

# Energy Absolute Public Company Limited

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## Management Discussion and Analysis For Operating Results

of the first quarter ended 31 March 2023



No. EA6605/012LT

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Subject Management Discussion and Analysis of Financial Statements operating results of the first quarter ended 31 March 2023

To The President of the Stock Exchange of Thailand

We, Energy Absolute Public Company Limited (“EA”) would like to report the operating results of EA and its subsidiaries (all together as the “Company”) for the first quarter ended 31 March 2023 which has been approved by the Board of Directors Meeting No. 2/2023 held on 12 May 2023. The details are as follows:

## Overview of operating results for the three-months period ended 31 March 2023

Operating Results	Three-months period			
	2023 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%
Revenue from sales and services	8,894.68	4,740.42	4,154.26	87.63
Other Income	9.49	76.14	(66.65)	(87.54)
Total Revenue	8,904.17	4,816.56	4,087.61	84.87
Profit attributable to Owners of the parent	2,319.76	1,366.31	953.45	69.78
Basic earnings per share (Baht per share)	0.62	0.37	0.25	67.56

## Net Profit

For the three-months period ended 31 March 2023, the Company reported the consolidated net profit of 2,319.76 million baht, increased by 953.45 million baht or 69.78% as compared to the same period last year which incurred the consolidated net profit of 1,366.31 million baht. These were mainly from the better operating results of electric bus and commercial vehicle business and the renewable power plant business.

## Revenue

For the three-months period ended 31 March 2023, the Company reported the aggregate revenue of 8,904.17 million baht, increased by 4,087.61 million baht or 84.87% as compared to the same period last year which incurred the total revenue of 4,816.56 million baht, as summarized below.

Total Revenue	Three-months period			
	2023 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%
Biodiesel Business	1,426.20	2,027.93	(601.73)	(29.67)
Renewable Power Plant Business	3,502.14	2,622.00	880.14	33.57
Electric Bus and Commercial Vehicle Business	3,987.87	139.51	3,848.36	2,758.48
Lithium-ion Battery Business	1,366.41	84.99	1,281.42	1,507.73
Other Businesses	121.35	43.84	77.51	176.80
Less: Inter-segment revenue	(1,509.29)	(177.85)	(1,331.44)	748.63
<b>Revenue from Operations</b>	<b>8,894.68</b>	<b>4,740.42</b>	<b>4,154.26</b>	<b>87.63</b>
Other Income/Accounting gain	9.49	76.14	(66.65)	(87.54)
<b>Total Revenue</b>	<b>8,904.17</b>	<b>4,816.56</b>	<b>4,087.61</b>	<b>84.87</b>

In this regard, the revenue from operations for the three-months period ended 31 March 2023 was 8,894.68 million baht, increased by 4,154.26 million baht or 87.63% from 2022. This is mainly due to the growth in the electric bus and commercial vehicle business, lithium-ion battery business and renewable power plant business which, are summarized as follows:

### 1. Revenue from Biodiesel Business:

For the three-months period ended 31 March 2023, the revenue from the Biodiesel business decreased by 601.73 million baht or 29.67% as compared to the same period last year, are summarized as follows.

**1.1 Manufacturing and distributing Biodiesel fuel Products:** For the three-months period ended 31 March 2023, the revenue decreased by 745.10 million baht or 48.76%. As a result from the selling prices of the biodiesel were decreased by the pricing formula for selling the biodiesel fuel (B100) and the price of the crude palm oil (CPO) according to government policy. In the first quarter of 2023 was decreased as compared to the same

period last year. This was because of the high fruit palm yields in the country. Moreover, the overall productivity of the biodiesel in the country was higher than the demands. Consequently, the pricing competitions were quite high. Due to the aforementioned situations, these decreased the selling prices of biodiesel fuels.

Descriptions	Three-months period			
	2023 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%
Revenue from Biodiesel fuel (B100)	783.14	1,528.24	(745.10)	(48.76)
- Sales volume (Million liter)	26.14	31.20	(5.06)	(16.22)
- Average Selling Price (Baht/liter)	29.96	48.98	(19.02)	(38.83)
- Biodiesel Mandates	B5,B7	B5		

**1.2 Manufacturing and distributing Pure Glycerin Product:** For the three-months period ended 31 March 2023 were decreased by Baht 112.94 million baht or 71.72%. Mainly, it was because the prices of the glycerin in the market were decreased due to the incremental ratio policy that increased the percentage of the basic biodiesel ingredients to 35% in Indonesia. Consequently, the quantity of glycerin, which is a by-product, was increased in the market. Therefore, the selling prices of the glycerin were decreased. However, the company is researching and improving the current glycerin products to comply with the United States Pharmacopeia (USP) standards in order to gain opportunities in the food and pharmaceutical industries in the near future.

Descriptions	Three-months period			
	2023 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%
Revenue from Pure Glycerin	44.53	157.47	(112.94)	(71.72)
- Sales volume (Million Kg)	2.04	3.12	(1.08)	(34.62)
- Average Selling Price (Baht/Kg)	21.83	50.47	(28.64)	(56.75)

**1.3 Manufacturing and distributing Crude Palm Oil (CPO) Product:** For the three-months period ended 31 March 2023, the revenue decreased by 265.67 million baht or 109.10%. This was because of the increased distributions due to the supportive factors being the higher fruit palm yields that were increased for about 30.20% in the country, the climates and rainfalls increasing the yields and the expanded agricultural areas of farmers for about 1.66% (Referred to the Office of Agricultural Economics <https://www.oae.go.th>).

Descriptions	Three-months period			
	2023 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%
Revenue from crude palm oil (CPO)	509.18	243.51	265.67	109.10
- Sales volume (Million Kg)	17.15	4.81	12.34	256.55
- Average Selling Price (Baht/Kg)	29.69	50.63	(20.94)	(41.35)

**1.4 Manufacturing and distributing PCM Product:** For the three-months period ended 31 March 2023, the revenue increased by 1.60 million baht or 14.29% due to the main factors that were the increased sale volumes from expanding the market in order to use PCM in the textile and construction materials industries in Japan and Korea. Furthermore, the company is expanding the market of PCM to the cold chain packaging industries in other countries.

Descriptions	Three-months period			
	2023 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%
Revenue from PCM	12.80	11.20	1.60	14.29
- Sales volume (Million Kg)	0.12	0.10	0.02	20.00
- Average Selling Price (Baht/Kg)	106.67	112.00	(5.33)	(4.76)

**1.5 Byproducts:** For the three-months period ended 31 March 2023, the revenue decreased by 10.96 million baht or 12.52%. The main factors that were the decreased in palm kernel selling prices aligned with decreased of crude palm oil prices (Palm Kernel is byproducts of crude palm oil production).

Descriptions	Three-months period			
	2023	2022	Increase (Decrease)	
	Baht Million	Baht Million	Baht Million	%
Revenue from byproducts	76.55	87.51	(10.96)	(12.52)

## 2. Revenue from Renewable Power Plant Business:

For the three-months period ended 31 March 2023, The Company reported the revenue of 3,502.14 million baht, increased by 880.14 million baht or 33.75% as compared to the same period last year which incurred the revenue 2,622.00 million baht. The reasons are summarized as follows:

Descriptions	Three-months period			
	2023	2022	Increase (Decrease)	
	Baht Million	Baht Million	Baht Million	%
<b>Revenue from Solar power plants</b>	1,884.83	1,704.15	180.68	10.60
- Sales volume (Million GWh)	168.46	170.31	(1.85)	(1.09)
- Average Selling Price (Baht/Unit)	11.19	10.01	1.18	11.79
<b>Describes below:</b>				
The revenue increased following the wholesale FT price that increased.				
<b>Revenue from Wind power plants</b>	1,611.61	914.42	697.19	76.24
- Sales volume (Million GWh)	208.52	144.98	63.54	43.83
- Average Selling Price (Baht/Unit)	7.73	6.31	1.42	22.50
<b>Describes below:</b>				
The revenue increased due to better speed of wind in the location of Hanuman power plant at Chaiyaphum province. While the average selling price was increased following the wholesale FT price that increased.				
<b>Hanuman wind power 260-MW Project</b>				
- Sales volume (Million GWh)	144.17	75.10	69.07	91.97
- Average Selling Price (Baht/Unit)	7.67	6.19	1.48	23.91
<b>Hadkanghan wind power 126-MW Project</b>				
- Sales volume (Million GWh)	64.35	69.88	(5.53)	(7.91)
- Average Selling Price (Baht/Unit)	7.87	6.44	1.43	22.20
<b>Revenue from Biogas power</b>	5.70	3.43	2.27	66.18
- Sales volume (Million GWh)	0.94	0.83	0.11	13.25
- Average Selling Price (Baht/Unit)	6.06	4.13	1.93	46.73

### 3. Revenue from Electric Bus and Commercial Vehicle Business:

For the three-months period ended 31 March 2023, the revenue was reported at 3,987.87 million baht, increased by 3,848.36 million baht. The main factor that was sales of electric bus and commercial vehicles by a total amount of 790 units in the first quarter ended of year 2023.

### 4. Revenue from Lithium-ion Battery Business:

For the three-months period ended 31 March 2023, the revenue was reported at 1,366.41 million baht, increased by 1,281.42 million baht. Due to increase of lithium-ion battery sale volume in the first quarter ended of year 2023. (Amita Technology (Thailand) Co., Ltd has been commercializing operates to manufacturing and distributing the lithium-ion battery for electric bus and commercial vehicle assembly in the second quarter ended of year 2023). Currently, the electric bus and commercial vehicle is produced at full capacity to support future expansion.

### 5. Revenue from Other Businesses:

For the three-months period ended 31 March 2023, the revenue was reported at 121.35 million baht, increased by 77.51 million baht. The main factor that was the service income of electric vehicle charging stations which aligned with the expansion of the charging station business for electric vehicles. Currently, the company has a total of 487 charging stations.

### 6. Other incomes:

For the three-months period ended 31 March 2023 the other incomes was reported at 9.49 million baht, decreased by 66.65 million baht.

## Cost of sales and services

For the three-months period ended 31 March 2023, cost of sales was reported at 5,596.64 million baht, increased by 2,690.23 million baht or 92.56% as compared to the same period of last year which was incurred the total cost of sales by 2,906.41 million baht. The reasons are summarized as follows:

1. **Manufacturing and distributing biodiesel:** For the three-months period ended 31 March 2023, the cost of sales decreased by 529.37 million baht or 27.10% as compared to the same period of last year, the main factor was the decreased of palm fruit prices which is the main raw material for biodiesel fuel.

2. **Generating and distributing renewable electricity power:** For the three-months period ended 31 March 2023, the cost of sales decreased by 27.66 million baht or 3.63% as compared to the same period last year. The main factors were the stop of depreciation calculation the solar panels of the Phitsanulok power plant and Lampang power plant due to classify as non-current assets held for sale.
3. **Manufacturing and distributing electric bus and commercial vehicle:** For the three-months period ended 31 March 2023, cost of sales increased by 3,301.95 million baht as compared to the same period last year. They correspond to the increased sales volume of electric bus and commercial vehicle.
4. **Manufacturing and distributing lithium-ion battery:** For the three-months ended 31 March 2023, cost of sales increased by 1,292.45 million baht as compared to the same period last year. This was mainly from increased sales volume of lithium-ion batteries.
5. **Other businesses:** For the three-months period ended 31 March 2023, the cost of sales increased by 54.48 million baht as compared to the same period last year. This aligned with the expansion of the charging station business for electric vehicles.

For the three-months period ended 31 March 2023, the Inter-segment cost increased by 1,401.62 million baht as compared to the same period last year. The main factors that were the increased from manufacturing and distributing the lithium-ion battery.

## Selling Expense

For the three-months period ended 31 March 2023, the selling expense was 14.38 million baht, increased by 3.62 million baht or 33.64% as compared to the same period for last year. The main factors that were the increased of crude palm oil (CPO) transportation.



## Administrative Expense

For the three-months period ended 31 March 2023, the administrative expense was 353.75 million baht, increased by 44.36 million baht or 14.34% as compared to the same period for last year which aligns the business expansion of the company group.

## Finance cost

For the three-months period ended 31 March 2023, the finance cost was 484.70 million baht, increased of 174.44 million baht or 56.22%. The main factors that were the increased of bonds and increased in average interest rate of the Company Group, as according to the announcement, the increased interest rate of Bank of Thailand.

## Financial Status

### Total Asset

The total asset of the Company as of 31 March 2023 was 112,299.71 million baht, increased by 8,935.37 million baht from 2022. This was mainly from the following determinants:

- Cash and cash equivalents

Cash and cash equivalents as of 31 March 2023 was reported at 4,134.95 million baht, representing an increase of 924.22 million baht from 2022. This is due to the normal operating results.

- Trade accounts receivable and other receivable net

Trade accounts receivable and other receivable net as of 31 March 2023 was reported at 18,560.46 million baht, representing an increase of 4,098.12 million baht from 2022. The main factors that were the increased of finance lease receivables and trade accounts receivable from sales electric bus and commercial vehicle.

- Inventory

Inventory as of 31 March 2023 was reported at 6,295.75 million baht, representing an increased by 779.33 million baht from 2022, due to the raw materials in preparation for lithium-ion battery production for Amita Technology (Thailand) Co., Ltd. and electric vehicle factory.

- Financial assets measured at amortized cost

Financial assets measured at amortized cost as of 31 March 2023, was increased by 3,500 million baht from investments in government bonds in foreign countries.

- Property, plant and equipment

Property, plant and equipment net as of 31 March 2023 was reported at 55,578.63 million baht, increased by 1,357.24 million baht from 2022. The main factors that were the solar panels replacement to the both location of the solar power plant at Phitsanulok province and Lampang province. Which helps to increasing the efficiency of the power production, it will be complete in May 2023.

- Non-current assets held for sale

Non-current assets held for sale as of 31 March 2023 was reported at 2,035.61 million baht, decreased by 1,883.03 million baht from 2022. The main factors that were the disposal of solar panels of the solar power plant, Phitsanulok province and Lampang province.

## Total Liabilities

The company's and subsidiaries total liabilities as of 31 March 2023 was 68,654.13 million baht. It was increased from that at the end of 2022 for 6,594.14 million baht. Mainly, it was because the short-term loans from financial institutes and newly issued bonds of 7,000 million baht in order to repayment for the bills of exchanged that were due to gain working capitals for conducting business and expanding the lithium-ion battery factory with the productivity of 1 gigawatts hour per year. The company is increasing the productivity to 2 gigawatts hour per year and 4 gigawatts hour per year in the fourth quarter in 2023 and the first quarter of 2024, respectively.

## Total Equity

The company's and subsidiaries total equity as of 31 March 2023, the total shareholders' equity of the Company were 43,645.58 million baht, representing an increase of 2,341.22 million baht from 2022, due to net profit for the three-months period ended 31 March 2023

## Progress of organizational projects

### ■ **Charging station business for electric vehicles: EA Anywhere**

#### - Energy Mahanakorn company limited (EMN)

Presently, the company installed 487 charging stations (DC stations and AC stations) totally 2,461 plugs. On 29th March 2023, opening ceremony "EV Smart Building" named Ramathibodi – Energy Absolute car park building, supporting the area by the Expressway Authority of Thailand. The building is the first prototype building that provide the most electric chargers in ASEAN with 578 chargers. It provides 576 AC Charger with a capacity 7.3 kW, with 100% coverages in all parking in this building and also provides 2 DC Fast Charge with a capacity 360 kW. The building is a prototype of building development for Condominium, Office building and large building such as department stores, hotels, apartments, mixed-use building and community mall by increase potential of free area with installing charging station.

### ■ **Lithium-ion Battery and Energy Storage System Business**

#### - Amita Technology (Thailand) company limited (ATT)

Amita Technology (Thailand) company limited operated a business by producing commercial batteries for electric vehicles and energy storage system industrial. Currently, the capacity is 1 GWh per year and is being used for subsidiary companies only. In Q2/2023 the capacity is expected to reach 2 GWh per year and reach 4 GWh per year in Q1/2024.

The company established a subsidiary company named "Battery Electric Vehicle and Electric Products Testing Center Co., Ltd. (BEV)" for testing services and guarantee battery standards and also provides other services such as research and development of electric vehicles and other electric equipment in international standards. BEV received TIS.17025-2561 (Thai Industrial Standard) (ISO/IEC17025-2017), the General requirements for the competence of testing and calibration laboratories from Thai Industrial Standards Institute, Ministry of Industry. The standard included quality management and academic requirement. This standard could be used with any organizations that has testing activities.

## ■ Electric Bus and Commercial Electric Vehicles Business

### - Absolute Assembly company limited (AAB)

The company operates a business by produce electric buses with fully capacity. The production line can be used for various vehicle types such as e-bus, e-truck and special industrial e-vehicles. All of these electric vehicles from the company are made free trade zone. In 2022, company delivered 1,250 electric buses. In Q1/2023 delivered 790 electric vehicles, could be separated in three types; 550 electrics buses (11 m.), 120 electric tractors and 120 electric trucks.

### - Mine Mobility Corporation company limited (MMC)

The company operates a business by producing and assembling electric pickup trucks with modern innovation and technology in the production line by 100% Thai people. The company has registered as the first electric pickup truck in Thailand under named “MINE MT30”. The company provides test-drive services for clients, and most of the customers are in the logistics business. The capacity of the factory is 3,000 vehicles per year.

### - Mine Mobility Research company limited (MMR)

The company operates a business by developing and researching electric vehicles. The company cooperated with CRRC Dalian, a major railway manufacturer from China in developing and producing electric locomotives. The electric locomotive can drive approximately 300 Kilometers, the collaboration with Ultra-Fast Charge technology from EA Anywhere. It can charge in an hour and save energy costs by around 50% when compared with diesel locomotives. Presently, the electric locomotive is under shunting system testing by the State Railway of Thailand at Krung Thep Aphiwat Central Terminal.

## ■ Energy business investment project in Lao People's Democratic Republic

On 10th March 2023, the company signed in cooperation of energy business investment and activities agreement with the Lao PDR government. Including a Transmission line project to raise stability in the country and could connect with electric power transmission in neighboring countries. In addition, the development of electric logistic systems and installation of Ultra-fast charge stations for value added in energy and transportation.