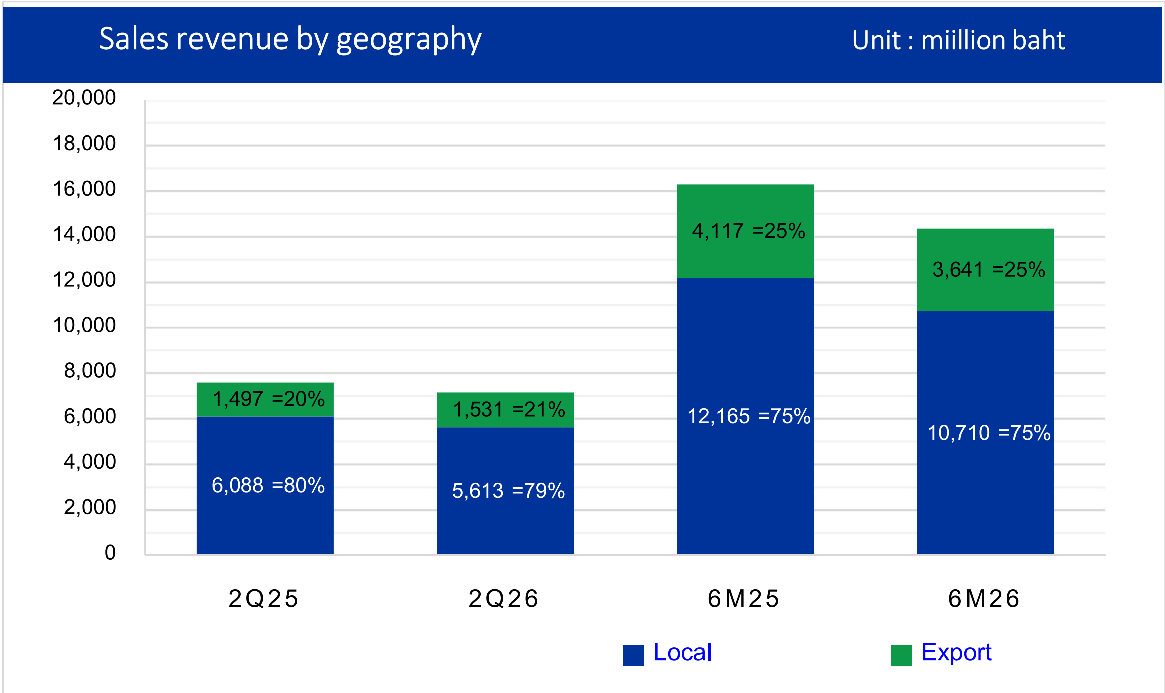
| Statement of Comprehensive Income | Quarter 2 (6 months) | | | | Increase (Decrease) | |
|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| **Sales volume (Tons)** | **232,462** | | **238,973** | | **(6,511)** | (2.72%) |
| Total Revenue from Local sales | 10,710.13 | 74.63% | 12,165.26 | 74.71% | (1,455.13) | (11.96%) |
| Total Revenue from Export sales | 3,641.18 | 25.37% | 4,117.33 | 25.29% | (476.15) | (11.56%) |
| **Revenue from sales** | **14,351.31** | **100.00%** | **16,282.59** | **100.00%** | **(1,931.28)** | **(11.86%)** |
| Other income | 6.83 | 0.05% | 6.79 | 0.04% | 0.05 | 0.67% |
| **Total Revenue** | **14,358.14** | **100.00%** | **16,289.38** | **100.00%** | **(1,931.23)** | **(11.86%)** |
| Cost of sales | 12,998.38 | 90.57% | 14,560.71 | 89.43% | (1,562.33) | (10.73%) |
| **Gross profit** | **1,352.92** | **9.43%** | **1,721.88** | **10.57%** | **(368.95)** | **(21.43%)** |
| Distribution costs | 204.68 | 1.43% | 204.32 | 1.25% | 0.36 | 0.18% |
| Administrative expenses | 133.18 | 0.93% | 124.30 | 0.76% | 8.88 | 7.15% |
| Unrealized loss on valuation of fair value of derivatives | 58.44 | 0.41% | (54.94) | (0.34%) | 113.38 | (206.37%) |
| Loss on exchange rate | 2.14 | 0.01% | (24.01) | (0.15%) | 26.15 | (108.92%) |
| **Operating profit** | **961.32** | **6.70%** | **1,479.00** | **9.08%** | **(517.68)** | **(35.00%)** |
| Finance cost | 266.37 | 1.86% | 276.49 | 1.70% | (10.12) | (3.66%) |
| **Profit (loss) before income tax** | **694.95** | **4.84%** | **1,202.51** | **7.38%** | **(507.56)** | **(42.21%)** |
| Tax (income) | 4.22 | 0.03% | 39.67 | 0.24% | (35.45) | (89.36%) |
| Profit (loss) for the period | 690.73 | 4.81% | 1,162.83 | 7.14% | (472.11) | (40.60%) |

Operating results for the second quarter of 2026 (for the 6-month period) ended June 30, 2026, compared to the same period of the previous year, show sales volume of 232,462 tons, a decrease of 6,511 tons or 2.72 percent. Total sales revenue was 14,351.31 million baht, a decrease of 1,931.28 million baht or 11.86 percent. This is broken down into domestic sales revenue of 10,710.13 million baht, or 74.63 percent of total sales, a decrease of 1,455.13 million baht or 11.96 percent, and international sales revenue of 3,641.18 million baht, or 25.37 percent of total sales, a decrease of 476.15 million baht or 11.56 percent.

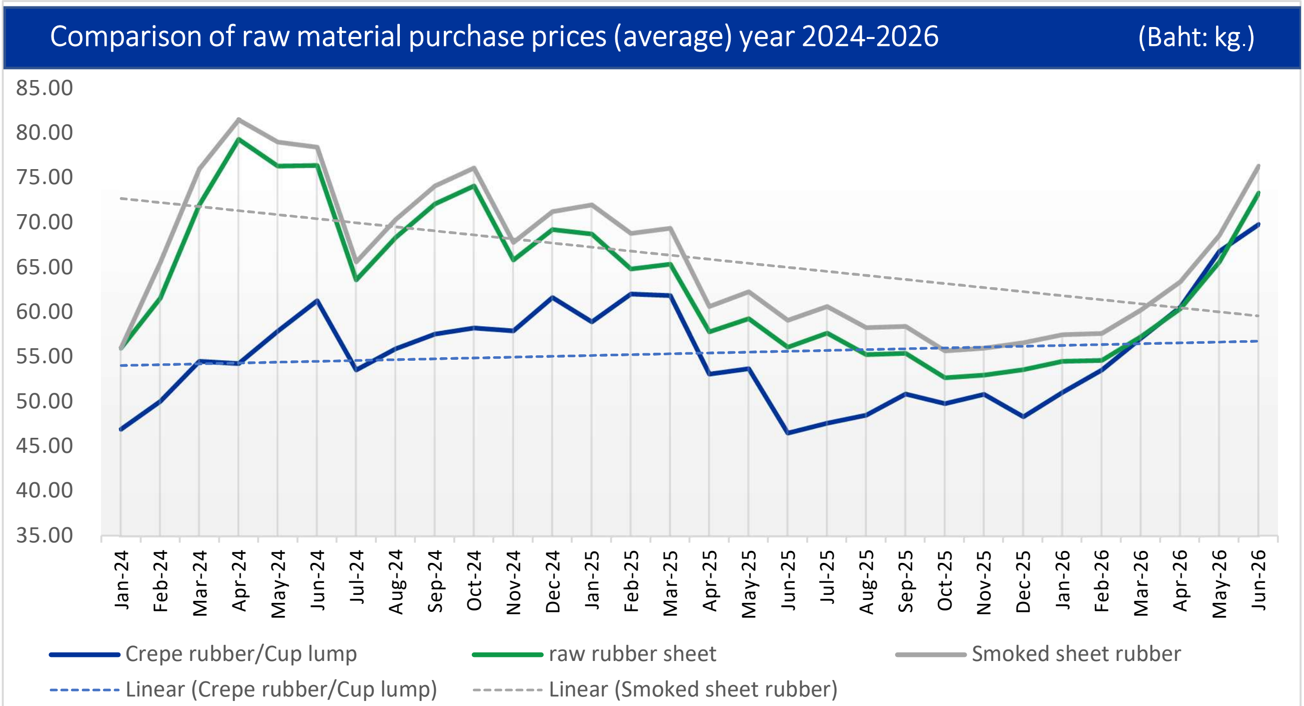
Sales revenue can be separated by product compared between the 2nd quarter of 2026 and the 2nd quarter of 2025 as follows:

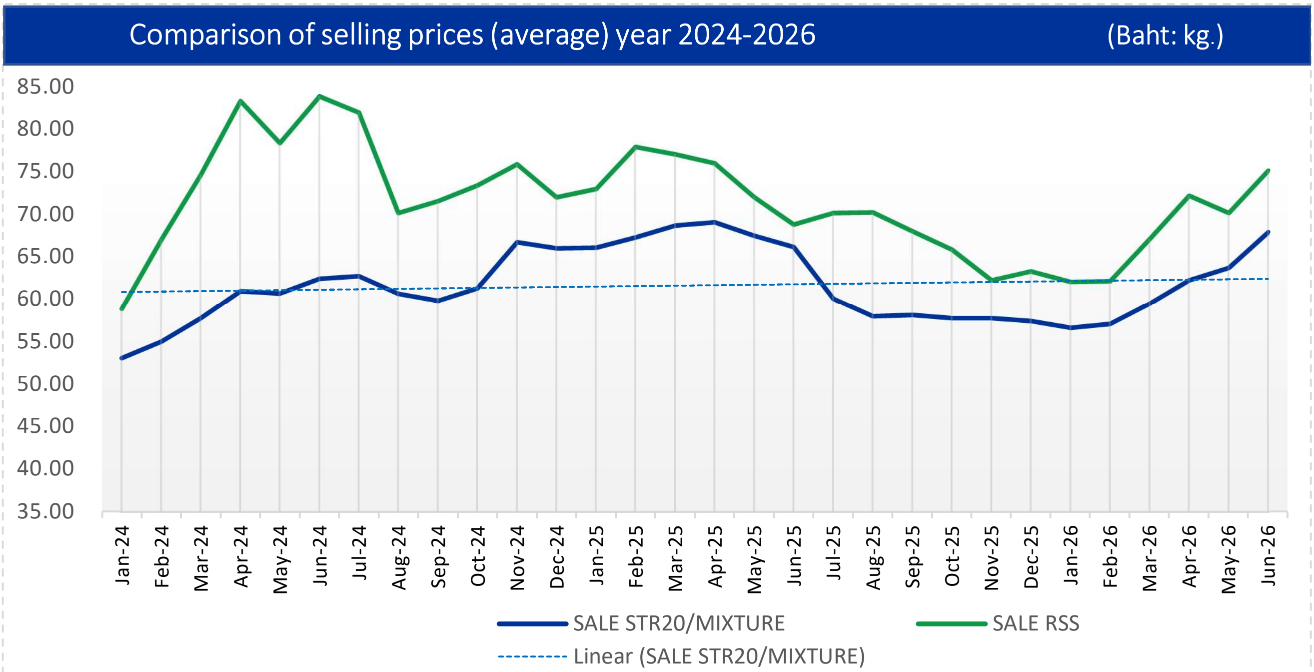



Sales revenue for the first six months of 2026, compared to the same period of the previous year, decreased by 11.86 percent. This decrease in revenue is comprised of a reduction in the price difference of 1,489.73 million baht and a reduction in the volume difference of 441.55 million baht.



The company's total cost of sales for the first six months of 2026 was 12,998.38 million baht, or 90.57% of sales revenue. This is divided into raw material and consumable costs of 12,661.40 million baht, representing 88.22% of sales revenue. Compared to the same period of the previous year, costs increased by 0.94%, based on the proportion of raw material costs to sales revenue, considering the company's rubber purchase data and average rubber selling prices as follows:



For labor costs in the first six months of 2026 amounted to 77.08 million baht, or 0.54 percent compared to the same period of the previous year. This represents a decrease of 3.24 million baht, which varies according to the decrease in production volume.

For production costs of 166.75 million baht, or 1.16 percent of sales revenue, representing an increase of 8.17 million baht compared to the same period last year.

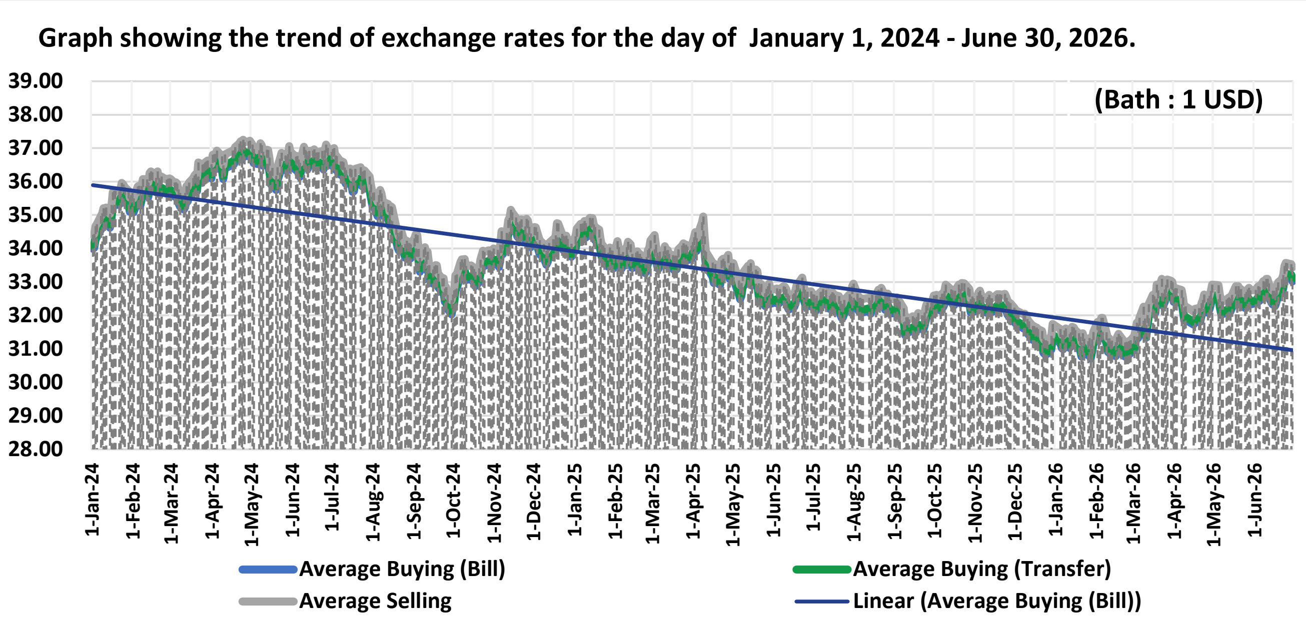
Cost of sales in Q2 2026 compared to Q2 2025, the Company's cost of sales ratio increased from from 89.43 percent to 90.57 percent, or an increase of 1.15 percent of sales revenue. This resulted in a 1.15 percent decrease in gross profit margin, falling from 10.57 percent in Q2/2025 to 9.43 percent in Q2/2026.

| | Quarter 2 (6 months) | | | | YoY |
|---|---|---|---|---|---|
| | 2026 | | 2025 | | |
| | Million Baht | % | Million Baht | % | Increase (Decrease) |
| **Sales volume (Tons)** | **232,462** | | **238,973** | | **(6,511)** |
| **Total Revenue from sales** | **14,351.31** | **100.00%** | **16,282.59** | **100.00%** | **(1,931.28)** |
| **Cost of sales** | **12,998.38** | **90.57%** | **14,560.71** | **89.43%** | **1.15%** |
| Raw materials and consumables used | 12,661.40 | 88.22% | 14,211.94 | 87.28% | 0.94% |
| Salary and labor | 77.08 | 0.54% | 80.32 | 0.49% | 0.04% |
| Manufacturing Overhead | 166.75 | 1.16% | 158.58 | 0.97% | 0.19% |
| Depreciation & Amortization | 93.15 | 0.65% | 109.87 | 0.67% | (0.03%) |
| **Gross profit** | **1,352.92** | **9.43%** | **1,721.88** | **10.57%** | **(1.15%)** |

Distribution costs amounted to 204.68 million baht, or 1.43 percent of total sales. Compared to the same period last year, distribution costs increased by 0.36 million baht, broken down as follows: an increase of 4.01 million baht in the rubber plantation welfare fund, an increase of 2.89 million baht in commissions, and a decrease of 7.50 million baht in transportation costs. This increase in distribution costs aligns with the increase in overseas sales volume.

Administrative expenses amounted to 133.18 million baht, or 0.93 percent of total sales revenue. Compared to the same period last year, expenses increased by 8.88 million baht, or 7.15 percent, due to investments in community and social development activities under the BOI-CSR (Board of Investment-Corporate Social Responsibility) tax management plan, which resulted in a significant decrease in corporate income tax expenses in this quarter compared to the previous year.

For the first six months of 2026, the company incurred a net exchange rate loss of 60.58 million baht due to the impact of exchange rate volatility. This was comprised of an actual exchange rate loss of 2.14 million baht from debt collection from foreign debtors and an unrealized loss of 58.44 million baht from the valuation of derivative instruments. This accounting loss represents an unrealized item arising from the mark-to-market measurement of forward foreign exchange (US dollar) contracts hedging against exchange rate fluctuations. The exchange rate volatility situation is as follows: The Company has made arrangements with financial institutions to reduce risk management due to the exchange rate fluctuation situation as follows:




Financial costs amounted to 266.37 million baht, a decrease of 10.12 million baht or 3.66 percent compared to the same period last year, due to interest payments on NER299A debentures that the company redeemed before maturity in March 2026.

Corporate income tax expenses amounted to 4.22 million baht, or 0.03 percent of sales revenue, a decrease of 35.45 million baht compared to the same period of the previous year. This decrease is due to the company utilizing the corporate income tax exemption under the BOI-CSR (Board of Investment-Corporate Social Responsibility) investment promotion certificate.

In summary, for the first six months of 2026, the Company recorded total sales revenue of 14,351.31 million baht—a decrease of 11.86 percent —and a net profit of 690.73 million baht (representing a net profit margin of 4.81 percent), a decrease of 40.60 percent compared to the same period of the previous year. The primary driver of this change was the rise in raw rubber costs, resulting from reduced market supply caused by drought conditions (El Niño), while selling prices remained constrained by market competition, leading to a slowdown in gross profit margins. However, the Company mitigated these impacts through efficient expense management, a reduction in financial costs, and the utilization of tax incentives under BOI-CSR (Board of Investment-Corporate Social Responsibility) measures.

Financial Position

| Statement of Financial Position | 30-Jun-2026 | | 31-Dec-2025 | | DIFF Increase (Decrease) | |
|---|---|---|---|---|---|---|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Current Assets | 19,489.52 | 91.11% | 18,006.98 | 90.01% | 1,482.54 | 8.23% |
| Non-Current Assets | 1,900.98 | 8.89% | 1,997.81 | 9.99% | (96.83) | (4.85%) |
| **Total Assets** | **21,390.50** | **100.00%** | **20,004.79** | **100.00%** | **1,385.71** | **6.93%** |
| Total Liabilities | 11,472.76 | 53.63% | 10,297.50 | 51.48% | 1,175.26 | 11.41% |
| Total Shareholders' Equity | 9,917.73 | 46.37% | 9,707.29 | 48.52% | 210.44 | 2.17% |
| **Total Lialitibies and Shareholders' Equity** | **21,390.50** | **100.00%** | **20,004.79** | **100.00%** | **1,385.71** | **6.93%** |

The company's total assets as of June 30, 2026, amounted to 21,390.50 million baht, an increase of 1,385.71 million baht or 6.93 percent from December 31, 2025, as summarized as follows:

Current assets increased by 1,482.54 million baht, or 8.23 percent, from the following items:

- Cash and cash equivalents decreased by 41.35 million baht, or 69.06 percent, due to repayments of short-term loans to financial institutions.
- Trade receivables and other current receivables increased by 880.96 million baht, or 96.14 percent, driven by increased revenue from overseas sales and advance payments for goods (under a contract with a state enterprise).
- Inventory increased by 644.59 million baht, or 3.79 percent, because in June the company purchased rubber under a contract with a state enterprise, As a result, the company has increased the amount of rubber it has purchased for its stock.

Non-current assets decreased by 96.83 million baht, or 4.85 percent. This was due to changes resulting from a net decrease in land, buildings, and equipment of 75.63 million baht, a decrease in fixed deposits used as collateral for credit lines of 26.67 million baht, an increase in net right-of-use assets of 2.60 million baht, and an increase in deferred income tax assets of 3.36 million baht.

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The company's total liabilities as of June 30, 2026, amounted to 11,472.76 million baht, an increase of 1,175.26 million baht or 11.41 percent from December 31, 2025, mainly due to:

Current liabilities increased by 1,631.09 million baht, or 28.18 percent, from the following significant items:

- Trade payables increased by 259.01 million baht, or 102.94 percent, due to the company entering into more contracts to purchase rubber raw materials, with payment terms upon full delivery of the agreed-upon quantity.
- Bank overdrafts and short-term loans from financial institutions increased by 165.90 million baht, or 3.76 percent, due to the use of working capital from financial institutions.
- Current portion of debentures increased by 1,161.50 million baht, or 116.15 percent. These debentures will mature in November 2026 and are intended to be used to redeem NER279A debentures before maturity in September 2027. Therefore, the company classifies and lists NER279A debentures as current liabilities as of June 30, 2026.
- Income tax payable increased by 30.95 million baht, or 100%, resulting from the corporate income tax burden calculated on the difference between the compensation received from the insurance and the net asset value according to the book, stemming from the fire incident in 2025. The company received full compensation from the insurance on March 13, 2026.

Non-current liabilities decreased by 455.83 million baht, or 10.11 percent, due to a decrease in long-term loans of 81.86 million baht, or 44.17 percent, from repayments of loans due; a decrease in net debentures of 355.28 million baht; and a decrease in deferred income tax liabilities of 23.38 million baht.

The company's shareholders' equity as of June 30, 2026, amounted to 9,917.73 million baht, an increase of 210.44 million baht or 2.17 percent from December 31, 2025, resulting from important items as follows:

- Increased from the company's net profit for the first 6 months of 690.73 million baht.
- Decreased from the dividend payment that the Company paid from the operating results of 2025 according to the resolution of the general meeting of shareholders on April 10, 2026, the Company paid dividends to shareholders at the rate of 0.26 baht per share, totaling 480.43 million baht. The Company paid the dividends to shareholders on May 7, 2026.

For the Company's performance in the area of sustainability related to environmental, social and corporate governance operations for the second quarter of 2026, it consists of:

## Environmental

The Company has implemented environmental projects:

- Waste and garbage management: 2 projects
- Water management: 1 project
- Energy management: 5 projects
- Greenhouse gas management: 1 project

The details projects, as follows:

1. Waste and waste management

NER Sustainable Waste Reduction and Separation Project Target to reduce plastic waste per ton of production compared to the 2023 baseline. Mid-term goal (2026) is a 30 percent reduction, long-term goal (2028) is a 50 percent reduction.

Q2/2026 results: Plastic waste per ton of production increased by 4.87 percent compared to the 2023 baseline, but greenhouse gas emissions decreased by 0.032 kg $CO_2$ equivalent.

Project to Reduce Non-Hazardous Waste Landfilling Target to reduce landfill waste compared to 2023 baseline. Mid-term goal (2026) is 15 percent reduction, long-term goal (2028) is 25 percent reduction.

Q2/2026 results: Non-hazardous waste sent to landfill decreased by 15.58 percent, reducing greenhouse gas emissions by 6.05 tons $CO_2$ equivalent.

2. Water management

NER Sustainable Water Conservation Project The Target to reduce water usage per unit of production compared to 2023 baseline. Mid-term goal (2026) is 15 percent reduction, long-term goal (2028) is 20 percent reduction.

Q2/2026 results: Water usage per ton of production decreased by 17.84 percent. However, greenhouse gas emissions increased by 104.58 tons $CO_2$ equivalent due to higher workload of the treatment system.

3. Energy Management

Energy Conservation Projects Target to reduce electricity consumption per unit of production in the STR rubber block factory Phase 1 and STR rubber block factory Phase 2 by 20 percent in 2026.Each site must implement at least 3 projects.

STR Rubber Block Factory Phase 1: 3 projects underway, including motor replacements and inverter installation, with expected reductions in electricity use ranging from 54 percent to 66 percent.

STR Rubber Block Factory Phase 2: 2 projects, one completed (25 percent reduction in electricity use), one ongoing (expected 62.55 percent reduction).

4. Greenhouse Gas Management

Corporate Carbon Footprint Assessment Project

The company has continuously collected data and assessed its greenhouse gas emissions internally on a monthly basis.

The assessment results for Q2/2026 are as follows:

- Scope 1 emissions: 4,489 tons $CO_2$ equivalent
- Scope 2 emissions: 7,733 tons $CO_2$ equivalent
- Scope 3 emissions: 31,485 tons $CO_2$ equivalent
- Total emissions: 43,707 tons $CO_2$ equivalent

Greenhouse gas emissions per ton of production amounted to 0.060 tons $CO_2$ equivalent per ton of output, representing a 9.51% reduction compared to the 2021 baseline year.

## Social

The Company has implemented the following social and community projects, labor and human rights projects:

1. Social and community aspects

Project to foster relationships and develop sustainable community participation Examples include the donation of educational equipment, blood donation activities, and community health check-up programs for the area surrounding the factory.

Project to continue and preserve the community's cultural traditions Such as community festivals, Buddhist ceremonies.

Community occupation and income development project For example, the NER Green Market Project, tractor donations to community enterprises to promote and improve the income of people in the community.

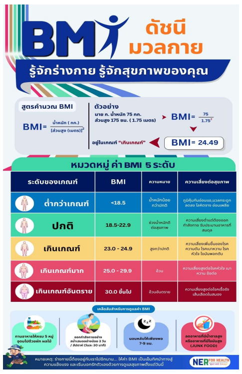


The performance results in the second quarter of 2026 showed that there were a total of 35 activities promoting community relations and engagement. The average Social Return on Investment (SROI) was 4.13, and the average satisfaction rate of participants was 91.52%. The activity with the highest SROI was the NER Community Health Care Project (Community Health Check-up, Year 4), held from May 29-31, 2026, with an SROI of 12.43.

2. Labor and human rights

Whistleblowing and Complaint Resolution Project Expanded reporting channels from 10 to 15 QR code points, with real-time tracking.Q2/2026 results: 1 complaint regarding unfair treatment/discrimination, resolved.

NER for Health Project Encouraging employee participation (target >70%). Launched June 27, 2026, running until November 2026, with results to be summarized in December 2026.




## Governance & Economic

The Company has implemented the following practices regarding consumer-partner practices, corporate governance and fair operations:

1. Consumer-Partner Practices

NER Project for Sustainable Supply Chain Development Year 5 The company has shifted its operational approach from in-house training to a proactive approach, visiting partners in various areas to foster collaboration, share ESG best practices, and jointly enhance operational standards throughout the supply chain.

According to the 2026 operational plan, the working group set a target of visiting approximately 401 business partners. In the second quarter of 2026, the working group had already visited 166 business partners, representing 41.40 percent of the total target number of business partners.

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2. Corporate governance and fair operations

The company has implemented the following corporate governance and fair operational practices:

1. Thai Private Sector Collective Action Against Corruption (CAC): In the second quarter of 2026, seven partner companies participating in the project passed the audit and received a 1-star certification, while three companies are awaiting status updates on the CAC website. Furthermore, the working group is inviting two more partner companies to participate, with the process expected to be completed by August 2026.


2. Annual General Meeting (AGM) Quality Assessment: by the Thai Investors Association and the Thai Capital Market Business Council resulted in a perfect score of 100 out of 100 in the second quarter of 2026, achieving an excellent rating for the fourth consecutive year.

3. Corporate Governance Report of Thai Listed Companies 2026 (CGR 2026):based on performance in Q2/2026, showed that the company submitted an assessment form containing 173 items across four categories: Category A: Annual General Meeting of Shareholders 2026, Category B: Sustainability Management, Category C: Financial Statements, and Category D: Corporate Governance. The assessment results were rated as excellent.

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Please be informed accordingly

Yours sincerely,

(Mr. Sakchai Jongstapongpun)

Chief Financial Officer

North East Rubber Public Company Limited