

11<sup>th</sup> May 2024

Subject Management Discussion and Analysis of Financial Performance  
for the Quarter 1 ended 31<sup>st</sup> March 2024

To Director and Manager of the Stock Exchange of Thailand

Earth Tech Environment Public Company Limited (“the Company”) would like to inform the Management Discussion and Analysis for the Company’s operating results for the 3 months period ended 31<sup>st</sup> March 2024 as follows:

#### **Overall performance for the Quarter 1**

The Company had a net loss for the Quarter 1 of 2024 amounting 5.39 million baht, a decrease of 6.9 million baht compared to the same period. This was mainly caused by higher financial costs of 7.9 million baht for investment in business expansion, such as legal and consulting fees, financial advisory fees and interest on debentures including expenses in established subsidiaries to prepare for an investment in new power plant projects (10 power plants).

#### **Revenue from electricity sales:**

The Company and its subsidiaries (all 3 power plants) were able to produce and sell “electricity units” in the Quarter 1 of 2024 increasing by 3 percent of production and sales capacity, compared to the Quarter 1 of 2023. This represents an increase of 6.9 million baht or 4 percent compared to the same quarter of the prior year.

#### **Gross profit:**

There was a gross profit of 54.7 million baht, representing 30 percent, for the Quarter 1 of 2024, which increased by 8.2 million baht compared to the same quarter of the previous year that had a gross profit of 46.5 million baht, representing 26 percent. There were variable and semi-variable expenses including fuel costs, costs of consumables, spare parts used in maintenance and fixed expenses such as salary, employee compensation and depreciation expenses.

Financial performance for the Quarter 1 ended 31<sup>st</sup> March 2024

(Unit:Thousand Baht)

Statements of Income	31 Mar 24	percent	31 Mar 23	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>188,291</b>	<b>100%</b>	<b>181,979</b>	<b>100%</b>	<b>6,312</b>	<b>3%</b>
Sale and service income	182,519	97%	175,635	97%	6,884	4%
Cost of sale and service	(127,803)	-70%	(129,144)	-74%	(1,341)	-1%
<b>Gross Profit Margin</b>	<b>54,716</b>	<b>30%</b>	<b>46,491</b>	<b>26%</b>	<b>8,225</b>	<b>18%</b>
Other income	5,772	3%	6,344	3%	(572)	-9%
<b>Profit before expenses</b>	<b>60,488</b>	<b>32%</b>	<b>52,835</b>	<b>29%</b>	<b>7,653</b>	<b>14%</b>
Administrative expenses	(23,193)	-12%	(20,721)	-11%	2,472	12%
Executive compensation	(10,502)	-6%	(6,806)	-4%	3,696	54%
<b>Total Expenses</b>	<b>(33,695)</b>	<b>-18%</b>	<b>(27,527)</b>	<b>-15%</b>	<b>6,168</b>	<b>-22%</b>
<b>Operating profit</b>	<b>26,793</b>	<b>14%</b>	<b>25,308</b>	<b>14%</b>	<b>1,485</b>	<b>6%</b>
Finance Costs	(31,496)	-17%	(23,602)	-13%	7,894	33%
<b>Profit before income tax expenses</b>	<b>(4,703)</b>	<b>-2%</b>	<b>1,706</b>	<b>1%</b>	<b>(6,409)</b>	<b>-376%</b>
Income tax expense	(689)	0%	(198)	0%	491	248%
<b>Net Profit for the period</b>	<b>(5,392)</b>	<b>-3%</b>	<b>1,508</b>	<b>1%</b>	<b>(6,900)</b>	<b>-458%</b>
Profit attributable to the parent company	(6,093)	-3%	976	1%	(7,069)	724%

Administrative expenses and executive compensation:

For the Quarter 1 of 2024, the administrative expenses and executive compensation was 33.7 million baht, which increased by 6.2 million baht compared to the Quarter 1 of 2023 that accounting for 27.5 million baht. This caused by the group of subsidiaries that had initial expenses in preparing to invest in new power plant projects (10 power plants + 2 power plants).

Financial costs:

An increase of 7.9 million baht for this quarter compared to the same period last year was due to the interest from the issuance of 2 debentures to prepare for investment in new power plant projects.

Net Profit (loss):

From above reasons, as a result, the Company and its subsidiaries had a net loss of 5.4 million baht in this quarter, compared to the same period of prior year's net profit of 1.5 million baht.

Financial Position AnalysisOverall financial position as of 31<sup>st</sup> March 2024

(Unit: Thousand Baht)

Statement of Financial Position	31 Mar 24	percent	31 Dec 23	percent	Increase(decrease)	percent
Total assets	5,085,333	100%	5,102,044	100%	-16,711	0%
Total liabilities	2,159,158	42%	2,170,477	43%	-11,319	-1%
Total shareholders' equity	2,926,175	58%	2,931,567	57%	-5,392	0%

Analysis of Assets:

The total assets as of March 31<sup>st</sup>, 2024, decreased by 16.7 million baht or 0.3 percent, which was due to an increase (decrease) in assets from general trade and investment. There was no significant change in other assets.

Assets with value over 10 percent of total assets are as follows:

Cash and cash equivalents 1,726 million baht, or 34 percent of total assets.

The property, plants, and equipment 2,378 million baht or 47 percent of total assets.

Analysis of Liabilities:

The total liabilities as of March 31<sup>st</sup>, 2024 was 2,159.16 million baht, accounting for 42.5 percent of assets. The liabilities decreased by 11.32 million baht due to the business expansion.

Liabilities with value exceeding 10 percent of total assets are as follows:

Loans from financial institutions accounted for 379.3 million baht, or 17.6 percent of total assets, decreased from the beginning of the year in the amount of 30.6 million baht.

Debentures accounted for 1,193.3 million baht, or 55.3 percent of total assets.

An issuance of corporate bonds was to support the expansion of the power plants (10 + 2) in the future.

Analysis of Shareholder's equity:

The Company's shareholder's equity as of March 31<sup>st</sup>, 2024 decreased from the beginning of the year in the amount of 5.39 million baht or 0.2 percent due to the operating losses in the quarter.

Yours Sincerely,

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(Miss.Wachiraporn Netjaru)

Director

Earth Tech Environment Public Company Limited