



Energy Absolute

9

Energy Absolute Public Company Limited

Management Discussion and Analysis for Operating Results

of the third quarter and nine-month period ended 30 September 2022



No. EA6511/016LT

11 November 2022

Subject Management Discussion and Analysis of Financial Statements for the third quarter and nine-month period ended 30 September 2022

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 ended 30 September 2022 which has been approved by the Board of Directors Meeting No. 5/2022 held on 11 November 2022. The details are as follows:

Overview of operating results for the third quarter and nine-month period ended 30 September 2022

Operating Results	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2022 Baht Million	2021 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Revenue from sales and services	5,691.81	5,039.64	652.17	12.94	15,828.21	14,665.82	1,162.39	7.93
Other Income	1,914.98	138.80	1,776.18	1,279.67	2,049.21	154.13	1,895.08	1,229.53
Total Revenue	7,606.79	5,178.44	2,428.35	46.89	17,877.42	14,819.95	3,057.47	20.63
Profit attributable to Owners of the parent	2,970.30	1,616.26	1,354.04	83.78	5,432.04	4,218.76	1,213.28	28.76
Basic earnings per share (Baht per share)	0.80	0.43	0.37	86.05	1.46	1.13	0.33	29.20

Net Profit

For the third quarter ended 30 September 2022, the Company reported the consolidated net profit of Baht 2,970.30 million, increased by Baht 1,354.04 million or 83.78% compared to the same period last year which incurred the consolidated net profit of Baht 1,616.26 million. For the nine-month period ended 30 September 2022, the Company reported the consolidated net profit of Baht 5,432.04 million, increased by Baht 1,213.28 million or 28.76% compared to the same period last year which incurred the consolidated net profit of Baht 4,128.76 million. These were mainly from the better operating results of lithium-ion battery and electric vehicle business and gain on disposal of investment in E Transport Holding Co., Ltd. (“ETH”), a subsidiary of the Company to transfer all of ETH’s business the Entire Business Transfer (“EBT”) to Thai Smile Bus Co., Ltd. (“TSB”)

Revenue

For the third quarter ended 30 September 2022, the Company reported the total revenue of Baht 7,606.79 million, increased by Baht 2,428.35 million or 46.89% compared to the same period last year which incurred the total revenue of Baht 5,178.44 million. For the nine-month period ended 30 September 2022, the Company reported the total revenue of Baht 17,877.42 million, increase by Baht 3,057.47 million or 20.63% compared to the same period last year which incurred the total revenue of Baht 14,819.95 million, as summarized below.

Total Revenue	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2021 Baht Million	2022 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Biodiesel Business	1,570.15	1,751.82	(181.67)	(10.37)	5,867.47	5,891.25	(23.78)	(0.40)
Power Business	2,658.59	2,705.96	(47.37)	(1.75)	8,141.18	8,072.82	68.36	0.85
Battery and Electric Vehicle Business	1,257.51	557.42	700.09	125.59	1,405.86	661.39	744.47	112.56
Other Businesses	205.56	24.44	181.12	741.08	413.70	40.36	373.34	925.02
Revenue from Operations	5,691.81	5,039.64	652.17	12.94	15,828.21	14,665.82	1,162.39	7.93
Other Income/Accounting gain	1,914.98	138.80	1,776.18	1,279.67	2,049.21	154.13	1,895.08	1,229.53
Total Revenue	7,606.79	5,178.44	2,428.35	46.89	17,877.42	14,819.95	3,057.47	20.63

In this regard, the revenue from operations for the third quarter ended 30 September 2022 was Baht 5,691.81 million, increased by Baht 652.18 million or 12.94% over the prior year. This is mainly due to the growth in the lithium-ion battery and electric vehicle businesses, which are summarized as follows:

1. Manufacturing and distributing Biodiesel Products:

For the third quarter ended 30 September 2022, the revenue from Biodiesel business decreased by Baht 181.67 million or 10.37%. For the nine-month period ended 30 September 2022, the revenue from Biodiesel business decreased by Baht 23.78 million or 0.40% compared to the same period last year, due to the following.

1.1 Biodiesel: For the third quarter ended 30 September 2022, the revenue decreased by Baht 143.24 million or 12.28%. For the nine-month period ended 30 September 2022, the

revenue decreased by Baht 505.79 million or 12.17%, due to the announcement from Energy Planning and Policy Committee to continuously reduce B100 proportion in biodiesel fuel blend to only B7 (mixed B100 in diesel fuel 7%) since October 2021, and to only B5 (mixed B100 in diesel fuel 5%), which was effective on 5 February 2022, in order to minimize the impact on living cost due to the rise in petrol prices. For the third quarter and nine-month period ended 30 September 2022, the sales volume was decreased by 3.53 million liters or 10.46% and decreased by 34.79 million liters or 29.62% respectively.

Items	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2022 Baht Million	2021 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Revenue from Biodiesel	1,023.64	1,166.88	(143.24)	(12.28)	3,649.57	4,155.36	(505.79)	(12.17)
- Sales volume (Million liter)	30.22	33.75	(3.53)	(10.46)	82.66	117.45	(34.79)	(29.62)
- Average Selling Price (Baht/liter)	33.87	34.57	(0.70)	(2.03)	44.15	35.38	8.77	24.79
- Biodiesel Mandates	B5	B10			B5,B7	B10		

1.2 Pure glycerin: For the third quarter ended 30 September 2022, the revenue increased by Baht 25.94 million or 28.20%. For the nine-month period ended 30 September 2022 the revenue increased by Baht 126.73 million or 55.28%. The main factor was increased of selling price compared to the same period last year. Due to the relatively limited distribution amount of pure glycerin in the country which consistent with lowers biodiesel production, since glycerin is a by-product of biodiesel production. With momentum of demand greater than supply, the selling price of pure glycerin has been steadily rising.

Items	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2022 Baht Million	2021 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Revenue from Pure Glycerin	117.92	91.98	25.94	28.20	355.97	229.24	126.73	55.28
- Sales volume (Million Kg)	2.54	3.00	(0.46)	(15.33)	7.17	9.21	(2.04)	(22.15)
- Average Selling Price (Baht/Kg)	46.38	30.70	15.68	51.07	49.68	24.90	24.78	99.52

1.3 CPO (Crude Palm Oil): For the third quarter ended 30 September 2022, the revenue decreased by Baht 85.31 million or 20.44%. For nine-month period ended 30 September 2022, the revenue increased by Baht 240.59 million or 19.09%. This was mainly due to high price of crude palm oil in the world market, and the rising domestic palm prices situation due to increased exports during the first half year of 2022. Although sales volume has decreased, the government has reduced the proportion of biodiesel mixing to B5 replacement of B7. As a result, the use of crude palm oil for biodiesel production decreased in the first half of 2022.

Items	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2022 Baht Million	2021 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Revenue from CPO (crude palm oil)	332.00	417.31	(85.31)	(20.44)	1,501.04	1,260.45	240.59	19.09
- Sales volume (Million Kg)	10.46	12.24	(1.78)	(14.54)	32.57	39.47	(6.90)	(17.48)
- Average Selling Price (Baht/Kg)	31.74	34.10	(2.36)	(6.92)	46.09	31.93	14.16	44.35

1.4 PCM: For the third quarter ended 30 September 2022, the revenue increased by Baht 11.58 million or 106.73%. For the nine-month period ended 30 September 2022 increased by Baht 48.32 million or 136.30%. The main factor was increased from sales volume and expanding the market to bring PCM as a portable cooling device for summer. As a result the revenue was increased compared to the same period last year.

Items	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2022 Baht Million	2021 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Revenue from PCM	22.43	10.85	11.58	106.73	83.77	35.45	48.32	136.30
- Sales volume (Million Kg)	0.18	0.09	0.09	100.00	0.76	0.35	0.41	119.78
- Average Selling Price (Baht/Kg)	124.92	120.56	4.37	3.62	110.29	102.58	7.71	7.52

1.5 Byproducts: For the third quarter ended 30 September 2022, the revenue was increased by Baht 9.36 million or 14.44%. For the nine-month period ended 30 September 2022 increased by Baht 66.37 million or 31.49% The main factor was increased of palm kernel selling prices in align with increased of palm prices (Palm Kernel is byproducts of crude

palm oil production)

Items	Third quarter				Nine-month period			
	2022	2021	Increase (Decrease)		2022	2021	Increase (Decrease)	
	Baht Million	Baht Million	Baht Million	%	Baht Million	Baht Million	Baht Million	%
Revenue from byproducts	74.16	64.80	9.36	14.44	277.12	210.75	66.37	31.49

2. Generating and distributing Electricity:

For the third quarter ended 30 September 2022, The Company reported the revenue of Baht 2,658.59 million, decreased by Baht 47.37 million or 1.75% compared to the same period last year which incurred the revenue Baht 2,705.96 million. For the nine-month period ended 30 September 2022 the Company reported the total revenue of Baht 8,141.18 million, increased 68.36 million or 0.85% compared to the same period last year which incurred the revenue Baht 8,072.82 million. The reasons are summarized as follows:

Items	Third quarter				Nine-month period			
	2022	2021	Increase (Decrease)		2022	2021	Increase (Decrease)	
	Baht Million	Baht Million	Baht Million	%	Baht Million	Baht Million	Baht Million	%
Revenue from Solar power plants	1,563.29	1,423.93	139.36	9.79	5,024.48	4,557.15	467.33	10.25
- Sales volume (GWh)	152.03	147.44	4.59	3.11	499.36	473.10	26.26	5.55
- Average Selling Price (Baht/Unit)	10.28	9.66	0.62	6.42	10.06	9.63	0.43	4.46
Describes below:								
The revenue increased due to had a replacement of new solar panels models in the both location of the Nakhon Sawan and Lampang power plants (Started gradually replacing in September 2021 and completed in March 2022), which helps to increase the efficiency of the power production. In addition, in the first half year of 2022, there was a higher intensity of light compared to the same period last year. While the average selling price was increased following the wholesale Ft price that increased.								
Revenue from Wind power plants	1,090.18	1,277.22	(187.04)	(14.64)	3,104.51	3,498.24	(393.73)	(11.26)
- Sales volume (GWh)	161.29	209.25	(47.96)	(22.92)	476.26	574.61	(98.35)	(17.12)
- Average Selling Price (Baht/Unit)	6.76	6.10	0.66	10.82	6.52	6.09	0.43	7.06
Describes below:								
The revenue was decreased due to declined speed of wind in the both location of Hanuman power plant at Chaiyaphum province and Hadkunchan power plant at Songkhla and Nakhon Sri Thammarat province. While the average selling price was increased following the wholesale Ft price that increased.								
Hanuman wind power 260-MW Project								
- Sales volume (GWh)	94.98	122.95	(27.97)	(22.75)	295.19	353.03	(57.84)	(16.38)

Items	Third quarter				Nine-month period			
	2022 Baht Million	2021 Baht Million	Increase (Decrease)		2022 Baht Million	2021 Baht Million	Increase (Decrease)	
			Baht Million	%			Baht Million	%
- Average Selling Price (Baht/Unit)	6.68	6.02	0.66	10.96	6.45	6.01	0.44	7.32
Hadkunghan wind power 126-MW Project								
- Sales volume (GWh)	66.31	86.30	(19.99)	(23.16)	181.06	221.58	(40.52)	(18.29)
- Average Selling Price (Baht/Unit)	6.88	6.23	0.65	10.43	6.63	6.21	0.42	6.76
Revenue from Biogas power	5.12	4.81	0.31	6.44	12.19	17.43	(5.24)	(30.06)
- Sales volume (GWh)	1.32	1.89	(0.57)	(30.16)	3.10	5.44	(2.34)	(43.01)
- Average Selling Price (Baht/Unit)	3.88	2.54	1.34	52.76	3.93	3.20	0.73	22.81

3. Manufacturing and distribution lithium-ion battery and electric vehicle:

For the third quarter ended 30 September 2022, the Company reported the total revenue of Baht 1,257.51 million, increased by Baht 700.09 million or 125.59%. For the nine-month period ended 30 September 2022, the Company reported the total revenue of Baht 1,405.86 million, increased by Baht 744.47 million or 112.56%. This was mainly from sales of electric vehicle the totally 251 units during the third quarter of the year 2022 and revenue from sale of lithium-ion batteries.

4. Revenue from other businesses:

For the third quarter ended 30 September 2022, the revenue from other businesses was Baht 205.56 million, increased by Baht 181.12 million. For the nine-month period ended 30 September 2022, the revenue was Baht 413.70 million, increased by Baht 373.34 million. This was mainly from the service income of electric vehicle charging stations, electric boat service income, and bus service income. Due to the relief of the COVID-19 pandemic situation, people have restarted travelling domestically. (The Revenue from bus service provided by Smart Bus Co., Ltd. which was incurred before the Entire Business Transfer to Thai Smile Bus Co., Ltd. on 13 September 2022).

5. Other income:

For the third quarter ended 30 September 2022 other income was Baht 1,914.98 million, increased by Baht 1,776.18 million. For the nine-month period ended 30 September 2022 other

income was Baht 2,049.21 million, increased by Baht 1,895.08 million. This was mainly from gain on the Entire Business Transfer (“EBT”) to Thai Smile Bus Co., Ltd. by Baht 1,826.89 million.

Cost of sales and services

For the third quarter and nine-month period ended 30 September 2022, cost of sales was reported at Baht 4,122.85 million, increase by Baht 1,220.68 million or 42.06% and by Baht 10,738.05 million, increased by Baht 2,178.25 million or 25.45% as compared to the same period of last year which was incurred the total cost of sales by Baht 2,902.17 million and by Baht 8,559.80 million respectively. The reasons are summarized as follows:

- 1. Manufacturing and distributing Biodiesel Product:** For the third quarter and nine-month period ended 30 September 2022, the cost of sales increased by Baht 85.48 million or 5.08% and increased by Baht 408.32 million or 7.23% respectively as compared to the same period of last year with respect to the increase in palm oil price which is the raw material for biodiesel.
- 2. Generating and distributing Electricity:** For the third quarter and nine-month period ended 30 September 2022, the cost of sales increased by Baht 68.93 million or 9.30% and increased by Baht 157.02 million or 7.31% respectively, as compared to the same period last year. This was mainly from increased of depreciation due to replacement of new solar panels models in the both location of the Lampang and Nakhon Sawan provinces.
- 3. Manufacturing and distribution lithium-ion battery and electric vehicle:** For the third quarter and nine-month period ended 30 September 2022, cost of sales increased by Baht 777.00 million or 162.79% and increased by Baht 938.26 million or 122.70% respectively as compared to the same period last year. There are corresponding to the increased of sales volume lithium-ion batteries and electric vehicle.
- 4. Other businesses:** For the third quarter and nine-month period ended 30 September 2022, the cost of sales increased by Baht 289.27 and increased by Baht 674.65 million respectively as compared to the same period last year. This aligned with the expansion of the charging station business for electric vehicles, electric boat service and bus service.

Selling Expense

For the third quarter and nine-month period ended 30 September 2022, The selling expense was Baht 18.35 million, increased by Baht 3.01 million or 19.58% and Baht 46.04 million, decreased by Baht

7.20 million or 13.52% respectively as compared to the same period for last year, which incurred the selling expense this aligned with the decreased in sales volume of biodiesel products.

Administrative Expense

For the third quarter ended 30 September 2022, the administrative expense was Baht 262.66 million, decreased by Baht 87.43 million or 24.97% due to in the third quarter of the year 2021 had write-off the front-end fee from derecognize of Long-term loans from financial institutions by Baht 115 million. For the nine-month period ended 30 September 2022 was Baht 1,006.30 million, increased by Baht 15.74 million, or 1.59%. This was mainly from staff costs, donations, factory overhead expenses of battery and electric vehicle businesses.

Finance cost

For the third quarter ended 30 September 2022, the finance cost was Baht 359.11 million, an increased of Baht 35.78 million or 11.07% due to an increase in bonds and short-term loans from financial institutions, including an increase in average interest rate of the Company Group, as according to the announcement, the increased interest rate of Bank of Thailand. For the nine-month period ended 30 September 2022 was Baht 1,014.04 million, decreased by Baht 78.47 million or 7.18%. This was due to the lower average interest rate of the Company Group as compared to the same period of last year.

Financial Status

Total Asset

The total asset of the company and its subsidiaries as of 30 September 2022 was Baht 95,663.29 million, increased by Baht 10,187.04 million, or 11.92% from the year end of 2021. This was mainly from the following determinants:

- Cash and cash equivalents

Cash and cash equivalents as of 30 September 2022 was reported at Baht 3,807.92 million, representing an increased of Baht 880.95 million or 30.10% from the year end of 2021. Due to the normal operating results.

- Trade accounts receivable and other receivable net

Trade accounts receivable and other receivable net as of 30 September 2022 was reported at Baht 7,268.81 million, representing an increase of Baht 255.72 million from the year end of 2021. This was mainly from the debtors of sales electric vehicle.

- Inventory

Inventory as of 30 September 2022 was reported at Baht 5,106.26 million, representing an increased by Baht 3,623.12 million from the year end of 2021, due to the raw materials in preparation for lithium-ion battery production for Amita Technology (Thailand) Co., Ltd, and electric vehicle factory.

- Investments in Associates

Investments in Associates as of 30 September 2022 was representing an increased by Baht 6,963.16 million from the end of year 2021. The subsidiary acquired newly issued ordinary shares of Beyond Securities Public Company Limited in equivalent to 23.63% of the issued and paid-up ordinary shares.

- Property, plant, and equipment

Property, plant, and equipment net as of 30 September 2022 was reported at Baht 57,828.28 million, decreased by Baht 592.35 million or 1.01% due to depreciation of the year.

- Non-current assets held for sale

Non-current assets held for sale as of 30 September 2022 was decreased by Baht 713.91 million from 31 December 2021. Due to disposal the solar panels under assets held for sale of Lampang power plant project.

Total Liabilities

As of 30 September 2022, the total liabilities of the Company and its subsidiaries were Baht 56,818.05 million, representing an increase of Baht 6,443.52 million or 12.79% from 31 December 2021, This was mainly from increasing of short-term loans from financial institutions and issuing the new bonds by Baht 5,100 million for repayment the maturity of old bonds and supporting the expansion of lithium-ion battery and electric vehicle assembly plants.

Total Equity

As of 30 September 2022, the total shareholders' equity of the Company and its subsidiaries were Baht 38,845.24 million, representing an increase of Baht 3,743.52 million or 10.66% due to net profit of the nine-month period ended of the year 2022.

The process of major investment projects

▪ EV charging stations: EA Anywhere - Energy Mahanakhon Co., Ltd. (EMN)

The Company has the business model in operating the charging stations covering all provinces in Thailand in line with the current government's policy. On 25 October 2022, the Company has the collaboration with Krungsri Auto to incorporate the data of charging stations from EA Anywhere database into the GO application by Krungsri Auto which having more than 1 million users. Such collaboration will enhance the users' experiences across the platform.

Currently, the Company has installed 490 electric charging stations (DC charger station and AC charger station) throughout Thailand with 90 stations have been approved for the low priority energy price. The Company also successfully installed the electric charging stations for large-scale commercial electric vehicles for 42 stations, 22 stations are in service and 20 stations are in the installation process.

For the electric ferry river transport, the Company has already installed large scale 3 charging stations to enable ultrafast charge in the electric ferry: Wat Salaree Station 5 units (10 connectors), Public Warehouse Organization (PWO) Station 10 units (20 connectors) and the station and Saima Station 14 units (28 connectors).

▪ Li-ion Battery and Energy Storage System Plant – Amita Technology (Thailand) Co., Ltd. (ATT)

Amita Technology (Thailand) Co., Ltd. has started commercial production of lithium-ion batteries in the electric vehicle and energy storage system industry. It currently has production capacity of 1 Gigawatt hours per year. The Company will plan to expand the production capacity to 2 Gigawatt hours per year in 2023 and 4 Gigawatt hours per year in 2024, respectively.

The Company has established Battery Testing Center, Electric Vehicle and Electronic Products Company Limited (BEV) to provide battery testing and quality assurance services, including providing

research and development services of electric vehicles and electronic equipment to meet international standards. Currently, the Company produces battery and electric vehicles for the group.

- **Electric Bus Project and Commercial Vehicles**

- **Absolute Assembly Company Limited (AAB)**

Absolute Assembly Co., Ltd. (AAB) is the manufacture of commercial vehicles of EA group. The maximum capacity for the current facility is approximately 9,000 units per year, supporting the production of various types of vehicles including but not limited to electric buses, electric minibuses, and electric trucks. The Company is located in the free trade zone enabling all of the products to be certified as a product of Thailand and be able to get the import tax waiver. The Company targeted to deliver approximately 1,250 electric buses by the end of this year. The majority of the buses will be use to provide as the city buses services in Bangkok and surrounding areas. In addition the electric buses production, the Company has been starting to produce the electric trucks with will be able to deliver to the clients around 100 vehicles by the end of this year.

- **Mine Mobility Corporation Company Limited (MMC)**

The Company is a manufacturer for electric mini trucks using innovation and modern technology in production line which made by 100% of Thai labors and has registered to the first mini truck of Thailand under the name of “MINE MT30” and launched on 18 October 2022. The Company will exhibit at “Motor Expo 2022” during 1-12 December 2022 and expect the order of 3,000 vehicles for this upcoming event and the Company will deliver them within the first quarter of 2023.

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

Mine Mobility Research Co., Ltd. (MMR) operates in the development and research business of electric vehicles, which the Company has collaborated with CRRC Dalian, a major railway manufacturer from China. We cooperated to develop and produce electric locomotives or EV locomotives, currently produced and transported to Thailand. The Company is going to prepare to test the shunting system at Bang Sue Station within this year. The Company has got an opportunity from the Ministry of Transport, State Railway of Thailand (SRT), King Mongkut’s Institute of technology Ladkrabang (KMITL) and Rajamangala University of Technology Isan (RMUTI). EV train heads are able to run 150-200 kilometers, they could reduce by 40% of energy costs comparing with one made from diesel.

- EA Mobility Holding Company Limited (EMH)

On 26 September 2022, the Company signed a Head of Agreement (HOA) to collaborate with Computer Forms (Malaysia) Berhad (CFM) in order to establish a joint venture to invest in electric vehicles business and EV's ecosystem in Malaysia. The HOA has been signed to provide 200 buses to Gemilang International Limited (GML) and install ultra-fast charging stations with the charging time of 15-20 minutes to serve the electric mass transport vehicle. In the upcoming phase, the Company will do further in-depth analysis to expand the logistic products covering all regions of Malaysia.

▪ Green Diesel and PCM Project

The Company has conducted the research and development to create more value added product along the biodiesel value chain using crude palm oil (CPO) as a feedstock. These new products are called Green Diesel and Bio-PCM, which have already been patented. The products have been produced commercially under the new plant located at Rayong province. The Company has successfully introduced the products to many markets such as China, Japan, South Korea, the United States of America and Europe etc. In the meantime, the Company is continuing to research and develop the application of Bio-PCM in order to expand to the new market and create more value added in the future.