

Subject: Management Discussion and Analysis for the three-month period ended 30 June 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 Quarter ended 30 June 2023

Total Revenues

For the three-month period ended 30 June 2023 and 2022, the Company's sales revenues were THB 1,212.82 million and THB 1,508.96 million, respectively decreased by THB 296.14 million or 19.63 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 three-month period ended 30 June 2023 and 2022, the Company's costs of sales were THB 1,056.24 million and THB 1,261.12 million, respectively decreased by THB 204.88 million or 16.25 percent. The Company's gross profit margins for the year 2023 and 2022 compared in the same period of previous 12.91 percent and 16.42 percent respectively due to decrease for gross profit 3.51 percent due to the depreciation of the baht. As a result, the price of imported Lead was higher than the previous year.

Selling and administrative expenses

For the three-month period ended 30 June 2023 and 2022, selling and administrative expenses was THB 206.09 million, or accounted for 16.99 percent of sales income, compared in the same period of previous year the amount was THB 204.80 million or accounted for 13.57 percent of sales income.

Selling and administrative expenses compared to the same period last year was increased by THB 1.29 million. Selling expense was decreased by THB 4.81 million because the shipping expense was decreased due to the decrease in export sales, but administrative expense was increased by THB 6.10 million due to the increase in IT service expenses and allowance for doubtful account in this quarter.

Net Profit

For the three-month period ended 30 June 2023 and 2022, the Company's net profits (loss) attributable to equity holders of the Company were THB (0.53) million and profit THB 75.84 million respectively, decreased by THB 76.37 million. The Company's profit (loss) per share equals to THB (0.007) per share and profit THB 0.967 per share, due to decrease in gross profit margins and gain for exchange rate THB 3.07 million.

Financial Positions

Assets

As of 30 June 2023, the Company's total assets were THB 3,769.05 million which was decreased from the total assets as of 31 March 2023 to THB 74.94 million or 1.95 percent mainly due to the decrease of VAT refundable, Prepaid expense and others current asset.

Liabilities

As of 30 June 2023, the Company's total liabilities were THB 1,409.46 million, which was decreased from the liabilities as of 31 March 2023 to THB 74.25 million or 5.00 percent. Such changes were mainly due to repayment for long-term loan THB 90.39 million, but there was the increase THB 22.84 million in trade and other payables.

Shareholders' equity

As of 30 June 2023, the shareholders' equity of the Company was equal to THB 2,359.60 million decreased from balance as of 31 March 2023 by THB 0.68 million or 0.03 percent. The changes in equity were due to the THB 0.68 million net profit for the year 2023.

Liquidity and Appropriateness of Capital Structure

As of 30 June 2023, the Company's cash had THB 617.28 million, increased by THB 7.22 million as compared to 31 March 2023. The Company's current assets/current liabilities ratio had 2.18 times and 2.29 times as compared to 31 March 2023 due to decreasing in long-term loan and other current liabilities.

As of 30 June 2023, the Company had Trade and other receivables amounted to THB 537.88 million, increased by THB 37.18 million as compared to 31 March 2023 due to increasing in outstanding account receivable that have not been paid according to the term of payment.

As of 30 June 2023, and 31 March 2023, the Company's debt/equity ratio was 0.60: 0.63.

Please be informed accordingly.

Yours faithfully,

- Signed -

(Mr. Akihiko Emori)
Chief Executive Officer