



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

AIE 108/2021

May 12, 2021

Subject: Management's Discussion and Analysis for 1st quarter of 2021 ended as of March 31, 2021

Attention: President

The Stock Exchange of Thailand

AI Energy Public Company Limited (AIE) would like to submit the financial statement for 1st quarter of 2021 ended as of March 31, 2021, (1 January – 31 March), which details are as following;

Results	1 st quarter 2021		1 st quarter 2020		YoY	
	Million Baht	%	Million Baht	%	Million Baht	%
Sale	1,455.25	100.00%	1,837.13	99.74%	(381.88)	(20.79%)
Service	0.00	0.00%	4.88	0.26%	(4.88)	(100.00%)
Total Revenues	1,455.25	100.00%	1,842.01	100.00%	(386.76)	(21.00%)
Cost of Goods Sold	(1,319.00)	(90.64%)	(1,665.17)	(90.64%)	(346.17)	(20.79%)
NRV	0.00	0.00%	(3.35)	(0.18%)	(3.35)	(100.00%)
Cost of Service	0.00	0.00%	(10.35)	(212.07%)	(10.35)	(100.00%)
Gross Profit (Loss)	136.25	9.36%	163.14	8.86%	(26.89)	(16.48%)
Other Income	0.93	0.06%	1.55	0.08%	(0.62)	(39.95%)
SG&A	(26.79)	(1.84%)	(28.99)	(1.57%)	(2.20)	(7.58%)
Financial cost & Tax Expense	0.25	0.02%	(3.46)	(0.19%)	(3.70)	(107.12%)
Net Profit (Loss)	110.64	7.60%	132.25	7.18%	(21.61)	(16.34%)
Earnings per share (Baht per share)	0.0211		0.0253		(0.0041)	(16.34%)
Net Profit (Loss)						
After adjusted EBITDA	140.59	9.66%	161.29	8.76%	(20.71)	(12.84%)



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

Net Profit (Loss)

The Company and subsidiaries (Consolidated) realized net profit of 110.64 million Baht in the 1st quarter of 2021, and net profit of 132.25 million Baht in the 1st quarter of 2020. The Company's net profit has decreased by 21.61 million Baht or 16.34 % from the previous year. In this regard, the Company had earnings after adjusting EBITDA in the first quarter of 2021 equal to 140.59 million baht, a decrease from the first quarter of 2021 by 20.71 million baht or decrease 12.84 %. The declining sales volume was due to the decrease in domestic demand for diesel. This is affected by a new outbreak of COVID-19 virus since early 2021. Additionally, the announcement of B10 blended mandate instead of B7 has not cultivated the demand for biodiesel as much as expected.

In the 1st quarter of 2021, The Company (Separate) has realized net profit of 114.48 million Baht compared to net profit of 133.26 million Baht in the 1st quarter of 2020. The Company's net profit has decreased by 18.87 million Baht or 14.09 %. However, the Company aware of the price fluctuation risks, has set the policy determined especially in raw material procurement procedures. The Company attempt to maintain a faster inventory turnover, where raw material (CPO) and product (Biodiesel) were stocked during 15-30 days in the 1st quarter of 2021. Besides, the Company emphasis on efficiently control production yield.

Subsidiaries realized net loss of 4.27 million Baht in the 1st quarter of 2021 and net loss of 2.29 million Baht in the 1st quarter of 2020, comparing increased loss by 1.98 million Baht from the continued operating losses. At present, the subsidiary (AIPT) has temporarily ceased its operations and the subsidiary (AIL) is in the process of liquidation and its business is closed.

Gross Profit (Loss)

The Company has a gross profit from sales of goods and services in the 1st quarter of 2021 of 136.25 million Baht, decreased by 26.89 million Baht, or 0.18 % comparing to the 1st quarter of 2020, which realized gross profit of 168.61 million Baht.

For the following reasons;



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

The result of the 1 st quarter of 2021 (Unit: Million Baht)	Biodiesel	Vessel	Total Sale	Other	Total
	Edible oil	operating	and service	income	revenues
	Refined glycerine				
	Byproduct				
Revenues from sales and services	1,455.25	0.00	1,455.25	0.93	1,456.18
Cost of sales and services	(1,319.00)	0.00	(1,319.00)	0.00	(1,319.00)
Allowance for devaluation of inventories	0.00	0.00	0.00		0.00
Gross profit (loss) by segment	136.25	0.00	136.25	0.93	137.18
Segment income (%)	99.94	0.00	99.94	0.06	100.00
Sales to Cost of Sales (%)	90.64	0.00	90.64	0.00	90.58

The result of the 1 st quarter of 2020 (Unit: Million Baht)	Biodiesel	Vessel	Total Sale	Other	Total
	Edible oil	operating	and service	income	revenues
	Refined glycerine				
	Byproduct				
Revenues from sales and services	1,837.13	4.88	1,842.01	1.55	1,843.56
Cost of sales and services	(1,665.17)	(10.35)	(1,675.52)	0.00	(1,675.52)
Allowance for devaluation of inventories	(3.35)	0.00	(3.35)	0.00	(3.35)
Gross profit (loss) by segment	168.61	(5.47)	163.14	1.55	164.69
Segment income (%)	99.65	0.26	99.92	0.08	100.00
Sales to Cost of Sales (%)	90.82	212.09	91.14	0.00	91.07



Compare the results of the operation	Biodiesel	Vessel	Total Sale	Other	Total
	Edible oil	operating	and service	income	revenues
	Refined glycerine				
	Byproduct				
Segment revenue variance (million baht)	(381.88)	(4.88)	(386.76)	(0.62)	(387.38)
The difference of rates revenue (%)	(20.79)	(100.00)	(21.00)	(40.00)	(21.01)
Sales cost variance (million Baht)	(349.52)	(10.35)	(359.87)	0.00	(359.87)
The rate of sales cost variance as (%)	(20.99)	(100.00)	(21.48)	0.00	(21.48)
The difference of cost rates (sales, Upselling %)	(0.18)	(212.09)	(0.51)	0.00	(0.49)

Revenue from Sales and Services

1. Revenue from Sales and Services

The Company and subsidiaries realized the revenue as of the 1st quarter of 2021 for 1,455.25 million Baht which decreased by 386.76 million Baht or 21.00 % from the 1st quarter of 2020, which realized the revenue of 1,842.01 million Baht, where the reasons are summarized as follows;

1.1 Sales of Biodiesel, Edible oil, Refined Glycerine and By-product

The Company's revenue from sales of biodiesel, edible oil, refined glycerine and by-products in the 1st quarter of 2021 was decreased by 381.88 million Baht or 20.79% from the 1st quarter of 2020 due to the decreased in quantities sold.

The Company's products were sold in the 1st quarter of 2021 less than those in the 1st quarter of 2020 by 32.35% and the average selling price per unit of product was increased by 17.05% as followed.

- Biodiesel's quantity sold in the 1st quarter of 2021 was decreased by 25.40% and average selling price was increased by 8.66% when compared to the 1st quarter of 2020. The existing customers have reduced their minimum order due to the 2nd and 3rd waves of COVID-19's breakouts since the beginning of 2021, which leads to less travel activities among Thai citizens who are more concerned and cautious about traveling outside their homes. Even though, there is no lock down order from the government. Coupled with the demand for less diesel fuel in part for mass transportations, tourism, and



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

commercial logistics. As a result, the overall diesel consumption of the country has decreased, and the announcement of B10 as a standard diesel instead of B7 has not been cultivated by consumers as expected. The biodiesel's selling prices were increased in corresponding with the escalation in CPO prices (Main raw material) as in the 1st quarter of 2021 had an average price of 37,600 Baht / ton, which is higher than the 1st quarter of 2020 with an average price of 33,900 Baht / ton (Source: Department of Internal Trade). The CPO price risen compared to the previous year owing to the low CPO stock level (nationwide) of 133,079 tons as of March 2021 caused by less output production in the harvest season.

- Edible Oil's Quantity sold in the 1st quarter of 2021 was decreased by 60.91% when compared to the 1st quarter of 2020, and the average selling price was increased by 16.88% from the average selling price in 1st quarter of 2020 and total sales of Edible oil decreased by 53.84%. The existing customers had reduced order in line with the impact that they experienced from the COVID-19's new wave of outbreaks. Currently, Company only sells to some industrial customers, which entered into short-term contract with specific quantities and delivery term (Made to Order). This helps the Company to efficiently control inventories aging and procurement that prevent risk from CPO's prices fluctuation.
- Refined Glycerine sold in the 1st quarter of 2021 has increased in sales volume by 67.55% and increase in selling prices by 76.51% from the 1st quarter of 2020. The total sales value has increased by 195.73% from both quantity and price aspects. The increasing of sales revenue from refined glycerine primarily from its selling price escalated due to tight supply from lower biodiesel production domestically and internationally, which the weaken biodiesel demand in transportation and tourism factors effected by COVID-19.
- By-products in the 1st quarter of 2021, there was no sales of by-products. The Company shall only sell by-products that excess the need of its biodiesel and refined glycerine productions. In 1st quarter of 2020, the by-products were sold at the market price of each product.

1.2 Revenue from Refining Service

The Company did not provide refining service revenue in the 1st quarter of 2021 and 2020 because there was not enough capacity to services. However, the Company is considering providing the manufacturing service again in the following quarters.



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

2. Other Income

Other Income consist of sales of scrap materials, interest income, gain on changes in fair value of short-term investment, and penalties for late payments of trade accounts receivable, etc.

The Company and its subsidiaries had revenue from Other Income in the 1st quarter of 2021 and the 1st quarter of 2020 for 0.93 million Baht and 1.55 million Baht, has decreased by 0.62 million Baht or decreased by 39.95%

Cost of Sales and Services

The Company and subsidiaries' cost of sales and services in the 1st quarter of 2021 was 1,319.00 million Baht and the ratio of cost of sales over total revenue was 90.64 %, in the 1st quarter of 2020 was 1,675.52 million Baht with the ratio of 91.14%, which decreased by 0.51%. There is no record of the allowance for diminishing value of inventories (NRV) as of March 31st, 2021, but has realized the allowance for diminishing value of inventories (NRV) 3.35 million Baht as of March 31st, 2020 where the reasons are summarized as follows.

1. Cost of Sales- Biodiesel, Edible Oil, Refined Glycerine and By-products

The Company's ratio of cost of sales to total revenue in the 1st quarter of 2021 has slightly decreased from the 1st quarter of 2020 by 0.18%. Although, the quantity sold has decreased with a stable CPO price during December 2020 to February 2021 before CPO price was significantly decreased in the end of March 2021. However, the Company had been managed inventories turnover to maximize efficiency.

- In the 1st quarter of 2021, the Biodiesel's ratio of cost of sales to total revenue was increased from in the 1st quarter of 2020 to 2.70% or increased by 3.04% due to the decreased in sales volume. As a result, the Company was reducing the ability to average the fixed costs. The Company has achievably controlled the production's loss in order to compensate the increased in the fixed costs. The Company has emphasised on managing raw materials and inventory to have a faster turnover rate and keep the inventories between 15-30 days in order to avoid the risk from the fluctuation of palm oil prices, which is an important factor of the Company's profitability. As of March 31st, 2021, the Company has no NRV in Biodiesel inventories.



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

- In the 1st quarter of 2021, the Edible Oil's ratio of cost of sales to total revenue decreased from the 1st quarter of 2020 to 9.23% or decreased by 9.72%. The Company was possible to generate profit from this business unit since there were Made to Order. But the storage of crude palm oil cannot be stored separately. As a result, the production cost fluctuates according to the raw material price during the changing period.
- In the 1st quarter of 2021, Refined Glycerine has a lower cost of sales than those in the 1st quarter of 2020 by 85.72% or 55.35%. The market price of refined glycerine is increasing in corresponding with the limited supply, which was affected by the new wave of COVID-19 outbreaks.
- In the 1st quarter of 2021, there was no by-products sold. All were used in biodiesel and refined glycerine productions. Whilst, the 1st quarter of 2020, a cost of sales to sales rate was 129.13%. The Company has determined the cost of by-products according to the market selling prices since 2nd quarter of 2019 onwards. As of March 31st, 2020, the market price was continuously decreased which led to higher cost of by-products. Therefore, the Company has realized its stock loss (NRV) of by-product inventories to 1.00 million Baht.

2. Cost of Refining Service

There was no Refining Service transaction since the 1st quarter of 2020. The Company's capacity was fully occupied, no capacity left to fulfil this segment. The refining service's volumes also share the Company's overhead costs, which help to maintain production cost as low as possible. However, the Company is considering to offer refining services among previous customers again since the quantity sold has been dropped in the 1st quarter of 2021.

Selling Expenses

The Company and its subsidiaries' selling expense mostly consists of domestic freight (In-land). In the 1st quarter of 2021 was 7.72 million Baht, which decreased by 2.06 million Baht or 21.06% from 9.78 million Baht. In the 1st quarter of 2020. Due to the decreased in quantities sold.



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

Administration Expenses

The Company and subsidiaries' administration expenses in the 1st quarter of 2021 was 19.07 million Baht which decreased by 0.14 million Baht or 0.73% from 19.21 million Baht in the 1st quarter of 2020.

Financial Cost and Tax Expense

The Company and subsidiaries have no financial costs in the 1st quarter of 2021 and 3.23 million Baht in the 1st quarter of 2020, which was the interest from the loaned from the related-parties that used as working capital.

In the 1st quarter of 2021, the Company and subsidiaries had tax income of 0.25 million Baht and had tax expense 0.22 million Baht in the 1st quarter of 2020.

Please be informed accordingly

Yours Sincerely,

AI Energy Public Company Limited

Miss Pimwan Thareratanavibool

Managing Director

Corporate Secretary Tel: 034-877-485-8 Ext. 500

Email: ir@aienergy.co.th