

Subject: Management Discussion and Analysis for the year ended 31 March 2023

To: President

The Stock Exchange of Thailand

Thai Energy Storage Technology Public Company Limited (the “Company” or “3K-BAT”) hereby submits management discussion and analysis for the year ended 31st March 2023.

Since the Group has changed the accounting period starting from 1st January to 31st December of every year to the period from 1st April to 31st March of next year, starting from the period ended 31st March 2022 onward, the statements of comprehensive income and statements of cash flows for the period ended 31st March 2022 have been prepared under this new accounting period, presented three months result.

For the benefits of users in comparing and analyzing the financial information, including the suitable explanation notes for the increases or decreases, an analysis of operating results for the year ended 31st March 2023 to be compared with twelve months period of last year.

Operating Result (In million Baht)	For the year ended 31 March 2023	For the year ended 31 March 2022*	For the period as from 1 January 2022 to 31 March 2022**
Revenue	5,249.28	5,540.35	1,432.57
Cost of sales	4,333.72	4,540.88	1,172.19
Gross profit	915.56	999.47	260.38
Other income	21.57	21.99	4.08
Gain on exchange	60.93	93.37	46.55
Profit before expenses and finance income	998.06	1,114.83	311.01
Expenses			
Selling and distribution expenses	439.61	417.18	100.19
Administrative expenses	361.40	443.82	123.78
Product warranty expenses	7.31	7.98	2.02
Total expenses	808.32	868.98	225.99
Profit from operating activities	189.74	245.85	85.02
Finance income	0.04	0.68	0.12
Finance cost	(16.63)	(12.67)	(4.66)
Profit before income tax expenses	173.15	233.86	80.48
Income tax expenses	(47.30)	(72.07)	(39.75)
Profit for the year/period	125.85	161.79	40.73
Non-controlling interests of the subsidiaries	1.33	3.38	0.00
Equity holders of the Company	124.52	158.41	40.73
Profit for the year/period	125.85	161.79	40.73
Basic earnings per share			
Profit attributable to equity holders of the Company (Baht per share)	1.59	2.02	0.52

* Operation result for 12 months (1 April 2021 to 31 March 2022) which provided by Management for comparison purpose

** In 2022, it was the first change of accounting period to be ended 31 March 2022. The operating result presented here comprises only three months from 1 January 2022 to 31 March 2022

Total Revenues

For the year ended 31 March 2023 and 2022, the Company's sales revenues were THB 5,249.28 million and THB 5,540.35 million, respectively decreased by THB 291.07 million or 5.25 percent due to the baht depreciation from the previous year, which effected exports sale and inflation in foreign countries.

Cost of Sales and Gross Profit

For the year ended 31 March 2023 and 2022, the Company's costs of sales were THB 4,333.72 million and THB 4,540.88 million, respectively decreased by THB 207.16 million or 4.56 percent. The Company's gross profit margins for the year 2022 and the period of 12 months in the previous year were equal to 17.44 percent and 18.04 percent respectively due to the depreciation of the baht between 35-38 baht per US dollar. As a result, the price of imported lead was higher than the previous year.

Selling and administrative expenses

For the year ended 31 March 2023 and 2022, selling and administrative expenses was THB 808.32 million, or accounted for 15.40 percent of sales income, compared in the same period of previous year the amount was THB 868.98 million or accounted for 15.68 percent of sales income, decreased by THB 60.66 million due to the increase in selling expense THB 22.43 million and the decreased in administrative expense was THB 82.42 million from management and control expense efficiency.

Net Profit

For the year ended 31 March 2023 and 2022, the Company's net profits attributable to equity holders of the Company were THB 124.52 million and profit THB 158.41 million respectively, decreased by THB 33.89 million. The Company's profit per share equals to THB 1.59 per share and profit THB 2.02 per share, due to decrease in gross profit margins and gain for exchange rate THB 32.44 million.

Financial Positions

Assets

As of 31 March 2023, the Company's total assets were THB 3,843.98 million which decreased from the total assets as of 31 March 2022 to THB 112.95 million or 2.85 percent mainly due to the decrease of inventories and trade and other receivables.

Liabilities

As of 31 March 2023, the Company's total liabilities were THB 1,483.70 million, which decreased from the liabilities as of 31 March 2022 to THB 214.53 million or 12.63 percent. Such changes were mainly due to the decrease from payment for accrued tax THB 41.26 million, and trade and other payables to THB 167.97 million.

- Translation -

Shareholders' equity

As of 31 March 2023, the shareholders' equity of the Company was equal to THB 2,360.28 million increased from balance as of 31 March 2022 by THB 101.58 million or 4.50 percent. The changes in equity were due to the THB 124.52 million net profit for the year 2022 and the deduction of dividend paid.

Liquidity and Appropriateness of Capital Structure

As of 31 March 2023, the Company's cash had THB 610.06 million, increased by THB 392.97 million as compared to 31 March 2022. The Company's current assets/current liabilities ratio had 2.29 time and 2.09 time as compared to 31 March 2022 due to decreasing in Trade and other payables.

As of 31 March 2023, the Company had Trade and other receivables amounted to THB 500.70 million, decrease by THB 101.82 million as compared to 31 March 2022 due to decreasing in line with sale volume.

At of 31 March 2023 and 31 March 2022, the Company's debt/equity ratio was 0.63: 0.75.

Please be informed accordingly.

Yours faithfully,

- Signed -

(Mr. Akihiko Emori)

Chief Executive Officer