

No. ACE-ACC-1/2021

25 February 2021

Subject Management Discussion and Analysis for the year ended 31 December 2020

To President

The Stock Exchange of Thailand

Absolute Clean Energy Public Company Limited (“the Company”), are pleased to provide you our management discussion and analysis for the year ended 31 December 2020 of the Company and the subsidiaries (“the Group”) as follow.

<b>Financial Performance of the Group</b>										
<b>Consolidated financial statements</b>	<b>Q1-2020</b>	<b>Q2-2020</b>	<b>Q3-2020</b>	<b>Q4-2020</b>	<b>Change QoQ</b>		<b>2019</b>	<b>2020</b>	<b>Change YoY</b>	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Sales of goods and services	1,115.7	1,139.5	1,182.8	1,148.4	(34.4)	(2.9%)	4,540.2	4,586.4	46.2	1.0%
Revenue from finance lease under										
power purchase agreement	100.9	102.8	103.2	94.3	(8.9)	(8.6%)	410.4	401.2	(9.2)	(2.2%)
Revenue from construction under										
a concession arrangement	131.3	398.1	215.0	126.1	(88.9)	(41.3%)	104.6	870.5	765.9	732.2%
Cost of sales and services	(788.7)	(796.3)	(822.9)	(788.4)	(34.5)	(4.2%)	(3,324.7)	(3,196.3)	(128.4)	(3.9%)
Cost of construction under										
a concession arrangement	(131.3)	(398.1)	(215.0)	(126.1)	(88.9)	(41.3%)	(104.6)	(870.5)	765.9	732.2%
<b>Gross profit</b>	427.9	446.0	463.1	454.3	(8.8)	(1.9%)	1,625.9	1,791.3	165.4	10.2%
Net gain (loss) on exchange rate	112.2	(58.6)	37.6	(72.4)	(110.0)	N.A.(<-100)	(103.5)	18.8	122.3	N.A.(>100)
Gain (loss) on forward contracts	49.5	(50.8)	8.4	(19.2)	(27.6)	N.A.(<-100)	-	(12.1)	(12.1)	N.A.(<-100)
Gain from business acquisition	-	-	2.2	-	(2.2)	N.A.(<-100)	-	2.2	2.2	N.A.(>100)
Other income	173.0	0.9	3.0	1.7	(1.3)	(43.3%)	32.9	178.6	145.7	442.9%
<b>Profit before expenses</b>	762.6	337.5	514.3	364.4	(149.9)	(29.1%)	1,555.3	1,978.8	423.5	27.2%
Administrative expenses	(88.0)	(77.2)	(67.3)	(89.8)	22.5	33.4%	(330.3)	(322.3)	(8.0)	(2.4%)
Finance costs	(26.3)	(25.1)	(27.8)	(27.1)	(0.7)	(2.5%)	(412.6)	(106.3)	(306.3)	(74.2%)
<b>Profit before income tax</b>	648.3	235.2	419.2	247.5	(171.7)	(41.0%)	812.4	1,550.2	737.8	90.8%
Tax income (expenses)	(54.8)	14.6	(9.0)	6.6	15.6	N.A.(>100)	2.9	(42.6)	(45.5)	N.A.(<-100)
<b>Net profit for the period</b>	<b>593.5</b>	<b>249.8</b>	<b>410.2</b>	<b>254.1</b>	<b>(156.1)</b>	<b>(38.1%)</b>	<b>815.3</b>	<b>1,507.6</b>	<b>692.3</b>	<b>84.9%</b>
<i>Add(less): Loss/gain from extraordinary items*</i>	<i>(290.4)</i>	<i>104.3</i>	<i>(35.7)</i>	<i>72.6</i>	<i>108.3</i>	<i>N.A.(&gt;100)</i>	<i>68.9</i>	<i>(149.2)</i>	<i>(218.1)</i>	<i>N.A.(&lt;-100)</i>
<b>Net profit from ordinary activities</b>	<b>303.1</b>	<b>354.1</b>	<b>374.5</b>	<b>326.7</b>	<b>(47.8)</b>	<b>(12.8%)</b>	<b>884.2</b>	<b>1,358.4</b>	<b>474.2</b>	<b>53.6%</b>

\* Extraordinary items from non-operating, consists of unrealised gain(loss) on exchange rate of receivable under finance lease agreement, gain(loss) on forward contracts, insurance claim and gain from business acquisition.

### **Significant events for 2020 to present**

#### **The acquisition and transferred of 3 biomass power plant companies with total installed power generation capacity of 26.9 MW from UA Withya Public Company Limited**

On 21 August 2020, Asia Clean Energy Co. Ltd., a subsidiary, acquired common shares of 3 biomass power plants in the proportion of 100 percent with the consideration paid of Baht 464.6 million. From comparison of identifiable assets acquired and liabilities assumed, and the consideration paid, the consideration paid is lower than fair value of net assets transferred. As a result, the Group has gain from business acquisition amounting to Baht 2.2 million, presented as “Gain from business acquisition” in Statement of Comprehensive Income.

#### **The signing of Power Purchase Agreement (PPA) of Khlong Khlung VSPP Power Plant**

On 6 October 2020, Advance Clean Power Plant Co. Ltd., an indirect subsidiary, entered into a power purchase agreement with Provincial Electricity Authority for Biomass Power Plant with installed power generation capacity of 9.9 MW. The contract period is 20-year agreement.

#### **Commercial Operation Date (COD) of Municipal Solid Waste (MSW) Power Plant in Krabi Municipality, Krabi Province**

On 28 December 2020, Alliance Clean Power Co. Ltd., an indirect subsidiary, started its commercial operation under a concession arrangement. The revenue from construction of Municipality Solid Waste Power Plant, an indirect subsidiary, entered into contract with Krabi Municipality to provide waste management services.

#### **The signing of Power Purchase Agreement (PPA) of Khlong Khlung SPP-Hybrid Power Plant**

On 6 January 2021, Bio Power Plant Co. Ltd., an indirect subsidiary, entered into a power purchase agreement with Electricity Generating Authority of Thailand for SPP Hybrid Firm Project at Khlong Klung, Kamphaeng Phet under the Small Power Producer project for the power plant. The contract period is 25-year agreement, effective since the commercial operation date.

**Sales and service income for the year ended 31 December 2020 and 2019 are presented below:**

Sales and service income	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YoY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Sales of electricity - FiT, Base tariff and Ft	623.1	635.3	668.2	740.1	71.9	10.8%	2,420.7	2,666.7	246.0	10.2%
FiT Premium	43.7	37.4	35.8	35.7	(0.1)	(0.3%)	170.3	152.6	(17.7)	(10.4%)
Sales of electricity to Industrial Users (IU)	4.7	4.7	4.9	6.3	1.4	28.6%	12.3	20.6	8.3	67.5%
Revenue from maintenance services to outside	-	-	47.8	-	(47.8)	N.A. (<-100)	-	47.8	47.8	N.A. (>100)
<b>Sales from Biomass Power Plants</b>	<b>671.5</b>	<b>677.4</b>	<b>756.7</b>	<b>782.1</b>	<b>25.4</b>	<b>3.4%</b>	<b>2,603.3</b>	<b>2,887.7</b>	<b>284.4</b>	<b>10.9%</b>
Revenue from finance lease under a Power Purchase Agreement	100.9	102.8	103.2	94.3	(8.9)	(8.6%)	410.4	401.2	(9.2)	(2.2%)
Revenue from service under a Power Purchase Agreement	363.4	388.0	355.9	287.6	(68.3)	(19.2%)	1,628.0	1,394.9	(233.1)	(14.3%)
Sales of electricity to Industrial Users (IU)	1.6	1.3	1.1	1.1	-	0.0%	8.9	5.1	(3.8)	(42.7%)
Sales of steam (IU)	4.9	4.4	1.8	2.2	0.4	22.2%	20.5	13.3	(7.2)	(35.1%)
<b>Sales from Natural Gas Power Plant</b>	<b>470.8</b>	<b>496.5</b>	<b>462.0</b>	<b>385.2</b>	<b>(76.8)</b>	<b>(16.6%)</b>	<b>2,067.8</b>	<b>1,814.5</b>	<b>(253.3)</b>	<b>(12.2%)</b>
Sales of electricity - FiT, Base tariff and Ft	27.8	25.3	24.0	27.8	3.8	15.8%	105.8	104.9	(0.9)	(0.9%)
FiT Premium	-	-	-	0.3	0.3	N.A. (>100)	-	0.3	0.3	N.A. (>100)
Adder	34.3	31.3	29.5	33.5	4.0	13.6%	129.2	128.6	(0.6)	(0.5%)
Revenue from waste management	9.4	9.6	10.4	10.8	0.4	3.8%	37.4	40.2	2.8	7.5%
<b>Sales from Municipal Solid Waste Power Plant</b>	<b>71.5</b>	<b>66.2</b>	<b>63.9</b>	<b>72.4</b>	<b>8.5</b>	<b>13.3%</b>	<b>272.4</b>	<b>274.0</b>	<b>1.6</b>	<b>0.6%</b>
Sales of electricity - Base tariff and Ft	2.8	2.2	3.4	3.0	(0.4)	(11.8%)	7.1	11.4	4.3	60.6%
<b>Sales from Solar Energy Power Plants</b>	<b>2.8</b>	<b>2.2</b>	<b>3.4</b>	<b>3.0</b>	<b>(0.4)</b>	<b>(11.8%)</b>	<b>7.1</b>	<b>11.4</b>	<b>4.3</b>	<b>60.6%</b>
<b>Total sales and service income</b>	<b>1,216.6</b>	<b>1,242.3</b>	<b>1,286.0</b>	<b>1,242.7</b>	<b>(43.3)</b>	<b>(3.4%)</b>	<b>4,950.6</b>	<b>4,987.6</b>	<b>37.0</b>	<b>0.7%</b>

**Sales and service income for 2020 compared to 2019 increase by 0.7% YoY** from Baht 4,950.6 million to Baht 4,987.6 million. The increase of Baht 37.0 million, mainly derived from sales of Biomass Power Plant which increase by Baht 284.4 million or 10.9% from increase sales of electricity. However, Sales of Natural Gas Power Plant decreased by Baht 253.3 million or 12.2% from planned shutdown and decrease in unit rate which is adjusted in line with the decline in average natural gas price.

**Sales and service income for Q4/2020 compared to Q3/2020 decrease by 3.4% QoQ** from Baht 1,286.0 million to Baht 1,242.7 million. The decrease of Baht 43.3 million, mainly derived from sales of Natural Gas Power Plant which decreased by Baht 76.8 million or 16.6% from planned shutdown resulting in lower unit sold, comprise of decrease in unit rate which is adjusted in line with the decline in average natural gas price, as mentioned above. In addition, revenue from maintenance service to outside is decrease, because there is no maintenance service provided in the fourth quarter. On the other hand, sales of Biomass Power Plants increase totaling Baht 73.2 million from increase in electricity unit sold compared to prior period and partially record of revenue from the new biomass power plants which the Group acquired in the third quarter.

	Q1-2020		Q2-2020		Q3-2020		Q4-2020		Change QoQ		2019		2020		Change YoY		
	THB	Mn	THB	Mn	THB	Mn	THB	Mn	THB	Mn	THB	Mn	THB	Mn	THB	Mn	
Revenue from construction a concession arrangement	131.3		398.1		215.0		126.1		(88.9)	(41.3%)	104.6		870.5		765.9		732.2%

**Revenue from construction under a concession arrangement for 2020 compared to 2019 increase by 732.2% YoY and decrease 41.3% QoQ.** The Group has a revenue from construction under a concession arrangement is the revenue from construction of Municipality Solid Waste Power Plant, an indirect subsidiary entered into contract with Krabi Municipality to provide waste management services (converting solid waste into electrical energy for 25-year period started from the date of contract). As specified in the contract, the subsidiary shall transfer building, machine and equipment to Krabi Municipality without any charges when the contract ends. The Group's management assessed the agreement in accordance with TFRIC 12 'Service Concession Arrangements'. As a result, the Group's management recognized revenue from construction under a concession arrangement in accordance with percentage of completion of the fair value of assets. The Group's management also recognized cost of construction under a concession arrangement at actual cost in the same amount. No gain and loss from recognized sales and cost of construction under a concession arrangement transaction. The decrease in revenue from construction under concession arrangement is due to the construction was completed and COD on 28 December 2020.

## Cost of sales and service

Cost of sales and service for the year ended 31 December 2020 and 2019 are presented below:

Cost of sales and service	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YoY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Fuel materials cost	516.9	530.9	515.9	493.9	(22.0)	(4.3%)	2,192.6	2,057.6	(135.0)	(6.2%)
Depreciation and amortisation cost	124.9	123.2	130	125.5	(4.5)	(3.5%)	488.7	503.6	14.9	3.0%
Staff cost and other benefits	37.2	39.0	37.8	44.9	7.1	18.8%	156.8	158.9	2.1	1.3%
Repair and maintenance cost	44.3	40.3	45.8	56.9	11.1	24.2%	194.7	187.3	(7.4)	(3.8%)
Cost of maintenance services to outside	-	-	29.8	-	(29.8)	N.A. (<-100)	-	29.8	29.8	N.A.(>100)
Engineering and other services	30.6	29.4	30.9	33.6	2.7	8.7%	153.6	124.5	(29.1)	(18.9%)
Processing fee - PEA	13.9	13.9	14.0	14.4	0.4	2.9%	53.7	56.2	2.5	4.7%
Other cost	20.9	19.6	18.7	19.2	0.5	2.7%	84.6	78.4	(6.2)	(7.3%)
<b>Total cost of sales and service</b>	<b>788.7</b>	<b>796.3</b>	<b>822.9</b>	<b>788.4</b>	<b>(34.5)</b>	<b>(4.2%)</b>	<b>3,324.7</b>	<b>3,196.3</b>	<b>(128.4)</b>	<b>(3.9%)</b>

Cost of sales and service for 2020 compared to 2019 decrease by 3.9% YoY from Baht 3,324.7 million to Baht 3,196.3 million. The decrease of Baht 128.4 million derived from fuel material cost of Baht 135.0 million or 6.2% from the decline in average natural gas price. Comprise of improvement of fuel material management from modification and mixing of fuel material to improve combustion resulting in better heat rate and lower fuel consumption per unit and improvement of feedstock procurement process including sourcing new types of potential feedstocks which has been studied and researched well. In addition, engineering and other services of Natural Gas Power Plant decrease by Baht 22.7 million from using in-house management and maintenance services instead of hiring external services company. Furthermore, repair and maintenance cost decrease by Baht 7.4 million from efficiently plan and control of repair and maintenance process.

Cost of sales and service for Q4/2020 compared to Q3/2020 decrease by 4.2% QoQ from Baht 822.9 million to Baht 788.4 million. The decrease of Baht 34.5 million, mainly came from decrease in fuel material cost of Natural Gas Power Plant from decrease in average natural gas price. And decrease in cost of maintenance to outside since there is no maintenance service performed to outside in the fourth quarter.

## Net gain (loss) on exchange rate

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YoY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Net gain (loss) on exchange rate	112.2	(58.6)	37.6	(72.4)	(110.0)	N.A. (<-100)	(103.5)	18.8	122.3	N.A. (>100)

Net gain (loss) on exchange rate mainly came from unrealized exchange rate of receivable under finance lease of Natural Gas Power Plant and partially from realized gain on exchange from payment for machine and spare parts for the under-developed projects to foreign suppliers. As of 31 December 2019, Thai Baht is appreciated compared to exchange rate as of

end of the prior year, the Group has loss on exchange rate. On the other hand, Thai Baht as of 31 December 2020 is slightly depreciated compared to 31 December 2019, the Group then has gain on exchange.

Exchange rate as of end of the fourth quarter, Thai Baht is appreciated compared to end of the third quarter, the Group has loss from exchange in Q4/2020 amounting to Baht 72.4 million.

#### Gain (loss) on forward contracts

	Q1-2020		Q2-2020		Q3-2020		Q4-2020		Change QoQ		2019		2020		Change YoY	
	THB Mn	Mn	THB Mn	Mn	THB Mn	Mn	THB Mn	Mn	THB Mn	%	THB Mn	Mn	THB Mn	Mn	THB Mn	%
Gain (loss) on forward contracts	49.5	(50.8)	8.4	(19.2)	(27.6)	N.A.(<-100)	-	(12.1)	(12.1)	N.A.(<-100)	-	(12.1)	(12.1)	N.A.(<-100)		

The Group has implemented financial reporting standards related to financial instruments (TFRS9) since 1 January 2020 and recognized gain or loss on forward contracts from the differences in fair value of the derivatives.

#### Other income

	Q1-2020		Q2-2020		Q3-2020		Q4-2020		Change QoQ		2019		2020		Change YoY	
	THB Mn	Mn	THB Mn	Mn	THB Mn	Mn	THB Mn	Mn	THB Mn	%	THB Mn	Mn	THB Mn	Mn	THB Mn	%
Other income	173.0	0.9	3.0	1.7	(1.3)	(43.3%)	32.9	178.6	145.7	442.9%						

Other income comprised of income from insurance claims, interest income, rental income and others. In the first quarter of 2020, an indirect subsidiary received insurance claims from an insurance company Baht 171.9 million. The claim was compensated from the event of damaged machinery during the test run, before COD. Note that the Plant was COD in 2016.

## Gross Profit and Gross Profit Margin

Gross Profit	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YOY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Biomass Power Plant	243.7	263.5	291.4	296.2	4.8	1.6%	912.5	1,094.8	182.3	20.0%
Natural Gas Power Plant	139.1	144.9	143.9	119.3	(24.6)	(17.1%)	576.8	547.2	(29.6)	(5.1%)
Municipal Solid Waste Power Plant	43.7	36.7	25.9	37.3	11.4	44.0%	136.1	143.6	7.5	5.5%
Solar Energy Power Plant	1.4	0.9	1.9	1.5	(0.4)	(21.1%)	0.5	5.7	5.2	1,040.0%
<b>Gross Profit by Segment</b>	<b>427.9</b>	<b>446.0</b>	<b>463.1</b>	<b>454.3</b>	<b>(8.8)</b>	<b>(1.9%)</b>	<b>1,625.9</b>	<b>1,791.3</b>	<b>165.4</b>	<b>10.2%</b>

  

Gross Profit Margin	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change	2019	2020	Change
	Percent	Percent	Percent	Percent	QoQ	Percent	Percent	YoY
Biomass Power Plant	36.3	38.9	38.5	37.9	(0.6)	35.1	37.9	2.8
Natural Gas Power Plant	29.5	29.2	31.1	31.0	(0.1)	27.9	30.2	2.3
Municipal Solid Waste Power Plant	61.1	55.4	40.6	51.5	10.9	50.6	52.4	1.8
Solar Energy Power Plant	50.0	38.7	57.0	48.4	(8.6)	7.0	50.0	43.0
<b>Gross Profit by Segment</b>	<b>35.3</b>	<b>35.9</b>	<b>36.0</b>	<b>36.6</b>	<b>0.6</b>	<b>32.8</b>	<b>35.9</b>	<b>3.1</b>

**Gross Profit for 2020 compared to 2019 increase by 10.2% YoY** from Baht 1,625.9 million to Baht 1,791.3 million. The increase of Baht 165.4 million, mainly from sale of electricity of Biomass Power Plant which increase from electricity unit sold comprise of partially record of revenue from the new biomass power plants which the Group acquired in the third quarter. And the Group also has profit from maintenance service to outside. In addition, cost of fuel materials also decreases from cost management and efficient fuel management both in procurement process and production process.

**Gross Profit Margin for 2020 compared to 2019 increase by 3.1% YOY from 32.8% to 35.9%.** The increase mainly come from increase in Gross Profit Margin of all Power Plants from cost management and efficiently production performance. In addition, Gross Profit Margin of Municipal Solid Waste Power Plant also increase from lower amortization cost for rights to service under concession arrangement from extend of amortization period from 16 years to 18 years and decrease in cost of ashes removal.

**Gross Profit for Q4/2020 compared to Q3/2020 decrease by 1.9% QoQ** from Baht 463.1 million to Baht 454.3 million. The decrease of Baht 8.8 million, mainly from gross profit of Natural Gas Power Plant which decreased by Baht 24.6 million due to planned shutdown in the fourth quarter. On the other hand, gross profit of Solid Waste Power Plant increases by Baht 11.4 million since there was shutdown in the third quarter and no shutdown in the fourth quarter. However, **Gross Profit Margin for Q4/2020 compared to Q3/2020 increase 0.6% QoQ** from 36.0% to 36.6%, mainly from gross profit margin of Solid Waste Power Plant which increase 10.9% from the reason mentioned above.

## Administrative expenses

### Administrative expenses for the year ended 31 December 2020 and 2019

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YoY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Administrative expenses	88.0	77.2	67.3	89.8	22.5	33.4%	330.3	322.3	(8.0)	(2.4%)

**Administrative expenses for 2020 compared to 2019 decrease by 2.4% YoY** from Baht 330.3 million to Baht 322.3 million. The decrease of Baht 8.0 million since there were expenses relating to prepare and register to the Stock Exchange of Thailand of the Company in 2019.

**Administrative expenses for Q4/2020 compared to Q3/2020 increase by 33.4% QoQ** from Baht 67.3 million to Baht 89.8 million, mainly from pre-operation expenses of the new project during the period.

## Finance costs

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YoY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Finance costs	26.3	25.1	27.8	27.1	(0.7)	(2.5%)	412.6	106.3	(306.3)	(74.2%)

**Finance costs for 2020 compared to 2019 decrease by 2.5% QoQ and 74.2% YoY** from Baht 412.6 million to Baht 106.3 million, as a result of repayments debentures and repayments loans, both repayment as schedule and temporarily prepayment for cash management from capital increase from IPO. Comprised decrease of interest rates of loans from commercial bank since the fourth quarter of 2019. Additionally, bank also cut MLR rate in the first and the second quarters of 2020.

## Tax income (expense)

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change YoY	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Finance costs	(54.8)	14.6	(9.0)	6.6	15.6	N.A.(>100)	2.9	(42.6)	(45.5)	N.A.<(-100)

**Tax income (expense)** comprised of current tax and deferred tax. Deferred income tax mainly from temporary difference of receivable from finance lease and business acquisition.



## Net profit and Net profit margin

(Unit: THB Mn)

	Q1-2020			Q2-2020		
	Ordinary activities	Extraordinary items	Total	Ordinary activities	Extraordinary items	Total
Profit before tax	314.6	333.7	648.3	365.6	(130.4)	235.2
Tax income(expense)	(11.5)	(43.3)	(54.8)	(11.5)	26.1	14.6
Net profit	303.1	290.4	593.5	354.1	(104.3)	249.8

	Q3-2020			Q4-2020		
	Ordinary activities	Extraordinary items	Total	Ordinary activities	Extraordinary items	Total
Profit before tax	374.6	44.6	419.2	338.2	(90.7)	247.5
Tax income(expense)	(0.1)	(8.9)	(9.0)	(11.5)	18.1	6.6
Net profit	374.5	35.7	410.2	326.7	(72.6)	254.1

	2019			2020		
	Ordinary activities	Extraordinary items	Total	Ordinary activities	Extraordinary items	Total
Profit before tax	898.5	(86.1)	812.4	1,393.0	157.2	1,550.2
Tax income(expense)	(14.3)	17.2	2.9	(34.6)	(8.0)	(42.6)
Net profit	884.2	(68.9)	815.3	1,358.4	149.2	1,507.6

Extraordinary items from non-operating, consists of unrealized gain(loss) on exchange rate of receivable under finance lease agreement, gain(loss) on forward contracts, income from insurance claim and gain from business acquisition.

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change QoQ		2019	2020	Change QoQ	
	THB Mn	THB Mn	THB Mn	THB Mn	THB Mn	%	THB Mn	THB Mn	THB Mn	%
Net profit	593.5	249.8	410.2	254.1	(156.1)	(38.1%)	815.3	1,507.6	692.3	84.9%
Add(Less): Extraordinary items	(290.4)	104.3	(35.7)	72.6	108.3	N.A.(>100)	68.9	(149.2)	(218.1)	N.A. (<-100)
Net profit from ordinary activities	303.1	354.1	374.5	326.7	(47.8)	(12.8%)	884.2	1,358.4	474.2	53.6%

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Change	2019	2020	Change
	Percent	Percent	Percent	Percent	QoQ	Percent	Percent	YoY
Net profit margin	48.8	20.1	31.9	20.4	(11.5)	16.5	30.2	13.7
Net profit margin from ordinary activities	24.9	28.5	29.1	26.3	(2.8)	17.9	27.2	9.3

**Net Profit and Net Profit from ordinary activities for 2020 compared to 2019 increase by 84.9% YoY** from Baht 815.3 million to Baht 1,507.6 million and **increase by 53.6% YoY** from Baht 884.2 million to Baht 1,358.4 million, respectively. The increase is caused from sales and service income of Biomass Power Plants from increase in electricity unit sold from longer continuing in production and partially record of revenue from the new biomass power plants which the Group acquired in the third quarter. In addition, gross profit increase from efficient fuel management both in procurement process and production process. Including the cash management from capital increase from IPO by temporarily prepaying loan, resulting in decrease in interest-bearing debt. In addition, interest rate of interest-bearing debt also decrease from last year.

**Net profit for Q4/2020 compared to Q3/2020 decrease by 38.1% QoQ** from Baht 410.2 million to Baht 254.1 million, decrease by Baht 156.1 million. **Net profit margin Q4/2020 compared to Q3/2020 decrease from 31.9% to 20.4%**. Mainly came from extraordinary items which are unrealized gain or loss on exchange rate from receivable under finance lease agreement and unrealized gain or loss on forward contracts. The Group has gain from these extraordinary items (net tax) for the third quarter amounting to Baht 33.5 million. However, the Group has loss from these extraordinary items (net tax) for the fourth quarter amounting to Baht 72.5 million since Thai Baht as of end of the fourth quarter is appreciated compared to end of the third quarter.

**Net Profit from ordinary activities for Q4/2020 compared to Q3/2020 decrease by 12.8% QoQ** from Baht 374.5 million to Baht 326.7 million, decrease by Baht 47.8 million and **Net profit margin from ordinary activities for Q4/2020 compared to Q3/2020 decrease from 29.1% to 26.3%**. The decrease is caused from gross profit of Natural Gas Power Plant decrease by Baht 24.6 million from prior period due to planned shutdown in the fourth quarter and decrease of revenue from maintenance service to outside since no maintenance service provided in the fourth quarter.

## Analysis of Financial Position

	THB Mn	THB Mn	THB Mn	%
Cash and cash equivalents	482.9	71.9	411.0	571.6
Trade and other receivables	829.0	820.0	9.0	1.1
Receivables under finance lease	3,256.3	3,293.3	(37.0)	(1.1)
Inventories	402.1	185.2	216.9	117.1
Restricted deposits at financial institutions	277.6	498.7	(221.1)	(44.3)
Investment property (net)	144.9	124.2	20.7	16.7
Property, plant and equipment (net)	9,095.3	8,059.4	1,035.9	12.9
Advance payments for constructions and purchases of fixed assets	53.5	153.2	(99.7)	(65.1)
Rights to service under concession arrangements (net)	1,639.5	811.7	827.8	102.0
Right-of-use assets (net)	37.4	-	37.4	N.A. (>100)
Deferred tax assets (net)	85.9	56.1	29.8	53.1
Other assets	125.3	71.4	53.9	75.5
<b>Total assets</b>	<b>16,429.7</b>	<b>14,145.1</b>	<b>2,284.6</b>	<b>16.2</b>
Short-term loans from financial institutions	265.3	227.4	37.9	16.7
Long-term loans from financial institutions	3,657.2	2,767.5	889.7	32.1
Trade and other payables	269.0	249.4	19.6	7.9
Leases liabilities (net)	25.8	0.6	25.2	4,200.0
Deferred tax liabilities (net)	109.9	38.5	71.4	185.5
Derivative liabilities	12.1	-	12.1	N.A. (>100)
Other liabilities	97.6	68.7	28.9	42.1
<b>Total liabilities</b>	<b>4,436.9</b>	<b>3,352.1</b>	<b>1,084.8</b>	<b>32.4</b>
Issued and paid-up share capital	5,088.0	5,088.0	-	-
Share Premium	3,896.0	3,896.0	-	-
Retained earnings - Legal Reserved	26.0	-	26.0	N.A. (>100)
Retained earnings - Unappropriated	3,005.7	1,831.9	1,173.8	64.1
Deficit from business combination	(22.9)	(22.9)	-	-
<b>Total equity</b>	<b>11,992.8</b>	<b>10,793.0</b>	<b>1,199.8</b>	<b>11.1</b>

### **Assets**

Total assets as at 31 December 2020 and 2019 were Baht 16,429.7 million and Baht 14,145.1 million, respectively. Increase by Baht 2,284.6 million or 16.2% YOY due to an increase of Baht 411.0 million in cash and cash equivalents, receivables under finance lease decrease by Baht 37.0 million from the adjustment of exchange rates. Inventories increase by Baht 216.9 million. Restricted deposits at financial institutions decrease by Baht 221.1 million. Investment properties increase by Baht 20.7 million from purchase of land of future power plant project. Property plant and equipment increase by Baht 1,035.9 million from business acquisition and acquisition of office buildings. Advance payments for constructions and purchase of fixed assets decrease by Baht 99.7 million from Krabi Solid Waste Power Plant, which progress is done in December 2020. Rights to service under concession arrangements increased by Baht 827.8 million from concession rights of Krabi Solid Waste Power Plant and amortization during the period. Right-of-use assets increase by Baht 37.4 million from the adoption of TFRS16 leases standard for land and buildings for rent which the Group previously classified as operating lease and Deferred tax assets increase by Baht 29.8 million mainly from business acquisition.

### **Liabilities**

Total liabilities as at 31 December 2020 and 2019 were Baht 4,436.9 million and Baht 3,352.1 million, respectively. Increase by Baht 1,084.8 million or 32.4%, mainly due to short-term loans from financial institutions increase by Baht 37.9 million. Long-term loans from financial institutions increase by Baht 889.7 million. Trade and other payables increase by Baht 19.6 million. Finance lease liabilities increase by Baht 25.2 million from the adoption of TFRS16 leases standard. Deferred tax liabilities increase by Baht 71.4 million. Derivative liabilities increase by Baht 12.1 million from recognized of difference in fair value of derivative from the adoption of TFRS9 financial instruments.

As at 31 December 2020, The debt to equity ratio was 0.37 times, the net debt to equity ratio was 0.31 times, the interest-bearing debt to equity ratio was 0.33 times, and the net interest-bearing debt to equity ratio was 0.27 times.



## **Equity**

Shareholders' equity as at 31 December 2020 and 2019 were Baht 11,922.8 million and Baht 10,793.0 million. Increased by Baht 1,199.8 million or 11.1% from increase in net profit resulting to increase in unappropriated retained earnings.

Please be informed accordingly,

Yours sincerely,

(Mr.Tanavijit Ankapipatchai)

Director and Chief Financial Officer