



29 February 2024

Subject: Management Discussion and Analysis (MD&A) for 2023

Attn: President  
The Stock Exchange of Thailand

Power Solution Technologies Public Company Limited (“the Company”) would like to clarify the operating results of the Company and its subsidiaries (“the Group”) for 2023

Unit: Million Baht

Profit & Loss	Consolidated financial statements					
	2023	%	2022	%	Increase (Decrease)	% Increase (Decrease)
Sales income	1,226.4	77.8%	1,276.8	69.9%	(50.4)	-3.9%
Services income	5.8	0.4%	10.5	0.6%	(4.7)	-44.6%
Sales of electricity income	128.6	8.2%	117.1	6.4%	11.5	9.8%
Revenue from construction service	214.7	13.6%	422.8	23.1%	(208.0)	-49.2%
<b>Total revenue</b>	<b>1,575.6</b>	<b>100.0%</b>	<b>1,827.1</b>	<b>100.0%</b>	<b>(251.6)</b>	<b>-13.8%</b>
Total costs	(1,437.6)	-91.2%	(1,684.6)	-92.2%	(247.0)	-14.7%
<b>Gross profit</b>	<b>138.0</b>	<b>8.8%</b>	<b>142.5</b>	<b>7.8%</b>	<b>(4.5)</b>	<b>-3.2%</b>
Other income	72.5	4.6%	65.2	3.6%	7.3	11.2%
Selling and administrative expenses	(158.9)	-10.1%	(172.8)	-9.5%	(13.9)	-8.0%
Share of loss from investment in joint venture	(29.7)	-1.9%	(59.3)	-3.2%	(29.6)	-49.9%
Finance income	4.3	0.3%	0.7	0.0%	3.6	514.3%
Finance cost	(100.8)	-6.4%	(70.4)	-3.9%	30.4	43.2%
Income tax	(10.5)	-0.7%	(8.7)	-0.5%	1.8	20.7%
<b>Loss from continuing operations</b>	<b>(85.1)</b>	<b>-5.4%</b>	<b>(102.8)</b>	<b>-5.6%</b>	<b>17.7</b>	<b>17.2%</b>
Loss after tax from discontinued operations	(94.9)	-6.0%	(6.4)	-0.4%	88.5	1382.8%
<b>Loss for the period</b>	<b>(180.0)</b>	<b>-11.4%</b>	<b>(109.2)</b>	<b>-6.0%</b>	<b>70.8</b>	<b>64.9%</b>

### Analysis of the Group's performance

For 2023, the Group reported a net loss amounting to 180 MB. Net loss increased by 70.8 MB from the previous year. The primary reason was the increasing in loss on impairment of assets and impairment loss recognized on the remeasurement to fair value less cost to sell relating to biogas and biomass power plants (classified as assets held for sales in the consolidated financial statements) The Group set us such loss on impairment totaling 83.91 million baht in 2023 but no additional set up in 2022. In addition, the share of loss from investment in joint venture also dropped by 29.6 MB. However, the Group's financial costs increased by 30.4 MB, resulting from the higher interest rate which was in line with the market interest rate.



### Revenue structure and gross profit margin

Revenue structure	Consolidated financial statements					
	2023	%	2022	%	Change	% Change
Sales income	1,226.4	77.8%	1,276.8	69.9%	(50.4)	-3.9%
Services income	5.8	0.4%	10.5	0.6%	(4.7)	-44.6%
Sales of electricity income	128.6	8.2%	117.1	6.4%	11.5	9.8%
Revenue from construction service	214.7	13.6%	422.8	23.1%	(208.0)	-49.2%
Total revenue	1,575.6	100.0%	1,827.1	100.0%	(251.6)	-13.8%

The change in the Group's revenue was due to a decrease in construction revenue and sales revenue.

The decrease in 2023 Revenues from construction service was because, the Group recognized revenue from construction of a power plant of 295.1 MB, and such construction had completed in 2022. In 2023, revenue from construction service derived from the construction for the PTT'S Gas separation Plant Number 7 (GSP7) project which started construction in the Q1 23.

The decrease in Sales Income was because of, 2022, There was a one-off income from the sale of project equipment in the amount of 278.6 MB. As for the income from the sale of fuel products. The selling price of all products (LPG LNG NGV) have increased, especially LNG. The average selling price of LNG during 2023 was higher than that of 2022 by 38%.

Gross profit	Consolidated financial statements					
	2023	%	2022	%	Change	% Change
Gross profit from sales	49.9	4.1%	60.3	4.7%	(10.4)	-17.2%
Gross profit from services	4.0	68.6%	3.8	36.1%	0.2	5.3%
Gross profit from electricity sold	78.8	61.3%	72.2	61.6%	6.6	9.2%
Gross profit from construction service	5.3	2.5%	6.3	1.5%	(1.0)	-15.6%
Total Gross profit	138.0	8.8%	142.5	7.8%	(4.5)	-3.2%

For 2023, the Group has a gross profit margin of 8.8%, which increased from the previous year due to the electricity sold business group and construction business group that recognized profits from the construction of new project including the GSP7 project.



### **Selling and administrative expense**

The selling and administrative expenses in 2023 was decrease from the previous year because of the Group's expense control policy.

### **Share of loss from investments in joint venture**

Share of loss from investments in joint venture represents share of loss from Thai Pipeline Network Co., Ltd. ("TPN"). TPN engages in oil pipeline service business. The share of loss from joint venture during 2023 was lower than that of the period last year because, in 2022, TPN set up provision for VAT (Value Added Tax) to the Revenue Department.

### **Analysis of the Group's Financial Position**

Statement of financial position	Consolidated financial statements					
	31 Dec 23	%	31 Dec 22	%	Change	% Change
Current assets	892.0	12.0%	1,102.8	15.1%	(210.8)	-19.1%
Non-current assets	6,514.2	88.0%	6,220.5	84.9%	293.7	4.7%
<b>Total assets</b>	<b>7,406.2</b>	<b>100.0%</b>	<b>7,323.3</b>	<b>100.0%</b>	<b>82.9</b>	<b>1.1%</b>
Current liabilities	1,603.8	21.7%	1,550.0	21.2%	53.8	3.5%
Non-current liabilities	343.2	4.6%	406.1	5.5%	(62.9)	-15.5%
<b>Total liabilities</b>	<b>1,947.0</b>	<b>26.3%</b>	<b>1,956.1</b>	<b>26.7%</b>	<b>(9.1)</b>	<b>-0.5%</b>
Shareholders' equity	5,459.2	73.7%	5,367.2	73.3%	92.0	1.7%
<b>Total liabilities and shareholders' equity</b>	<b>7,406.2</b>	<b>100.0%</b>	<b>7,323.3</b>	<b>100.0%</b>	<b>82.9</b>	<b>1.1%</b>

### **Total assets**

As of 31 December 2023, the Group reported total assets of 7,406.2 MB, an increase of 82.9 MB or 1.1% compared to that as of 31 December 2022. This is due mainly to the increase in investment in a joint venture, from recognition of gain from change in fair value of hedging instrument (cross currency swap) reflecting in other comprehensive income and (2) the increase in long-term loan to related parties.

### **Total liabilities**

As of 31 December 2023, the Group had total liabilities of 1,947 MB, decreasing by 9.1 MB or 0.5% compared to 31 December 2022.



### Analysis of the Cash Flow

Unit:Million Baht	Consolidated financial statements			
	Cash flow statements	2023	2022	Change
Cash flow from (used in) operating activities	23.2	(20.2)	43.5	215%
Cash flow from (used in) investing activities	(102.4)	382.3	(484.7)	-127%
Cash flow from (used in) financing activities	28.2	(310.1)	338.3	109%
Cash and cash equivalents classified as assets held for sale	(0.4)	(0.8)	0.4	47%
Net increase (decrease) in cash and cash equivalents	(51.3)	51.2	(102.6)	-200%

The change in cashflow for 2023 was due to investing and financing activities.

Investing activities: The Group provided a long-term loan to TPN in the amount of 149.6 MB during the year. Financing activities: The Group issued bonds in the amount of 788.2 MB in Q1 23. A part of the proceeds from the bond issuance was used for repayment of the previous debentures and a portion of short-term loans from financial institutions.

Please be informed accordingly,

Sincerely yours,

Mr. Thanat Pawarawipulyakorn  
Acting Chief Executive Officer