



No. NER-SET 007/2026

May 6, 2026

Re: Management's discussion and analysis for the first 3 months of 2026 ending March 31, 2026

To: The President, The Stock Exchange of Thailand

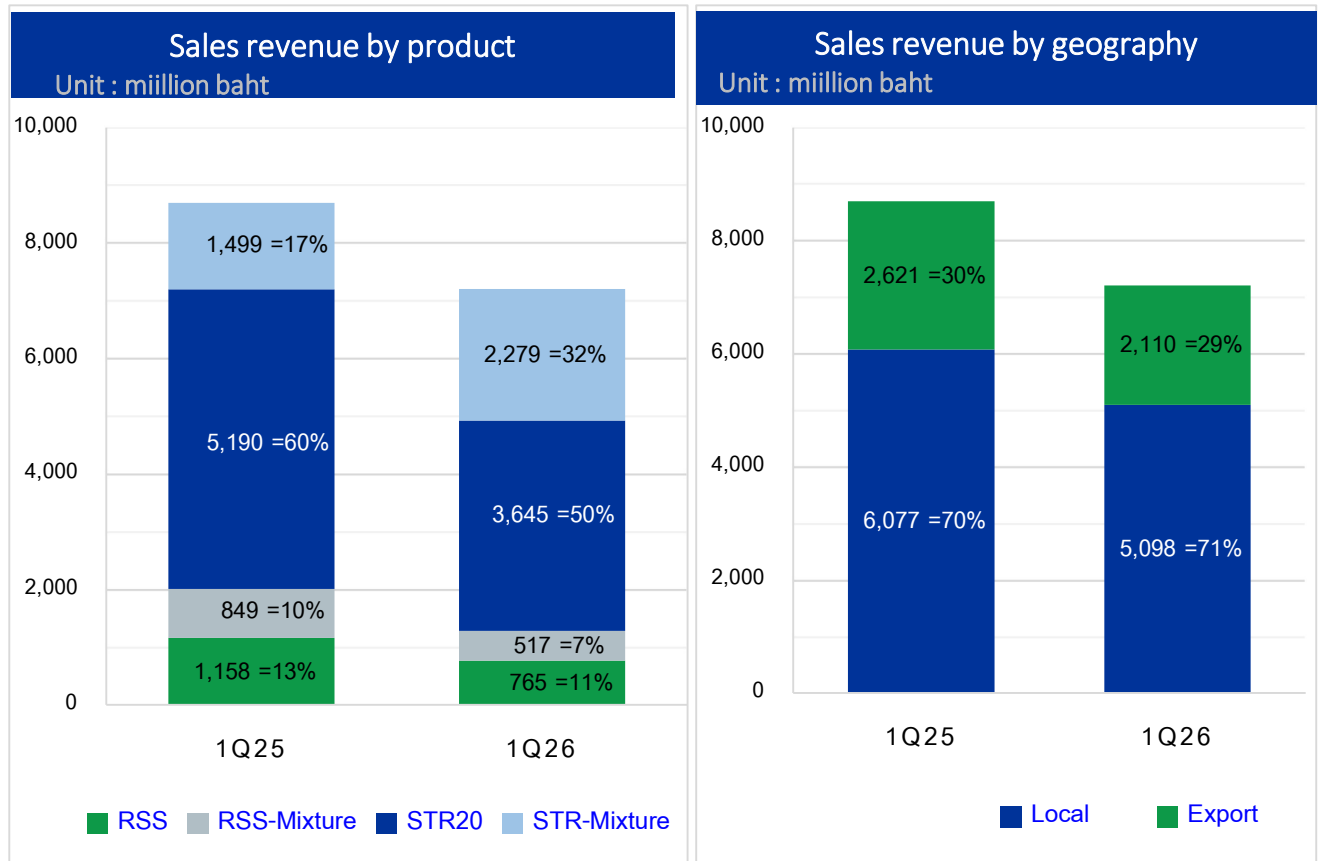
Northeast Rubber Public Company Limited (the "Company") would like to submit the Company's financial statements for the 1st quarter of 2026 ending March 31, 2026 that have been reviewed by the auditor. And would like to clarify the operating results for the 1st quarter of 2026, The Company results of the operation are as follows.

Compare operating results for the 3-month periods ending 31 March 2026 and 2025

| Statement of Comprehensive Income | Quarter 1 (3 months) | | | | Increase (Decrease) | |
|---|----------------------|----------------|-----------------|----------------|---------------------|-----------------|
| | 2026 | | 2025 | | Million Baht | % |
| | Million Baht | % | Million Baht | % | | |
| Sales volume (Tons) | 123,552 | | 127,090 | | (3,537) | (2.78%) |
| Total Revenue from Local sales | 5,097.60 | 70.72% | 6,077.46 | 69.87% | (979.85) | (16.12%) |
| Total Revenue from Export sales | 2,110.12 | 29.28% | 2,620.56 | 30.13% | (510.44) | (19.48%) |
| Revenue from sales | 7,207.73 | 100.00% | 8,698.02 | 100.00% | (1,490.29) | (17.13%) |
| Other income | 2.95 | 0.04% | 3.45 | 0.04% | (0.50) | (14.49%) |
| Gain on exchange rate | 31.37 | 0.43% | - | 0.00% | 31.37 | 100.00% |
| Unrealized gain on valuation of fair value of derivatives | - | 0.00% | 27.57 | 0.32% | (27.57) | (100.00%) |
| Total Revenue | 7,242.05 | 100.00% | 8,729.05 | 100.00% | (1,487.01) | (17.04%) |
| Cost of sales | 6,586.65 | 91.38% | 7,775.24 | 89.39% | (1,188.59) | (15.29%) |
| Gross profit | 621.08 | 8.62% | 922.78 | 10.61% | (301.70) | (32.70%) |
| Distribution costs | 118.81 | 1.64% | 119.48 | 1.37% | (0.67) | (0.56%) |
| Administrative expenses | 63.06 | 0.87% | 55.69 | 0.64% | 7.37 | 13.24% |
| Unrealized loss on valuation of fair value of derivatives | 80.95 | 1.12% | - | 0.00% | 80.95 | 100.00% |
| Loss on exchange rate | - | 0.00% | 13.25 | 0.15% | (13.25) | (100.00%) |
| Operating profit | 392.58 | 5.42% | 765.40 | 8.77% | (372.82) | (48.71%) |
| Finance cost | 134.82 | 1.86% | 139.25 | 1.60% | (4.42) | (3.18%) |
| Profit (loss) before income tax | 257.76 | 3.56% | 626.15 | 6.22% | (368.39) | (58.83%) |
| Tax (income) | 3.39 | 0.05% | 17.30 | 0.20% | (13.91) | (80.42%) |
| Profit (loss) for the period | 254.37 | 3.51% | 608.85 | 6.02% | (354.48) | (58.22%) |

The operating results for the first quarter of 2026 for the 3-month period ending on March 31, 2026 compared to the same period of the previous year, Sales volume totaled 123,552 tons, a decrease of 3,537 tons or 2.78 percent. Total sales revenue was 7,207.73 million baht, a decrease of 1,490.29 million baht or 17.13 percent. This is divided into domestic sales revenue of 5,097.60 million baht, or 70.72 percent of total sales, a decrease of 979.85 million baht or 16.12 percent. And revenue from overseas sales was 2,110.12 million baht, or 29.28 percent of total sales, a decrease of 510.44 million baht or 19.48 percent.

For sales revenue, it can be separated by comparative product between Q1/2026 and Q1/2025 as follows:



Sales revenue for the first quarter of 2026 the decline is due to the falling price of rubber compared to the same period of the previous year, the average selling price of rubber products decreased by 14.78 percent. The decrease in revenue is divided into a decrease in the price difference of 1,232.86 million baht and a decrease in the volume difference of 257.44 million baht.

In the first quarter of 2026, the Company had a cost of sales of 6,586.65 million baht, or 91.38 percent of sales revenue, divided into the cost of raw materials and consumables used of 6,388.45 million baht, or 88.63 percent of sales revenue. Compared to the same period last year, Costs decreased by 1,179.11 million baht, proportional to raw material costs relative to sales revenue, based on the company's rubber purchase data and average rubber selling prices as follows:



For labor costs, it was 45.29 million baht, representing a 0.63 percent decrease compared to the same period last year. This represents a reduction of 0.76 million baht, resulting from lower variable labor costs proportional to production volume.

For production expenses of 107.02 million baht, representing 1.48 percent of sales revenue, decreased by 1.04 million baht compared to the same period last year, which varied according to the decrease in production volume.



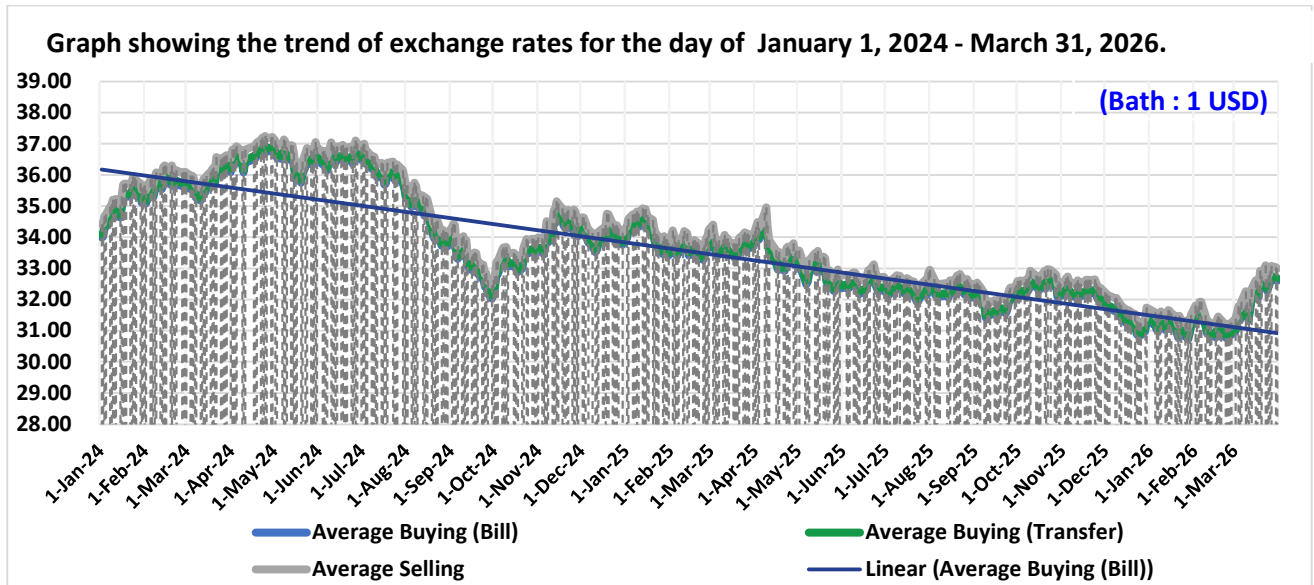
Comparing the cost of sales for Q1/2026 with Q1/2025, the company's cost of sales decreased from 7,775.24 million baht to 6,586.65 million baht, a reduction of 1,188.59 million baht. This resulted in a 1.99% decrease in gross profit, leading to a decrease in the gross profit margin from 10.61% in Q1/2025 to 8.62% in Q1/2026.

| | Quarter 1 (3 months) | | | | YoY |
|------------------------------------|----------------------|----------------|-----------------|----------------|---------------------|
| | 2026 | | 2025 | | |
| | Million Baht | % | Million Baht | % | Increase (Decrease) |
| Sales volume (Tons) | 123,552 | | 127,090 | | (3,537) |
| Total Revenue from sales | 7,207.73 | 100.00% | 8,698.02 | 100.00% | (1,490.29) |
| Cost of sales | 6,586.65 | 91.38% | 7,775.24 | 89.39% | 1.99% |
| Raw materials and consumables used | 6,388.45 | 88.63% | 7,567.56 | 87.00% | 1.63% |
| Salary and labor | 45.29 | 0.63% | 46.05 | 0.53% | 0.10% |
| Manufacturing Overhead | 107.02 | 1.48% | 108.06 | 1.24% | 0.24% |
| Depreciation & Amortization | 45.89 | 0.64% | 53.57 | 0.62% | 0.02% |
| Gross profit | 621.08 | 8.62% | 922.78 | 10.61% | (1.99%) |

Distribution costs amounted to 118.81 million baht, or 1.64 percent of total sales. Compared to the same period last year, distribution costs decreased by 0.67 million baht, or 0.56 percent. This includes a decrease of 1.33 million baht in the rubber plantation welfare fund, a decrease of 1.64 million baht in transportation costs, and an increase of 2.30 million baht in commission fees. The decrease in distribution costs is correlated with the decrease in sales volume.

Administrative expenses amounted to 63.06 million baht, or 0.87 percent of total sales. Compared to the same period last year, expenses increased by 7.37 million baht, or 13.24 percent. Due to investments in community and social development activities under the tax management plan within the BOI-CSR measures, corporate income tax expenses in this quarter decreased significantly compared to the previous year..

In the first quarter of 2026, due to the impact of exchange rate fluctuations, the company incurred a net exchange rate loss of 49.58 million baht. This included an actual exchange rate gain of 31.37 million baht from the collection of debts from foreign debtors. and unrealized losses from the valuation of derivative instruments amounted to 80.95 million Baht, which is an accounting loss that has not yet actually occurred. This resulted from the mark-to-market valuation of forward foreign exchange (US dollar) contracts that the company had taken out to hedge against exchange rate fluctuations. However, due to the continuous appreciation of the Thai baht over the past quarter, This resulted in a decrease in the fair value of the forward contracts compared to the market price at the end of the period. The exchange rate volatility situation is as follows:



Financial costs amounted to 134.82 million baht, a decrease of 4.42 million baht or 3.18 percent due to interest payments on NER299A debentures that the company redeemed before maturity in March 2026.

Corporate income tax expenses amounted to 3.39 million baht, or 0.05% of sales revenue, a decrease of 13.91 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.

For the first three months of 2026, the company reported a net profit of 254.37 million baht, representing a net profit margin of 3.51 percent of sales revenue. Compared to the same period of the previous year, net profit decreased by 354.48 million baht, or 58.22 percent. The main reasons affecting performance this quarter stemmed from two primary factors: 1) Volatility in global natural rubber prices led to a decline in the company's average selling price of rubber by 14.78%, directly impacting revenue and profitability. 2) Fluctuations in exchange rates due to the continuous appreciation of the Thai baht have resulted in the company recognizing a mark-to-market loss on forward foreign exchange contracts, which is an accounting item that has not yet actually occurred.

Financial Position

| Statement of Financial Position | 31-Mar-2026 | | 31-Dec-2025 | | DIFF | |
|---|------------------|----------------|------------------|----------------|---------------------|--------------|
| | | | | | Increase (Decrease) | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Current Assets | 18,475.87 | 90.33% | 18,006.98 | 90.01% | 468.89 | 2.60% |
| Non-Current Assets | 1,977.92 | 9.67% | 1,997.81 | 9.99% | (19.89) | (1.00%) |
| Total Assets | 20,453.79 | 100.00% | 20,004.79 | 100.00% | 449.00 | 2.24% |
| Total Liabilities | 10,492.13 | 51.30% | 10,297.50 | 51.48% | 194.63 | 1.89% |
| Total Shareholders' Equity | 9,961.66 | 48.70% | 9,707.29 | 48.52% | 254.37 | 2.62% |
| Total Liabilities and Shareholders' Equity | 20,453.79 | 100.00% | 20,004.79 | 100.00% | 449.00 | 2.24% |

The Company's total assets as of March 31, 2026 amounted to 20,453.79 million baht, an increase of 449.00 million baht or 2.24 percent from December 31, 2025, summarized as follows:

Current assets increased by 468.89 million baht, or 2.60 percent, from the following items:

- Cash and cash equivalents increased by 208.16 million baht, or 347.64 percent, due to the issuance of additional debentures in 2026 on January 15, 2026.
- Trade receivables and other current receivables increased by 488.17 million baht, or 53.34 percent, in line with increased sales volume revenue.
- Inventory decreased by 226.65 million baht, or 1.33 percent, because from February to April each year, rubber farmers stop tapping their rubber trees, resulting in a lower amount of rubber entering the market. Therefore, the company purchased less rubber for its stock.

Non-current assets decreased by 19.89 million baht, or 1.00 percent. This change is primarily due to a net decrease of 32.58 million baht in land, buildings, and equipment. Deferred income tax assets increased by 4.79 million baht, and other non-current assets, such as collateral, increased by 7.89 million baht.

The company's total liabilities as of March 31, 2026, amounted to 10,492.13 million baht, an increase of 194.63 million baht or 1.89 percent from December 31, 2025, primarily due to:

Current liabilities decreased by 524.53 million baht, or 9.06 percent, from the following items:

- Bank overdrafts and short-term loans from financial institutions decreased by 707.60 million baht, or 16.03 percent, due to reduced utilization of credit lines from financial institutions.



- Trade payables and other payables increased by 127.04 million baht, or 52.44 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 of raw materials.
- Income tax payable has increased by 31.31 million baht, or 100.00 percent, This arises from the corporate income tax liability calculated on the difference between the compensation paid and the net asset value according to the book value, stemming from the fire in 2025, for which the company received full compensation from the insurance on March 13, 2026.

Non-current liabilities increased by 719.16 million baht, or 15.95 percent, due to the issuance of additional debentures in 2026.

The Company's shareholders' equity as of March 31, 2026 amounted to 9,961.66 million baht, an increase of 254.37 million baht or 2.62 percent from December 31, 2025, resulting from the following significant items:

- Increased from net profit in Q1/2026 equal to 254.37 million baht.

The company's sustainability performance for Q1/2026, covering Environmental, Social, and Governance (ESG) aspects, is summarized as follows:

Environmental

The Company has implemented environmental initiatives comprising two waste and waste management projects, two water management projects, one energy management project, and one greenhouse gas management project, as detailed below.

1. Waste Management

NER Sustainable Waste Reduction Project: The Company has established targets to reduce total plastic waste per ton of production compared with the 2023 baseline, with goals set in two phases: a medium-term target for 2026 to achieve a 30% reduction, and a long-term target for 2028 to achieve a 50% reduction.

For the Q1/2026, the Company achieved an average reduction in plastic waste per ton of production of 16.67% compared with the 2023 baseline. This reduction also resulted in an estimated decrease in greenhouse gas emissions of approximately 15.29 kilograms of carbon dioxide equivalent (tCO₂e).

Non-Hazardous Landfill Waste Reduction Project: The Company has established targets to reduce the volume of waste sent to landfill compared with the 2023 baseline, with goals set in two phases: a medium-term target for 2026 to achieve a 15% reduction, and a long-term target for 2028 to achieve a 25% reduction.

For the Q1/2026, the Company reported a 12.75% reduction in non-hazardous waste sent to landfill compared with the baseline year. This reduction also resulted in an estimated decrease in greenhouse gas emissions of approximately 2.45 tons of carbon dioxide equivalent (tCO₂e).

2. Water Management



NER Sustainable Water Project: The Company has established targets to reduce water consumption intensity in the production process per unit of output compared with the 2023 baseline, with goals set in two phases: a medium-term target for 2026 to achieve a 15% reduction, and a long-term target for 2028 to achieve a 20% reduction.

For the Q1/2026, the Company achieved a 13.82% reduction in water consumption per ton of production. This reduction also resulted in an estimated decrease in greenhouse gas emissions of approximately 0.70 tons of carbon dioxide equivalent (tCO₂e).

3. Energy Management

Energy Conservation Project: The Company has set a target to reduce energy consumption per unit of production in the STR-1 and STR-2 production facilities by 3% in 2026.

For the Q1/2026, the results of the energy conservation initiatives indicated that energy consumption per unit of production in the STR-1 facility decreased by 23.94%, while that of the STR-2 facility increased by 72.35%.

4. Greenhouse Gas Management

Corporate Carbon Footprint Assessment Project: The Company has continuously collected data and conducted internal assessments of its greenhouse gas (GHG) emissions on a monthly basis.

For the Q1/2026, the assessment indicated that Scope 1 GHG emissions totaled 2,582 tons of carbon dioxide equivalent (tCO₂e), Scope 2 emissions totaled 4,487 tCO₂e, and Scope 3 emissions totaled 16,824 tCO₂e. Total GHG emissions amounted to 23,893 tCO₂e

GHG emissions intensity was recorded at 0.068 tCO₂e per ton of production, representing an increase of 2.48% compared with the 2021 baseline.

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: For example, community cultural events, the provision of educational equipment, the donation of medical equipment, blood donation activities, and community health check-up programs for communities surrounding the Company's facilities.

Cultural Preservation Project: For example, Ka-thin or Pa-Pha-Sa-mak-khi offering ceremonies, as well as other activities supporting and preserving Buddhist cultural traditions.

Community Livelihood and Income Project: For example, initiatives such as the "NER Green Market" The NER project promotes sustainable agriculture practices by donating tractors to community enterprise groups in Prakhon Chai District to boost and improve the income of people in the community, among other things.

For the Q1/2026, the Company conducted a total of 56 community engagement and relationship-building activities. The average Social Return on Investment (SROI) was 6.19, while the average participant satisfaction score was 97.00%. The activity with the highest SROI was the Muay Thai music promotion initiative, with an SROI of 7.26.



2.Labor and Human Rights

Whistleblowing Enhancement and Grievance Redress Mechanism Project for Labor Rights and Human Rights:

The Company has enhanced and expanded its grievance reporting channels by increasing the number of QR code access points from 10 to 15. In addition, the complaint tracking system has been improved to enable real-time status updates for submitted grievances.

Governance & Economic

The Company has undertaken initiatives related to customer and supplier engagement, as well as corporate governance and fair business practices, as follows:

1. Customer and Supplier Practices

NER Project for EU Deforestation Regulation (EUDR) The Company has set a target to support the survey of rubber plantation areas under the EUDR framework, totaling 100,000 rai per year. In 2025, the Company completed the data collection of rubber plantation areas. In the Q1/2026, the Company conducted field visits to survey and assess the development of a carbon credit system in collaboration with rubber farmers participating in the EUDR initiative. This effort aims to support farmers and enhance the overall value of the project.

2. Corporate Governance and Operations

The Company has undertaken initiatives in corporate governance and fair business practices as follows:

The purpose of the 2026 Annual General Meeting of Shareholders is to focus on transparency in information disclosure and promote the accountability of the board of directors, while simultaneously protecting the rights of shareholders and ensuring their participation in important decision-making. This is to reaffirm that the company conducts its business strictly in accordance with good corporate governance principles, transparently, and free from all forms of corruption.



Please be informed accordingly

Yours sincerely,

(Mr. Sakchai Jongstapongpun)

Chief Financial Officer

North East Rubber Public Company Limited