



No. NER-SET 011/2025

August 08, 2025

Re: Management Discussion and Analysis for the first 6 months of 2025 ending June 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 2nd quarter of 2025, for the 3-month period ended June 30, 2025. The Company results of the operation are as follows.

Statement of Comprehensive Income for Quarter 2/2025 (3-month period)

Statement of Comprehensive Income	Quarter 2 (3 months)				Increase (Decrease)	
	2025		2024			
	Million Baht	%	Million Baht	%	Million Baht	%
Sales volume (Tons)	111,883		90,451		21,432	23.69%
Total Revenue from Local sales	6,087.80	80.27%	4,714.64	81.16%	1,373.17	29.13%
Total Revenue from Export sales	1,496.76	19.73%	1,094.58	18.84%	402.18	36.74%
Total Revenue from sales	7,584.57	100.00%	5,809.22	100.00%	1,775.35	30.56%
Cost of sales	6,785.47	89.46%	5,086.43	87.56%	1,699.04	33.40%
Gross profit	799.10	10.54%	722.79	12.44%	76.31	10.56%
Distribution costs	84.83	1.12%	52.74	0.91%	32.09	60.85%
Administrative expenses	68.61	0.90%	55.98	0.96%	12.63	22.56%
Operating profit	645.65	8.51%	614.06	10.57%	31.59	5.14%
Finance cost	137.24	1.81%	110.40	1.90%	26.84	24.31%
Profit (loss) before other income	508.41	6.70%	503.66	8.67%	4.75	0.94%
Other income	3.34	0.04%	3.58	0.06%	(0.24)	(6.62%)
Gain (loss) on exchange rate	37.25	0.49%	(2.41)	(0.04%)	39.66	(1,644.64%)
Unrealized gain (loss) on valuation of fair value of derivatives	27.37	0.36%	(11.14)	(0.19%)	38.51	(345.70%)
Profit (loss) before income tax	576.37	7.60%	493.69	8.50%	82.68	16.75%
Tax (income)	22.37	0.29%	14.94	0.26%	7.44	49.78%
Profit (loss) for the period	554.00	7.30%	478.75	8.24%	75.25	15.72%



Operating results for the second quarter of 2025, for the three-month period ending June 30, 2025, compared to the same period of the previous year, showed sales volume of 111,883 tons, an increase of 21,432 tons or 23.69 percent, resulting in total sales revenue of 7,584.57 million baht, an increase of 1,775.35 million baht or 30.56 percent. This is divided into revenue from domestic sales of 6,087.80 million baht, or 80.27 percent of total sales, an increase of 1,373.17 million baht, or 29.13 percent, and revenue from international sales of 1,496.76 million baht, or 19.73 percent of total sales, an increase of 402.18 million baht, or 36.74 percent.

Cost of sales for the second quarter of 2025 was 6,785.47 million baht, or 89.46 percent of total sales revenue. Compared to the same period of the previous year, the proportion of cost of sales compared to total sales revenue increased by 33.40 percent, due to the increased proportion of sales.

Distribution costs were 84.83 million baht, or 1.12 percent of total sales revenue, an increase of 32.09 million baht, or 60.85 percent, compared to the same period last year. This is an increase in the Rubber Plantation Welfare Fund of 8.15 million baht and the transportation costs of 23.94 million baht, with the increased distribution costs being related to the increased sales.

Administrative expenses in Q2 2025 were 68.61 million baht, compared to Q2 2024, an increase of 12.63 million baht or 22.56 percent, with an increase of 15.22 million baht in CSR activity expenses.

Profit from exchange rates was 37.25 million baht, an increase of 39.66 million baht compared to the same period last year. Profit from the measurement of derivative instruments was 27.37 million baht, an increase of 38.51 million baht compared to the same period last year.

Financial costs for the second quarter of 2025 (3-month period) were 137.24 million baht, an increase of 26.84 million baht or 24.31% 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 were 22.37 million baht, an increase of 7.44 million baht or 49.78 percent compared to the same period last year.

Net profit for the second quarter of 2025 (3-month period) was 554.00 million baht, or 7.30 percent of total sales revenue. Compared to the same period of the previous year, net profit increased by 75.25 million baht, or 15.72 percent.

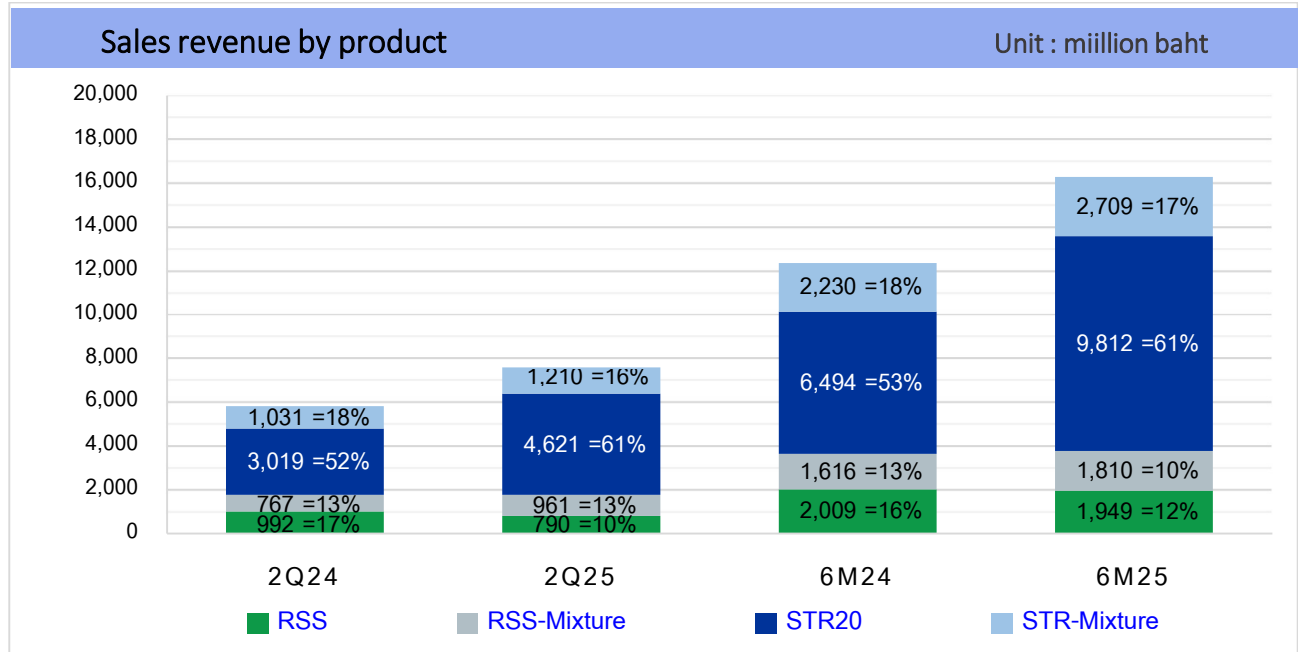
Statement of Comprehensive Income for Quarter 2/2025 (6-month period)

Statement of Comprehensive Income	Quarter 2 (6 months)				Increase (Decrease)	
	2025		2024			
	Million Baht	%	Million Baht	%	Million Baht	%
Sales volume (Tons)	238,973		205,071		33,903	16.53%
Total Revenue from Local sales	12,165.26	74.71%	9,584.20	77.60%	2,581.06	26.93%
Total Revenue from Export sales	4,117.33	25.29%	2,766.87	22.40%	1,350.45	48.81%
Total Revenue from sales	16,282.59	100.00 %	12,351.07	100.00 %	3,931.51	31.83%
Cost of sales	14,560.71	89.43%	10,866.84	87.98%	3,693.87	33.99%
Gross profit	1,721.88	10.57%	1,484.23	12.02%	237.64	16.01%
Distribution costs	204.32	1.25%	144.86	1.17%	59.46	41.04%
Administrative expenses	124.30	0.76%	116.18	0.94%	8.12	6.98%
Operating profit	1,393.26	8.56%	1,223.19	9.90%	170.07	13.90%
Finance cost	276.49	1.70%	224.79	1.82%	51.70	23.00%
Profit (loss) before other income	1,116.77	6.86%	998.40	8.08%	118.37	11.86%
Other income	6.79	0.04%	5.97	0.05%	0.82	13.65%
Gain (loss) on exchange rate	24.01	0.15%	(1.85)	(0.01%)	25.85	(1,401.05%)
Unrealized gain (loss) on valuation of fair value of derivatives	54.94	0.34%	(33.93)	(0.27%)	88.87	(261.94%)
Profit (loss) before income tax	1,202.51	7.39%	968.60	7.84%	233.91	24.15%
Tax (income)	39.67	0.24%	36.24	0.29%	3.44	9.48%
Profit (loss) for the period	1,162.83	7.14%	932.36	7.55%	230.47	24.72%

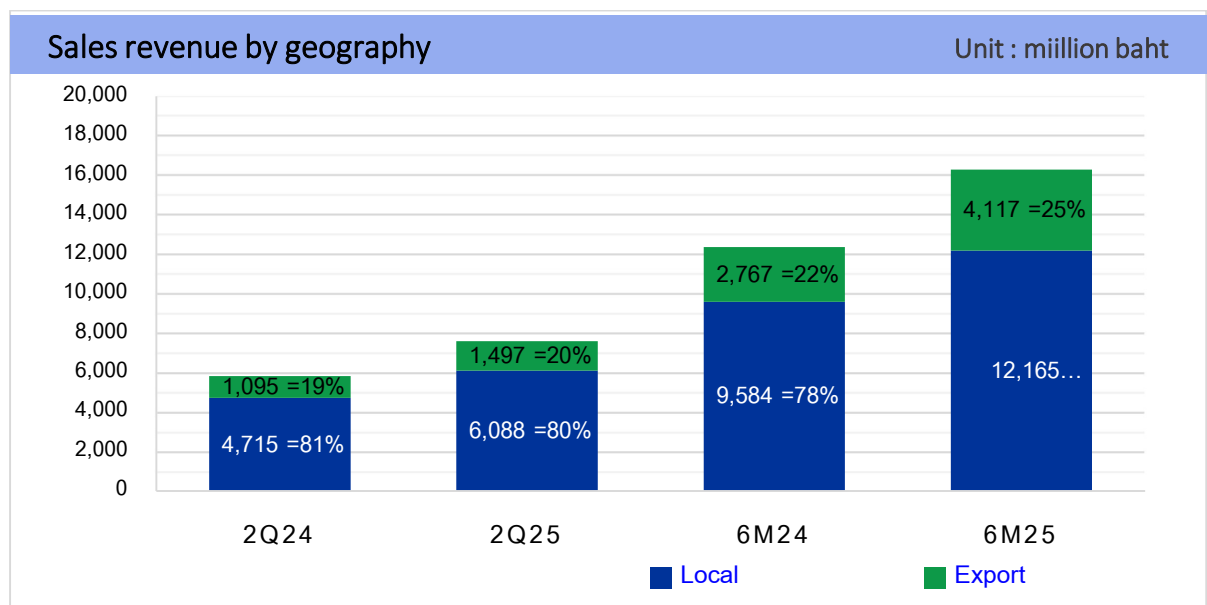
Operating results for the second quarter of 2025 (for the 6-month period) ending on June 30, 2025, compared to the same period of the previous year, showed a sales volume of 238,973 tons, an increase of 33,903 tons or an increase of 16.53 percent, resulting in total sales revenue of 16,282.59 million baht, an increase of 3,931.51 million baht or an increase of 31.83 percent. This is divided into revenue from domestic sales of 12,165.26 million baht, or 74.71

percent of total sales, an increase of 2,581.06 million baht, or 26.93 percent, and revenue from international sales of 4,117.33 million baht, or 25.29 percent of total sales, an increase of 1,350.45 million baht, or 48.81 percent.

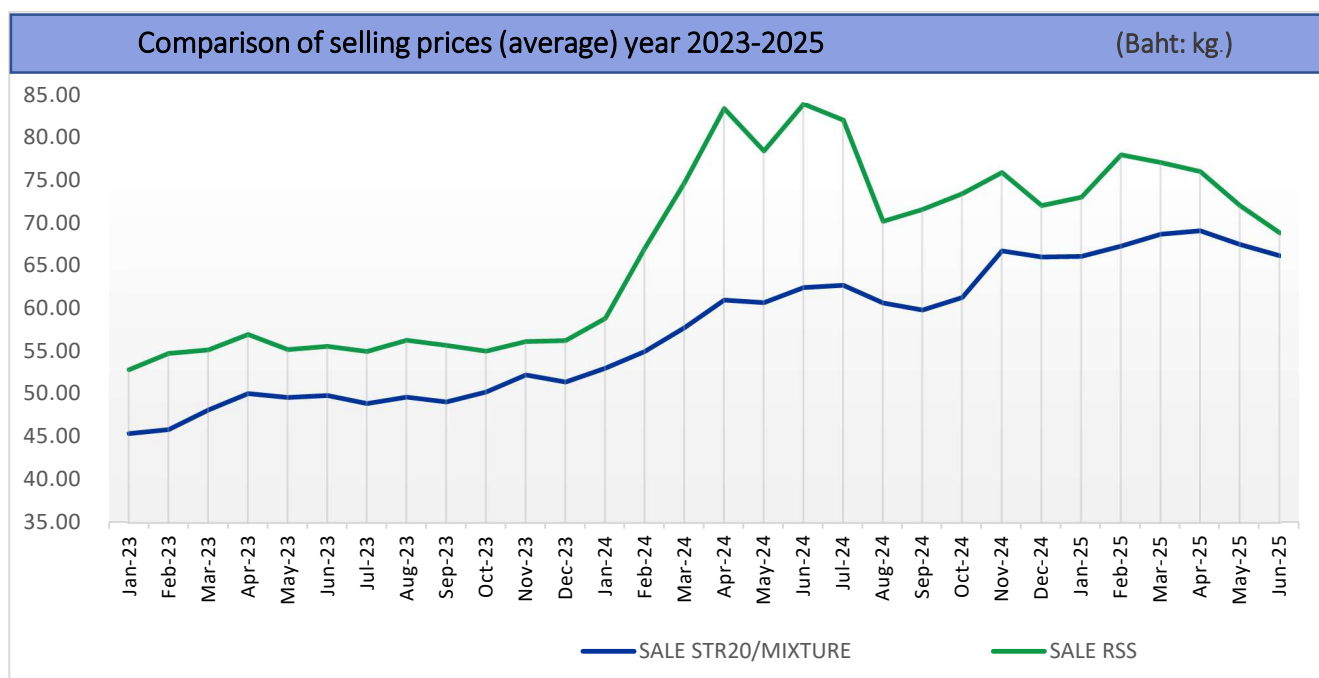
Sales revenue can be separated by product compared between the 2nd quarter of 2025 and the 2nd quarter of 2024 as follows:



Sales revenue for the first six months of 2025, compared to the same period of the previous year, increased by 31.83 percent. The increase in revenue was divided into a price difference of 1,889.44 million baht and a volume difference of 2,309.58 million baht.



The Company's total cost of sales for the first 6 months of 2025 was 14,560.71 million baht, or 89.43 percent of sales revenue. The cost of raw materials and consumables was 14,211.95 million baht, representing 87.28 percent of sales revenue. Compared to the same period last year, costs increased by 1.70 percent. According to the proportion of raw material costs compared to sales revenue, considering the company's rubber purchase data and average rubber selling prices as follows:



For labor costs in the first 6 months of 2025, they were 80.32 million baht, or 0.49 percent, compared to the same period of the previous year. Costs increased by 22.47 million baht, which varied according to increased production volume.

For production costs of 158.58 million baht, or 0.97 percent of sales revenue, compared to the same period of the previous year, costs increased by 31.57 million baht, which varied according to the increased production volume.

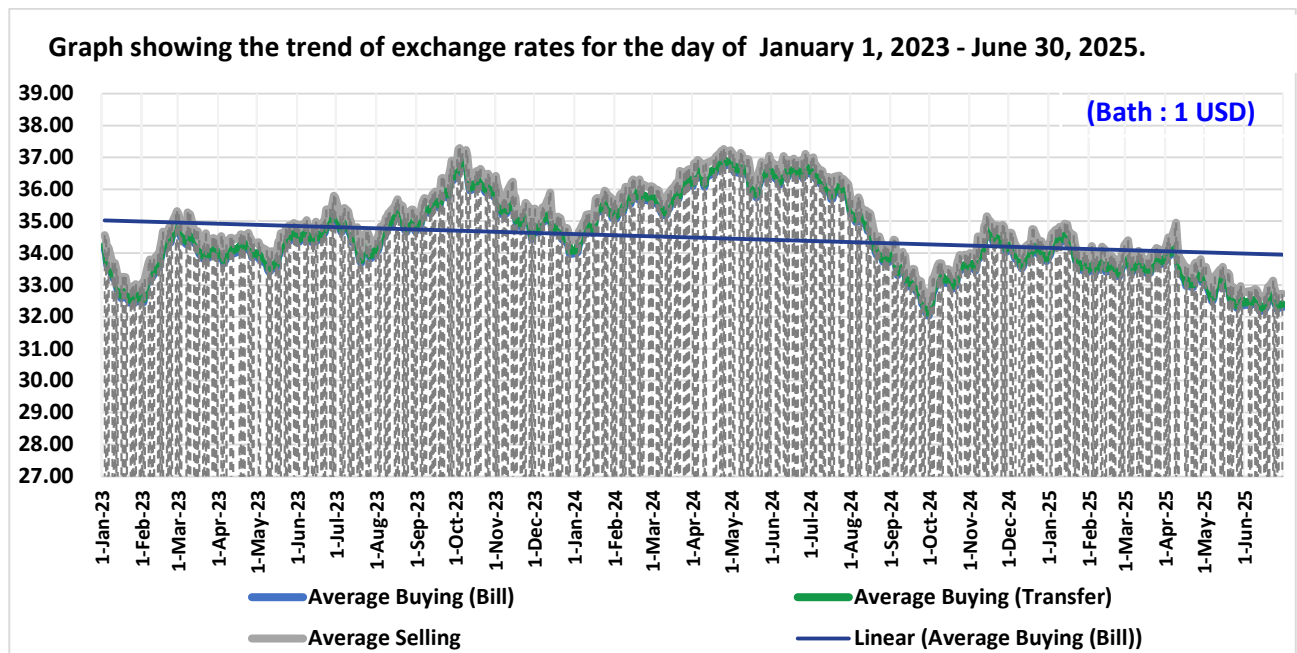
Cost of sales in Q2 2025 compared to Q2 2024, the Company's cost of sales ratio increased from 87.98 percent to 89.43 percent, or an increase of 1.44 percent of sales revenue. This resulted in the Company's gross profit margin decreasing by 1.44 percent, which represents a decrease in gross profit margin from 12.02 percent in Q2 2024 to 10.57 percent in Q2 2025.

	Quarter 2 (6 months)				YoY
	2025		2024		
	Million Baht	%	Million Baht	%	Increase (Decrease)
Sales volume (Tons)	238,973		205,071		33,902
Total Revenue from sales	16,282.59	100.00%	12,351.07	100.00%	3,931.51
Cost of sales	14,560.71	89.43%	10,866.84	87.98%	1.44%
Raw materials and consumables used	14,211.95	87.28%	10,570.16	85.58%	1.70%
Salary and labor	80.32	0.49%	65.82	0.53%	(0.04%)
Manufacturing Overhead	158.58	0.97%	127.01	1.03%	(0.05%)
Depreciation & Amortization	109.87	0.67%	103.85	0.84%	(0.17%)
Gross profit	1,721.88	10.57%	1,484.23	12.02%	(1.44%)

Distribution costs were 204.32 million baht, or 1.25 percent of total sales. Compared to the same period last year, distribution costs increased by 59.46 million baht. This is divided into the rubber plantation aid fund cost increasing by 21.46 million baht, freight cost increasing by 21.63 million baht, and outbound freight cost increasing by 16.37 million baht. This increase in distribution costs is in line with the increase in sales volume.

Administrative expenses totaled 124.30 million baht, or 0.76 percent of total sales revenue. Compared to the same period last year, expenses increased by 8.12 million baht, or 6.98 percent, due to CSR expenses of 6.91 million baht and property and land tax of 1.44 million baht.

For the first 6 months of 2025, the Company had a profit from exchange rates of 24.01 million baht, or 0.15 percent of total sales, compared to the same period of the previous year. The Company had an increase in foreign exchange profit of 25.85 million baht and a gain from the measurement of derivative instruments of 54.94 million baht, or 0.34 percent of total sales, compared to the same period of the previous year. The Company has an increase in profit from the measurement of derivative instruments by 88.87 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 276.49 million baht, an increase of 51.70 million baht or 23.00 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 39.67 million baht, or 0.24 percent of sales revenue, an increase of 3.44 million baht compared to the same period of the previous year.

For the first six months of 2025, the company had a net profit of 1,162.83 million baht, representing a net profit margin of 7.14 percent of total sales revenue. Compared to the same period of the previous year, the company's net profit increased by 230.47 million baht, or 24.72 percent.

Financial Position

Statement of Financial Position	30-Jun-2025		31-Dec-2024		DIFF	
					Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	17,915.89	89.46%	17,268.40	88.75%	647.49	3.75%
Non-Current Assets	2,110.13	10.54%	2,189.40	11.25%	(79.27)	(3.62%)
Total Assets	20,026.02	100.00%	19,457.80	100.00%	568.22	2.92%
Total Liabilities	10,948.03	54.67%	10,969.84	56.38%	(21.80)	(0.20%)
Total Shareholders' Equity	9,077.99	45.33%	8,487.96	43.62%	590.03	6.95%
Total Liabilities and Shareholders' Equity	20,026.02	100.00%	19,457.80	100.00%	568.22	2.92%

The Company's total assets as of June 30, 2025, amounted to 20,026.02 million baht, an increase of 568.22 million baht or 2.92 percent from December 31, 2024, as summarized as follows:

Current assets increased by 647.49 million baht or 3.75 percent from the following items:

- Cash and cash equivalents decreased by 156.82 million baht or 70.98 percent from the repayment of short-term loans to financial institutions.
- Trade and other current receivables increased by 931.18 million baht or 111.65 percent, in line with increased sales revenue.
- Inventory decreased by 128.87 million baht or 0.79 percent because February-April of each year is the period when rubber farmers close their rubber fields, resulting in less rubber entering the market. Therefore, the company has less rubber purchased for stock.

Non-current assets decreased by 79.27 million baht or 3.62 percent, due to a decrease in net property, plant and equipment of 74.15 million baht and a decrease in deferred tax assets of 5.37 million baht.

The Company's total liabilities as of June 30, 2025 amounted to 10,948.03 million baht, a decrease of 21.81 million baht or 0.20 percent from December 31, 2024, mainly due to:

Current liabilities increased by 40.35 million baht or 0.73 percent from the following important items:

- Trade creditors increased by 182.24 million baht, or 60.95 percent, due to the Company having more contracts to purchase rubber raw materials, with payment terms upon receipt of the agreed-upon quantity of raw materials.
- Bank overdrafts and short-term loans from financial institutions decreased by 140.50 million baht or 3.46 percent due to the repayment of promissory notes to financial institutions.

Non-current liabilities decreased by 62.15 million baht or 1.14 percent due to a decrease in long-term loans of 55.23 million baht or 40.38 percent from repayment of due loans.

The Company's shareholders' equity as of June 30, 2025, amounted to 9,077.99 million baht, an increase of 590.03 million baht or 6.95 percent from December 31, 2024, resulting from important items as follows:

- Increased from the company's net profit for the first 6 months of 1,162.83 million baht.
- Decreased from the dividend payment that the Company paid from the operating results of 2024 according to the resolution of the general meeting of shareholders on April 10, 2025, the Company paid dividends to shareholders at the rate of 0.31 baht per share, totaling 572.81 million baht. The Company paid the dividends to shareholders on May 9, 2025.

For the Company's performance in the area of sustainability related to environmental, social and corporate governance operations for the second quarter of 2025, it consists of:

Environmental

The Company has implemented environmental projects, consisting of two waste and waste management projects and two water management projects, as follows:

1. Waste and waste management

NER Project joins together to reduce and separate waste sustainably The target is to reduce the total amount of plastic waste per ton of production compared to the base year of 2023. The target period is divided into 3 phases: a short-term target of 2025, a 20% reduction; a mid-term target of 30% reduction; and a long-term target of 50% reduction in 2028.

The results of the total plastic waste reduction operations in the second quarter of 2025 showed a 46.87 percent reduction in plastic waste compared to the base year. This reduction in the amount of plastic waste resulted in a reduction of greenhouse gas emissions of 17.84 kilograms of carbon dioxide equivalent.

Project to reduce landfill waste and non-hazardous waste from business processes The goal is to reduce the proportion of waste sent for landfill disposal compared to the base year of 2023, divided into 3 phases: a short-term goal

in 2025 of a 10% reduction, a medium-term goal in 2026 of a 15% reduction, and a long-term goal in 2028 of a 25% reduction.

In this regard, the operating results for the second quarter of 2025 showed that the amount of non-hazardous waste increased by 0.76 percent due to the production volume of the first six months of 2025 increasing from the production capacity of the first six months of 2023 (the base year). The amount of non-hazardous waste resulted in an increase in greenhouse gas emissions of 64 kilograms of carbon dioxide equivalent.

2. Water management

NER Project joins together to conserve water use sustainably The target is to reduce water usage rate per production unit (Water Intensity) in the base year 2023, divided into 3 phases: a short-term target in 2025 of a 10% reduction, a medium-term target in 2026 of a 15% reduction, and a long-term target in 2028 of a 20% reduction.

The results of operations in the second quarter of 2025 showed that the water usage rate could be reduced by 21.19 percent. This reduction in water usage resulted in a reduction of greenhouse gas emissions by 10.51 kilograms of carbon dioxide equivalent.

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 For example, the NER project cares for the health of people in the community, merit-making activities, community traditional events, other activities in the community, painting the school grounds at Ban Krasang School, blood donation activities, and the NER project for happiness, to jointly survey and solve problems affecting the company's operations.

Project to continue and preserve the community's cultural traditions Such as the Sangha Kathina Ceremony, support for the summer ordination ceremony, and other activities to preserve Buddhist culture.

Community occupation and income development project For example, the NER Green Market Project, supporting the vocational skills development project of the Skill Development Institute, Huai Rat District, Buriram Province.



2. Labor and human rights

Labor and Human Rights Awareness and Risk Assessment Project It was found that 520 employees received training from a total of 1,028 employees, representing 50.58 percent, and 61 out of 80 partners received training, representing 76.25 percent. Work safety training was provided to 241 contractors, representing 100 percent.

Project to strengthen whistleblowing and complaint resolution processes regarding labor and human rights The company has added 12 channels for complaints, 10 Red QR Codes, and other channels, such as email, website, and NER Line Open Chat. The company has also revised work regulations and welfare manuals, as well as conducted a satisfaction and engagement survey. Currently, we are collecting the results of the organizational satisfaction and engagement assessment for the first 6 months of 2025.

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 4 The company has organized seminars for trading partners and provided training on sustainable rubber plantation management, safety, occupational health and working environment, and labor rights. Along with explaining the company's business ethics to business partners and farmers in Buriram Province, focusing on Critical Tier 1 business partners first. For growth with the same goal of sustainability, there were a total of 65 farmer partners who attended the seminar.

NER project to prevent the import of products related to deforestation (EUDR) The company has set goals.

EUDR rubber support of 120,000 rai per year. In the second quarter of 2025, more than 54% of the rubber plantation area has been prepared, or approximately 65,418.46 rai.

2. Corporate governance and fair operations



In 2025, the Company was certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) Certification (Thai Private Sector Collective Action Against Corruption) at the 2-star level on September 30, 2024. And in the first quarter of 2025, the company has raised its anti-corruption activities to the Change Agent level or 3-star level by inviting the company's partners to join the Thai Private Sector Anti-Corruption Coalition. This reinforces

the business operations based on good governance principles and helps create a transparent business network free from corruption.



The Company received the AGM Checklist Level 5 (200 points) from the Thai Investors Association (TIA), demonstrating its transparency and good governance standards, in accordance with the established criteria.



The Company has received a 5-star Corporate Governance Report (CGR) rating from the Thai Institute of Directors Association, reflecting its responsible business operations in accordance with the principles of good governance.



The Company has participated in the CSR DIW Continuous Award for the third consecutive year to reflect the Company's social responsibility standards.

Please be informed accordingly

Yours sincerely,

(Mr. Sakchai Jongstapongpun)

Chief Financial Officer

North East Rubber Public Company Limited