

CS-2302023

14th February 2023

Subject: Management Discussion and Analysis for the three-month period ended 31 December 2022
To: President
The Stock Exchange of Thailand

Thai Energy Storage Technology Public Company Limited (the "Company" or "3K-BAT") hereby submits management discussion and analysis for the three-month period ended 31 December 2022 are as follow.

Operating Results

Total Revenues

For the three-month period ended 31 December 2022 and 2021, the Company's sales revenues were THB 1,181.01 million and THB 1,492.35 million, respectively decreased by THB 311.34 million or 20.86 percent due to the baht depreciation from the previous year, which effected exports sale and inflation in foreign countries.

Cost of Sales and Gross Profit

For the three-month period ended 31 December 2022 and 2021, the Company's costs of sales were THB 989.71 million and THB 1,222.66 million, respectively decreased by THB 232.95 million or 19.05 percent. The Company's gross profit margins for the period 2022 and 2021 were equal to 16.20 percent and 18.07 percent respectively due to the depreciation of the baht between 35-38 baht per US dollar. As a result, the price of imported Lead was higher than the previous year.

Selling and administrative expenses

For the three-month period ended 31 December 2022 and 2021, selling and administrative expenses was Baht 189.65 million, or accounted for 16.06 percent of sales income, compared in the same period of previous year the amount was Baht 230.13 million or accounted for 15.42 percent of sales income, decreased by Baht 40.48 million due to the decreased in export sale and loss on exchange THB 23.54 million and THB 15.44 million respectively increased by THB 8.10 million.

Net Profit

For the three-month period ended 31 December 2022 and 2021, the Company's net profits attributable to equity holders of the Company were loss THB 30.61 million and profit THB 19.31 million respectively, decreased by THB 49.92 million, the Company's Loss per share equals to 0.39 Baht per share and profit 0.25 Baht per share, Due to increased loss on exchange rate and a decrease in gross profit margins.

Financial Positions

Assets

As of 31 December 2022, the Company's total assets were THB 3,802.89 million which decreased from the total assets as of 31 March 2022 to THB 154.04 million or 3.89 percent. The main decreasing of inventories.

Liabilities

As of 31 December 2022, the Company's total liabilities were THB 1,444.05 million, which decreased from the liabilities as of 31 March 2022 by to THB 254.18 million or 14.97 percent. Such changes were mainly due to the decreasing in Loan from a related party to THB 76.78 million, Trade and other payables to THB 121.24 million.

Shareholders' equity

As of 31 December 2022, the shareholders' equity of the Company was equal to THB 2,350.54 million increased from balance as of 31 March 2022 by THB 98.86 million or 4.39 percent, the changes in equity due to net profit for the period ended 31 December 2022 and dividend paid.

Liquidity and Appropriateness of Capital Structure

As of 31 December 2022, the Company's cash had THB 481.05 million, increased by THB 88.08 million as compared to 31 March 2022. The Company's current assets/current liabilities ratio had 2.28 time and 2.09 time as compared to 31 March 2022 due to decreasing in Trade and other payables.

As of 31 December 2022, the Company had Trade and other receivables amounted to THB 470.05 million, decrease by Baht 132.47 million as compared to 31 March 2022 due to decreasing in line with sale volume.

At of 31 December 2022 and 31 March 2022, the Company's debt/equity ratio was 0.61: 0.75.

Please be informed accordingly.

Yours faithfully,

- Signed -

(Mr. Akihiko Emori)

Chief Executive Officer