

No. NER-SET 003/2026

February 19, 2026

Re: Management Discussion and Analysis for the year ended December 31, 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 year ended December 31, 2025 audited by the auditor and clarified the operating results for the year ended December 31, 2025. The Company results of the operation are as follows.

Comparison performance of the Company for years ended 2025 and 2024

Statement of Comprehensive Income	2025		2024		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales volume (Tons)	475,430		439,179		36,251	8.25%
Total Revenue from Local sales	21,452.73	70.94%	20,485.06	74.63%	967.67	4.72%
Total Revenue from Export sales	8,787.69	29.06%	6,963.28	25.37%	1,824.41	26.20%
Revenue from sales	30,240.42	100.00%	27,448.33	100.00%	2,792.08	10.17%
Other income	19.43	0.06%	19.22	0.07%	0.21	1.10%
Gain on exchange rate	79.43	0.26%	28.60	0.10%	50.83	177.71%
Unrealized gain on valuation of fair value of derivatives	43.82	0.14%	0.00	0.00%	43.82	100.00%
Gain (loss) on insurance claim from fire accident - net	127.10	0.42%	0.00	0.00%	127.10	100.00%
Total Revenue	30,510.20	100.00%	27,496.16	100.00%	3,014.04	10.96%
Cost of sales	27,313.51	90.32%	24,668.52	89.87%	2,644.99	10.72%
Gross profit	2,926.91	9.68%	2,779.81	10.13%	147.09	5.29%
Distribution costs	451.06	1.48%	368.37	1.34%	82.69	22.45%
Administrative expenses	252.89	0.83%	232.85	0.85%	20.04	8.61%
Unrealized loss on valuation of fair value of derivatives	-	0.00%	49.53	0.18%	(49.53)	(100.00%)
Operating profit	2,492.73	8.17%	2,176.89	7.92%	315.84	14.51%
Finance cost	548.07	1.80%	469.12	1.71%	78.95	16.83%
Profit (loss) before income tax	1,944.66	6.37%	1,707.77	6.22%	236.89	13.87%
Tax (income)	60.14	0.20%	55.30	0.20%	4.84	8.75%
Profit (loss) for the period	1,884.52	6.18%	1,652.47	6.02%	232.05	14.04%

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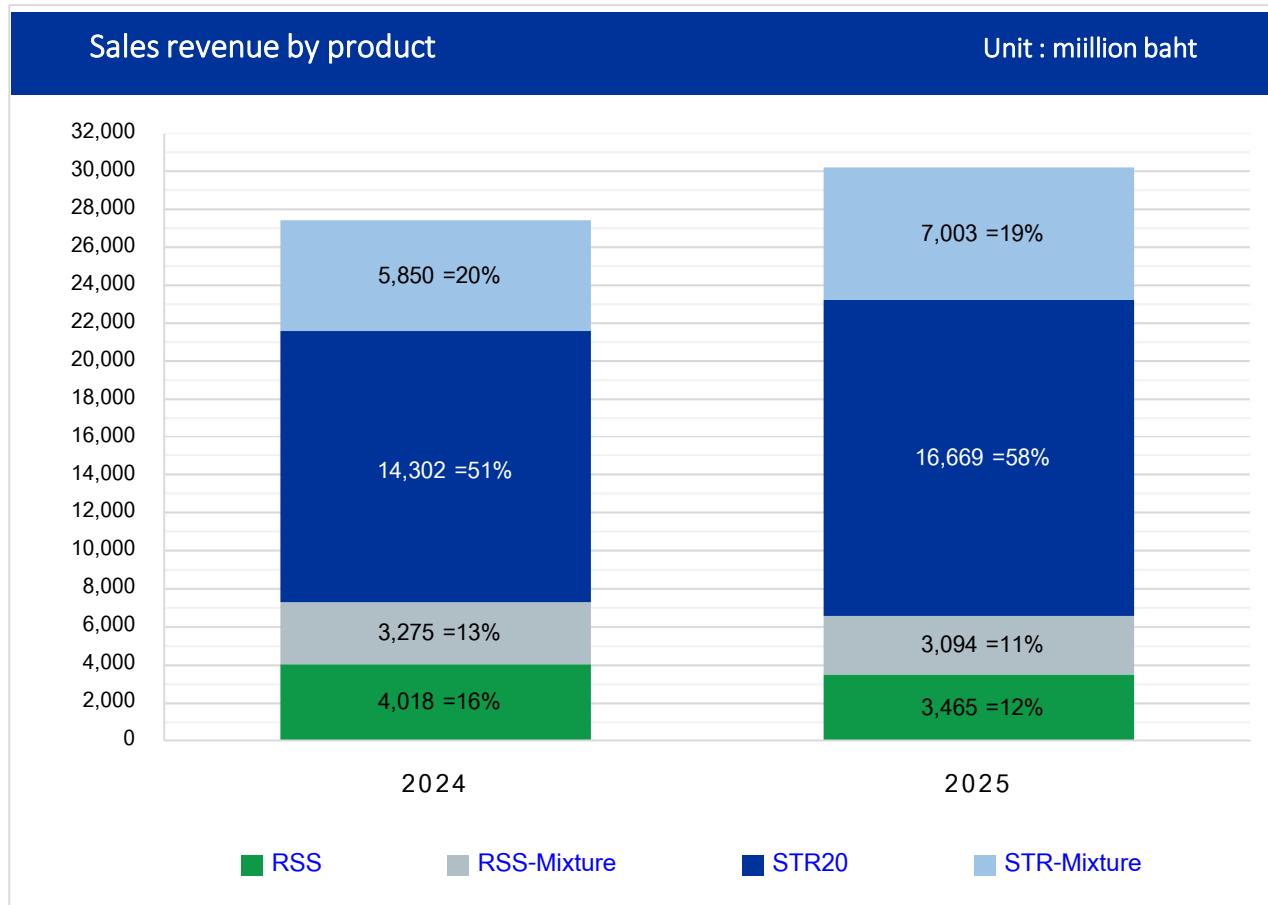
สำนักงานขาย : 589/156 ชั้น 29 อาคารเช็นทรัลชีฟ์ทาวเวอร์ ถนนเพชรบุรี แขวงบางนาเหนือ เขตบางนา กรุงเทพฯ 10260

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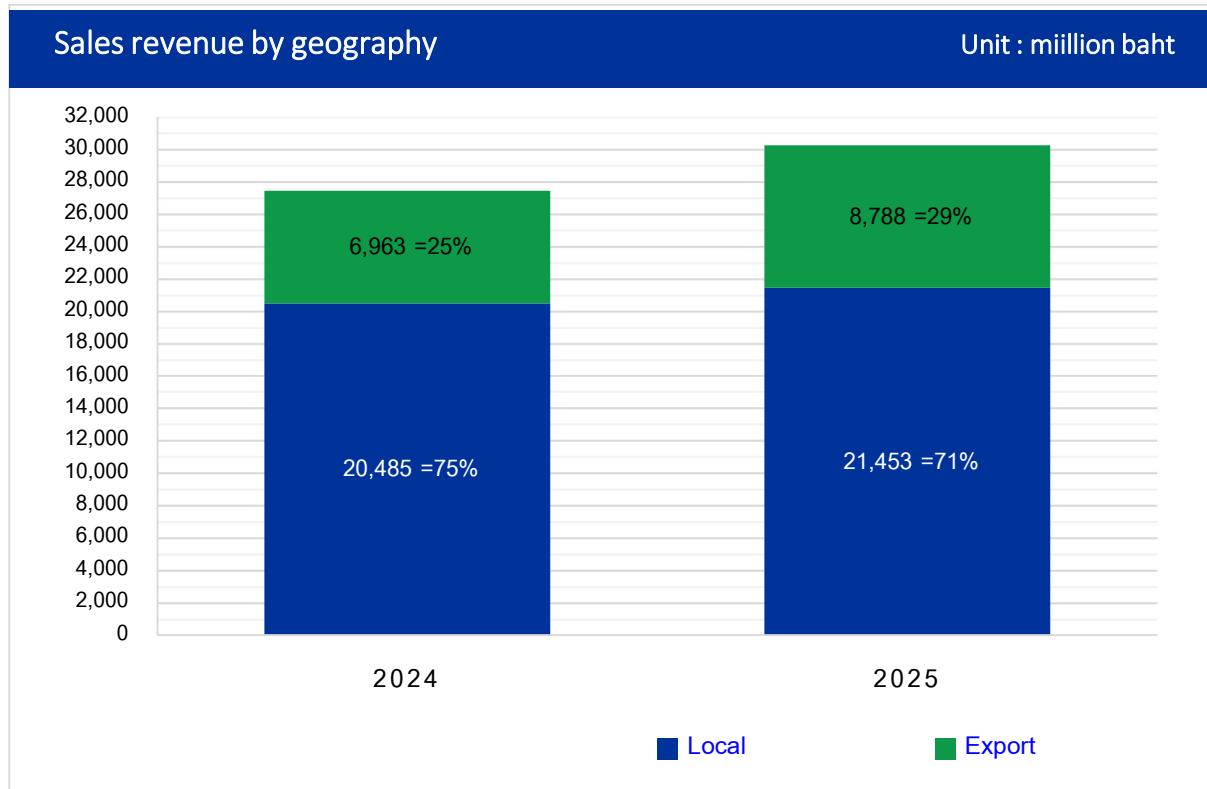
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Operating results for the year 2025, ended December 31, 2025, compared to 2024, show sales volume of 475,430 tons, an increase of 36,251 tons or 8.25 percent. Total sales revenue amounted to 30,240.42 million baht, an increase of 2,792.08 million baht or 10.17 percent. This is divided into domestic sales revenue of 21,452.73 million baht, or 70.94 percent of total sales, an increase of 967.67 million baht or 4.72 percent. And revenue from overseas sales amounted to 8,787.69 million baht, or 29.06 percent of total sales, an increase of 1,824.41 million baht, or 26.20 percent.

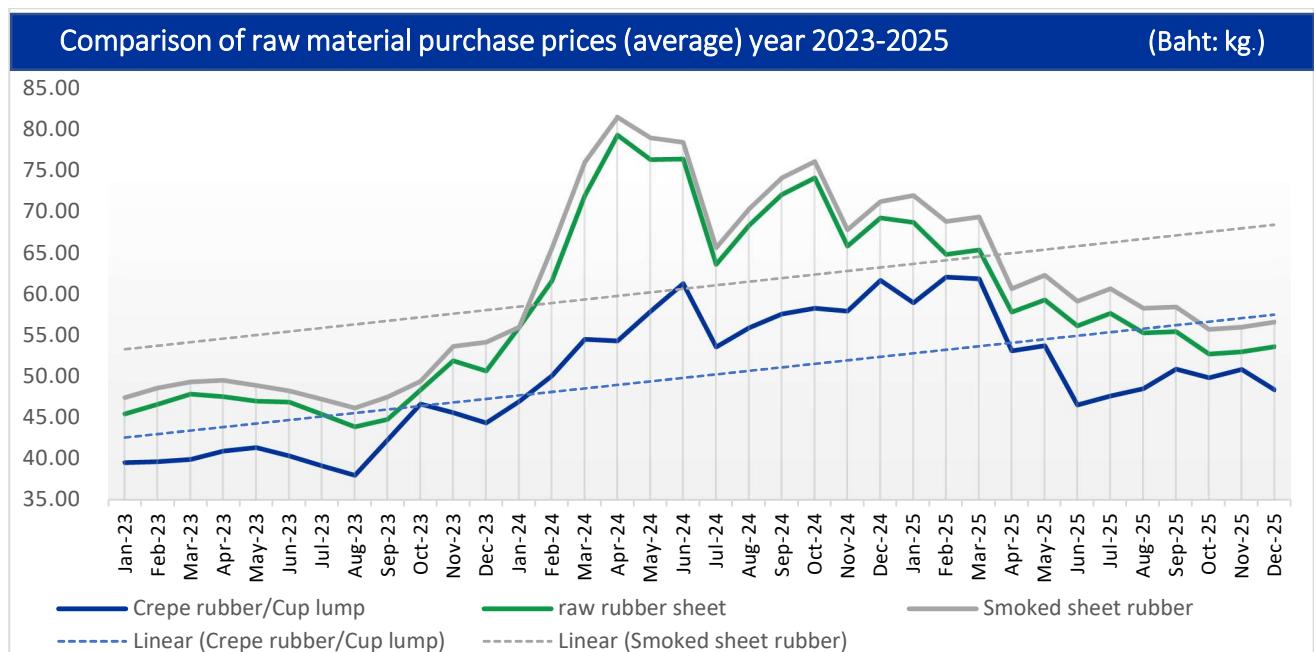
Sales revenue can be separated by product compared between 2025 and 2024 as follows:



Sales revenue in 2025 compared to 2024 shows an increase of 10.17 percent. The increase in revenue is partly due to an increase in the price difference, which amounted to 717.03 million baht. This represents an increase in quantity of 2,075.05 million baht.



The company's total cost of sales in 2025 was 27,313.51 million baht, or 90.32 percent of sales revenue. This is divided into raw material and consumable costs totaling 26,547.37 million baht, representing 87.79 percent of sales revenue. Compared to 2024, costs increased by 0.49 percent in proportion to raw material costs relative to sales revenue, based on the company's rubber purchase data and average rubber selling prices as follows:





Labor costs in 2025 are projected at 170.48 million baht, or 0.56 percent, compared to 2024, representing an increase of 23.30 million baht, which varies according to the increased production volume.

Production expenses amounted to 383.23 million baht, or 1.27 percent of sales revenue. Compared to 2024, costs increased by 35.35 million baht, which varies according to the increased production volume.

In 2025, compared to 2024, the company's cost of sales increased from 89.87% to 90.32%, or an increase of 0.45% of sales revenue. This resulted in a 0.45% decrease in the company's gross profit margin, falling from 10.13% in 2024 to 9.68% in 2025.

	2025		2024		YoY
	Million Baht	%	Million Baht	%	Increase (Decrease)
Sales volume (Tons)	475,430		439,179		36,251
Total Revenue from sales	30,240.42	100.00%	27,448.33	100.00%	2,792.08
Cost of sales	27,313.51	90.32%	24,668.52	89.87%	0.45%
Raw materials and consumables used	26,547.36	87.79%	23,961.45	87.30%	0.49%
Salary and labor	170.48	0.56%	147.18	0.54%	0.03%
Manufacturing Overhead	383.23	1.27%	347.88	1.27%	(0.00%)
Depreciation & Amortization	212.43	0.70%	212.01	0.77%	(0.07%)
Gross profit	2,926.91	9.68%	2,779.81	10.13%	(0.45%)

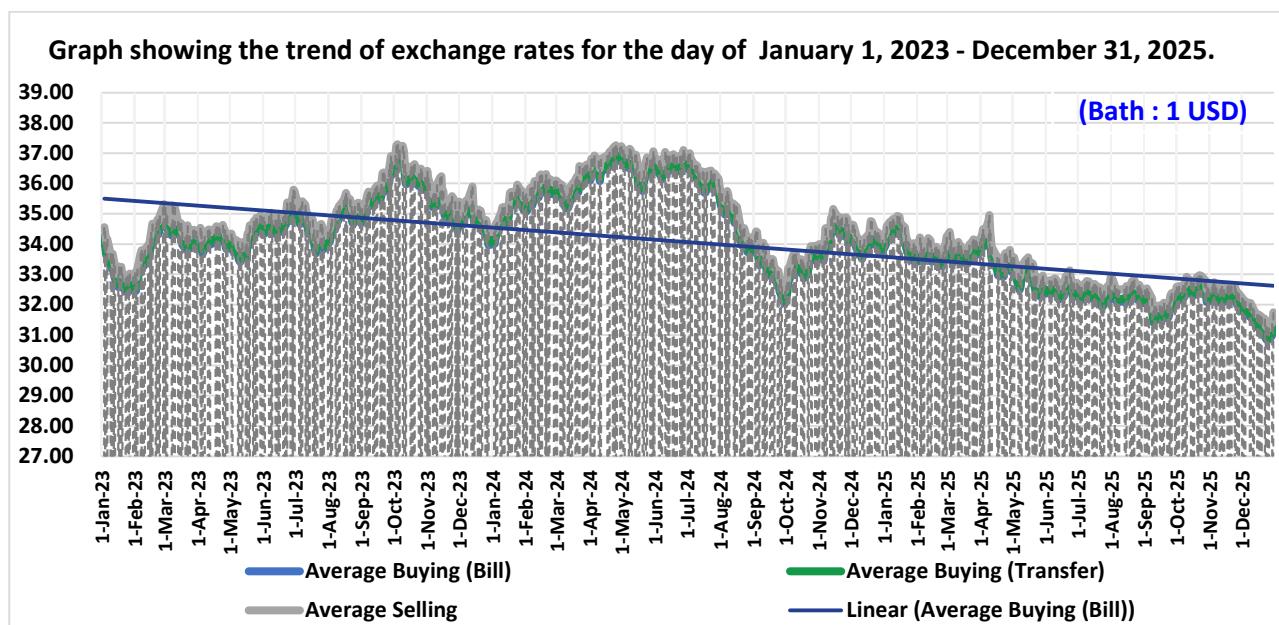
Distribution costs amounted to 451.06 million baht, or 1.48 percent of total sales. Compared to 2024, distribution costs increased by 82.69 million baht. The increase is broken down as follows: a 39.69 million baht increase in the rubber plantation welfare fund, a 17.57 million baht increase in goods transportation costs, and an 8.73 million baht increase in outbound shipping charges. Other selling-related expenses increased by 7.86 million baht, and commissions increased by 8.84 million baht. This increase in distribution costs is consistent with the increase in sales volume.

Administrative expenses amounted to 252.89 million baht, or 0.83 percent of total sales revenue. Compared to 2024, expenses increased by 20.04 million baht, or 8.61 percent. This resulted from increases in key expenses: security costs of 1.01 million baht, consulting fees of 1.62 million baht, and CSR activities where the company donated agricultural tools to community enterprises, totaling 16.56 million baht.

Difference on insurance claim from fire accident – net On July 20,2025, the fire accident occurred in the Company's warehouse (Phase 1) storing finished goods i.e.,Thai Rubber that triggered damages to the Company's finished goods, warehouse and other related equipment whereby the situation was under control in the same day and there was no impact on the normal operations as well as shipments to the Company's customers. The company has insurance coverage for both inventories and other assets that caught fire. In summary,damages that were found from exploration / investigation and the figures of insurance claim are as follows:

	2025
	Million Baht
Damage to finished goods	(113.57)
Damage on warehouse and other equipment	(38.08)
Total damages – at carrying amount under historical cost convention	(151.65)
Less Fire insurance claim received and receivable	278.75
Difference on insurance claim from fire accident – net	127.10

For the year 2025, the company had a gain from exchange rate fluctuations of 79.43 million baht, or 0.26 percent of total sales, compared to 2024. The company recorded an increase in exchange rate gains of 50.83 million baht and a gain from the valuation of derivative instruments of 43.82 million baht, or 0.14 percent of total sales, compared to 2024. The company recorded an increase in profit from the valuation of derivative instruments of 93.35 million baht. This represents the recognition of estimated accounting losses from forward foreign exchange contracts that the company entered into with financial institutions to mitigate risk management. The exchange rate volatility situation is as follows:



Financial costs amounted to 548.07 million baht, an increase of 78.95 million baht or 16.83 percent compared to 2024, primarily due to interest payments on promissory notes from financial institutions used as working capital.

Corporate income tax expenses amounted to 60.14 million baht, or 0.20 percent of sales revenue, a decrease of 4.84 million baht compared to the same period of the previous year.

Net profit for 2025 is 1,884.52 million baht, representing a net profit margin of 6.18 percent of total sales revenue. Compared to 2024, the company's net profit increased by 232.05 million baht, or 14.04 percent.

Financial Position

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Statement of Financial Position	31-Dec-2025		31-Dec-2024		DIFF	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	18,006.98	90.01%	17,268.40	88.75%	738.58	4.28%
Non-Current Assets	1,997.81	9.99%	2,189.40	11.25%	(191.59)	(8.75%)
Total Assets	20,004.79	100.00%	19,457.80	100.00%	546.99	2.81%
Total Liabilities	10,297.50	51.48%	10,969.84	56.38%	(672.33)	(6.13%)
Total Shareholders' Equity	9,707.29	48.52%	8,487.96	43.62%	1,219.33	14.37%
Total Liabilities and Shareholders' Equity	20,004.79	100.00%	19,457.80	100.00%	546.99	2.81%

The company's total assets as of December 31, 2025, amounted to 20,004.79 million baht, an increase of 546.99 million baht or 2.81 percent from December 31, 2024. A summary is as follows:

Current assets increased by 738.58 million baht, or 4.28 percent, from the following items:

- Cash and cash equivalents decreased by 161.04 million baht, or 72.89 percent, due to repayments of short-term loans to financial institutions.
- Trade receivables and other current receivables increased by 82.66 million baht, or 9.88 percent, in line with increased sales revenue.
- Inventory increased by 815.52 million baht, or 5.03 percent, due to the purchase of rubber to stockpile in order to ensure sufficient rubber quantities to meet orders based on rubber sheet production capacity.

Non-current assets decreased by 191.59 million baht, or 8.75 percent, primarily due to a net decrease in land, buildings, and equipment of 168.26 million baht, and a net decrease in right-of-use assets of 4.04 million baht. Fixed deposits used as collateral for loans decreased by 14.34 million baht, and deferred income tax assets decreased by 5.73 million baht.

The company's total liabilities as of December 31, 2025 amounted to 10,297.50 million baht, a decrease of 672.33 million baht or 6.13 percent from December 31, 2024, mainly due to:

Current liabilities increased by 255.23 million baht, or decreased by 4.61 percent, due to the following significant items:

- Trade payables decreased by 56.38 million baht, or 18.75 percent, due to the company having contracts to purchase rubber raw materials with payment terms upon full delivery of the agreed-upon quantity.

- Overdrafts and short-term loans from financial institutions increased by 353.10 million baht, or 8.70 percent, due to the use of working capital from financial institutions.
- Long-term loans from financial institutions maturing within one year decreased by 20.25 million baht, or 13.67 percent, due to repayments of long-term loans to financial institutions.
- Outstanding corporate income tax payments decreased by 18.93 million baht from corporate income tax for the year 2025.

Non-current liabilities decreased by 927.56 million baht, or 17.06 percent, from bonds maturing in November 2025.

The company's shareholders' equity as of December 31, 2025, amounted to 9,707.29 million baht, an increase of 1,219.33 million baht or 14.37 percent from December 31, 2024, resulting from the following significant items:

- An increase from the net profit for the year 2025 of 1,884.52 million baht.
- A decrease from two dividend payments, the first of which was from the 2024 operating results as resolved at the Annual General Meeting of Shareholders on April 10, 2025, at a rate of 0.31 baht per share, totaling 572.8 million baht. Paid from the profits derived from all investment promotion, the company has already paid the dividend to shareholders on May 8, 2025. And for the second time, the company will pay an interim dividend from the operating results for the six-month period ended June 30, 2025, as resolved by the Board of Directors meeting on August 8, 2025. At a rate of 0.05 baht per share, totaling 92.4 million baht, the payment will be made from the profits derived from all investment promotion. The company has already paid the dividend to shareholders on September 5, 2025.

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

Environmental

The Company has implemented environmental projects consisting of two waste and waste-management projects, one water management project, one energy management project, and one greenhouse gas management project, as follows:

1. Waste Management

NER Sustainable Waste Reduction Project: The project aims to reduce total plastic waste intensity (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 2025, plastic waste per production ton decreased by an average of 17.37% compared to the 2023 baseline. Although the result did not fully achieve the 2025 target of 20%, due to a fire incident during the year which resulted in excess waste generation, the reduction contributed to an estimated decrease of 5.37 tons CO₂eq. in greenhouse gas emissions.

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 2025, non-hazardous waste decreased by 15.94% compared to the baseline year, exceeding the 2025 target. This reduction resulted in an estimated decrease of 8.65 tons CO₂eq in greenhouse gas emissions.

2. Water management

NER Sustainable Water Project: The project aims to reduce water intensity (water usage per production ton) 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 2025, water intensity decreased by 14.84% compared to the baseline year, exceeding the 2025 target. This reduction contributed to an estimated decrease of 21.03 tons CO₂eq in greenhouse gas emissions.

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 2025, energy consumption per production ton increased by 14.68% at STR-1 and 15.19% at STR-2.

4. Greenhouse Gas Management

The Company applied for certification of its Carbon Footprint for Organization (CFO) under the standards of the Thailand Greenhouse Gas Management Organization (TGO) and ISO 14064-1, the international standard for organizational greenhouse gas quantification and reporting, for the year 2025. Verification was conducted by ECEE Co., Ltd. in January 2026. The results indicate Scope 1 emissions of 8,855.48 tons CO₂eq,

Scope 2 emissions of 17,528.39 tons CO₂eq, and Scope 3 emissions of 71,176.64 tons CO₂eq, totaling 97,560.51 tons CO₂eq, compared with the base year (2021), greenhouse gas emissions intensity was 0.060 tons CO₂eq per production ton, representing a 9.09% reduction from the 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: Activities included participation in traditional community events, school sports, equipment support, the “NER Community Health Cares” initiative, blood donation campaigns, and the “1st NER Games” event.

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Cultural Preservation Project: 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” were implemented to promote local occupations and generate income for community members.

In 2025, a total of 135 community engagement activities were conducted, achieving an average Social Return on Investment (SROI) of 4.73 and an average participant satisfaction rate of 96.11%, with the highest SROI of 20.4 generated by the “NER Cares for Community Health” project.



2. Labor and human rights

Labor and Human Rights Awareness & Risk Assessment Project: All 962 employees received training, representing 100% coverage. In addition, safety training was provided to 520 contractors, also achieving 100% coverage.

Whistleblowing and Grievance Mechanisms Enhancement Project: The company expanded reporting channels, including 12 suggestion boxes and 10 Red QR Codes, as well as other channels such as email, website, and NER Line Open Chat. Work regulations and employee welfare manuals were updated.

In 2025, no labor or human rights complaints were reported. The organizational engagement survey result was 87.58%.

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 targets supporting 120,000 rai of EUDR-compliant rubber annually; as of 2025, 100% of the designated plantation areas had been prepared, with plans underway to develop a carbon credit system in collaboration with participating rubber farmers.

2. Corporate governance and fair operations



The Company upgraded its anti-corruption initiatives to Change Agent 3-star level by encouraging suppliers to join the Thai Private Sector Collective Action Against Corruption (CAC), reinforcing its commitment to good corporate governance and transparent business practices.



The Company received a 200-point AGM Checklist score from the Thai Investors Association (TIA) for the second consecutive year.



The Company was awarded a 5-star Corporate Governance Report (CGR) rating by the Thai Institute of Directors (IOD).



The Company received the CSR DIW Continuous Award for the third consecutive year and the CSR Awards 2025 (Buriram Province), reflecting its commitment to corporate social responsibility standards.



The Company was upgraded from Bronze to Silver level in the ecovadis sustainability assessment in 2025, demonstrating progress in strengthening sustainability practices in line with international standards.



The Company has been awarded the Green Industry Level 3 certification for the ninth consecutive year by the Department of Industrial Works, demonstrating its continued commitment to systematic environmental management, climate impact mitigation, and efficient resource utilization.



The Company was selected as one of the ESG100 companies for 2025 by Thaipat Institute, recognizing its outstanding performance in environmental, social, and governance (ESG) practices.



The Company was selected as a constituent of the SET ESG Ratings 2025 by the Stock Exchange of Thailand, achieving the highest rating level of "AAA."



The Company received the SET Awards 2025 from the Stock Exchange of Thailand (SET) earning three awards as follows:

1. Outstanding Investor Relations Awards, recognizing companies with exceptional performance in investor relations practices.
2. Best Investor Relations Awards, presented to listed companies demonstrating the highest standards of transparent and effective communication with investors.
3. Commended Sustainability Awards, recognizing listed companies that conduct business with a strong commitment to sustainability.

Please be informed accordingly

Yours sincerely,

(Mr. Sakchai Jongstapongpun)

Chief Financial Officer

North East Rubber Public Company Limited