



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

AIE 094/2023

May 12, 2023

Subject: Management’s Discussion and Analysis for 1st quarter of 2023 ended as of March 31, 2023

Attention: President

The Stock Exchange of Thailand

AI Energy Public Company Limited (“the Company”) would like to submit the financial statement For 1st quarter of 2023 ended as of March 31, 2022, which details are as following ;

Operating results (Consolidated)	1 st quarter		1 st quarter		Unit : Million Baht	
	2023	%	2022	%	Increase (Decrease)	%
Revenue from sales and services	2,020.62	100.00%	2,351.40	100.00%	(330.78)	(14.07%)
Cost of sales and services	(2,002.51)	(99.10%)	(2,208.18)	(93.91%)	(205.67)	(9.31%)
Gross profit	18.11	0.90%	143.22	6.09%	(125.11)	(87.36%)
Other income	1.90	0.09%	2.62	0.11%	(0.71)	(27.27%)
Selling and administrative expenses	(29.73)	(1.47%)	(25.71)	(1.11%)	4.02	15.64%
Profit from operations	(9.72)	(0.48%)	119.80	5.09%	(129.52)	(108.11%)
EBITDA	7.88	0.39%	150.59	6.40%	(142.70)	(94.76%)
Finance cost and tax income	0.00	0.00%	(0.61)	(0.03%)	(0.61)	(100.00%)
Net profit	(9.72)	(0.48%)	119.51	6.59%	(129.23)	(108.14%)
Basic earnings per share (Baht per share)	(0.007)		0.0091		(0.098)	

Net Profit

For 1st quarter of 2023 ended as of March 31, 2023, the Company and subsidiaries (Consolidated) realized net loss of Baht 9.72 million, decreased by Baht 129.23 million or 108.14% as compared to the same period of last year which incurred the realized net profit of Baht 119.51 million. However, the Company reported EBITDA in amounting of Baht 7.88 million, decreased by Baht 142.70 million or 94.76% as compared to the same period of last year which incurred at Baht 159.59 million. The main cause is the average selling price of biodiesel decreased from the price of main raw material which decreased in accordance to the global market price. Although the sale volume increased from the



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government's policy to adjust the biodiesel mandatory increased from B5 to B7, effective from October 10, 2022 onwards, resulting in the Company's sales volume increased compared to the same period of the previous year, but unable to make the Company has a better performance than the same period of the previous year.

Revenue

1. Revenue from Sales and Services

For 1st quarter of 2023, the Company and subsidiaries realized the revenue of Baht 2,020.62 million, decrease by Baht 330.78 million or 14.07%, where the reasons are summarized as follows;

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

For 1st quarter of 2023, the Company's revenue from sales of biodiesel, edible oil and by-products was decreased by Baht 337.71 million or 14.39% from the same period of last year, as summarized below;

- For 1st quarter of 2023, the revenue from Biodiesel business increase by Baht 73.59 million, or 5.85%, the main factors are the existing customers have increased demand, the Committee on Energy Policy Administration (CEPA) has a resolution for adjusting the proportion of biodiesel mandatory from B5 to B7 from October 10, 2022 onwards, in order to alleviate the stock of crude palm oil in the country that tends to increase, and increasing the proportion helps reduce the cost of diesel fuel by 0.05-0.10 baht per liter. For the price in 1st quarter of 2023, the average selling price of biodiesel was decrease by 39.83% in accordance to the price of crude palm oil as the main raw material, the palm oil is decrease from the global CPO marker price. The global palm oil price is likely to decline as the COVID-19 situation subsides, causing major producing countries such as Indonesia and Malaysia to return to normal production and thus increasing global crude palm oil supply. This pressures the price of palm oil and palm oil in the country to continue to decline from 2022.
- For 1st quarter of 2023, the revenue from Edible Oil business increase by Baht 18.32 million, or 139.00%, as a result of, The company has received more orders from industrial customers. In addition, the company has marketed about hotels, restaurants, and the wholesaler market has increased, so the sales volume increased. The Company entered into short-term contract with specific quantities and delivery term (Made



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to Order). This helps the Company to efficiently control inventories aging and procurement that prevent risk from CPO's prices fluctuation.

- For 1st quarter of 2023, the revenue from Refined Glycerine business decreased by Baht 60.12 million or 42.72%, the main factors from the price are decrease 61.50% as compared to the same period of last year, the decline in selling price of Refined Glycerine was due to the lower demand for the product both domestically and internationally. Due to the COVID-19 epidemic around the world returning to normal conditions. In addition, the domestic market has more Refined Glycerine into the market. Since the raw materials obtained from biodiesel production increased in accordance with the production of biodiesel oil, therefore, the selling price of Refined Glycerine continued to decrease.
- For 1st quarter of 2023, the revenue from raw material and By-product decreased by 39.52%, from sales of raw materials for a produce biodiesel to the customers in the same industry has decreased. However, the Company will only sell by-products that excess the need of its biodiesel and refined glycerine productions.

1.2 Revenue from Services

For 1st quarter of 2023, The Company does not have a contract to produce Refined glycerine, due to the decline in market demand. The Company has revenue from oil refining contract for consumption from customers in the manufacturing and distribution of palm oil for consumption, an increase of Baht 11.40 million, due to the Company was enough capacity to services. However, the Company is considering to provide service that are suitable situation of the Company.

2. Other Income

Other Income consist of sales of scrap materials, interest income, gain on changes in fair value of short-term investment, Oil Storage Service etc. The Company and its subsidiaries had revenue from other income 1st quarter of 2023 by Baht 1.90 million, decrease by Baht 0.71 million, or 27.27% as compared to the same period of last year which incurred at Baht 2.62 million, the main cause was receiving subsidies from the Department of Employment in 1st quarter of 2022 the amount of Baht 0.56 million.



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Cost of Sales and Services

For 1st quarter of 2023, the Company and subsidiaries' cost of sales and services was Baht 2,002.51 million, decreased by Baht 205.67 million, or 9.31%, where the reasons are summarized as follows;

1. Cost of Sales- Biodiesel, Edible Oil, Refined Glycerine, Raw material and By-product

For 1st quarter of 2023, the Company's cost of sales to total revenue ratio was increased by 5.62% as compared to the same period of last year, according to the decrease the price of domestic palm oil. Although, the Company still maintains a policy to manage the inventories' optimization efficiently which can be classified by product groups as follows;

- For 1st quarter of 2023, the Biodiesel's ratio of cost of sales to total revenue was increased by 7.64% or 8.23% as compared to the same period of last year, due to the decreased sales price of raw material. However, the Company has emphasised on managing raw materials and inventory to have a faster turnover rate and keep the inventories between 15-20 days in order to avoid the risk from the fluctuation of palm oil prices, which is an important factor of the Company's profitability.
- For 1st quarter of 2023, the edible oil's ratio of cost of sales to total revenue was decreased by 3.05% or 3.24% as compared to the same period of last year, due to the increased sales price of raw material. However, the Company was possible to generate profit from this business unit since there were Made to Order. Which is managing the raw material used to produce edible oil to be profitable. But the storage of crude palm oil cannot be stored separately. As a result, the production cost fluctuates according to the raw material price during the changing period.
- For 1st quarter of 2023, Refined Glycerine's ratio of cost of sales to total revenue was increased by 7.21% or 11.55% as compared to the same period of last year, due to the decreased sales price of Refined Glycerine.
- For 1st quarter of 2023, the raw material and by-product's ratio of cost of sales to total revenue was increased by 0.73% or 0.73% as compared to the same period of last year, The Company setting the selling price of raw materials and by-products to be related to the production costs incurred, and sold raw material to the customer in the same industry.



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2. Cost of Services

For 1st quarter of 2023, The Company does not have contract production of Refined Glycerine, but the Company has contract production of edible palm oil to customers in the same industry group. The cost of service ratio increased by 6.11% or 8.96%, due to the Company was enough capacity to services.

Selling Expenses

For 1st quarter of 2023, the Company and its subsidiaries' selling expenses were Baht 10.36 million, increase by Baht 4.79 million or 86.00% as compared to the same period of last year, due to the transportation expenses were increased in quantities sold and the terms of delivery agreed.

Administration Expenses

For 1st quarter of 2023, the Company and subsidiaries' administration expenses were Baht 19.37 million, decrease by Baht 1.08 million or 5.27% as compared to the same period which incurred the administration expenses of Baht 20.45 million. The main reason is decrease from personnel expense.

Financial Cost and Income Tax Expense

For 1st quarter of 2023, the Company and subsidiaries were financial cost of Baht 0.004 million, decreased by 42.86% as compared to the same period.

For 1st quarter of 2023, the Company and subsidiaries were income tax expense decreased by Baht 0.60 million or 100.00% as compared to the same period.



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Statement of Financial Position

Unit : Million Baht

Consolidated Financial Statements	At March 31, 2023	At December 31, 2022	Increase (Decrease)	%
Cash and cash equivalents	157.57	102.34	55.23	53.97%
Short-term investments	2.85	2.84	0.01	0.24%
Trade and other receivables	469.44	538.16	(68.72)	(12.77%)
Inventories	399.57	426.30	(26.73)	(6.27%)
Other current assets	4.79	6.60	(1.81)	(27.44%)
Total current assets	1,034.22	1,076.24	(42.02)	(3.90%)
Restricted bank deposits	56.01	56.40	(0.39)	(0.68%)
Property, plant and equipment	1,329.22	1,346.28	(17.06)	(1.27%)
Other non-current assets	4.38	2.33	2.04	87.53%
Total assets	2,423.83	2,481.25	(57.42)	(2.31%)
Trade and other payables	376.06	417.33	(41.27)	(9.89%)
Other current liabilities	41.58	48.59	(7.00)	(14.42%)
Other non-current liabilities	11.21	10.64	0.57	5.34%
Total liabilities	428.85	476.56	(47.71)	(10.01%)
Shareholder's equity	1,994.98	2,004.69	(9.72)	(0.48%)
Total liabilities and shareholder's equity	2,423.83	2,958.61	(534.78)	(18.08%)

Assets

As of March 31, 2023, the Company and subsidiaries had total assets of Baht 2,423.83 million, decreased by Baht 57.42 million or 2.31% from December 31, 2022, The mainly cause was a decrease in accounts receivable, as a result of the decrease in sales value, which was related to the decrease in inventories arising from raw material prices was decreased. As a result, the value of inventories decreases.



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Liabilities

As of March 31, 2023, the Company and subsidiaries had total liabilities of Baht 428.85 million, decreased by Baht 47.71 million or 10.01%, the mainly cause from the decrease in raw material prices, resulting in a decrease in the balance of trade payables.

Shareholders' equity

As of March 31, 2023, the Company and subsidiaries had total shareholders' equity of Baht 1,994.98 million, decreased by Baht 9.72 million or 18.08%, the mainly cause from the performance in the 1st quarter of 2023.

Please be informed according

Yours Sincerely,

AI Energy Public Company Limited

Miss Pimwan Thareratanavibool

Managing Director

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