



Energy Absolute Public Company Limited

Management Discussion and Analysis

For Operating Results

of the third quarter and nine-month period ended 30 September 2023



Energy Absolute Public Company Limited

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No. EA6611/009LT

10 November 2023

Subject Management Discussion and Analysis and operating result for the third quarter and nine-month periods ended 30 September 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 third quarter and nine-month periods ended 30 September 2023 as approved by the meeting of the Board of Directors No. 4/2023 held on 10 November 2023. The details are as follows:

Overview of operating results for the three and nine-month periods ended 30 September 2023

Operating Results	Third quarter				Nine-month period			
	2023 THB Million	2022 THB Million	Increase (Decrease)		2023 THB Million	2022 THB Million	Increase (Decrease)	
			THB Million	%			THB Million	%
Revenue from sales and services	7,303.75	5,691.81	1,611.94	28.32	24,079.02	15,828.21	8,250.81	52.13
Other income	72.05	88.09	(16.04)	(18.21)	157.20	222.32	(65.12)	(29.29)
Total revenue from ordinary operations	7,375.80	5,779.90	1,595.90	27.61	24,236.22	16,050.53	8,185.69	51.00
Net profit from ordinary operations	1,502.71	1,143.41	359.30	31.42	5,981.34	3,605.15	2,376.19	65.91
Net non-recurring items	460.25	1,826.89	(1,366.64)	(74.81)	461.63	1,826.89	(1,365.26)	(74.73)
Net profit for owners of the parent	1,962.96	2,970.30	(1,007.34)	(33.91)	6,442.97	5,432.04	1,010.93	18.61
Basic earnings per share (THB per share)	0.53	0.80	(0.27)	(33.75)	1.73	1.46	0.27	18.49

Net profit from ordinary operations

In Q3/23, net profit from ordinary operations of EA and its subsidiaries amounted to THB 1,502.71 million increased by THB 359.30 million or 31.42% compared Q3/22 (Q3/22: THB 1,143.41 million.) In 9M/23, The net profit from ordinary operations of EA and its subsidiaries amounted to THB 5,981.34 million increased by THB 2,376.19 million or 65.91% compared to 9M/22 (9M/22: THB 3,605.15 million) an increase mainly due to the electric bus and commercial vehicle business and operation of the renewable energy power plants.

Net profit for owner of the parent company

In Q3/23, net profit for the owner of the parent company amounted to THB 1,962.96 million, a decrease of THB 1,007.34 million or 33.91% and in 9M/23, net profit for the owner of the parent company amounted to THB 6,442.97 million, a decrease of THB 1,010.93 million or 18.61% compared to the same period last year. However, net profit for the owner of the parent company decreased although net profit from ordinary operations increased as EA and its subsidiaries realized net profit from special transaction (non-recurring items) of THB 1,366.64 million from 2022. In 2023, the Company realized gain on reclassification of investment amount of THB 461.63 million and in 2022, the Company realized gain on Entire Business Transfer (“EBT”) of THB 1,826.89 million.

Revenue

In Q3/23, the total revenue of EA and its subsidiaries amounted to THB 8,565.57 million , an increase of THB 958.78 million or 12.60% compared to the same period last year (Q3/22: THB 7,606.79 million). In 9M/23, the total revenue of EA and its subsidiaries amount to THB 25,425.99 million, an increase of THB 7,548.57 million or 42.22% compared to the same period last year (9M/22: THB 17,877.42 million), as summarized below.

Total Revenue	Third quarter				Nine-month period			
	2023 THB Million	2022 THB Million	Increase (Decrease)		2023 THB Million	2022 THB Million	Increase (Decrease)	
			THB Million	%			THB Million	%
Biodiesel business	1,344.85	1,756.42	(411.57)	(23.43)	3,951.49	6,053.23	(2,101.74)	(34.72)
Renewable power plant business	3,173.80	2,658.59	515.21	19.38	9,851.86	8,141.18	1,710.68	21.01
Electric bus and commercial Vehicle Business	2,765.72	1,522.94	1,242.78	81.60	10,264.17	1,695.60	8,568.57	505.34
Lithium-ion Battery Business	1,100.15	609.77	490.38	80.42	4,064.78	909.59	3,155.19	346.88
Other Businesses	184.10	82.81	101.29	122.32	481.66	210.19	271.47	129.15
Less: Inter-segment revenue	(1,264.87)	(938.72)	(326.15)	34.74	(4,534.94)	(1,181.58)	(3,353.36)	283.80
Total Revenue from sales and services	7,303.75	5,691.81	1,611.94	28.32	24,079.02	15,828.21	8,250.81	52.13
Other Incomes	72.05	88.09	(16.04)	(18.21)	157.20	222.32	(65.12)	(29.29)
Total revenue from ordinary operations	7,375.80	5,779.90	1,595.90	27.61	24,236.22	16,050.53	8,185.69	51.00
Other Incomes (non-recurring items)	1,189.77	1,826.89	(637.12)	(34.87)	1,189.77	1,826.89	(637.12)	(34.87)
Total Revenue	8,565.57	7,606.79	958.78	12.60	25,425.99	17,877.42	7,548.57	42.22

However, revenue from sales and services in Q3/23 amounted to THB 7,303.75 million, increase of THB 1,611.94 million or 28.32% compared to 2022. For 9M/23, revenue amounted to THB 24,079.02 million, an increase of 8,250.81 million or 52.13% compared to 2022, mainly due to 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:

In Q3/23, revenues from the biodiesel business fell by THB 411.57 million or 23.43%. In 9M/23, revenues from the biodiesel business decreased by THB 2,101.74 million or 34.72% compared to the same period last year, due to the following reason.

1.1 Production and distribution of biodiesel fuel products: In Q3/23, revenue increased by THB 3.34 million or 0.33%. This is mainly due to the market conditions in the biodiesel market (B100) changed due to increased consumption which compensated for lower prices. As a result, overall revenue was maintained at the same level in Q3/22. In the 9M/23 period, revenue decreased by THB 1,177.56 million or 32.27%. This was mainly due to the price of biodiesel (B100). This was in line with the prices of crude palm oil (CPO) in 2023 in the global market and the domestic market, which decreased by 30% compared to the same period in 2022. However, the Committee on Energy Policy Administration (CEPA) continued to maintain the mandatory blending of biodiesel in high-speed B7 diesel fuel until 31 December 2023 to ensure that CPO inventories are adequate (see CEPA No. 5/2023 (61st) on Tuesday, 15 September 2023 (epo.go.th)). As a result, demand for biodiesel (B100) was similar to 2022.

Descriptions	Third quarter				Nine-month period			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue from biodiesel fuel (B100)	1,026.98	1,023.64	3.34	0.33	2,472.01	3,649.57	(1,177.56)	(32.27)
- Sales volume (Million liter)	33.25	30.22	3.03	10.03	79.98	82.66	(2.68)	(3.24)
- Average selling price (Bah/liter)	30.89	33.87	(2.98)	(8.80)	30.91	44.15	(13.24)	(29.99)
- Biodiesel mandates	B7	B5			B7	B5		

1.2 Production and distribution of pure glycerin product: In Q3/23, revenues decrease of THB 87.39 million or 74.11%. In 9M/23, revenues fell by THB 247.88 million or 69.64%. This is mainly due to the price of glycerin has fallen on the global and domestic markets. This is because glycerin is a by-product of biodiesel production. For the sales volume, which fell due to the postponement of the delivery of some products to Q4/23.

Descriptions	Third quarter				Nine-month period			
	2023 THB Million	2022 THB Million	Increase (Decrease)		2023 THB Million	2022 THB Million	Increase (Decrease)	
			THB Million	%			THB Million	%
Revenue from pure glycerin	30.53	117.92	(87.39)	(74.11)	108.09	355.97	(247.88)	(69.64)
- Sales volume (Million Kg)	1.95	2.54	(0.59)	(23.23)	5.80	7.17	(1.37)	(19.11)
- Average selling price (Baht/Kg)	15.66	46.38	(30.72)	(66.24)	18.64	49.68	(31.04)	(62.48)

1.3 Production and distribution of Crude Palm Oil (CPO) Product: In Q3/23, revenue decrease amounted to THB 298.00 million or 57.50%. In 9M/23, revenue decrease amounted to THB 668.52 million or 39.63%. This is due to the decline in sales volume in Q3/23 due to lower domestic demand. CPO prices in Q3 and 9M/23 declined because the SPOT price in Malaysia was lower than the price of refineries in southern Thailand. Therefore, the refineries cannot export CPO. Consequently, exporters are competing for domestic sales. As a result, the price of CPO in the country has fallen.

Descriptions	Third quarter				Nine-month period			
	2023 THB Million	2022 THB Million	Increase (Decrease)		2023 THB Million	2022 THB Million	Increase (Decrease)	
			THB Million	%			THB Million	%
Revenue from crude palm oil (CPO)	220.27	518.27	(298.00)	(57.50)	1,018.28	1,686.80	(668.52)	(39.63)
- Sales volume (Million Kg)	6.97	15.87	(8.90)	(56.08)	32.94	37.98	(5.04)	(13.27)
- Average Selling Price (Baht/Kg)	31.60	32.66	(1.06)	(3.25)	30.91	44.41	(13.50)	(30.40)

1.4 Production and distribution of PCM Product: in Q3/23, the decline in revenue amounted to THB 10.28 million or 45.83%. In 9M/23, revenue decreased by THB 47.26 million or 56.42%. This is mainly due to the decline in sales volume in Q3 and 9M/23 caused by

lower demand from major customers in Japan and Korea as a result of the economic slowdown. Nevertheless, the company is keeping sales prices higher than last year. In addition, the company is currently looking for new markets in the US and the EU as well as new channels for the application of PCM in chemical ingredients, households, solvents and cold chains, which are not only used in the textile and construction industries. The Group is currently developing a process for the production of bio-jet fuel that will enable flexible business operations in order to supply both domestic fuel and aviation fuel to a variety of customer groups in the future.

Descriptions	Third quarter				Nine-month period			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue from PCM	12.15	22.43	(10.28)	(45.83)	36.51	83.77	(47.26)	(56.42)
- Sales volume (Million Kg)	0.09	0.18	(0.09)	(50.00)	0.32	0.76	(0.44)	(57.89)
- Average Selling Price (Baht/Kg)	135.00	124.92	10.08	8.07	114.09	110.29	3.80	3.45

1.5 Production and distribution of green diesel product: The Company produced and distributed green diesel (GD) or bio-hydrogenated diesel (BHD). For 9M/23, with revenue increasing by THB 137.20 million due to demand from European countries (the company first started selling the green diesel in Q4/22).

Descriptions	Third quarter				Nine-month period			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue from Green Diesel (GD)	2.50	0.00	2.50	100.00	137.20	0.00	137.20	100.00
- Sales volume (Million Kg)	0.04	0.00	0.04	100.00	2.23	0.00	2.23	100.00
- Average selling price (Baht/Kg)	62.50	0.00	62.50	100.00	61.52	0.00	61.52	100.00

1.6 Byproducts: In Q3/23, revenue decreased amounted to THB 21.74 million or 29.31%. In 9M/23, revenue decreased amounted to THB 97.72 million or 35.26%. This was mainly due to lower sales prices for palm kernels, which were in line with the lower sales prices for crude palm oil (CPO). (Palm kernels are by-products of crude palm oil production).

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Descriptions	Third quarter				Nine-month period			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue from byproducts	52.42	74.16	(21.74)	(29.31)	179.40	277.12	(97.72)	(35.26)

2. Revenue from renewable energy power plant business:

In Q3/23, the revenue to THB 3,173.80 million, increased by THB 515.21 million or 19.38% compared to the same period last year (Q3/22: THB 2,658.59 million) In 9M/23, the revenue to THB 9,851.86 million, increased THB 1,710.68 million or 21.01% compared to the same period last year (9M/22: THB 8,141.18 million). The reasons are summarized as follows:

Descriptions	Third quarter				Nine-month period			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue from Solar power plants	1,610.65	1,563.29	47.36	3.03	5,435.97	5,024.48	411.49	8.19
- Sales volume (Million KWh)	154.31	152.03	2.28	1.50	503.82	499.36	4.46	0.89
- Average selling price (Baht/Unit)	10.44	10.28	0.16	1.56	10.79	10.06	0.73	7.26

Describes below:

In Q3/23 and 9M/23, revenues increased due to the replacement of solar panels in the power plant projects. This helped to increase the efficiency of power generation compared to the same period last year. While the average selling price increased as a result of the FT price, which increased in the eight months of 2023, the decrease in the FT price in September 2023 has no impact on the decrease in the average selling price.

Revenue from Wind power plants	1,561.80	1,090.18	471.62	43.26	4,406.13	3,104.51	1,301.62	41.93
- Sales volume (Million KWh)	220.01	161.29	58.72	36.41	597.06	476.20	120.86	25.38
- Average selling price (Baht//Unit)	7.10	6.76	0.34	5.03	7.38	6.52	0.86	13.19

Describes below:

In Q3/23 and 9M/23, revenue increased due to increased wind speed. While the average selling price increased as a result of the increase in the FT price in the eight-month period of 2023, the decrease in the FT price in September 2023 did not affect the decrease in the average selling price.

Hanuman wind power 260-MW Project

- Sales volume (Million KWh)	123.17	94.98	28.19	29.68	388.88	295.14	93.74	31.76
- Average selling price (Baht/Unit)	7.10	6.68	0.42	6.29	7.38	6.45	0.93	14.42

Descriptions	Third quarter				Nine-month period			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Hadkanghan wind power 126-MW Project								
- Sales volume (Million KWh)	96.84	66.31	30.53	46.04	208.18	181.06	27.12	14.98
- Average selling price (Baht/Unit)	7.10	6.88	0.22	3.20	7.38	6.63	0.75	11.31
Revenue from Biogas power	1.35	5.12	(3.77)	(73.63)	9.76	12.19	(2.43)	(19.93)
- Sales volume (Million KWh)	0.27	1.32	(1.05)	(79.55)	1.71	3.10	(1.39)	(44.84)
- Average selling Price (Baht/Unit)	5.00	3.88	1.12	28.87	5.71	3.93	1.78	45.29

3. Revenue from electric bus and commercial vehicle business:

In Q3/23, revenue amounted to THB 2,765.72 million, an increase of THB 1,242.78 million compared to the same period last year (Q3/22: THB 1,522.94 million). In 9M/23, revenue amounted to THB 10,264.17 million, an increase of THB 8,568.57 million compared to the same period last year (9M/22: THB 1,695.60 million) (The company produced and distributed the electric vehicle in Q3-Q4 2022). In 9M/23, the company sold 2,079 electric buses and commercial vehicles.

4. Revenue from the lithium-ion battery business:

In Q3/23, revenue amounted to THB 1,100.15 million, an increase of THB 490.38 million compared to the same period last year (Q3/22: THB 609.77 million). In 9M/23, revenue amounted to THB 4,064.78 million, an increase of THB 3,155.19 million compared to the same period last year (9M/22: THB 909.59 million), as the sales volume of lithium-ion batteries increased (Amita Technology (Thailand) Co., Ltd. started manufacturing and distributing lithium-ion batteries for the assembly of electric bus and commercial vehicles in Q2/22). Currently producing at full capacity to support the future expansion of electric buses and commercial vehicles.

5. Revenues from other business:

In Q3/23, revenue amounted to THB 184.10 million, an increase of THB 101.29 million compared to the same period last year (Q3/22: THB 82.81 million). In 9M/23, revenue amounted to THB 481.66 million, an increase of THB 271.47 million compared to the same period last year (9M/22 :

THB 210.19 million). This is mainly due to the increase in revenue from the electric vehicle charging station business.

6. Other income and non-recurring income items:

In Q3/23, other income amounted to THB 1,261.83 million, a decrease of THB 653.15 million compared to the same period last year (Q3/22: THB 1,914.98 million) In 9M/23, other income amounted to THB 1,346.97 million, a decrease of THB 702.24 million compared to the same period last year (9M/22: THB 2,049.21 million). In 2023, the company realizes a gain from the reclassification of investments in associates to financial assets measured at fair value through OCI in the amount THB 1,189.77 million. In 2022, the Company realized a gain from the transfer of the entire business operations (“EBT”) of E Transport Holding Company Limited or ETH, a subsidiary of EA, to Thai Smile Bus Company Limited (“TSB”) amounting to THB 1,826.89 million.

Cost of sales and services

In Q3/23 and 9M/23, cost of sales and services amounted to THB 5,035.62 million, an increase of THB 912.77 million or 22.14% and THB 15,417.56 million, an increase of THB 4,679.51 million or 43.58% respectively compared to the same period last year. The reasons are summarized as follows:

- 1. Manufacture and distribution of biodiesel:** In Q3/23 and 9M/23, the cost of sales decreased by THB 559.03 million or 28.60% and by THB 2,194.93 million or 35.16% respectively compared to the same period last year. The decline is mainly due to the fall in the price of palm fruit, which is the key raw material for biodiesel production.
- 2. Generation and distribution of electricity from renewable energy power:** In Q3/23 and 9M/23, the cost of sales increased by THB 16.34 million or 2.01% and increased by THB 48.88 million or 2.12% respectively compared to the same period last year. This was mainly due to increased depreciation due to the replacement of solar panels in the power plant projects of Lampang, Nakhon Sawan and Phitsanulok provinces. This helped to increase the efficiency of power generation.
- 3. Manufacture and distribution of electric bus and commercial vehicles:** In Q3/23 and 9M/23, cost of sales increased by THB 959.09 million and increased by THB 6,916.30 million respectively compared to the same period last year in line with the increase sale volume of electric bus and commercial vehicles.

4. **Manufacture and distribution of lithium-ion battery:** In Q3/23 and 9M/23, cost of sales increased by THB 731.93 million and increased by THB 3,019.90 million respectively compared to the same period last year in line with the increase in revenue from the sales volume of lithium-ion batteries increased.
5. **Other businesses** In Q3/23 and 9M/23, cost of sales increased by THB 105.40 million and increased by THB 250.80 million respectively compared to the same period last year in line with the increase in revenue from the electric vehicle charging station business.

In Q3/23 and 9M/23, inter-segment cost increased by THB 340.96 million and increased by THB 3,361.44 million respectively compared to the same period last year. The main reason for the increase is the sales of lithium-ion batteries to support the expansion of the electric bus and commercial vehicle business.

Selling Expense

For Q3/23 and 9M/23, selling expense amounted to THB 19.33 million, an increase of THB 0.98 million or 5.33%, and THB 54.23 million, an increase of THB 8.19 million or 17.78%, respectively, compared to the same period last year. The main reason for the increase is the transport of crude palm oil (CPO) in line with the increased sales to customers in front of factory.

Administrative Expense

For Q3/23 and 9M/23, administrative expenses amounted to THB 240.93 million, a decrease of THB 21.73 million, and THB 1,005.49 million, a decrease of THB 0.81 million respectively compared to the same period last year.

Finance cost

For Q3/23 and 9M/23, finance cost amounted to THB 594.88 million, an increase of THB 235.77 million or 65.65% and THB 1,635.30 million, an increase of THB 621.27 million or 61.27% respectively compared to the same period last year. This was mainly due to an increase in bonds and the increase in Group's average interest rate according to the Bank of Thailand's announcement.

Financial Status

Total Asset

The total asset of EA and its subsidiaries as of 30 September 2023 amounted to THB 124,650.77 million, an increase of THB 21,286.43 million from the end of 2022. The reasons are summarized as follows:

- Cash and cash equivalents

Cash and cash equivalents as of 30 September 2023 amounted to THB 11,416.94 million, an increase of 8,206.21 million from the end of 2022. Due to the newly issued bonds in Q3 of 2023 to be used in operations.

- Trade accounts receivable and other receivable net

Trade accounts receivable and other receivable as of 30 September 2023 amounted to THB 21,098.13 million, an increase of THB 6,635.79 million from the end of 2022 mainly due to an increase in trade accounts receivable and finance lease receivables from sale of electric bus and commercial vehicles in line with the increase in revenue.

- Inventory

Inventory as of 30 September 2023 amounted to THB 7,274.98 million, increased by THB 1,758.57 million from the end of 2022, this is mainly due to finished good awaiting delivery to electric bus and commercial vehicles plants.

- Non-current assets held for sale

Non-current assets held for sale as of 30 September 2023 amounted to THB 164.56 million, a decrease of THB 3,754.09 million from the end of 2022 mainly due to disposal of the solar panels of the solar power plant in Phitsanulok and Lampang provinces.

- Financial assets measured at amortized cost

Financial assets measured at amortized cost as of 30 September 2023 amounted to THB 3,500 million from investments in government bonds of foreign countries.

- Financial assets measured at fair value through OCI and investment in associates

Financial assets measured at fair value through OCI and investment in associates amounted to THB 11,795.20 million and THB 1,746.12 million, representing an increase of THB 6,634.62 million and a decrease of THB 6,804.79 million respectively from the end of 2022. Due to in September 2023 the Company has considered reclassifying the investments in Beyond Securities (Public) Company Limited from investments in associates to financial assets measured at fair value through OCI.

- Property, plant and equipment

Property, plant and equipment as of 30 September 2023 amounted to THB 58,841.89 million, an increase of THB 4,620.50 million from the end of 2022 mainly increased due to the replacement of solar panels in the power plant projects in Phitsanulok and Lampang provinces which were completed in May 2023. In addition, to support the expansion of the lithium-ion battery factory with a productivity of 1 gigawatt hour per year. The company increases productivity to 2 gigawatt hours per year.

Total Liabilities

The total liabilities of EA and its subsidiaries as of 30 September 2023 amounted to THB 78,482.40 million, an increase of THB 16,422.41 million from the end of 2022. Mainly increased due to the short-term loans from financial institutes and newly issued bonds of THB 17,000 million in order to repayment of bills of exchange, use as working capital for operations, repayment loans in connection with the release of hire-purchase electric vehicles, provision of loans for the hire-purchase of electric vehicles, working capital for the expansion of the lithium-ion battery factory with a productivity of 1 gigawatt hour per year. The company increases productivity to 2 gigawatt hours per year, which is expected to be completed in Q1/2024, and expands it to 4 gigawatt hours per year, which is expected to be completed in Q4/2024.

Total Equity

The total equity of EA and its subsidiaries as of 30 September 2023 were THB 46,168.37 million, an increase of THB 4,864.02 million from the end of 2022, from the total comprehensive profit for the nine-month period ended 30 September 2023 and deducted dividend payment.

Progress of organizational projects

▪ **Charging station business for electric vehicles: EA Anywhere**

- Energy Mahanakorn Company Limited (EMN)

The Company has recently installed 500 electric charging stations (DC charger station and AC charger station) with a total of 2,526 chargers. EA Anywhere Charging station covers many areas throughout Thailand. As a growing trend of electric vehicle industry, the Company remains committed to improving the performance of chargers and charging stations while also finding potential areas located in main routes for travel, transportation and logistics so that users can come and use the Company's electric charging stations more in the future.

▪ **Lithium-ion Battery and Energy Storage System Business**

- Amita Technology (Thailand) Company Limited (Amita-TH)

Amita Technology (Thailand) Company Limited or Amita-TH has commercially operated and produced lithium-ion batteries for the electric vehicle industry and energy storage system, currently Amita-TH has a capacity of 1 GWh per year and supplies such above products to its subsidiary companies.

Furthermore, Amita-TH is still developing solid-state battery technologies, which is a battery with high safety and has more energy storage efficiency to support the increasing demand from the electric vehicle industry in the future.

Recently, Amita-TH is in the process of expanding its production capacity from 1 GWh per year to 2 GWh per year and 4 GWh per year. This is expected to be completed in 2024 to underpin the rising demand for batteries in the EA Group, including the battery market in Thailand and ASEAN.

▪ **Electric Bus and Commercial Vehicles Business**

- Absolute Assembly Company Limited (AAB)

The Company operates the production of commercial electric vehicles with its production capacity up to 9,000 vehicles per year. It can also support the production of many types of vehicles such as buses, trucks, vehicles used in specific purpose, etc. AAB's production process uses machines to control every step of production. AAB's factories are also eligible for tax privileges from the Board of Investment, enhancing its competitive landscape.

During 9M/23, the Company delivered a total of 2,079 electric vehicles, composing of 1,581 buses, 320 tractors and 178 trucks.

- **Mine Mobility Research Company Limited (MMR)**

Currently, trends in the use of clean energy are significantly growing in various sectors including rail transport. Consequently, diesel locomotives as a traditional train locomotives come to the point where there needs to be a change. So, MMR engaging in developing and researching electric vehicles cooperated with CRRC Dalian, a major railway manufacturer from China to develop and produce electric locomotives which can drive approximately 300 Kilometers while using Ultra-Fast Charge by EA Anywhere in an hour, saving energy cost by 40% as compared to diesel locomotive.

So far, MMR and CRRC Dalian under the cooperation with state railway of Thailand (SRT) conducted shunting system testing by the State Railway of Thailand at Krung Thep Aphiwat Central Terminal and test towing passenger cars and freight cargo according to SRT requirements from Lat Krabang 's Inland Container Depot station to Laem Chabang station. Such testing process also helps to reduce energy costs which is satisfactory. The battery can be fully charged in 1 hour with 3 MW charging station. At the present, electric locomotives are being considered for the possibility of being put into actual service by SRT.

In addition, in order to increase service efficiency, the Company is still preparing to build Battery Charging and Swapping Station to reduce waiting time for charging with 1 hour to be battery swapping within 10 minutes.

- **Bio-Diesel Business**

- **Green Diesel Project**

As committed to conducting research and project development for new products, the Company Group is currently in the process of developing Isomerization as the production process to help enhance the properties of Green Diesel to have a lower temperature than the present, which will increase the opportunity to sell such fuel during the winter in the European market. Furthermore, such production process can also be used to produce Sustainable Aviation Fuels to help reduce greenhouse gas emissions for the aviation industry. The Company group expects to conduct its pre-commissioning test in the first quarter of 2024.

▪ Other Businesses

The Company group is strongly committed to creating ongoing business growth and sustainable growth for shareholders. In this quarter, The Company group won the bid for a solid waste disposal project with an incinerator system with a capacity of not less than 500 tons/day on Phuket island. Such contract between the Company group and Phuket City Municipality is based on the construction and project management under BOT (Build Operate Transfer scheme) using Stoker-Fired incinerator technology with a capacity of not less than 500 tons/day, producing electricity of 9.9 MW on an area of 24,000 square meters (approximately 15 rai), for 20 years of project life.

Furthermore, the Company group entered into a contract with Pattaya City, Chonburi Province in the form of cooperation between Public Private Partnership (PPP) to establish a community waste disposal center on the Koh Larn island, Pattaya, Chonburi Province to be a prototype project that helps support and bring our environmentally friendly products such as the Company's electric garbage trucks to be used in this area and create new business opportunities for the Company group in the future.