

PTG Energy Public Company Limited

Management Discussion and Analysis

4th Quarter and Fiscal Year Ended December 31st, 2022





Executive Summary

In 2022, Thailand's economy steadily recovered from 2021 as a result of the easing of COVID-19 restrictions, which led to the official reopening of the country in July 2022 and subsequently to the recovery of the tourism sector, a boost in private consumption, and a resurgence in foreign investment.

The aforementioned positive factors also affected PTG Energy Public Company Limited ("The Company"), leading to a 34.1% YoY increase in total revenue to 179,422 MB in 2022. The Oil Business was the primary contributor to this growth, with 1) a 5.9% YoY increase in total oil sales volume to 5,316 MB, marking the highest record in the Company's history, and 2) an average oil sales per liter increase of 25.2% YoY to 31.94 Baht per liter.

The Non-Oil Business segment reported an increase in revenue for the year, totaling 9,478 MB, representing a growth of 68.5% YoY. This growth was primarily driven by the LPG Business, which kept generating the new record of an LPG sales volume of 497 ML, which significantly increased by 62.4% YoY, and the average selling price was at 11.48 Baht per liter, a 17.9% increase compared to the prior year. Additionally, the Punthai Coffee Business also contributed to the overall growth with a revenue of 805 MB, which surged by 76.3% YoY.

The Reported Gross Profit in 2022 stood at 12,008 MB, an 18.5% YoY growth, mainly attributed from the Oil Business, which grew by 13.1% YoY to 9,786 MB, due to the aforementioned of the higher oil sales volume, and the retail price was adjusted in accordance with the rising of oil cost. The Non-Oil Gross Profit was also increased by 50.1% YoY to 2,222 MB from its business expansion.

However, the Company was received an impact from the crude palm oil (CPO) price and the government policy on the mandatory adjustment of biodiesel (B100) from B7 to B5 between February - October 2022 and up to B7 from October 2022 - March 2023, in order to alleviate people's cost of living during the rise of global energy price era. This led to the recognition of a share of loss from the Company's joint venture investment, albeit at a better level in 4Q2022. In addition, the Company incurred higher selling and administrative expenses (SG&A) in order to enhance the Company's products and services standards in accordance with the Non-Oil Business expansion. These factors resulted in the earnings before interest, taxes, depreciation, and amortization (EBITDA) standing at 5,623 MB, an increase of 3.8% YoY, and reported Net Profit of 953 MB which declined by 6.3% YoY, with Basic Earnings Per Share of 0.56 Baht per share in 2022.

Significant Events in 2022

Issued and Offered Bonds Amounting 1,200 MB along with Received a “BBB+” Credit Rating and “Stable” Outlook by Tris Rating

The Company issued and offered 2 bonds amounting 1,200 MB. The details are as follows:

- 1) Bonds no. 1/2022 amounting 200 MB with 2 years maturity at a fixed interest rate of 2.75%
- 2) Bonds no. 2/2022 amounting 1,000 MB with 3 years maturity at a fixed interest rate of 3.20%

The main purpose was to repay existing loans and/or use as working capital for the Company’s operation. Moreover, the Company has been rated a credit rating at “BBB+” with a “Stable” credit outlook from TRIS Rating Co., Ltd. The Company still had the policy to control the expenses and optimize investment to align with the internal cash flow and to ensure that liquidity is adequate to undertake business in the long run.

Launched “PT Max Park Salaya”, the First Full Service Station

The Company launched “PT Max Park Salaya”, The first full service station alongside Borommaratchachonnani Road, inbound side, Salaya District, Nakhon Pathom province. Including station with a modern design and 30 digital fuel dispensers in order to adequately support the station users during peak hours. Moreover, the Company greatly emphasized on services provided to customer, therefore, the Company firstly launched PT Service Master with special training, who will facilitate the best-in-class services in the market. Therefore, the customer was assured that they will receive the highest satisfaction from PT Service Master.

There was a community mall which consisted of the Company's own businesses such as “Punthai Coffee”, “Coffee World”, convenience store “Max Mart”, drug and medical supplies distribution “Nexx Pharma”, household gas shop “Max Gas” and auto care services center “Autobacs”, and many of the Company’s partner stores including food and lifestyle. Moreover, there was a Co-working space to support the lifestyle of the new generation customers, students, and surrounding communities as well.

PT Max Park Salaya will be a prototype of future PT station, with the goal of expanding a full-service station along Thailand’s main roads in the future.

Expanded Non-Oil Business, led by "Punthai Coffee" Outside PT Station to Expand the Comprehensive Service

As coffee shop becomes a place for people to work, meet and relax, in order to expand services to accommodate city people with an urban lifestyle, therefore, the Company launched Punthai Coffee outside PT station, in the central business district (CBD), such as Silom, and Chong Nonsi, etc., . The aforesaid of expansion of Punthai Coffee in the central business district can facilitate existing customers to easily order food and beverages, and acquire new customers by increasing brand awareness through delivery applications such as Grab Food, Line Man, Shopee Food, and Robinhood.

Initially Transformed into the “Specialty Coffee” of Coffee World

The Company has launched the newly rebranded Coffee World as a Specialty Coffee destination, bringing together unique coffees from renowned coffee plantations around the world into one place. Coffee enthusiasts will be able to experience the mellow and aromatic flavor of each coffee species from baristas who are experts on coffee and preparing beverages. Coffee World has also redesigned its logo in order to better reflect its contemporary imprint, and a sense of warmth and kindness pervades the atmosphere. Moreover, Coffee World is keen on assisting Thai baristas to unlock their maximum potential and participate in global competitions, which will assist in the expansion of the Thai coffee industry.

Expanded EV Charging Stations to Cover Major Routes Nationwide

As the Company has officially announced the partnership with the Electricity Generating Authority of Thailand (EGAT) to install an electric vehicle (EV) charging station inside PT service stations in 1 Q2 21, namely “Elex by EGAT Max”. In 2022, Elex by EGAT Max has already placed up to 65 stations which covered the major routes nationwide in order to be a part of creating sustainable "Well-Being and Contentedness " in every stage of the consumer's life.

Furthermore, the Company unveiled the new EV charging station which locates at PT Max Park Salaya in July 2022. The aforesaid EV charging station is equipped with a 125 kW DC fast charge in 4 parking lots in order to facilitate EV users, and has been designed in accordance with the new “Rest Eat Play” concept which is simple, uncomplicated, and emphasizes on clean energy to represent the nature of ecologically concerned EV customers.

Launched Max Me Application

The Company has officially launched the Max Me application, which enables more than 19 million existing PT Max Card users to conveniently collect Max Points and use the e-Wallet function via mobile in the digital era. The Company has three initiatives to create growth on Max Me application. Firstly, to expand the Max Me app's subscriber base by converting PT Max Card users of over 19 million members to accept digital payments at the Company's ecosystem within the application, including PT service stations, Punthai coffee shops, Max Mart convenience stores, Coffee World, etc. Secondly, to enhance the business ecosystem by collaborating with potential retailers in order to provide all-encompassing advantages to users. Finally, to develop the procedure of redeeming Max Points, so that consumers could experience "Well-Being and Contentedness" while living in the Company's ecosystem.

Celebrated the 10th Year Anniversary of Punthai Coffee Together with Unveiling the Future Growth Plan

The 10th Year of Punthai Celebration was held on September 19th, 2022. In commemorating this milestone, the Company's wholly owned subsidiary, Punthai, launched the "Wayla Pen Tai" campaign. Punthai also unveiled four strategic initiatives for the future growth; 1) Targeting to expand the franchise model both inside and outside services stations, 2) Developing new beverages by sourcing the finest local ingredients from local farmers nationwide, 3) Emphasizing more on the

delivery platform to create awareness, visibility, and brand accessibility to customers and 4) Using customers' data from PT Max Card membership to develop new indicator tools of analyzing consumer behavior to increase product sales and frequencies.

Signed the PTG x CBS MOU to Open a "Punthai-Max Mart Shop" at Chula Business School

The Company signed a memorandum of understanding (MOU) with the Faculty of Commerce and Accountancy, Chulalongkorn Business School (CBS) as part of developing the new educational project, namely "CBS Lounge by PTG". This project aims to launch a CBS Café by Punthai and a convenience store CBS Mart by Max Mart for university students to learn and form a business, and to become a future businessman in accordance with "The Real Business in The School" concept.

The initial cooperation of this project was divided into three parts: 1) Punthai Coffee will sponsor CBS Café (a coffee business), 2) PT Max Mart will support CBS Mart (a convenience store), and 3) CBS Co-Working Space will be a place for welcoming customers and facilitating students' learning. The CBS Lounge by PTG will not only enable students to learn the coffee preparation or selling consumable products in a convenience store, but it will also let them enhance their skills in all aspects of business management, including online business, marketing, and accounting, among others.

Signed a Contract for the Construction and Management of the Community's First Comprehensive Waste-to-Energy Power Plant Project in Providing the Social and Environmental Well-Being Dimensions

The Company signed a construction and management contract of the waste-to-energy power plant project at Ban Phru municipality, Songkhla province. The investment value of this project is no less than 600 MB and has received a project license according to the announcement of the Energy Regulatory Commission. The Minister of Interior has approved this project since September 27th, 2016 for the purchase of 4.5 megawatts of electricity which will thereafter be sold to the Provincial Electricity Authority. According to the Company's vision of promoting "Well-Being and Contentedness" in all aspects of stakeholders' lives, the aforementioned collaboration will help reducing the amount of cumulative waste, odor, waste water, and making waste beneficial as well as help improving the health and environment of people in the communities.

Received the "Best Companies to Work for in Asia 2022" Award from HR Asia for Two Consecutive Years

The Company received the "Best Companies to Work for in Asia 2022" award for two consecutive years, reinforcing its status as a new-generation organization with excellent human resource management. Since employees are regarded as valuable resources according to the Company's strategies and drive the business to achieve its goals; therefore, the Company has put significance on enhancing employees' skills and capabilities in all dimensions.

Achieved Two Major Awards from SET Awards 2022

The Company won two major awards from the SET Award 2022, namely 1) the "Sustainability Excellence" award in the category of "Rising Star Sustainability" for the first time, and was listed in the Thailand Sustainability Index (THSI) for the fifth executive year, in which the Company has been striving to minimize business operations risks by investing in the Non-Oil Business, clean energy business, and businesses related to electric vehicles, as well as encouraging quality of life for community and society members through Punthai Coffee's agricultural product procurement campaign. This reinforces the Company's commitment to operate the business sustainably and administer the business under the principle of good governance. Besides, the aforementioned endeavor also integrates sustainable development practices by creating shared values in the Economic, Social, and Environmental dimensions in order to deliver returns to shareholders, and 2) the "Outstanding Investor Relations" award which was received for the fourth consecutive year in the category of a listed company with a market capitalization of over 10,000 MB but not exceeding 30,000 MB.

Achieved "BUSINESS+ Product of the Year Award 2022"

The Company received the Product of the Year Award 2022 in the energy and utilities sector from Business+ magazine, which is affiliated with ARIP public company limited and Mahidol University's College of Management. This award was qualified and chosen by the committee and consumers, and the Company proudly and honorably accepted it.

In order to become the most trusted platform for energizing quality and empowering opportunity-filled lives in Thailand, the Company has also developed a comprehensive customer service, namely PT Service Master, which will provide customers such as impressive advice, problem resolution, and the Company's products and services introduction. This includes displaying sales promotions within the PT service station for customers.

Received a Silver Level for Marketing Campaign Excellence Award in the categories of Building Brand Value and Marketing Campaigns with Strategic Excellence

The Company's subsidiary, Max Solution Service Co., Ltd., received two awards from the Marketing Association of Thailand namely, the Marketing Award of Thailand 2022 at silver level, which included: 1) Marketing Campaign Excellence Award and 2) Marketing Campaign Excellence Award for enhancing brand value, by promoting the PT Max Service campaign's concept by utilizing over 2,000 PT service stations on both major and minor roads as a competitive advantage to mitigate travel-related problems for consumers.

One of the most popular services is "Fresh New Delivery", an emergency fuel delivery service within a 10-kilometer radius of the nearest PT service station, which currently has more than 12,000 users. We can deliver up to four liters of fuel to customers for 100 baht per delivery, or the customer can redeem 100 PT Max points and pay the actual fuel cost.

Economy and Industry Overview in 2022

Overall, Thailand's economy rebounded continuously in 2022 as a result of the COVID-19 pandemic situation, which eased the situation further despite the Omicron variant occurring early in the year. However, the COVID-19 vaccination has been expedited in response to the aforementioned circumstance. The tourism sector was also picked up as the country has begun to open to foreign tourists since July 2022, which led to higher economic activities. However, in 2022, there was a conflict between Russia and Ukraine, led to challenges in the supply chain and increase inflationary pressures which resulting in the rise of commodity and energy prices. Additionally, there was a strict measure to control the spread of COVID-19 (Zero COVID) in China, that also affected to Thailand exports.

The overall Thailand's oil consumption in 2022 increased by 8.3% YoY bolstered by the aforesaid easing of COVID-19 restrictions which resulted in economic recovery. The tourism sector which provided a direct effect on oil consumption, as foreigners and local people are highly interested in traveling within the country. Additionally, in order to mitigate the adverse effects on individuals and businesses from the fluctuation of world's energy prices, government's measures such as 1) the use of the oil fund mechanism, 2) reductions in diesel fuel excise taxes, and 3) controlling prices not exceeding 35 Baht per liter were implemented, led to the diesel fuel recorded the highest consumption, which grew by 10.4% YoY. While benzene fuel consumption slightly increased by 3.9% YoY.

In 4Q2022, Thailand's oil consumption rose by 2.5% YoY and 5.5% QoQ. In this regard, diesel fuel consumption increased by 3.9% YoY and 7.4% QoQ. The increase from the previous quarter was due to the substitution of high-priced natural gas with diesel fuel for generating electricity. While benzene fuel consumption slightly decreased by 0.2% YoY but increased by 1.8% QoQ.

The overall country's oil consumption through the station channel in 2022 increased by 11.1% YoY in line with the country's oil consumption. The majority of consumption remained from diesel fuel which is used in the country's commercial, transportation, and agricultural activities, grew by 12.8% YoY from the recovery of economic activities after the aforementioned relaxation of the COVID-19 restriction. While benzene fuel consumption increased by 8.1% YoY.

In 4Q2022, Thailand's oil consumption through the station channel increased by 7.6% YoY and 8.5% QoQ. The increase was mainly driven by diesel fuel consumption, an increase of 9.5% YoY and 12.8% QoQ. The increase in diesel fuel consumption was mainly due to the cultivation activities post-monsoon season, particularly in the Northeast region where consumption rose by 31.1% QoQ. Benzene fuel consumption also grew, increasing by 4.2% YoY and 1.6% QoQ.

In 2022, the overall country's LPG consumption through all channels increased by 4.5% YoY due to the recovery from the COVID-19 pandemic. This rise was mainly driven by increased consumption in the automotive, household, and industrial sectors. Notably, the automotive sector contributed to the majority of the increase of 16.6% YoY, while household and industrial sectors grew by 1.0% YoY and 3.8% YoY respectively. The household

LPG sector still represented the largest share at 59.3%. In 4Q2022, Thailand's LPG consumption through all channels rose by 2.3% YoY and 1.6% QoQ. The growth from the previous year was primarily attributed to an 8.9% YoY increase in the automotive sector.

Despite the impact of higher inflation leading to a decreased in consumer spending, the retail industry and household consumption sector saw an increase in product purchasing following the relaxation of COVID-19 restrictions and full acceptance of foreign travelers in July 2022.

As the aforesaid household consumption expanded, according to the Office of the National Economic and Social Development Board (NESDC) reported the household consumption of the 9-month period ended September 2022 stood at 4,536,852 MB, compared to the same period last year of 4,180,977 MB. Apart from the increase in household consumption, the consumption of food and non-alcoholic beverages recorded growth as well, which amounted to 681,136 MB and 177,362 MB for the 9-months period ended September 2022 respectively, in comparison to the same period last year of 660,952 MB and 169,857 MB respectively, which represent a growth of 3.1% YoY and 4.4% YoY. However, the estimation of household, food, and non-alcoholic beverages consumption is likely to grow in line with the economic growth each year.

4Q2022 Financial Performance

Financial Performance Summary (MB)	4Q2022	3Q2022	4Q2021	%QoQ	%YoY
Revenue from Sales and Services	48,975	45,171	37,600	8.4%	30.3%
Revenue from Oil Business	46,027	42,615	35,804	8.0%	28.6%
Revenue from Non-Oil Business	2,948	2,556	1,796	15.3%	64.1%
Costs of Sales and Services	(46,096)	(42,047)	(35,524)	9.6%	29.8%
Costs from Oil Business	(43,800)	(40,073)	(34,183)	9.3%	28.1%
Costs from Non-Oil Business	(2,296)	(1,974)	(1,341)	16.3%	71.2%
Gross Profit	2,879	3,124	2,076	-7.8%	38.7%
Gross Profit from Oil Business	2,228	2,542	1,621	-12.4%	37.4%
Gross Profit from Non-Oil Business	651	582	455	11.9%	43.0%
Gross Profit Contribution (%)					
Oil Business	77.4%	81.4%	78.1%		
Non-Oil Business	22.6%	18.6%	21.9%		
SG&A	(2,582)	(2,569)	(2,037)	0.5%	26.8%
Selling Expenses	(2,220)	(2,167)	(1,874)	2.5%	18.5%
Administrative Expenses	(362)	(402)	(163)	-10.0%	122.9%
EBITDA	1,167	1,364	960	-14.4%	21.5%
Finance Costs	(282)	(279)	(284)	0.9%	-1.0%
Net Profit	3	181	(80)	-98.6%	103.1%
Gross Profit Margin (%)	5.9%	6.9%	5.5%		
EBITDA Margin (%)	2.4%	3.0%	2.6%		

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Financial Performance Summary (MB)	4Q2022	3Q2022	4Q2021	%QoQ	%YoY
Net Profit Margin (%)	0.0%	0.4%	-0.2%		
Basic Earnings Per Share (EPS)	(0.00)	0.11	(0.05)		

Revenue from Sales and Services in 4Q2022 was equivalent to 48,975 MB, which increased by 30.3% YoY and 8.4% QoQ, resulted from the Oil Business. The Revenue from Sales and Services of the Oil Business stood at 46,027 MB, an increase of 28.6% YoY and 8.0% QoQ, or 3,412 MB from the previous quarter. In this regard, the revenue contribution from the Oil Business was 94.0% of the total revenue.

Costs of Sales and Services in 4Q2022 stood at 46,096 MB, an increase of 29.8% YoY and 9.6% QoQ, which is in line with the growth of revenue. As a result, the Company recorded a **Gross Profit** of 2,879 MB, an increase of 38.7% YoY but a decline of 7.8% QoQ. The change was due to the gross profit of the Oil Business, which grew 37.4% YoY but dropped 12.4% QoQ to stand at 2,228 MB. The lower gross profit from the previous quarter was as a result of the oil cost structure whereby the oil fund management was not synchronized with the change of ex-refinery prices which led the marketing margin to decline by 20.4% QoQ.

Selling, General, and Administrative Expenses (SG&As) amounted to 2,582 MB, which grew by 26.8% YoY or 545 MB, while remaining relatively stable from the previous quarter. The Company maintained an effective cost control policy in alignment with the economic situation. The main expenses came from employee expenses, depreciation expenses, advertising, promotion, and service expenses.

- **The Employee Expense** was 897 MB, which increased by 33.1% YoY but decreased by 8.5% QoQ. The increase was mainly due to the Company's expansion, which caused the number of employees to rise accordingly. Additionally, the estimated employee expense was adjusted to be in accordance with the Company's performance.
- **The Depreciation Expense** was 804 MB, which rose by 7.9% YoY and 2.5% QoQ. This resulted from the expansion of service stations into high-potential areas such as Bangkok, metropolitan, and other major cities in order to enhance them into fully integrated oil service stations. In 4Q2022, the Company opened eight Company-Owned, Company-Operated (COCO) oil and LPG service stations.
- **The Advertising, Promotion, and Service Expenses** were 435 MB, which increased by 46.9% YoY and 15.1% QoQ as the Company continued to focus on customer satisfaction through creating the desired product and service, as well as brand awareness in the Non-Oil Business.

EBITDA and Net Profit the Company recorded EBITDA at 1,167 MB, which grew by 21.5% YoY but dropped by 14.4% QoQ. The decrease compared to the previous quarter was primarily a result of the aforesaid of lower marketing margin that affected the Oil Business's gross profit. Furthermore, the Company recognized a share of the loss from the Company's joint venture from the continuous slump of crude palm oil (CPO) prices in the market. Therefore, net profit amounted to 3 MB, which was up 103.1% YoY but down 98.6% QoQ.

Oil Business Summary

Number of PT Petrol Service Stations and Key Figures of Oil Business	4Q2022	3Q2022	4Q2021	% QoQ	% YoY
PT Oil Services Stations					
COCO ¹	1,809	1,801	1,779	0.4%	1.7%
DODO	340	330	308	3.0%	10.4%
Total	2,149	2,131	2,087	0.8%	3.0%
Oil Sales Volume (ML)					
Retail Channel	1,378	1,231	1,247	11.9%	10.5%
Wholesales Channel	29	47	40	-37.5%	-26.6%
Total	1,407	1,278	1,287	10.1%	9.4%
Proportion of Sales by Channel					
Retail Channel	97.9%	96.3%	96.9%		
Wholesales Channel	2.1%	3.7%	3.1%		
Total	100.0%	100.0%	100.0%		
Proportion of Oil Sales Volume by Product					
Diesel	73.1%	70.5%	73.5%		
Mogas	26.9%	29.5%	26.5%		
Total	100.0%	100.0%	100.0%		

Remark: 1) Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services from Oil Business in 4Q2022 was 46,027 MB, grew by 28.6% YoY and 8.0% QoQ for the following reasons:

- 1) The average oil retail price was equivalent to 32.69 Baht per liter, increased by 17.6% YoY while decreased by 1.9% QoQ.
- 2) Oil sales volume through all channels rose by 9.4% YoY and 10.1% QoQ to 1,407 ML, which was the highest oil sales volume recorded by the company since 2Q2022. In this regard, oil sales volume through the station channel was at 1,378 ML, an increase of 10.5% YoY and 11.9% QoQ. However, the Company still ranked 2nd in terms of oil market share through the station channel of 17.9%, which increased from the previous quarter of 17.5%. The growth from last year was from the relaxation of COVID-19 restriction. Also, the expansion of PT oil service station, rose by 3.0% YoY and 0.8% QoQ to stand at 2,149 stations. The growth from the previous quarter was attributed to post-monsoon season cultivation activities.

In this regard, the revenue contribution from the Oil Business was 94.0% of the total revenue.

Costs of Sales and Services amounted to 43,800 MB, reflecting a growth of 28.1% YoY and 9.3% QoQ. This increase was driven by 1) a rise in oil sales volume compared to the same period last year and the previous quarter, 2) the oil cost structure's misalignment between oil fund management and ex-refinery prices, and 3) an increase in the cost of oil per liter as seen on the average WTI crude oil price in 4Q2022 was 82.44 Dollars per barrel, up by 6.9% YoY but down by 10.3% QoQ.

Gross Profit was recorded at 2,228 MB, increased by 37.4% YoY but decreased by 12.4% QoQ. The growth from the same period last year was due to the aforesaid higher oil sales volume as well as the retail price adjustment which was in accordance with the rising cost of oil. However, the decrease from the previous quarter resulted from the oil cost structure whereby the oil fund management was not synchronized with the change of ex-refinery prices, led to the marketing margin dropping 20.4% from the previous quarter. Nevertheless, the Oil Business still accounted for the largest gross profit proportion of 77.4% in 4Q2022.

Non-Oil Business Summary

Touchpoints and Key Figures of Non-Oil Business	4Q2022	3Q2022	4Q2021	% QoQ	% YoY
LPG Business					
LPG Stations ¹	231	225	222	2.7%	4.1%
Gas Shop	253	206	171	22.8%	48.0%
Sales by Channel (ML)					
Auto LPG	102	98	69	4.5%	49.4%
Household and Industrial LPG	36	34	34	7.8%	8.5%
Total	139	132	102	5.4%	36.0%
Proportion of Sales by Channel (%)					
Auto LPG	73.8%	74.4%	67.1%		
Household and Industrial LPG	26.2%	25.6%	32.9%		
Total	100.0%	100.0%	100.0%		
Other Touchpoints in Non-Oil Business					
Punthai Coffee	511	461	318	10.8%	60.7%
Coffee World	26	26	28	0.0%	-7.1%
Max Mart (Convenience Store)	309	298	267	3.7%	15.7%
Autobacs (Car Maintenance and Repair Service Center)	45	39	26	15.4%	73.1%
Maxnitron Lube Change (Oil Lubricant Change Center)	52	48	43	8.3%	20.9%
Max Camp (Rest Area)	64	60	41	6.7%	56.1%

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Touchpoints and Key Figures of Non-Oil Business	4Q2022	3Q2022	4Q2021	% QoQ	% YoY
EV Charging Station	35	35	5	0.0%	600.0%
Total Non-Oil Touchpoints	1,526	1,398	1,121	9.2%	36.1%

Remark: 1) Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services from Non-Oil Business in 4Q2022 also grew continuously by 64.1% YoY and 15.3% QoQ to 2,948 MB for the following reasons:

- 1) LPG Business which operated by Atlas Energy Public Company Limited ("ATL") received a 79.8% YoY and 10.2% QoQ increase in revenue to stand at 1,773 MB as the average LPG price increased by 32.3% YoY and 4.5% QoQ. Along with the LPG sales volume grew 36.0% YoY and 5.4% QoQ to 139 ML. The major contribution derived from the Auto channel, which increased by 49.4% YoY and 4.5% QoQ to 102 ML. This was as a result of the implementation of the "Taxi Transform" and "Auto Transform" projects that aim to connect everyone to the life of "Well-being and Contentedness" in every aspect of life, together with an effective relationship-building and consistent customer service of the LPG Business. Furthermore, LPG Business expanded Auto LPG service station by 4.1% YoY and 2.7% QoQ to stand at 231 stations. The ongoing growth in LPG sales volume led the Company to rank 1st in terms of LPG market share through the Auto channel at 25.7% in 4Q2022, an increase from 20.8% same period last year.
- 2) Punthai Coffee Business recorded 251 MB of revenue, which increased by 101.1% YoY and 10.3% QoQ, due to the continuous expansion of touchpoints to stand at 511 touchpoints in 4Q2022, grew by 60.7% YoY and 10.8% QoQ. The incremental growth of revenues was also derived from the launched various promotional offers, and effective branding campaigns aimed at raising awareness among consumers, and consistent patronage from loyal customers and PT Max Card members.

In 4Q2022, the Company had 1,526 Non-Oil touchpoints, rose by 405 touchpoints or 36.1% YoY and 128 touchpoints or 9.2% QoQ. However, the revenue from Non-Oil Business contributed 6.0% of total revenue, an increase from the contribution of 4.8% in the same period last year and 5.7% in the previous quarter.

Costs of Sales and Services was equivalent to 2,296 MB, grew by 71.2% YoY and 16.3% QoQ due to the surge in global energy prices, which led to an increase in LPG costs. In 4Q2022, the Company recorded 651 MB of Non-Oil Business' gross profit, grew 43.0% YoY and 11.9% QoQ. The gross profit from Non-Oil Business accounted for 22.6% of the total gross profit, which consisted of LPG Business of 9.6%, Punthai Coffee Business of 4.8%, and other businesses of 8.2% which including convenience stores business "Max Mart", lubricants "Maxnitron", and auto care services business "Autobacs", etc.

FY2022 Financial Performance

Financial Performance Summary (MB)	FY2022	FY2021	%YoY
Revenue from Sales and Services	179,422	133,759	34.1%
Revenue from Oil Business	169,944	128,135	32.6%
Revenue from Non-Oil Business	9,478	5,624	68.5%
Costs of Sales and Services	(167,415)	(123,627)	35.4%
Costs from Oil Business	(160,158)	(119,483)	34.0%
Costs from Non-Oil Business	(7,257)	(4,144)	75.1%
Gross Profit	12,008	10,132	18.5%
Gross Profit from Oil Business	9,786	8,652	13.1%
Gross Profit from Non-Oil Business	2,222	1,480	50.1%
Gross Profit Contribution (%)			
Oil Business	81.5%	85.4%	
Non-Oil Business	18.5%	14.6%	
SG&A	(9,765)	(8,271)	18.1%
Selling Expenses	(8,281)	(7,063)	17.2%
Administrative Expenses	(1,484)	(1,208)	22.8%
EBITDA	5,623	5,419	3.8%
Finance Costs	(1,123)	(1,118)	0.5%
Net Profit	953	1,017	-6.3%
Gross Profit Margin (%)	6.7%	7.6%	
EBITDA Margin (%)	3.1%	4.1%	
Net Profit Margin (%)	0.5%	0.8%	
Basic Earnings Per Share (EPS)	0.56	0.60	

In 2022, **Revenue from Sales and Services** amounted to 179,422 MB, increased by 34.1% YoY, the incremental growth was mainly driven by Oil Business which equivalent to 169,9644 MB, grew by 32.6% YoY or 41,809 MB from 2021. The revenue contribution from Oil Business was accounted for 94.7%.

Cost of Sales and Services was equivalent to 167,415 MB, rose by 35.4% YoY, in accordance with the revenue growth. The Company's **Gross Profit** recorded at 12,008 MB, increased by 18.5% YoY. The majority growth was derived from Oil Business which contributed growth of 13.1% YoY or 1,134 MB, from the all channels' sales volume growth of 5.9% YoY to 5,316 ML along with an effective of cost management which led to the marketing margin to be in an appropriate level of 1.8-1.9 Baht per liter.

Selling, General, and Administrative Expenses (SG&As) stood at 9,765 MB, an increase of 18.1% YoY, mainly from the Company's products and services enhancement standards along with the expansion of both Oil

and Non-Oil Businesses to 3,675 touchpoints from 3,208 touchpoints last year. As a result, the Company incurred additional expenses related to employees, depreciation, advertising and promotion and services to support its business expansion.

EBITDA and Net Profit amounted to 5,623 MB, which increased slightly by 3.8% YoY. Despite this positive result, the Company's depreciation expense grew due to the expansion of service stations and the Non-Oil Businesses touchpoints, as well as external factors from the crude palm oil (CPO) price and the government policy on the mandatory adjustment of biodiesel (B100) from B7 to B5 between February - October 2022 and up to B7 from October 2022 - March 2023, in order to alleviate people's cost of living during the rise of global energy price era, resulting in the Company recognizing a share of loss from joint ventures. Consequently, the Company's Net Profit decreased by 6.3% YoY to stand at 953 MB in 2022.

Oil Business Summary

Number of PT Petrol Service Stations and Key Figures of Oil Business	FY2022	FY2021	% YoY
PT Oil Services Stations			
COCO ¹	1,809	1,779	1.7%
DODO	340	308	10.4%
Total	2,149	2,087	3.0%
Oil Sales Volume (ML)			
Retail Channel	5,120	4,806	6.5%
Wholesales Channel	196	214	-8.4%
Total	5,316	5,020	5.9%
Proportion of Sales by Channel			
Retail Channel	96.3%	95.7%	
Wholesales Channel	3.7%	4.3%	
Total	100.0%	100.0%	
Proportion of Oil Sales Volume by Product			
Diesel	73.3%	73.6%	
Mogas	26.7%	26.4%	
Total	100.0%	100.0%	

Remark: 1) Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services of Oil Business in 2022 amounted to 169,944 MB, an increase of 32.6% YoY from the following reasons:

- 1) The rise of average oil retail price per liter of 25.2% YoY to 31.94 Baht per liter.

- 2) Oil sales volume through every channel rose by 5.9% YoY to 5,316 ML which in accordance with the Company's target of 6-10% YoY growth. The year-on-year increase was mainly driven by the overall relaxation of COVID-19 restriction which led to the economic activity's recovery as shown in the oil sales volume through the station channel to grow 6.5% from the previous year to 5,120 ML. The Company still maintained the 2nd ranked of oil retail market share to stand at 17.5%

Furthermore, revenue from sales and services of Oil Business remained the largest proportion of 94.7% of total revenue.

Cost of Sales and Services totaled 160,158 MB, rose by 34.0% YoY, mainly as a result of 1) the growth of the aforesaid of oil sales volume through every channel and 2) the higher average cost of oil per liter which can be seen from the average WTI in 2022 of 94.37 Dollars per barrel, a 38.7% growth compared to the previous year.

Gross Profit was equivalent to 9,786 MB, increased by 13.1% YoY. This growth was primarily attributable to an increase in the aforesaid higher oil sales volume, along with the Company's effective cost management strategies, enabling the marketing margin to remain within the appropriate range of 1.8-1.9 Baht per liter. Therefore, the gross profit contribution from Oil Business was at 81.5% in 2022.

Non-Oil Business Summary

Touchpoints and Key Figures of Non-Oil Business	FY2022	FY2021	% YoY
LPG Business			
LPG Stations ¹	231	222	4.1%
Gas Shop	253	171	48.0%
Sales by Channel (ML)			
Auto LPG	365	213	70.9%
Household and Industrial LPG	132	92	42.7%
Total	497	306	62.4%
Proportion of Sales by Channel (%)			
Auto LPG	73.5%	69.8%	
Household and Industrial LPG	26.5%	30.2%	
Total	100.0%	100.0%	
Other Touchpoints in Non-Oil Business			
Punthai Coffee	511	318	60.7%
Coffee World	26	28	-7.1%
Max Mart (Convenience Store)	309	267	15.7%
Autobacs (Car Maintenance and Repair Service Center)	45	26	73.1%
Maxnitron Lube Change (Oil Lubricant Change Center)	52	43	20.9%

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Touchpoints and Key Figures of Non-Oil Business	FY2022	FY2021	% YoY
Max Camp (Rest Area)	64	41	56.1%
EV Charging Station	35	5	600.0%
Total Non-Oil Touchpoints	1,526	1,121	36.1%

Remark: 1) Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services of Non-Oil Business in 2022 amounted to 9,478 MB, an increase of 68.5% YoY. This was mainly a result of LPG Business recorded revenue of 5,707 MB, which increased significantly by 91.4% YoY. The growth was derived from the LPG sales volume that rose higher-than-expected level of 50-60%, in 2022, the Company recognized a growth of 62.4% YoY to 497 ML, marking the all-time-high sales volume in the Company's history. The majority growth of LPG sales volume was largely attributable to the increase of Auto LPG from the aforesaid relaxation of COVID-19 restriction, the rise of oil prices which led to consumers using LPG instead of high-priced oil, and the "Taxi Transform" and "Auto Transform" projects. Another factor aside from LPG sales volume was the average LPG price which grew by 17.9% YoY.

The Punthai Business recorded a total revenue of 805 MB in 2022, indicating a significant year-on-year increase of 76.3%. This rise in revenue was attributed to the Company's expansion of its business, various promotional offers, and effective branding campaigns aimed at raising awareness among consumers, consistent patronage from loyal customers and PT Max Card members. Additionally, the Company's revenue was bolstered by robust sales through delivery channel.

In addition, in 2022, the Company has a total of 1,526 branches in the Non-Oil Business, an increase of 36.1% from the previous year.

Cost of Sales and Services totaled 7,257 MB, rose by 75.1% YoY, and **Gross Profit** was equivalent to 2,222 MB, increased by 50.1% YoY, which largely from the growth of the aforesaid of LPG and Punthai Businesses. The Gross Profit contribution from Non-Oil Businesses accounted for 18.5%, increased from 14.6% in 2021. The contribution can be divided into LPG Business of 8.6%, Punthai Business of 3.9% and other businesses (i.e. Max Mart and Others) of 6.0%.

Statement of Financial Position as of December 31, 2022

Financial Position Summary (MB)	Dec 31, 2022	%	Dec 31, 2021	%	Amount Changes	% Changes
Cash and Cash Equivalents	2,071	4.6%	1,701	3.8%	369	21.7%
Trade and Other Receivables	899	2.0%	722	1.6%	178	24.6%
Short-Term Loans to Related Parties	0	0.0%	196	0.5%	-196	-100.0%
Inventories	2,154	4.8%	2,239	5.0%	-85	-3.8%
Total Current Assets	5,125	11.4%	4,859	10.9%	266	5.5%
Investment Properties	546	1.2%	409	0.9%	137	33.6%
Property, Plant, and Equipment	12,356	27.3%	11,505	25.9%	851	7.4%
Right-of-use Assets	23,186	51.4%	23,866	53.8%	-680	-2.8%
Deposits of Financial use as Collateral	5	0.0%	5	0.0%	0	1.0%
Investment in Joint Ventures	952	2.1%	1,184	2.7%	-232	-19.6%
Investment in Associates	978	2.2%	859	2.0%	119	13.8%
Financial Assets Measured at Fair Value through Other Comprehensive Income	582	1.3%	725	1.6%	-142	-19.8%
Intangible Assets	355	0.8%	283	0.7%	72	25.5%
Goodwill	53	0.1%	53	0.1%	0	0.0%
Other Non-Current Assets	997	2.2%	636	1.4%	361	56.7%
Total Assets	45,135	100.0%	44,384	100.0%	751	1.7%
Trade and Other Payables	6,961	15.4%	6,000	13.5%	962	16.0%
Short-term Loans & Loans due within 1 year	5,798	12.8%	5,751	13.0%	46	0.8%
Current Portion of Lease Liabilities	629	1.4%	603	1.4%	26	4.4%
Other Current Liabilities	211	0.5%	96	0.2%	115	119.9%
Total Current Liabilities	13,599	30.1%	12,450	28.1%	1,150	9.2%
Financial Lease Liabilities	19,496	43.2%	19,394	43.7%	102	0.5%
Long-Term Loans	3,086	6.8%	3,844	8.7%	-758	-19.7%
Deferred Tax Liabilities	56	0.1%	56	0.1%	0	-0.6%
Other Non-Current Liabilities	623	1.4%	441	1.0%	182	41.3%
Total Liabilities	36,860	81.6%	36,184	81.6%	675	1.9%
Retained Earnings (Unappropriated)	5,263	11.7%	5,081	11.4%	181	3.6%
Others	3,013	6.7%	3,118	7.0%	-106	-3.4%
Total Equity	8,275	18.4%	8,200	18.4%	75	0.9%
Total Liabilities and Equity	45,135	100.0%	44,384	100.0%	751	1.7%

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As of December 31st, 2022, the Company recorded total assets of 45,135 MB, which increased 751 MB or 1.7% from ended 2021. The major increase was mainly from 1) Property, Plant, and Equipment of 851 MB or 7.4% from previous year to 12,356 MB, caused by the station expansion and the renovation in strategic areas of both Oil and Non-Oil Businesses, but partly offset with the reduction of 2) Right-of-use Asset amounted to 680 MB which largely from the maturity of financial lease assets, and transferring the ownership to the Company. Therefore, it was reclassified into Property, Plant, and Equipment according to accounting standard TFRS 16.

Meanwhile, total liabilities were 36,860 MB, which rose by 675 MB or 1.9% from previous year. The major factors are 1) Trade and other payables grew by 962 MB or 16.0% from last year due to the rise of the world's oil price, but partially offset by 2) Long-term loans decreased 758 MB. The Company still maintains the investment policy to align with the internal cash flow to strengthen its financial position. The Company recorded total equity of 8,275 MB, increased 75 MB or 0.9% from last year. In addition, Sources and Uses of Funds Statement can be elaborated from the table below;

Sources and Uses of Funds Summary (MB) as of December 31st.2022. and Long-term Liabilities and Outstanding Debentures (MB)

Sources and Uses of Funds Statement as of December 31, 2022 (MB)			
Sources of Funds		Uses of Funds	
Cash from operations	6,585	Payment of interest and tax, net	1,463
Proceeds from short-term loans to related parties and from disposals of plant and equipment	197	Payments for purchases of property, plant and equipment and investment property	2,479
Dividend received	19	Payment from right-of-use assets and for purchases of intangible assets	264
Proceeds from long-term loans from financial institutions	2,200	Payment for purchases of investments and paid-up share of capital of associates	67
Proceeds from Debentures	1,200	Payment for purchases of financial assets	31
		Payment for long-term loans to related parties	1
		Payments on lease liabilities	686
		Bank overdrafts from financial institutions	242
		Payments for short-term loans from financial institutions and others	193
		Payments for long-term loans from financial institutions	1,550
		Payment on redemption of debenture and deferred financing fee of debentures	2,104
		Dividend paid to shareholders	752
		Cash increased	369
Total	10,201	Total	10,201

Accreditation	
Credit Rating (TRIS Rating)	BBB+
CG Score	Excellent: 5 Stars
CAC	Certified CAC
ESG Index	THSI

Long-term Liabilities and Outstanding Debentures (MB)(MB)				
Year	Debentures	Maturity	Loans	Maturity
2023		2,000		1,822
2024		200		1,114
2025		1,000		470
2026				140
2027				128

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Management Outlook and Business Direction

2023 Operational Targets	
Number of Stations / Touchpoints	
Oil Services Station	2,206 Stations
Non-Oil Business	2,748 Touchpoints
Auto LPG Stations and Household Gas Shop	574 Touchpoints
Punthai Coffee	1,500 Touchpoints
Other Non-Oil Business' Touchpoints	674 Touchpoints
Oil Sales Volume Growth (%YoY)	8-12%
LPG Sales Volume Growth (%YoY)	40-60%
Non-Oil Business Sales Volume Growth (%YoY)	80-90%
Non-Oil Business Gross Profit Contribution	20-30%
EBITDA Growth (%YoY)	8-12%
Investment Budget	5,000-6,000 MB

Targets Oil Sales Volume to Rise by 8-12% YoY in 2023

In 2022, the Company achieved a 5.9% YoY increase in oil sales volume, equivalent to 5,316 ML, with the retail channel being the primary driver of growth at 6.5% YoY. This growth can be attributed to the relaxation of COVID-19 restrictions, which allowed for a resurgence of economic activity in various sectors, for instance; the returning to the office of public and private employees, the returning to school of students, and the country's re-opening to foreign travelers since July 2022 which contributed the overall economic revival.

The Company projected the all channels oil sales volume to grow by 8-12% YoY, primarily due to the anticipated recovery of the tourism sector and the lifting of Zero COVID-19 measures in China since January 8th, 2023. These developments are expected to have a favorable impact on both the overall economy and Thailand's tourism industry. However, there are potential risks stemming from geopolitical tensions such as the conflict between Russia and Ukraine, as well as the possibility of a global economic downturn.

Furthermore, the Company plans to expand the oil service station continuously, totaling 2,206 stations in 2023. The expansion was targeted to focus on the main route areas along with renovating its existing service stations to enhance the quality of products and services to satisfy the customers' needs. Furthermore, the Company anticipates that the marketing margin will remain at an appropriate level in 2023.

Emphasizes on LPG, Punthai and Other Non-Oil Businesses to Generate an Incremental Growth in 2023

The Company expects the growth of sales volume through all channels from LPG business at 40-60% YoY in 2023. The majority is expected to derive from 1) Auto LPG: by elevating customers' experience with services, promotion, by continuously promoting "Taxi Transform" and "Auto Transform" projects, in order to occupy the top position of Auto LPG market share, along with using marketing strategies through the PT Max Card membership system to maintain and expand the customer base. 2) Household and Industrial LPG by

maintaining current and discovering new customer bases along with providing the promotional campaigns and creating PT's brand awareness to customers and 3) Focusing on expanding its Auto LPG Stations and Gas Shop to 574 in 2023 touchpoints from 484 in 2022.

For Punthai Coffee Business has also indicated their growth plans in 2023 which comprise of the following: 1) Expanding more touchpoints both inside and outside the PT service stations to 1,500 touchpoints in 2023 (From 511 touchpoints last year). The Company has also established franchise business strategies to meet the different locations with high purchasing power, such as the central business districts (CBD) with high potential in Bangkok and metropolitan areas, tourist destinations and major cities in several regions, especially office workers. There were five franchise models, including Kiosk, Food Truck, Trailer, Build-In, and Stand Alone with an initial investment budget of 1.25 MB/touchpoint. 2) Creating unique and distinctive products that are different from others and developing new beverages using premium local ingredients from various locations in Thailand, such as "Calamondin Orange" from Chanthaburi province and "Palmyra Palm" from Sathing Phra district, Songkhla province. These will support local communities and farmers in increasing the value of their agricultural products while creating employment opportunities, aligning with the Company's sustainability strategy. 3) Planning a marketing strategy and driving brand communication through delivery channel by emphasizing more "Accessibility" of the customer, brand "Awareness" and brand "Visibility". 4) Utilizing customers' data from 19 million users of PT Max Card memberships to analyze consumer behavior to increase product sales and frequencies.

Furthermore, the Company plans to expand the other Non-Oil Businesses' touchpoints to 674 touchpoints in 2023 (From 531 touchpoints last year). The majority expansion was obtained from a "Max Mart" convenience stores, "Autobacs" auto care maintenance and service centers, and "Elex by EGAT Max" EV charging stations.

Constantly Expands its Renewable Energy Business to Align with Sustainability Strategies

The Company acknowledges the importance of environmental preservation as a significant goal that should be pursued with urgency, considering that the environment plays a vital role throughout the business value chain. Thus, the Company established a project under the renewable energy business as follows: 1) The Waste-to-Energy Power Plant Project is a 4.5-megawatt facility situated in the Ban Phru municipality of Songkhla province. The Company has entered into a contract for construction and management with the Ban Phru municipality in 2022. The project is expected to commence construction in 3Q2023, with commercial operations (COD) set to commence in 2025, which subject to the Company being notified by the Provincial Electricity Authority (PEA) and the Office of the Energy Regulatory Commission of the future signing of an electricity purchase agreement. 2) In 2022, the Company successfully installed the Solar Rooftop at PT Service Station Project at 33 PT service stations, generating a total electricity output of 601,037 kWh, resulting in over 2.4 MB savings in electricity bills. The Company intends to continue expanding the project in 2023, targeting 250-300 high-electricity consumption PT service stations. This expansion is expected to reduce electricity consumption by approximately 9,125,000-10,950,000 kWh, which can translate to approximately 40-60 MB in savings in 2024, but subject to fluctuations in the Fuel Adjustment Charge (FT). 3) the EV

Charging Station “Elex by EGAT Max” was already installed at 35 PT service stations covering all main routes nationwide. Furthermore, the Company expects to have 65 EV charging stations within 2023.

Sustainability Management

According to the Company’s vision which aims to be the most trusted platform energizing quality and empowering opportunity filled life, therefore, the Company emphasizes on determining the direction of the Company’s operations to be in line with the Company’s sustainability strategy to drive the organization sustainably in all dimensions. In 2022, the Company had conducted a various significant sustainability management, which can be elaborated as follows:

Environmental Dimension

- The Company’s solar rooftop project at 29 PT oil and LPG service stations was recognized under the Thailand Voluntary Emission Reduction Program (T-VER) by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).

In 2022, the Company installed solar rooftops at 33 PT service stations, resulting in savings of more than 2.4 MB in electricity bills and a reduction of 43.89 tons of carbon dioxide (CO₂) equivalent in greenhouse gas emissions. Thus, the Company targets to expand to 250-300 PT service stations by 2023.

- The Company was certified the Environmental Management System (ISO14001:2015) under the scope of receiving, storing, and distributing fuel products in Mae Klong Oil Depot.



Community and Social Dimensions

- The Company received community satisfaction survey = 94.63%.
- The Company received Zero complaints from the community around the Company’s establishment.
- The Company promoted the use of locally sourced ingredients and supported the livelihoods of farmers by procuring agricultural products amounted to 72 MB.
- The Company employed disabled and elderly with a total value of 3 MB and 15.2 MB respectively.

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Economic and Corporate Governance Dimensions

- The Company achieved “ASEAN Corporate Governance Award” in the category of “ASEAN Asset Class Publicly Listed Companies” for the first year.
- The Company reduced expenses from the project “Work Optimization” by 15 MB.
- The Company received entrepreneur customers satisfaction survey of 83% and end-users of 93%.



The following two sustainability management risks have been identified by the Company as potentially affecting its operations:

Risk Associated with Government Carbon Tax Collection Legislation (Carbon Tax)

The Ministry of Energy encourages Thailand to move toward clean energy and reduce carbon dioxide emissions to net zero, by releasing the National Energy Plan. As the energy sector is one of the most carbon-producing sectors, therefore, a strict measure of carbon dioxide emission of this sector has been targeted to issue. Additionally, it might potentially be the first sector to be charged with Carbon Tax. The government will be setting a limit on the amount of carbon dioxide that causes greenhouse gas (GHG) emissions into the atmosphere. If the Company emits carbon dioxide higher than the limit, the Company is required to pay a carbon tax as determined by the government. This may affect additional capital and administrative expenses, as well as the organization's image and stakeholders' expectations. The Company has the following measures to manage such potential risks:

- The Company has intended to reduce carbon dioxide emissions that causes GHG gases in order to mitigate the climate change. Therefore, the Company has indicated a climate change management strategy in response to the goals of the national energy plan. This will allow us to contribute to Thailand's transition to sustainable energy and reduction of net zero carbon dioxide emissions within 2065-2070.
- The Company has assessed climate change risks in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and manages risks in line with Enterprise Risk Management.
- The Company has prepared a risk and opportunity analysis report on climate change based on the principles of the Task Force on Climate-Related Financial Disclosures (TCFD) in order to document risks and opportunities. This also includes the potential impact of climate change on the Company's businesses, and defining mitigation measures to cope with situations that might be possibly occur in the future.
- The Company has prepared to set a goal to reduce GHG emissions and searched for new business investment opportunities that mitigate the impact of GHG emissions. The Company has implemented various projects, such as the Solar Rooftop, the EV Charging Station with EGAT and the Palm Complex, etc.

Risk Associated with the Business's Adaptation to Disruptive Technologies and Cybersecurity Threats

The disruptive technology is becoming more influential, as every business has been adapting with the new technologies to increase operational efficiency and competitiveness. This may effect on the marketing, consumer behavior, products and services development. Therefore, if the aforesaid changes in innovation and modern technology happen rapidly, it will lead the Company to be unable to alter its business strategy and unable to response in a timely manner to the change in customers' behavior driven by digital development.

Furthermore, the cybersecurity threats risk that occurs widely nowadays and affect the security of the company's information system, is one of the factors that may greatly affect the Company's business operations. If the aforesaid threat occurs without a proper mitigation measures, it may cause a significant damage to the Company. Therefore, the Company has implemented the following risk management measures:

- The Company has promptly prepared itself for a digital society that focuses on speed, convenience, modernity, and reduced contact, which aligns with the Company's strategy. This focuses on Non-Oil Businesses and connecting with the digital platform. The Company, therefore, develops an electronic money service system and payment service providers through the Max Me application by connecting the service through the PT Max Card as a platform to connect online and offline (O2O) and by supporting changing consumer behavior that focuses more on digital transactions.
- The Company has managed risk to reduce the impact of cybersecurity threats by providing various preventive measures, increasing IT security audits, and raising awareness of cybersecurity threats among employees at all levels.
- In order to prevent cyberattacks, the Company has undertaken penetration testing on its core systems, which is a form of system development risk assessment. Assessing the system's vulnerability where there is a risk can aid in detecting access flaws, and then closing any that are found. This is one of the forms the company usually provides protection itself from cybersecurity threats.
- The Company has prepared an IT Disaster Recovery Plan and conducted continual testing of the plan, especially in the area of cybersecurity, to ensure that information technology operations are continually uninterrupted when a threat arises and the plan is reviewed to be in line with the current situation.