

Subject Management Discussion and Analysis for the year ended 31<sup>st</sup> Dec 2022

To Managing Director  
The Stock Exchange of Thailand

Premier Tank Corporation Plc. ("the Company") would like to reveal performance and financial status for the year ended 31<sup>st</sup> December 2022 as the following;

Financial Highlights

Performance	2021	2022	Change	
			Million baht	%
Rental and Service Income	221.15	197.06	(24.09)	(10.89%)
Costs of rental and services*	57.89	59.24	1.35	2.33%
Gross Profit	163.26	137.81	(25.44)	(15.58%)
Administrative Expenses *	36.04	34.61	(1.44)	(3.99%)
Financial Costs	8.12	1.13	(6.98)	(86.02%)
Net Profit	97.90	83.72	(14.18)	(14.49%)
<b>Basic earnings per share (THB/Share)**</b>	<b>0.33</b>	<b>0.21</b>		

\* Certain amounts in the statement of profit or loss and other comprehensive reclassified according to the transactions in the 2022 financial statements.

\*\*The weighted average method is used to calculate basic earnings per share by dividing the net profit for the year by the number of paid-up common shares outstanding during the year. In 2022, the number of shares used as a basis for the calculation increased (the "dilution effect") from 300 million shares to 410 million shares after the initial public offering in February 2022

Performance Overview in 2022

The overall economy in 2022 is still recovering from the COVID-19 epidemic and is likely to return to normalcy. But we still have to keep an eye on the adjustment of energy prices. In the uncertainties of the Russo-Ukrainian War, the price of energy and the cost of living increased, including the change in consumer behavior after COVID entered the digital society. One of the challenges that companies must adapt to in order to keep up with the changes is the trend of environmental conservation and an increasing emphasis on ESG .

Fuel consumption in Thailand, the Department of Energy Business reported an overview of fuel consumption in 2022. **Gasoline consumption averaged** 30.16 million liters per day, increased by 3.9% from the same period last year. **Diesel consumption averaged** 73.05 million liters per day, increased by 15.7% from the same period last year due to the government's policy of stabilizing diesel prices at no more than 35.00 baht per liter, reducing the excise tax rate on diesel fuel until 20 January 2023, and using the fuel fund mechanism to assist in alleviating the suffering of individuals and businesses as a result of fluctuating global energy prices.

In 2022, the Company's net profit is accounted for Baht 83.72 million which decreased for Baht 14.18 million or 14.49 % from the same period last year due to a decrease in revenue due to a lower service rate under one service contract and an increase in service costs, primarily the safety cost. Although the amount of fuel distribution in both terminals increased by 1.96 % compared to the same period last year, in line with the economic recovery, it is still fragile because it faces energy price inflation, causing people and industry to control such expenses and costs. As a result, the amount of oil consumption did not increase according to the set target. However, after the company used the money received from the initial public offering (IPO) to repay all long-term loans with financial institutions, the interest expenses decreased by Baht 6.98 million, or 86.02 %, resulting in a decrease in the net profit margin from 44.06 % in 2021 to 42.11 % in 2022

## Performance 2022

### Revenue

In 2022, the Company's petroleum service at Khon Kaen terminal increased by 8.68 % and that at Sisaket terminal decreased by 16.94 %. The overall in 2022, the amount of fuel distribution in both terminals increased by 1.96 % compared to the same period last year, the Company had rental and service income of Baht 197.06 million which decrease for Baht 24.09 million or 10.89% due to decrease in service rate of one service agreement in the 8th year. However, annual service rate is also adjusted according to the increase in the consumer price index, as agreed in the contract.

### Cost

The cost of rental and services in 2022 was Baht 59.24 million which increase by Baht 1.35 million or 2.33% from 2021 mainly due to increase in the cost of improving the retaining wall to prevent soil subsidence, maintaining large cycles at the unloading pump system, and re-check the tank's scale (Tank calibration) every 5 years according to the period specified by law.

### Gross profit

In 2022, the Company's gross profit is accounted for Baht 137.81 million which decreased for Baht 25.44 million or 15.58 % from 2021, due to a decrease in revenue due to the contract's reduced service rate and increase in costs of services and rental of Baht 1.35 million from primarily due to safety expenses.

### Administrative expenses

Administrative expenses were Baht 34.61 million in 2022 which decrease for Baht 1.44 million or 3.99% from 2021, due to the absence of expenses related to preparing to be listed on the stock exchange, such as financial advisor fees, professional fees, other fees, and so on.

### Financial Costs

Financial costs for the year 2022 decreased by Baht 6.98 million or 86.02% compared to the year 2021, reason is the decrease of interest expenses from long-term loan repayment by cash flow from activities and Initial Public Offering ("IPO") proceed, resulting in a decrease in the burden of interest payments for the company.

### Net Profit

Net profit for the year 2022 was Baht 83.72 million which decrease for Baht 14.18 million or 14.49% compared to 2021. Although the amount of fuel distribution in both terminals increased by 1.96%, there was a decrease in revenue due to a reduction in service rates according to a service contract agreed upon since 2014 and increase in service costs 2.33 % from expenses for safety and tank calibration every 5 years according to the period specified by law. However, the company has controlled administrative expenses and financial cost management by reimbursing the remaining cash flow from normal operations and proceeds received from the initial public offering (IPO). All available long-term loans from financial institutions reduced financial costs by 6.98 million baht, resulting in a net profit margin reduction from 44.06 % in 2021 to 42.11 % in 2022.

### Financial position

(Unit : Million Baht)	31 <sup>st</sup> December 2021	31 <sup>st</sup> December 2022	Change	
			Million baht	%
Total Assets	601.33	862.78	261.45	43.48
Total Liabilities	168.60	18.96	(149.64)	(88.76)
Shareholder's Equity	432.74	843.83	411.09	95.00

### Assets

Total assets as at 31 December 2022 amounting to Baht 862.78 million, increase by Baht 261.45 million or 43.48 % from 31 December 2021 are mainly from:

- Cash and cash equivalents increased by Baht 270.46 million or 3, 132% are mainly from cash from operating activities and increase of share capital from Initial Public Offering after prepayment of long-term loans and made dividend payment to shareholders during the period.
- Increase in fixed deposits pledged as collateral in the amounted of Baht 20.00 million, which were used to secure bank overdrafts instead of the original collateral, which was part of assets, at a reduced interest rate.
- Building and equipment decreased by Baht 22.10 million came from acquisition of office equipment, computers and vehicles amounting to Baht 2.22 million and recognition of depreciation and amortization in the year amounting to Baht 24.31 million.

### Liabilities

Total liabilities as at 31 December 2022 amounting to Baht 18.96 million, decrease by Baht 149.64 million or 88.76% from 31 December 2021, mainly due to the premature repayment of long-term loans in full to financial institutions in the amount of Baht 150.04 million. As a result, the company currently has no such debt burden.

### Shareholder's Equity

Total shareholders' equity on 31 December 2022 was Baht 843.83 million which increased for Baht 411.09 million or 95% from 2021. An increase in shareholders' equity was affected from IPO proceed in the amount of Baht 368.36 million which was accounted for paid-up capital for Baht 55.00million and share premium for Baht 313.36 million. One more reason for increase in shareholders' equity was an increase in net profit in the year 2022 for Baht 83.72 million and decrease from dividends paid of Baht 40.99 million.

Key Financial Ratios			
Financial Ratio	31 <sup>st</sup> December 2020	31 <sup>st</sup> December 2021	31st December 2022
Gross profit margin (%)	74.19	73.82	69.94
Net Profit Margin (%)	43.76	44.06	42.11
Return on Equity (%)	39.76	25.51	13.12
Current Ratio (Times)	0.41	0.85	23.77
Return on Fixed Assets (%)	26.19	24.02	22.05
Debt to Equity (Times)	0.87	0.39	0.02

**Remark:** In 2020 and 2021, service costs and administrative expenses were classified to be in line with 2022, resulting in a change in gross profit margin from previously reported but not affecting net profit margin.

### Profitability Ratio

In 2022, the company's gross profit margin and net profit margin decreased from 73.82% in 2021 to 69.94% in 2022, and from 44.06% in 2021 to 42.11% in 2022, respectively. This was mainly due to a decrease in net profit following a decrease in revenue from a discounted service rate under one service contract, an increase in service costs, and a decrease in finance costs.

The Company's return on equity as at 31 December 2022 was 13.12% which decrease compared to 2021 due to a decrease in net profit for the year 2022 and increase in shareholder's equity by paid-up capital and share premium from IPO in February 2022.

### Liquidity Ratio

The Company's current ratio in 2020, 2021, and 2022 was 0.41 times, 0.85 times, and 23.77 times, respectively, which increasing continuously. The majority of current assets are cash and cash equivalents and trade accounts receivable. Most of the current liabilities in 2020 and 2021 are long-term loans due within 1 year. For the year 2022, most of the company's current liabilities are trade accounts payable, accrued expenses, and corporate income tax payable.

### Operational Efficiency Ratio

Return on fixed assets in 2022 has decreased from 24.02 % in 2021 to 22.05 % to the reduction in the net profit for of 14.49% in 2022, greater than the decrease in fixed assets from the depreciation. Fixed assets decreased by 4.56% compared to December 31, 2021.

### Financial Policy Ratio

Debt to equity ratio of the Company on 31 December 2022 was 0.02 times which decrease due to the company repaying short-term loans and long-term loans from financial institutions in full before maturity, causing liabilities to continue to decrease. while retained earnings increased in line with operating profits. As a result, the debt-to-equity ratio compared to December 31, 2021, decreased by 0.37 times, representing a decrease of 94.87%.

Please be informed accordingly.

Sincerely Yours,

===Phattaya Ngowsakul===

(Ms.Phattaya Ngowsakul)

Chief Financial Officer