



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

1. Analysis of Operation Results According to Consolidated Financial Statement

| | Nine-Month Period Ended 30 September | | | | | |
|---|--------------------------------------|--------------|----------------|--------------|----------------|-------------|
| | 2021 | | 2020 | | Change | |
| | Amount (MB) | % to Revenue | Amount (MB) | % to Revenue | Amount (MB) | % Change |
| REVENUES | 3,392.7 | 100% | 3,813.6 | 100% | (420.9) | -11% |
| COST OF SALES | (929.0) | -27% | (1,056.8) | -28% | (127.8) | -12% |
| GROSS PROFIT | 2,463.7 | 73% | 2,756.8 | 72% | (293.1) | -11% |
| OTHER INCOME | 38.0 | 1% | 25.3 | 1% | 12.7 | 50% |
| SELLING EXPENSES | (7.3) | 0% | (21.5) | -1% | (14.2) | -66% |
| ADMINISTRATIVE EXPENSES | (200.1) | -6% | (195.4) | -5% | 4.7 | 2% |
| GAIN (LOSS) ON DERIVATIVES | 31.4 | 1% | 46.2 | 1% | (14.8) | -32% |
| GAIN (LOSS) ON FINANCIAL ASSETS | 10.8 | 0% | 4.7 | 0% | 6.1 | 130% |
| SHARE OF GAIN (LOSS) OF ASSOCIATE ACCOUNTED | - | 0% | (0.8) | 0% | 0.8 | 100% |
| EBIT | 2,336.5 | 69% | 2,615.3 | 69% | (278.8) | -11% |
| FINANCE COSTS | (142.8) | -4% | (203.4) | -5% | (60.6) | -30% |
| EBT | 2,193.7 | 65% | 2,411.9 | 63% | (218.2) | -9% |
| INCOME TAX EXPENSE | (111.5) | -3% | (60.4) | -2% | 51.1 | 85% |
| NET PROFIT (LOSS) | 2,082.2 | 61% | 2,351.5 | 62% | (269.3) | -11% |

Net Profit (Loss) attributable to :

| | | |
|---------------------------|----------------|----------------|
| Owners of the parent | 1,878.0 | 2,097.1 |
| Non-controlling interests | 204.2 | 254.4 |
| | 2,082.2 | 2,351.5 |

EARNINGS PER SHARE

| | | |
|--------------------------------|---------|-------|
| NO. OF SHARES (Million shares) | 1,040.2 | 974.0 |
| EPS (Baht per share) | 1.81 | 2.15 |

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the nine-month period ended 30 September 2021 presented the net profit of Baht 2,082.2 million or Baht 1.81 per share which decreased by Baht 269.3 million or 11%, compared to the net profit of Baht 2,351.5 million or Baht 2.15 per share of the year ended 31 December 2020. The significant reasons were as follows:



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

1.1 Revenue from Sales and Services

Revenue from sales and services for 9M 2021 was Baht 3,392.7 million, decreased by Baht 420.9 million or 11%, compared to period of 9M 2020 (Baht 3,813.6 million). The main reasons were as follows:

- Revenue from solar farm business for 9M 2021 was Baht 3,025.7 million which decreased by Baht 231.0 million or 7%, compared to period of 9M 2020 (Baht 3,256.7 million) due to the energy output for 9M 2021 was 287.7 million units which decreasing by 5.0 million units or 2% from 292.7 million units and the revenue from subsidy of adders, 8 Baht per unit, for 5 solar farms had been over, detail as follows:

| No. | Companies | Revenue from subsidy of adders ended |
|-----|---|--------------------------------------|
| 1 | Solar Power (Korat 1) Co., Ltd. | 20 April 2020 |
| 2 | Solar Power (Sakon Nakorn 1) Co., Ltd. | 8 February 2021 |
| 3 | Solar Power (Nakorn Phanom 1) Co., Ltd. | 21 April 2021 |
| 4 | Solar Power (Korat 2) Co., Ltd. | 12 September 2021 |
| 5 | Solar Power (Loei 1) Co., Ltd. | 14 September 2021 |

- Solar Power Roof Company Limited (SPR), operates the business of solar roof installation for residential, commercial and industrial customers, its revenue from sales and services for period of 9M 2021 was Baht 169.6 million which decreased by Baht 280.3 million or 62% compared to period of 9M 2020 (Baht 449.9 million) resulted from impacted from COVID-19 pandemic.
- Steel Roof Company Limited (SRC), operates the business of metal sheet roofing distribution and installation, the revenue from sales and services for 9M 2021 was Baht 162.3 million which increased by Baht 92.3 million or 132%, compared to period of 9M 2020 (Baht 70.0 million)

1.2 Cost of Sales and Services and Gross Profit

Cost of sales and services of 9M 2021 was Baht 929.0 million, decreased by Baht 127.8 million or 12%, compared to period of 9M 2020 (Baht 1,056.8 million). The decrease in cost of sales and services was aligned to the decline revenue of solar roof business (SPR) and the company could reduce the operation and maintenance (O&M) cost of solar farm by Baht 26.1 million.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

Gross profit margin of 9M 2021 was 73%, increased from the period of 9M 2020 (72%) because the company could reduce the operation and maintenance (O&M) cost of solar farm by Baht 26.1 million.

1.3 Selling Expenses

Selling expenses for 9M 2021 was Baht 7.3 million, decreased by Baht 14.2 million or 66%, compared to period of 9M 2020 (Baht 21.5 million). The decrease in selling expenses was in line with the decline of revenue of solar roof business (SPR).

1.4 Administrative Expenses

Administrative expenses for 9M 2021 was Baht 200.1 million, increased by Baht 4.7 million or 2%, compared to period of 9M 2020 (Baht 195.4 million). The main reasons were as follows:

- In 2021, the financial advisor fee for investing in Set Energy Co., Ltd. was Baht 23.3 million.
- In 2021, the employee expense decreased by Baht 6.3 million.
- In 2020, the company got loss on exchange rates by Baht 15.2 million.

1.5 Gain (Loss) on Derivatives

Gain on derivatives of interest rate swaps for 9M 2021 was Baht 31.4 million, due to in 2021 the interest rate had an upward trend from the beginning of the year therefore the company had gain on fair value measurement of interest rate swap on interest paid by Baht 63.6 million and loss on interest received by Baht 32.2 million baht.

1.6 Gain (Loss) on Financial Assets

Gain on financial assets for 9M 2021 was Baht 10.8 million, increased by Baht 6.1 million or 130% compared to period of 9M 2020 (Baht 4.7 million). The main reason was the gain on investments in mutual funds and foreign investment.

1.7 Finance Costs

Finance costs for 9M 2021 was Baht 142.8 million, decreased by Baht 60.6 million or 30% compared to period of 9M 2020 (Baht 203.4 million). The main reason was the Company paid for debentures principle of Baht 1,700.0 million and Baht 500 million in the year 2020 and 2021, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 30 September 2021, the total assets were Baht 23,804.1 million, increased by Baht 2,085.9 million or 10%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

| | 30-Sep-21 | 31-Dec-20 | Change | |
|---|--------------------------|--------------------------|--------------------------|---------------|
| | Amount (Million Baht) | Amount (Million Baht) | Amount (Million Baht) | % Change |
| Property, plant and equipment, net | 17,352.0 | 15,263.5 | 2,088.5 | 14% |
| Other assets | 6,452.1 | 6,454.7 | (2.6) | -0.04% |
| Total assets | 23,804.1 | 21,718.2 | 2,085.9 | 10% |

- As at 30 September 2021, property, plant and equipment were Baht 17,352.0 million, increased by Baht 2,088.5 million or 14%, compared to balance as of 31 December 2020 which was Baht 15,263.5 million. The main reasons were as follows:
 - SET Energy Co., Ltd acquired of land in amount of Baht 2,542.8 million
 - Depreciation in amount of Baht 487.8 million.
- As at 30 September 2021, other assets were Baht 6,452.1 million, decreased by Baht 2.6 million or 0.04%, compared to balance as of 31 December 2020 which was Baht 6,454.7 million. The main reasons were as follows:
 - The increase in short-term fixed income funds in amount of Baht 863.0 million.
 - The decrease in cash and cash equivalents in amount of Baht 612.4 million.
 - The decrease in trade accounts receivable in amount of Baht 276.7 million.

2.2 Analysis of Liabilities and Shareholders' Equity

As at 30 September 2021, the total liabilities and shareholders' equity were Baht 23,804.1 million, increased by Baht 2,085.9 million or 10%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

| | 30-Sep-21 | 31-Dec-20 | Change | |
|--|--------------------------|--------------------------|--------------------------|------------|
| | Amount (Million Baht) | Amount (Million Baht) | Amount (Million Baht) | % Change |
| Interest bearing debt | 4,681.1 | 4,188.9 | 492.2 | 12% |
| Other liabilities | 387.3 | 373.6 | 13.7 | 4% |
| Shareholders' equity | 18,735.7 | 17,155.7 | 1,580.0 | 9% |
| Total liabilities and shareholders' | 23,804.1 | 21,718.2 | 2,085.9 | 10% |

- As at 30 September 2021, interest bearing debt was Baht 4,681.1 million, increased by Baht 492.2 million or 12%, compared to balance as of 31 December 2020 which was Baht 4,188.9 million. The main reasons were as follows:
 - The increase short-term loans from financial institutions in amount of Baht 1,005.7 million.
 - The repayment of the debentures in amount of Baht 500.0 million.
- As at 30 September 2021, other liabilities were Baht 387.3 million, increased by Baht 13.7 million or 4%, compared to balance as of 31 December 2020 which was Baht 373.6 million. The main reasons were as follows:
 - The increase in trade accounts payable in amount of Baht 70.9 million.
 - The decrease in derivatives liabilities of interest rate swaps in amount of Baht 29.4 million.
 - The decrease in income tax payable in amount of Baht 20.8 million.
- As at 30 September 2021, shareholders' equity was Baht 18,735.7 million, increased by Baht 1,580.0 million or 9%, compared to balance as of 31 December 2020 which was Baht 17,155.7 million. The main reasons were as follows:
 - The net profit for 9M 2021 was Baht 2,082.2 million.
 - The payment of dividend was Baht 1,128.3 million
 - The issuance of share capital of subsidiary in amount of Baht 626.0 million
 - The issuance of share capital in amount of Baht 81.8 million.

2.3 The Appropriateness of Financial Structure

According to statement of financial position as at 30 September 2021, debt to equity ratio equal to 0.27 times, there was no significant change from 31 December 2020.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

3. Analysis of Cash Flow According to Consolidated Financial Statement

| | Nine-Month Period Ended 30 September | | |
|--|--------------------------------------|--------------------------|--------------------------|
| | 2021 | 2020 | Change |
| | Amount (Million Baht) | Amount (Million Baht) | Amount (Million Baht) |
| Net cash generated from (used in) operating activities | 3,031.0 | 3,294.3 | (263.3) |
| Net cash generated from (used in) investing activities | (3,518.7) | (2,003.1) | (1,515.6) |
| Net cash generated from (used in) financing activities | (124.7) | (1,622.6) | 1,497.9 |
| Net increase (decrease) in cash and cash equivalents | (612.4) | (331.4) | (281.0) |
| Cash and cash equivalents at the beginning of the period | 735.4 | 460.1 | 275.3 |
| Cash and cash equivalents at the end of the period | 123.0 | 128.7 | (5.7) |

As at 30 September 2021, cash and cash equivalents were Baht 123.0 million, decreased by Baht 612.4 million from Baht 735.4 million as at 31 December 2020. The reasons were as follows:

- 1) Net cash generated from operating activities in amount of Baht 3,031.0 million, resulting in
 - Net cash generated from operating profit in amount of Baht 3,162.8 million
 - Taxes paid in amount of Baht 131.8 million
- 2) Net cash used in investing activities in amount of Baht 3,518.7 million, resulting in
 - Cash proceed from sale of investments in short-term fixed income funds in amount of Baht 6,306.1 million
 - Cash paid for acquisition of investments in short-term fixed income funds in amount of Baht 7,261.2 million
 - Cash paid for acquisition of property, plant and equipment in amount of Baht 2,588.5 million
- 3) Net cash used in financing activities in amount of Baht 124.7 million, resulting in
 - Proceeds from short-term loan from financial institutions in amount of Baht 1,008.7 million
 - Proceeds from the share capital increase in amount of Baht 626.0 million
 - Dividend paid in amount of Baht 1,128.3 million
 - Repayment of debenture in amount of Baht 500.0 million
 - Interest paid in amount of Baht 111.5 million

Please be informed accordingly.

Yours sincerely,

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