



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

1. Analysis of Operation Results According to Consolidated Financial Statement

| | Three-Month Period Ended 31 March | | | | | |
|---|-----------------------------------|--------------|--------------|--------------|----------------|-------------|
| | 2022 | | 2021 | | Change | |
| | Amount (MB) | % to Revenue | Amount (MB) | % to Revenue | Amount (MB) | % Change |
| Revenue from sale and rendering of services | 1,054.9 | 100% | 1,172.7 | 100% | (117.8) | -10% |
| Cost of sale and rendering of services | (264.6) | -25% | (242.6) | -21% | 22.0 | 9% |
| Gross profit | 790.3 | 75% | 930.1 | 79% | (139.8) | -15% |
| Other income | 50.8 | 5% | 6.1 | 1% | 44.7 | 733% |
| Selling and distribution expenses | (0.5) | 0% | (0.2) | 0% | 0.3 | 150% |
| Administrative expenses | (47.7) | -5% | (85.3) | -7% | (37.6) | -44% |
| Gain (loss) on derivatives | (51.9) | -5% | 0.2 | 0% | (52.1) | -26050% |
| Gain (loss) on financial assets | 0.2 | 0% | 2.4 | 0% | (2.2) | -92% |
| Profit from operating activities | 741.2 | 70% | 853.3 | 73% | (112.1) | -13% |
| Finance costs | (27.2) | -3% | (34.6) | -3% | (7.4) | -21% |
| Profit before income tax expense | 714.0 | 68% | 818.7 | 70% | (104.7) | -13% |
| Tax (expense) income | (47.9) | -5% | (36.4) | -3% | 11.5 | 32% |
| Profit (loss) for the period | 666.1 | 63% | 782.3 | 67% | (116.2) | -15% |

Profit (Loss) attributable to :

| | | |
|---------------------------|--------------|--------------|
| Owners of the parent | 612.6 | 700.1 |
| Non-controlling interests | 53.5 | 82.2 |
| | 666.1 | 782.3 |

Earnings per share

| | | |
|--------------------------------|---------|---------|
| No. of shares (million shares) | 1,055.8 | 1,008.5 |
| EPS (Baht per share) | 0.58 | 0.69 |

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the three-month period ended 31 March 2022 presented the net profit of Baht 666.1 million or Baht 0.58 per share which decreased by Baht 116.2 million or 15%, compared to the net profit of Baht 782.3 million or Baht 0.69 per share of the three-month period ended 31 March 2021. The significant reasons were as follows:



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1.1 Revenue from Sale and Rendering of Services

Revenue from sale and rendering of services for 3M 2022 was Baht 1,054.9 million, decreased by Baht 117.8 million or 10%, compared to period of 3M 2021 (Baht 1,172.7 million). The main reasons were as follows:

- Revenue from solar farm business for 3M 2022 was Baht 985.3 million which decreased by Baht 146.3 million or 13%, compared to period of 3M 2021 (Baht 1,131.6 million) due to the energy output for 3M 2022 was 97.5 million units which decreasing by 7.6 million units or 7% from 105.1 million units and the revenue from subsidy of adders, 8 Baht per unit, for 7 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 |
| 6 | Solar Power (Khon Kaen 1) Co., Ltd. | 14 February 2022 |
| 7 | Solar Power (Korat 3) Co., Ltd. | 8 March 2022 |

- Solar Power Roof Company Limited (SPR), operates the business of solar roof installation for residential, commercial and industrial customers, its revenue from sale and rendering of services for period of 3M 2022 was Baht 35.2 million which increased by Baht 31.1 million or 759% compared to period of 3M 2021 (Baht 4.1 million).



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1.2 Cost of Sale and Rendering of Services and Gross Profit

Cost of sale and rendering of services of 3M 2022 was Baht 264.6 million, increased by Baht 22.0 million or 9%, compared to period of 3M 2021 (Baht 242.6 million). The increase in cost of sale and rendering of services was aligned to the revenue of solar roof business (SPR).

Gross profit margin of 3M 2022 was 75%, decreased from the period of 3M 2021 (79%). The main reason was the decreasing in the proportion of solar farm business which higher gross profit margin.

1.3 Administrative Expenses

Administrative expenses for 3M 2022 was Baht 47.7 million, decreased by Baht 37.6 million or 44%, compared to period of 3M 2021 (Baht 85.3 million). The main reasons were as follows:

- In 2021, the financial advisor fee and legal advisor fee for investing in Set Energy Co., Ltd. was Baht 23.3 million and Baht 5.4 million, respectively.
- In 2022, the employee expense decreased by Baht 4.4 million.

1.4 Other income

Other income for 3M 2022 was Baht 50.8 million. The main reason was gain on fair value measurement on long-term loans in foreign currency due to as at 31 March 2022 the Thai currency had been appreciate from the contract date.

1.5 Gain (Loss) on Derivatives

Loss on derivatives for 3M 2022 was Baht 51.9 million. The main reason was loss on fair value measurement of cross currency swaps on long-term loans in foreign currency due to as at 31 March 2022 the Thai currency had been appreciate from the contract date.

1.6 Finance Costs

Finance costs for 3M 2022 was Baht 27.2 million, decreased by Baht 7.4 million or 21% compared to period of 3M 2021 (Baht 34.6 million). The main reason was the repayment of debentures in amount of Baht 2,200.0 million in the year 2021.



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2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 31 March 2022, the total assets were Baht 24,598.5 million, increased by Baht 550.3 million or 2%, compared to balance as of 31 December 2021 which was Baht 24,048.2 million. The details were as follows:

| | 31-Mar-22 | 31-Dec-21 | Change | |
|---|--------------------------|--------------------------|--------------------------|------------|
| | Amount (Million Baht) | Amount (Million Baht) | Amount (Million Baht) | % Change |
| Property, plant and equipment, net | 17,147.2 | 17,318.0 | (170.8) | -1% |
| Other assets | 7,451.3 | 6,730.2 | 721.1 | 11% |
| Total assets | 24,598.5 | 24,048.2 | 550.3 | 2% |

- As at 31 March 2022, property, plant and equipment were Baht 17,147.2 million, decreased by Baht 170.8 million or 1%, compared to balance as of 31 December 2021 which was Baht 17,318.0 million. The main reason was the depreciation in amount of Baht 160.0 million.
- As at 31 March 2022, other assets were Baht 7,451.3 million, increased by Baht 721.1 million or 11%, compared to balance as of 31 December 2021 which was Baht 6,730.2 million. The main reasons were as follows:
 - The increase in short-term fixed income funds in amount of Baht 813.8 million.
 - The decrease in trade accounts receivable in amount of Baht 106.0 million.

2.2 Analysis of Liabilities and Shareholders' Equity

As at 31 March 2022, the total liabilities and shareholders' equity were Baht 24,598.5 million, increased by Baht 550.3 million or 2%, compared to balance as of 31 December 2021 which was Baht 24,048.2 million. The details were as follows:

| | 31-Mar-22 | 31-Dec-21 | Change | |
|---|--------------------------|--------------------------|--------------------------|------------|
| | Amount (Million Baht) | Amount (Million Baht) | Amount (Million Baht) | % Change |
| Interest bearing debt | 4,212.3 | 4,388.4 | (176.1) | -4% |
| Other liabilities | 429.4 | 312.9 | 116.5 | 37% |
| Shareholders' equity | 19,956.8 | 19,346.9 | 609.9 | 3% |
| Total liabilities and shareholders' equity | 24,598.5 | 24,048.2 | 550.3 | 2% |



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- As at 31 March 2022, interest bearing debt was Baht 4,212.3 million, decreased by Baht 176.1 million or 4%, compared to balance as of 31 December 2021 which was Baht 4,388.4 million.

The main reasons were as follows:

- The repayment of the long-term loans from financial institutions in amount of Baht 105.0 million.
- The repayment of the short-term loans from financial institutions in amount of Baht 20.7 million.

- As at 31 March 2022, other liabilities were Baht 429.4 million, increased by Baht 116.5 million or 37%, compared to balance as of 31 December 2021 which was Baht 312.9 million. The main reasons were as follows:

- The increase in income tax payable in amount of Baht 43.9 million.
- The increase in derivatives liabilities of interest rate and cross currency swaps in amount of Baht 37.9 million.
- The increase in trade accounts payable in amount of Baht 22.0 million.

- As at 31 March 2022, shareholders' equity was Baht 19,956.8 million, increased by Baht 609.9 million or 3%, compared to balance as of 31 December 2021 which was Baht 19,346.9 million.

The main reasons were as follows:

- The net profit was Baht 666.1 million.
- The payment of dividend was Baht 56.2 million.

2.3 The Appropriateness of Financial Structure

According to statement of financial position as at 31 March 2022, debt to equity ratio was 0.23 times, there was no significant change from the ratio as at 31 December 2021 by 0.24 times.



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3. Analysis of Cash Flow According to Consolidated Financial Statement

| | Three-Month Period Ended 31 March | | |
|--|-----------------------------------|--------------------------|--------------------------|
| | 2022 | 2021 | Change |
| | Amount (Million Baht) | Amount (Million Baht) | Amount (Million Baht) |
| Net cash generated from (used in) operating activities | 1,027.2 | 1,162.9 | (135.7) |
| Net cash generated from (used in) investing activities | (812.0) | (833.8) | 21.8 |
| Net cash generated from (used in) financing activities | (189.5) | (596.6) | 407.1 |
| Net increase (decrease) in cash and cash equivalents | 25.7 | (267.5) | 293.2 |
| Cash and cash equivalents at the beginning of the period | 46.0 | 735.5 | (689.5) |
| Cash and cash equivalents at the end of the period | 71.7 | 468.0 | (396.3) |

As at 31 March 2022, cash and cash equivalents were Baht 71.7 million, increased by Baht 25.7 million from Baht 46.0 million as at 31 December 2021. The reasons were as follows:

- 1) Net cash generated from operating activities in amount of Baht 1,027.2 million, resulting in
 - Net cash generated from operating in amount of Baht 1,035.5 million.
 - Taxes paid in amount of Baht 8.3 million.
- 2) Net cash used in investing activities in amount of Baht 812.0 million, resulting in
 - Cash proceed from sale of investments in short-term fixed income funds in amount of Baht 813.4 million.
 - Cash paid for acquisition of investments in short-term fixed income funds in amount of Baht 1,625.9 million.
- 3) Net cash used in financing activities in amount of Baht 189.5 million, resulting in
 - Repayment of long-term loan from financial institutions in amount of Baht 105.0 million.
 - Repayment of short-term loan from financial institutions in amount of Baht 20.7 million.
 - Dividend paid in amount of Baht 56.2 million.

Please be informed accordingly.

Yours sincerely,

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Chief Executive Officer