



Banpu Public Company Limited and Subsidiaries

Management's Discussion and Analysis
For the Year Ended 2023



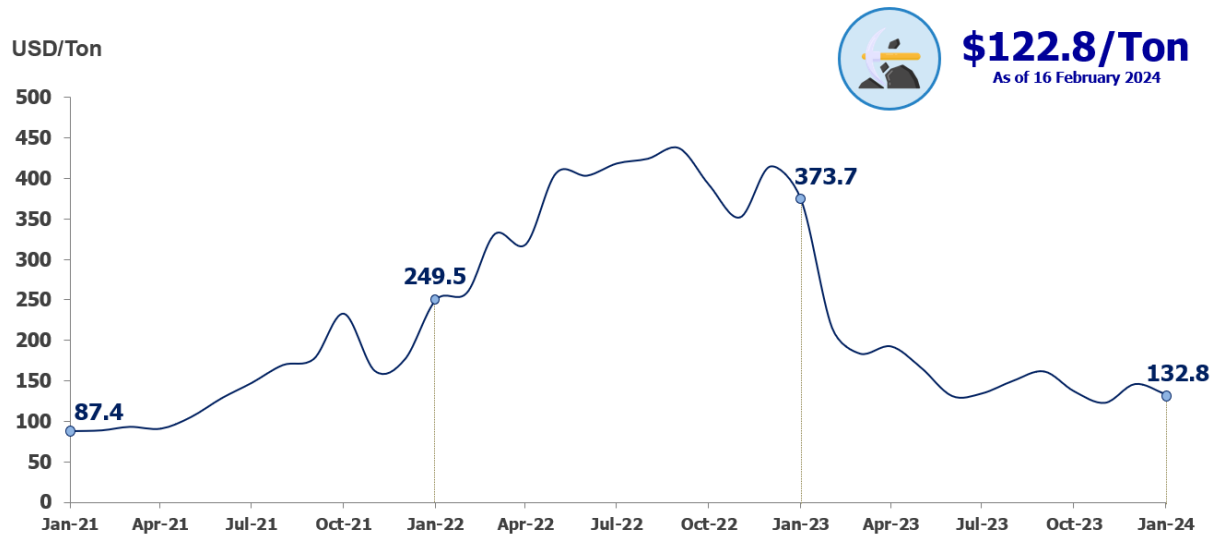
40 Years & Our Way Forward to Power the Better Living for All



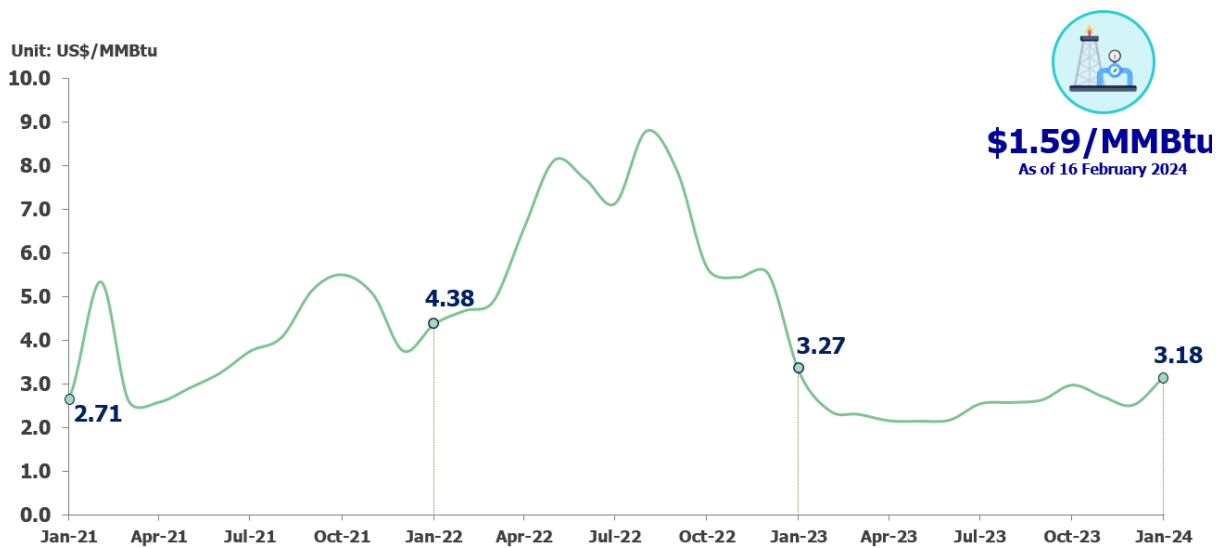
1. Energy Commodities Price Index

The market thermal coal and natural gas price since January 2021 as per below graphs that illustrate the coal and gas price indexes in the past periods.

Coal Price Index: The Newcastle Export Index (NEX) for January 2021 – February 2024



Average Henry Hub Natural Gas Price for January 2021 – February 2024



2. Management Discussion and Analysis

Throughout the year 2023, global energy market experienced volatility, driven by various factors affecting demand and supply, resulting in adjustments to achieve normalization, and a slowdown in energy consumption, leading to a decrease in both coal and natural gas prices. Banpu therefore, conducted its business with a focus on enhancing operational efficiency and prudent cost management. These measures supported the company in maintaining stability and achieving FY 2023 net profit of USD 160 million. Banpu is committed to consistently implementing these strategies, with a particular focus on cost reduction while maintaining efficiency in response to the evolving energy market, seamlessly and sustainably.

The group's EBITDA was reported at USD 1,562 million, a decrease of 60% compared to the previous year. This performance was driven by Coal business reported an EBITDA of USD 914 million, down by 66%YoY; Gas business reported an EBITDA of USD 162 million, down by 85%YoY; Power business reported an EBITDA of USD 482 million, significantly increase by 108%YoY; and Energy Technology business reported an EBITDA of USD 4 million.

In the **Energy Resources business**, Banpu emphasizes the importance of operational flexibility optimizing efficiency throughout processes, allowing to proactively response to evolving market trends. This involves maintaining a competitive edge effectively over the long term.

The Coal businesses maintained a strong average selling price (ASP) of USD 110.70/ton, declined by 34% compared to previous year. Despite a slight 3% decrease YoY in total coal sales volume to 29.90 million tons, the average gross profit margin from coal business remains strong at 34%.

Indonesia coal business reported ASP of 113.92 USD/ton, down by 41% compared to previous year. The sales volume of 20.95 million tons, increase of 11% compared to previous year, primarily supported by favorable dry weather conditions with lower rainfalls. The efforts from efficiency improvement and cost management in response to market conditions help us reduced average production cost down to USD 61.97 USD/ton or a 5% decrease compared to previous year, result in healthy gross profit margin of 46%

Australia coal business reported ASP of AUD 173.56/ton, 19% decline compared to previous year. The export price remained strong at AUD 296.38/ton, while domestic price was significantly improved to AUD 123.39/ton, increased of 43% compared to AUD 86.41/ton in previous year. The sales volume was 6.98 million tons, down by 18% compared to previous, primarily due to difficult geology, coupled with rising inflation impact to increase in labor cost, consequently the cost of sales increases to AUD 172.47/ton. However, various policies and measures are implemented to focus on productivity, aiming to improve production to a satisfactory level in the coming years.

China coal business continue to report strong share of profit of USD 154.35 million, supported by strong Chinese domestic coal price driven by consistent demand for both industrial and residential sectors.

The Gas business in the US reported a sale volume of 313.73 billion Cubic Feet (Bcf), marking a 12% increase from previous year. However, the average local price was 2.41 USD/Mcf, decreased by 58% compared to previous year. The decline in gas prices resulted from lower-than-expected domestic utilization and an extended shut down for maintenance of the Freeport LNG export terminal located in Texas, leading to high natural gas reserves in the country. Banpu therefore, has recalibrated its operational plan with a focus on production plan flexibility and tightly managing costs to ensure continuous cash flow from operations.

Banpu's **Energy Generation business** upheld stability and efficiency across its power plant assets, prioritizing operational optimization to drive value and mitigate risks. The Temple I & Temple II US gas-fired power plant reported recorded outstanding performance from the continuing high demand and also ability to capture the peak electricity price during heatwave in Texas, so it reported operating profit of USD 73 million. HPC power plant generates share of profit of USD 87.53 million, with consistently strong annual EAF of 85%, BLCP reported significant improvement in its operational performance with share of profit increased to USD 30.20 million, from its consistent operation with reported annual EAF of 88%. Additionally, BLCP also benefited from additional 861 hours of operations outside of contracted availability hours (CAH) after fulfilled electricity dispatch ahead of schedule. The performance of CHPs (Combined Heat and Power) plants in China generated operating profit of RMB 45 million, largely due to effective cost control measures. Furthermore, government initiatives aimed at regulating coal prices for power plant fuel played a crucial role in driving down domestic coal costs to an average of RMB 1,035 per ton, marking a 13% decrease from the previous year. Shanxi Lu Guang (SLG) power plant in China also experienced positive outcomes from these policies, achieving a profit sharing of USD 3.5 million. However, Nakoso power plant in Japan reported loss sharing of USD 3.11 million, primarily stemming from planned yearly maintenance activities aimed at ensuring long-term efficiency and stability.

For the renewable business, Solar farms in China reported net profit of RMB 49 million, Solar farms in Japan reported TK dividend distribution of JPY 1,825 million. However, solar farm and wind farm in Vietnam, reported net loss of USD 0.1 million and the solar farms in Australia reported net loss of AUD 4.1 million

Energy Technology business has been focused on expanding its customer base and growing its energy storage business by increasing strategic investment to strengthen business value chain. For instance, Banpu NEXT acquired a 40% stake in SVOLT Energy Technology (Thailand) Co., Ltd, a manufacturer and distributor of lithium-ion batteries for electric vehicles located in Chonburi province, with a production capacity of approximately 2 GWh, expected for deliveries in the 1st quarter of 2024. The increased shareholding in Dura Power Holdings Limited to 65.1% and a joint investment for a

battery assembly facility in Chonburi province with capacity of 1 GWh, expected to commence commercial operations in the latter half of 2024. Moreover, there have been investments in several leading companies operating in the energy storage value chain. For example, a 4.51% stake in Green Li-ion, a Singapore-based company providing technology services for recycled lithium-ion batteries, and a 15.91% stake in Oyika, a Singapore-based startup offering battery swap solutions for electric motorcycles. Additionally, there are developments of new innovative projects, such as the Iwate Tono battery farm project in Japan, with a total electricity storage capacity of 58 MW, which is currently under construction and expected to commence commercial operations in 2025. Furthermore, for smart energy management solutions, BNSP Smart Tech Co., Ltd, a joint venture company between Banpu NEXT and SP Group, a leading Singaporean utilities company in Asia Pacific was awarded to design, develop, and manage a District Cooling System for the Government Complex Center Zone C, with commercial operations expected to begin in August 2024.

Additionally, Banpu established a Corporate Venture Capital (CVC) unit to oversee investments in New S-Curve businesses, accelerating growth in line with the Greener & Smarter strategy, and strengthening the existing businesses and ecosystem of the Banpu Group. This initiative emphasizes synergistic value creation with existing businesses, prioritizing advanced technology ventures, long-term competitive advantage, and sustainable returns. These developments across all business units reflect Banpu's commitment to driving continuous transformation and achieving the goal of becoming a sustainable energy provider.

3. Group Performance Analysis

The analysis and explanation of Banpu Group performance for the year ended 31 December 2023 and 2022 as follows:

Consolidated Statement of Income for the year ended 31 December 2023 and 2022

Consolidated financial performance (Unit: Million USD)	2023	2022	Change	
			Amount	%
Sales and service income	5,159	7,693	(2,534)	-33%
Cost of sales and services	(3,666)	(3,616)	(50)	-1%
Gross profit	1,493	4,077	(2,584)	-63%
Selling expenses	(168)	(229)	61	27%
Administrative expenses	(388)	(445)	57	13%
Royalty fee	(379)	(592)	213	36%
Share of profit from joint ventures and associates	268	339	(71)	-21%
Impairment loss on assets	-	(375)	375	-100%
Other income (expenses)	49	(366)	415	113%
Finance cost	(384)	(265)	(119)	-45%
Profit before income taxes	491	2,144	(1,653)	-77%
Income taxes	(119)	(521)	402	77%
Profit for the year	372	1,623	(1,251)	-77%
Owners of the parent	160	1,162	(1,002)	-86%
Non-controlling interests	212	461	(249)	-54%
Earnings (losses) per share (Unit : USD)	0.018	0.162	(0.144)	-89%
Diluted earnings (losses) per share (Unit : USD)	0.018	0.148	(0.130)	-88%

Banpu group performance for 2023 reported net profit at \$160 million, decreased by \$1,002 million or 86% compared to 2022. This was primary due to a decrease in natural gas and coal price compared to the previous year, resulting in a decrease in royalty fees and a decrease in loss on financial derivatives as well. In addition, the group invested in Temple II gas-fired power plant in USA that has already achieved commercial operation date and immediately generated income and cashflows. The group has strategically managed its cost and expense, allowing the group to navigate the uncertainties of the energy market and maintain a consistent cash flow stream.

The Group performance for 2023 were describe as details follows:

Sales and cost of sales

(Unit Million USD)	Revenue			Cost of Sales		
	2023	2022	Inc.(Dec.)	2023	2022	Inc.(Dec.)
Coal Business	3,310	5,190	-36%	2,196	2,242	-2%
Natural Gas Business	735	1,658	-56%	715	639	12%
Power & Steam Business	932	746	25%	581	659	-12%
Others	182	99	84%	174	76	129%
Total	5,159	7,693	-33%	3,666	3,616	1%

Sales

Sales reported at \$5,159 million (equivalent to THB 179,619 million), decreased by \$2,534 million compared to 2022, that derived from a decrease from coal businesses \$1,880 million, natural gas business \$923 million, while an increase in power and steam business \$186 million and other businesses \$83 million. Details were described as follows:

1. Sales from coal business of \$3,310 million or 64% of total revenue separated by source of coal as below:
 - Indonesia coal mines of \$2,386 million
 - Australia coal mines of \$805 million
 - Coal trading business of \$119 million
2. Sales from natural gas business in USA of \$735 million or 14% of total revenue.
3. Sales from power and steam of \$932 million or 18% of total revenue derived from Combined Heat and Power (CHP) plants and solar power plants in China, solar power plants in Australia, wind power plant and solar power plant in Vietnam and gas-fired power plants in USA.
4. Others of \$182 million or 4% was mainly from energy trading business in Japan and battery business in Singapore.

1. Coal Business

Coal Business		2023	2022	Inc.(Dec.)
Sales Volume	Million Tonnes	29.90	30.95	-3%
Average selling price	\$/Tonne	110.70	167.66	-34%
Average Cost of sales	\$/Tonne	73.45	72.42	1%

Coal sales of \$3,310 million, decreased by \$1,880 million or 36%, was a result of a decrease in average selling price by \$56.96 per tonne or 34%, a decrease in sales volume by 1.05 million tonnes or 3% and an increase in average cost of sales \$1.03 per tonne or 3% compared to 2022 as following details:

Indonesia Mines		2023	2022	Inc.(Dec.)
Sales Volume	Million Tonnes	20.95	18.93	11%
Average selling price	\$/Tonne	113.92	192.69	-41%
Average Cost of sales	\$/Tonne	61.97	64.90	-5%

Coal Business in Indonesia

- **Sales volume**

Coal sales volume was 20.95 million tonnes, increased by 2.02 million tonnes or 11% compared to 2022.

- **Average selling price**

Average selling price per tonne was \$113.92, decreased by \$78.77 or 41%, resulting from coal price decreased compared to the prior year.

- **Average cost of sales**

Average cost of sales per tonne was \$61.97, decreased by \$2.93 or 5% compared to 2022, primarily from an increase in coal production volume net with overburden expenditure. The group has been focusing on cost management to cope with volatility in global coal market price, while still maintaining coal quality, including quality development to meet customer demand and retain in the long run. Moreover, the group emphasized more efficiency in fuel used for production. This included a favor outcome from the cost reduction program that was implemented across the group.

Australia Mines		2023	2022	Inc.(Dec.)
Sales Volume	Million Tonnes	6.98	8.55	-18%
Average selling price	A\$/Tonne	173.56	213.06	-19%
Average Cost of sales	A\$/Tonne	172.47	131.56	31%

Coal business in Australia

- **Sales volume**

Coal sales volume was 6.98 million tonnes, decreased by 1.57 million tonnes or 18% compared to 2022, derived from a decrease in both domestic and export sales due to a decrease in production volume from from Mandalong mine, resulting from longwall relocation, and from Clarence mine that encountering with geological challenge.

- **Average selling price**

Average selling price per tonne was A\$173.56, decreased by A\$39.50 or 19% compared to 2022 as the following details:

Australia Mines	Sales Volume (Unit: Million Tonnes)			Avg. Price/Tonne (A\$/Tonne)		
	2023	2022	Inc.(Dec.)	2023	2022	Inc.(Dec.)
Domestic	4.95	5.53	-10%	123.39	86.41	43%
Export	2.03	3.02	-33%	296.38	444.96	-33%
Total	6.98	8.55	-18%			

- **Average selling price of domestic and export sales**

Average domestic selling price per tonne was A\$123.39, increased by A\$ 36.98 or 43%. This was due to higher domestic selling prices according to sales contracts. The average export selling price per ton was A\$296.38, decreased by A\$148.58 per tonne, or 33% driven by coal price decreased compared to 2022 despite of a depreciation of AUD currency against USD currency that impacted to higher export sales from currency conversion. The average AUD/USD in 2023 was 0.6645 (2022: 0.6941).

- **Average cost of sales**

Average cost of sales per tonne was A\$172.47, increased by A\$40.91 or 31%. This was a result from a decrease in coal production as mentioned above, also from encountering geological challenge over the past.

2. Natural Gas Business

Natural Gas Business		2023	2022	Inc.(Dec.)
Sales Volume	Bcf **	313.73	279.91	12%
Average Local Price	\$/Mcf	2.41	5.72	-58%
Average Cost of Gathering, processing & tran	\$/Mcf	0.95	1.00	-5%
Average Cost*	\$/Mcf	1.48	1.54	-4%

* Avg Cost excluded Cost of Gathering, processing & transportation

** Bcf - Billion Cubic Feet

Natural Gas business in USA

Sales from natural gas business in 2023 reported at \$735 million, decreased by \$923 million or 56% compared to 2022. Details were as follows:

- **Sales Volume**

Natural gas sale volume was 313.73 billion cubic feet, increased by 33.82 billion cubic feet compared to 2022. This was due to a full year revenue recognition from XTO Barnett that the group invested during 3Q2022.

- **Average Local Price**

Refer to lower Henry Hub index price compared to 2022, the average local price per Mcf. in this quarter was \$2.41, decreased by \$3.31 per Mcf or 58% from 2022. This was a result from Henry Hub natural gas price and West Texas Intermediate (WTI) price that remained high last year due to consequential affects from banning imports and sale of oil and natural gas from Russia. As a result, there is an increased demand for liquefied natural gas (LNG) from other alternative sources, such as the United States. This incremental demand has influenced natural gas prices in the United States, causing them to adjust accordingly.

- **Average cost of Gathering, processing & transportation**

Average cost of Gathering, processing & transportation per Mcf was \$0.95, decreased by \$0.05 or 5% compared to 2022, resulting from a decrease in gathering, processing and transportation cost from XTO Barnett that reduced outsourcing of midstream system from third party.

- **Average Cost of Sale**

Average cost of sales (excluding gathering, processing & transportation cost) per Mcf was \$1.48, decreased by \$0.06 or 4% compared to 2022 from decrease in production tax per unit that was in line with the average Henry Hub price during the year.

3. Power Business

Sales from Power and Steam of \$932 million or 18% of total revenue was from sales from CHP plants \$186 million, solar power plants in China of \$26 million, solar power plants in Australia of \$13 million, wind power plant and solar power plant in Vietnam of \$13 million and gas-fired power plants in USA of \$694 million.

Details of sales from CHP plants, solar power plants in China and gas -fired power plants in USA were described as follows:

Power Business		Combined Heat & Power Plants (CHP)			Solar Power Plants			Gas-fired power plant		
		2023	2022	Inc.(Dec.)	2023	2022	Inc.(Dec.)	2023	2022	Inc.(Dec.)
Power sold Volume	GWh	989.95	1,089.42	-9%	229.54	227.35	1%	5,415.74	3,810.30	42%
Steam Volume	Million Tonnes	6.43	6.08	6%	-	-	-	-	-	-
Average PowerTariff	Unit/kWh	0.40	0.42	-5%	0.81	0.81	0%	69.65	74.71	-7%
Average Steam Price	RMB/Tonne	140.72	132.27	6%	-	-	-	-	-	-

Combined Heat and Power (CHP) plants in China

Sales from power and steam from 3 CHP plants in China of \$186 million, decreased by \$14 million or 7% compared to 2022, was mainly from a decrease in sales volume of power as details below:

- **Sales Volume**

Sales volume of 989.95 GWh, decreased by 99.47 GWh or 9% compared to 2022 was result from a decrease in power demand from key customers.

Steam sales volume of 6.43 million tonnes, increased by 0.35 million tonnes or 6%, mainly was from Luannan power plant due to an increase in demand from industrial customers.

- **Average Selling Price**

Average power tariff was RMB 0.40 per kWh, decreased by RMB 0.02 per kWh compared to 2022.

Average steam price per tonne was RMB 140.72, increased by 8.45 or 6% from 2022. This was because a part of steam price was adjusted under the new agreement.

- **Cost of Sale**

Cost of sale was \$175 million, decreased by \$34 million or 16% due to a decrease of average coal price per ton. The average coal cost per ton was 1,035 RMB (2022: 1,184 RMB), decreased by 149 RMB or 13% decreased compared to 2022.

Solar power plants in China

Sales from solar power plants in China reported at \$26 million, decreased by \$1.24 million or 4% compared to 2022. Details of sales volume, average power tariff and cos of sales were as follows:

- **Sales Volume**

Sales volume of 229.54 GWh, increased by 2.19 GWh or 1% compared to 2022 due to an increase in production volume resulting from favorable weather conditions compared to 2022.

- **Average Power Tariff**

Average power tariff was RMB 0.81, same as previous year.

- **Cost of Sale**

Cost of sale was \$9.13 million, decreased by \$1.20 million or 12% compared to 2022.

Gas-fired power plants (Temple I & II) in USA

Sales from gas-fired power plants reported at \$694 million, increased by \$195 million or 39% compared to 2022. This was mainly from the acquisition of Temple II gas-fired power plant during the year.

- **Sales Volume**

Sales volume was 5,415.74 GWh, increased by 1,605.44 GWh or 42%, resulting from the acquisition of Temple II gas-fired power plant during the year.

- **Average Power Tariff**

Average power tariff was \$69.65 per kWh, decreased by \$5.06 or 7% from unusually high temperature weather and a decrease in natural gas price compared to previous year.

- **Cost of Sale**

Cost of sale was \$381.72 million, decreased by \$41.62 or 10% was mainly from a decrease in natural gas price compared to 2022.

Administrative expense

Administrative expenses reported at \$388 million decreased by \$57 million or 13%. This was a result from effective cost reduction program that the group carefully managed expenses i.e., consulting fee and administration expense. Whereas an increase in expense related to business expansion in USA and from business acquisition in the past.

Royalty fees

Royalty fees reported at \$379 million, decreased by \$213 million or 36%. The fee comprised of royalty fees from Indonesia mines \$332 million, decreased by \$182 million, and royalty fees from Australia mines that was \$47 million, decreased by \$31 million. This was a result from a decrease in coal quantity and selling price compared to 2022.

Profit sharing (Unit : Million USD)	2023	2022	Inc.(Dec.)	
			Amount	%
BLCP	30	16.00	14	88%
Hongsa & Phufai Mining	88	105	(17)	-17%
Shanxi Luguang	4	(9.00)	13	-144%
Coal business in China	155	229	(74)	-32%
Holding companies in renewable and energy technology businesses	(9)	(2)	(7)	-350%
Total	268	339	(71)	-21%

Share of profit from joint ventures and associates

Profit sharing from joint ventures and associates reported at \$268 million, decreased by \$71 million or 21% compared to 2022 mainly due to details described as below:

- 1) Recognition of profit sharing from BLCP of \$30 million increased by \$14 million. This was mainly due to an increase in operating profit of \$9 million, a decrease in deferred tax expense recognition and loss on exchange rate translation total of \$5 million.
- 2) Recognition of profit sharing from Hongsa power plant and PhuFai mining in Laos of \$88 million, decreased by \$17 million from the plan and unplan maintenance shutdown and gain on foreign exchange rate translation of \$1 million.
- 3) Recognition of profit sharing from SLG power plant of \$4 million, increased by \$13 million from better performance resulting from higher sales volume and from entering a long-term coal supply contract with favorable price compared to 2022.
- 4) Recognition of shares of profit from coal business in China of \$155 million, decreased by \$74 million. This was from a decrease in coal price compared to 2022.

Other income

Other income of \$49 million comprised of:

- 1) Net gain on foreign exchange rate of \$2 million was mainly from unrealized gain on foreign exchange rate translation of asset in IDR currency due to an appreciation of IDR currency against USD currency compared to 2023. Average exchange rate of USD/IDR as of 31 Dec 2023 was IDR 15,416 (2022: IDR 15,731). Netting with unrealized gain on foreign exchange rate translation of loan in THB currency from an appreciation of THB against USD. Average exchange rate of USD/THB as of 31 Dec 2023 was THB 34.2233 (2022: THB 34.5624).

- 2) Net loss from financial derivatives of \$164 million comprised of:
 - Realized loss from financial derivatives of \$107 million derived from natural gas swap contracts of \$35 million, electricity swaption of \$94 million, foreign exchange rate forward contract \$18 million. Whereas gain on cross currency swap and interest rate swap of \$6 million, coal swap contract of \$11 million, fuel swap contract of \$7 million and interest rate swap contract of \$16 million.
 - Unrealized loss on fair value remeasurement of financial derivatives at the end of year of \$57 million comprised of electricity swaption of \$11 million, electricity call option \$44 million and foreign exchange rate forward contract \$2 million.
 - Loss from fair value remeasurement of investment in equity instruments and debt instruments measured fair value through profit and loss of \$0.46 million.
- 3) Management fee income and others of \$211 million was from:
 - Interest income of \$48 million.
 - Management fee income charged to related parties and joint ventures of \$2 million.
 - Dividend income of \$13 million, was mainly from profit sharing from solar power business in Japan under TK (TOKUMEI KUMIAI) agreement.
 - Bargain purchase on business combination of \$89 million. This was derived from gain on fair value remeasurement its previously held equity interest from business combination achieved in stage of \$79 million, resulting from additional investment in a battery business that was a former associate to be a subsidiary, also gain on acquisition of remaining interests in a mine business in Australia of \$10 million.
 - Others of \$59 million. Those were steaming connection fee income from new residential steam customers from CHP plants in China, sales of ashes, slag and scraps from mines and power plants, warehouse management fee income, tax redemption receipts and others.

Income tax

Income tax of \$119 million, decreased by \$402 million or 77% compared to 2022 was mainly from:

- 1) A decrease in corporate income tax of \$202 million, aligned with a decrease in operating profits.
- 2) An increase in withholding tax of \$8 million, due to an increase in dividends during the year.
- 3) A decrease in deferred tax expense of \$208 million, resulting from recognition of deferred tax asset on operating loss.

4. Statements of Consolidated Financial Position

Statements of Consolidated Financial Position as of 31 December 2023 in comparison with the Statements of Consolidated Financial Position as of 31 December 2022.

Financial Position (Unit: Million USD)	31-Dec-23	31-Dec-22	Inc.(Dec.)	
			Amount	%
Assets	13,000	12,638	362	3%
Liabilities	8,172	8,229	(57)	-1%
Equity	4,828	4,409	419	10%

4.1 Total assets of \$13,000 million, increased by \$362 million compared to total assets as of 31 December 2023 with details described as below:

Financial Position (Unit: Million USD)	Assets		Inc.(Dec.)	
	31-Dec-23	31-Dec-22	Amount	%
Cash and Cash equivalent	1,575	2,154	(579)	-27%
Investment in debt instruments measured at fair value through profit or loss	24	12	12	100%
Trade accounts receivable and note receivables, net	529	668	(139)	-21%
Inventory net	244	196	48	24%
Current portion of dividend receivables from related parties	-	28	(28)	-100%
Current portion of deferred exploration/stripping costs, net	119	131	(12)	-9%
Financial derivative assets due in one year	114	14	100	714%
Other current assets	470	483	(13)	-3%
Total Current Assets	3,075	3,686	(611)	-17%
Dividend receivables from related parties	-	3	(3)	-100%
Investments in joint ventures and associates	1,972	1,784	188	11%
Investment in debt instruments measured at FVPL	209	178	31	17%
Investment in debt instrument measured at amortised cost	60	-	60	100%
Investment in equity instrument measured at FVPL	16	7	9	129%
Investments in equity instruments measured at FVOCI	167	159	8	5%
Property, plant and equipment, net	4,602	4,190	412	10%
Deferred exploration/stripping costs, net	789	740	49	7%
Mining property rights, net	863	876	(13)	-1%
Goodwill	485	394	91	23%
Right of use assets	56	77	(21)	-27%
Financial derivative assets	50	51	(1)	-2%
Other non- current assets	656	493	163	33%
Total Non-Current Assets	9,925	8,952	973	11%
Total Assets	13,000	12,638	362	3%

- Cash and cash equivalents of \$1,575 million decreased by \$579 million. (As explanation in no.5 Consolidated Statement of Cash Flows).

- Investment in debt instrument measured at fair value through profit or loss of \$24 million, increased by \$12 million from additions of \$42 million, reclassification from non-current part of \$12 million, net with redemptions of \$42 million.
- Account receivables and note receivable of \$529 million, decreased by \$139 million, mostly from gas business in USA of \$101 million and coal business in Indonesia of \$97 million. This was due to a decrease in sales price compared to the previous year, whereas an increase in account receivable from consolidation of a battery business in Singapore of \$19 million that was changed from an associate to be a subsidiary during 1Q2023, and from other business of \$40 million.
- Current portion and non-current portion of dividend receivable from related parties reported at nil, decreased by \$31 million. This was a net result of:
 - 1) An increase from an additional declared dividend of \$81 million.
 - 2) A decrease from dividend received of \$112 million, net withholding tax.
- Other current assets of \$470 million decreased by \$13 million. A decrease was from short term loan to joint ventures and associates of \$49 million, prepaid expense, i.e., insurance and office rental of \$7 million, restricted deposit for bank guarantee from a subsidiary in Australia of \$128 million. Whereas an increase was from restricted deposit from business in USA of \$140 million, also from advance to account payable, suppliers, revenue department receivable and others of \$31 million that was mainly from business in Indonesia, Australia and China.
- Investment in joint ventures and associates at equity method of \$1,972 million, increased by \$188 million or 11% was from:
 - 1) An increase from addition of investment in battery business in Singapore and others of \$37 million.
 - 2) An increase from recognition of profit sharing from joint ventures and associates by \$268 million.
 - 3) A decrease from change of investment type in battery business from an associate to a subsidiary of \$31 million.
 - 4) An increase from recognition of other comprehensive income from investment in joint ventures and associates of \$4 million.
 - 5) A decrease from dividend recognition during the year of \$81 million.
 - 6) A decrease in the effects of foreign exchange rate translation at the end of year and others of \$9 million.
- Current portion and non-current portion of deferred exploration and development expenditure, net of \$119 million and \$789 million, respectively, totaling of \$908 million, increased by 37 million or 4%. This was a result of additions of \$764 million, net with amortization of \$697 million and the effects of foreign exchange rate translation at end of the year of \$30 million.
- Investment in debt instrument measured at fair value through profit or loss of \$209 million, increased by \$31 million, or 17% was primary from investment in funds in USA and Singapore

during the year total of \$47 million, while decrease from reclassification to be non-current part \$12 million and the effect from fair value remeasurement at the end of the year of \$3 million and a decrease in the effects of foreign exchange rate translation at the end of the year of \$1 million.

- Investment in debt instrument measured at amortized cost of \$60 million was investment in government bond of a subsidiary.
- Investment in equity instruments measured at fair value through other comprehensive income of \$167 million, increased by \$8 million. This was due to:
 - 1) An increase from the impact of fair value remeasurement of investment at the end of the year of \$14 million.
 - 2) An increase from investment in solar business in Japan of \$17 million.
 - 3) A decrease from sales and reclassification to be investment in associate and joint venture of \$16 million.
 - 4) A decrease from the effects of foreign exchange rate translation at the end of the year and others of \$7 million.
- Property plant and equipment of \$4,602 million, increased by \$412 million or 10% derived from:
 - 1) An increase from additions of machine and equipment of coal business, natural gas business and power business total of \$381 million.
 - 2) An increase from additions of investment in battery business in Singapore, solar power business in Japan and Temple II gas-fired power plant in USA totaling of \$496 million.
 - 3) A decrease from fair value remeasurement of contingent liability from asset acquisition of \$25 million.
 - 4) An increase from fair value remeasurement of previously held equity interest of \$11 million.
 - 5) A decrease from sales and write-off of \$28 million.
 - 6) A decrease from depreciation of \$409 million.
 - 7) A decrease from the effects of foreign exchange rate translation at the end of the year and others of \$14 million.
- Mining property rights, net of \$863 million, decreased by \$13 million or 1%, resulting from amortization during the year of \$23 million and the effects of foreign exchange rate translation at the end of the year of \$10 million.
- Goodwill of \$485 million, increased by \$91 million or 23%. This was derived from additional investment in battery business in Singapore of \$86 million and from the effects of foreign exchange rate translation at the end of the year of \$5 million.
- Right of use assets of \$56 million decreased by \$21 million or 27%. This was from additions of \$8 million net with write off \$1 million, an increase from remeasurement of \$3 million,

amortization of \$30 million and the effects of foreign exchange rate translation at the end of the year of \$1 million.

- Current portion and non-current portion of financial derivative assets of \$114 million and \$50 million, respectively, totaling \$164 million. This was a result from fair value remeasurement of financial derivative at the end of the year, which comprised of interest rate swap of \$11 million, electricity swaption of \$37 million, coal swap of \$10 million, foreign exchange rate forward contract of \$3 million, and natural gas swap and option of \$103 million.
- Other non-current assets of \$656 million increased by \$163 million. This was mainly from prepaid income tax in Indonesia of \$45 million, restricted deposits in Indonesia and Australia of \$6 million, and vat receivable of \$65 million, intangible assets of \$69 million from additional investment in battery business in Singapore and deposits of \$3 million whereas a decrease in right to operate power plant of \$4 million and others of \$21 million.

4.2 Total liabilities of \$8,172 million, decreased by \$57 million compared to total liabilities as of 31 December 2023 with movement details as described below:

Financial Position (Unit: Million USD)	Liabilities		Inc.(Dec.)	
	31-Dec-23	31-Dec-22	Amount	%
Short-term loans from financial institutions	727	451	276	61%
Trade accounts payable	140	123	17	14%
Current portion of long-term borrowings, net	885	667	218	33%
Current portion of debenture, net	204	251	(47)	-19%
Accrued overburden and coal transportation costs	89	113	(24)	-21%
Financial derivative liabilities due in one year	78	66	12	18%
Other current liabilities	636	1,112	(476)	-43%
Total current liabilities	2,759	2,783	(24)	-1%
Long-term loans from financial institutions	2,252	2,262	(10)	0%
Debentures, net	2,431	2,372	59	2%
Financial derivative liabilities, net	5	4	1	25%
Provision for decommissioning and reserve for environment reclamation	278	263	15	6%
Other liabilities	447	545	(98)	-18%
Total non-current liabilities	5,413	5,446	(33)	-1%
Total liabilities	8,172	8,229	(57)	-1%

- Short-term loans from financial institutions of \$727 million, increased by \$276 million or 61%, was from additions of \$2,150 million, business combination of \$18 million, while repayment of \$1,901 million and the effects of foreign exchange rate translation at the end of the year of \$9 million.
- Current portions of long-term loans from financial institutions of \$885 million, increased by \$218 million or 33%. This was a net result from a reclassification from non-current portion of \$829 million, additions of \$20 million and business combination of \$2 million, repayment of \$633 million, an increase from amortization of deferred finance charge of \$1 million, and a decrease from the effects of foreign exchange rate translation at the end of the year of \$1 million.

- Current portions of debenture reported of \$204 million, decreased by \$47 or 19% was from reclassification from non-current portion of \$215 million, fully redemption as duration of \$251 million and from the effects of foreign exchange rate translation at the end of the year of \$11 million.
- Accrued overburden and coal transportation expenses of \$89 million, decreased by \$24 million or 21% was mainly from mining operations of subsidiaries in Indonesia.
- Other current liabilities of \$636 million decreased by 476 million. This was primary from a decrease in income tax payable of \$210 million, withholding tax payable of \$45 million, fixed asset purchase payable of \$1 million, other accrued expense i.e., small supplier services, spare parts & supplies expense and warehouse rental total of \$20 million, accrued expense from derivative contracts settlement of \$102 million, contingent liabilities from acquired XTO Barnett of \$45 million, accrued expense related to natural gas wells of \$67 and others of \$4 million whereas an increase in accrued interest expense of \$14 million and employee benefit obligations of \$4 million.
- Long- term loans of \$2,252 million, decreased by \$10 million, was a net result of:
 - 1) An increase from additional loan during the year of \$814 million.
 - 2) An increase from business acquisition of \$12 million.
 - 3) A decrease from reclassification to the current portion of \$829 million.
 - 4) A decrease from repayment of \$11 million.
 - 5) An increase from the effects of foreign exchange translation at the end of the year of \$4 million. This was a result of an appreciation of THB currency against USD currency at the end of the year that impacted on THB currency loan. Average exchange rate of USD/THB as of 31 December 2023 was 34.2233 (31 Dec 2022: 34.5624).
- Debenture of \$2,431 million, increased by \$59 million or 2%. This was from additions of \$241 million, reclassification to current portion of \$215 million, and the effects of foreign exchange rate translation at the end of the year of \$33 million due to an appreciation of THB currency against USD currency that impacted to THB currency debenture.
- Current portion and non-current portion of derivative liabilities reported at \$78 million and \$5 million, respectively, totaling \$83 million. This was a result of changes in fair value of financial derivatives at the end of the year, that consisted of cross currency swap and interest rate swap of \$6 million, natural gas swap contracts of \$21 million, electricity call option \$42 million, fuel swap contracts of \$1 million, and electricity forward contract of \$13 million.

4.3 Shareholders' equity of \$4,828 million increased by \$419 million compared to shareholders' equity as of 31 December 2023, with movement details as described below:

Financial Position (Unit: Million USD)	Equity		Inc.(Dec.)	
	31-Dec-23	31-Dec-22	Amount	%
Equity attributable to owners of the parent	3,823	3,409	414	12%
Non-controlling interests	1,005	1,000	5	1%
Total equity	4,828	4,409	419	10%

- An increase of \$160 million from net profits.
- An increase of \$316 million from additional paid-up share capital.
- An increase of \$7 million from reserve for share-based compensation to employees.
- An increase of \$165 million from fair value reserves for financial assets measured at fair value to other comprehensive income, cash flows hedge reserves and net investment hedge.
- An increase of \$3 million from fair value of put options over non-controlling interests.
- An increase of \$208 million from non-controlling interest.
- An increase of \$53 million from the effects of foreign exchange rate translation of subsidiaries' financial statements and others.
- A decrease of \$493 million from dividend payment.

4.4 Net debt-to-equity ratio as of 31 December 2023 reported at 0.90 times (31 December 2022: 0.74 times).

5. Statement of Consolidated Cash Flows

Statement of consolidated cash flows for the year ended 31 December 2023 presented a decrease of net cash flow by \$579 million (included the effect from unrealized loss on exchange rate translation at the end of the year of \$13 million). The details of consolidated cash flows activities were as follows:

Statement of Consolidated Cash Flows (Unit: Million USD)	Amount
Net Cash flows from operating activities	122
Net Cash flows used in investing activities	(913)
Net Cash flows from financing activities	225
Net decrease in cash and cash equivalents	(566)
Exchange gain on cash and cash equivalents	(13)
Cash and cash equivalents at the beginning of the year	2,154
Cash and cash equivalents at end of the year	1,575

5.1 Net cash flows from operating activities of \$122 million; with major operating items as follows:

- Collections from sales of \$4,401 million.
- Payments to contractors and suppliers of \$2,986 million.
- Interest payments of \$367 million.
- Payments of income tax of \$454 million.
- Royalty fee payments of \$384 million.
- Other payments of \$88 million.

5.2 Net cash used in investing activities of \$913 million; with major items as follows:

- Payments for machines, equipment, and project in progress of \$322 million.
- Payments for business combination of \$36 million.
- Payment for investment in debt instrument of \$60 million.
- Receipts from short term loan to related companies of \$40 million.
- Payments for financial assets measured at fair value through profit and loss of \$55 million.
- Receipts from financial assets measured at fair value through other comprehensive income of \$10 million.
- Payment for an acquisition of investment in a subsidiary of \$465 million.
- Payments for deferred exploration and development expenditure of \$165 million.
- Payments for placement of restricted deposits at banks of \$13 million.
- Receipts from dividends from joint ventures of \$108 million.
- Receipts from interest income and others of \$45 million.

5.3 Net cash flows from financing activities of \$225 million; comprised of

- Receipts from short-term and long-term loans from financial institutions and debentures of \$3,225 million.
- Repayments of short-term and long-term loans from financial institutions, debentures, and lease liabilities of \$2,826 million.
- Receipts from additional paid-up share capital of \$316 million.
- Payment for dividend of \$493 million.
- Receipts from an increase in share capital of a subsidiary from non-controlling interest of \$3 million.

6. Coal Reserves

The quantity of sales and remaining of coal reserves for the year ended 31 December 2023:

Coal Mine (Unit: Million Tons)	Quantity of Coal Sales and Reserves		
	Coal reserves as of 31 Dec 2022	Sales volume Jan - Dec 2023	Coal reserves as of 31 Dec 2023
1. Indonesia			
1.1 Jorong	7.28	0.58	6.70
1.2 Indominco	23.54	6.56	16.98
1.3 Kitadin	0.12	0.00	0.12
1.4 Trubaindo	32.52	2.80	29.72
1.5 Bharinto	135.84	6.99	128.86
1.6 Graha Panca Karsa	21.50	-	21.50
1.7 NPR Project	77.40	-	77.40
2. Australia	252.62	6.46	246.16
3. China			
3.1 Gaohe	100.15	9.37	90.79
3.2 Hebi Zhongtai	12.93	0.90	12.04
Total	663.91	33.64	630.27

7. Natural Gas Reserves

The quantity of sales and remaining of natural gas reserves for the year ended 31 December 2023:

Quantity of Natural Gas Sales and Reserves	Natural Gas (Unit: Million Cubic Feet)
Natural Gas reserves as at 31 December 2022	5,785,289
1) Adjustment on reserve estimation	(321,765)
2) Production and Sales 2023	(313,800)
Natural Gas reserves as at 31 December 2023	5,149,724

(Natural Gas Reserves from Marcellus and Barnett shales refer to Reserve Report 's Ryder Scott)