(Translation)

MD. 071/2021

May 13, 2021

Re: Management Discussion and Analysis
For the Operating Results ended March 31, 2021

To: President
The Stock Exchange of Thailand

Management Discussion and Analysis for the Operating Results ended March 31, 2021

1. Report and Analysis of Performance

In Q1/2021, the coronavirus (COVID-19) pandemic continues to affect the recovery of domestic and international aircraft travel. However, the group's daily aircraft refueling situation improved from its low point in April of last year. As a result of this incident, the amount of aircraft fuel services by the Group at Suvarnabhumi Airport (BKK) and Don Mueang Airport (DMK) was totaling up to 410 million liters, a decrease of 69.2%(y-o-y), and the total flights decreased of 62.6%(y-o-y) to 24,158 flights. For the total multi-products fuel transportation volume of Fuel Pipeline Transportation Co. Ltd. (FPT) was decreased of 38.3%(y-o-y) to 652 million liters.

	Q1/21	Q1/20	Q4/20	Growth	
				(y-o-y)	(q-o-q)
Aviation Refuelling Services Business :					
Aviation Fuel Volume (million litres)	410	1,333	468	(69.2%)	(12.4%)
Flights	24,158	64,613	36,902	(62.6%)	(34.5%)
Fuel Pipeline Transportation Business :					
Multi-products Fuel Volume (million litres)	652	1,056	788	(38.3%)	(17.3%)

* Note: Total Flights was data of flights that serviced by BAFS only at BKK and DMK

Total group revenues in Q1/2021 amounted to Bt 376.8 million, decreased by Bt490.5 million. This was 56.6% compared to total revenues for Q1/2020, which decreased in line with the amount of aircraft fuel service affected by the COVID-19 pandemic, while in Q1/2020, the pandemic has not affected aviation business much. However, in the quarter, the Group recognized revenues from the Electricity generating and distribution business of Bt30.9 million.

As a result of this situation, the Group had a loss to its shareholders of Bt189.0 million. Operating results decreased by Bt343.5 million or -222.3%(y-o-y) and were Bt0.30 per share loss.

However, under the circumstances of the ongoing outbreak today, the Company remains focused on risk control policies of financial liquidity deficiency. The Group has a policy of maintaining sufficient levels of cash and cash equivalents for its operations, including maintaining the ability to source of funds by providing short-term and long-term credit lines from financial institutions to reserve them in case of necessity and to mitigate the impact of potential cash flow fluctuations in the future.

Table summarized the operating results of the Group

(unit : Bt million)

	Q1/21	Q1/20	Inc. / (Dec.)	Growth (y-o-y)
Services income	**336.3**	**859.1**	**(522.8)**	**(60.9%)**
Sales of Electricity	**30.9**	**0.0**	**30.9**	**> 100%**
Others income	**9.6**	**8.2**	**1.4**	**17.1%**
Total revenues	**376.8**	**867.3**	**(490.5)**	**(56.6%)**
Costs of service	**362.7**	**424.5**	**(61.8)**	**(14.6%)**
Cost of sales of electricity	**9.6**	**0.0**	**9.6**	**> 100%**
Gross Profit	**(5.1)**	**434.6**	**(439.7)**	**(101.2%)**
Gross Profit Margin	**(1.5%)**	**50.6%**		
Administrative expenses	**155.2**	**162.1**	**(6.9)**	**(4.3%)**
Total expenses	**527.5**	**592.6**	**(65.1)**	**(11.0%)**
EBIT	**(150.7)**	**274.7**	**(425.4)**	**(154.9%)**
EBIT Margin	**(40.0%)**	**31.7%**		
Depreciation and amortization	**208.7**	**201.6**	**7.1**	**3.5%**
EBITDA	**58.0**	**476.3**	**(418.3)**	**(87.8%)**
EBITDA Margin	**15.4%**	**54.9%**		
Finance income	**4.2**	**3.6**	**0.6**	**16.7%**
Finance cost	**73.9**	**72.0**	**1.9**	**2.6%**
Income tax expenses (benefit)	**22.2**	**(53.1)**	**75.2**	**(141.8%)**
Profit for the period	**(199.6)**	**153.1**	**(352.7)**	**(230.4%)**
Net Profit to Equity holders of the Company	**(189.0)**	**154.5**	**(343.5)**	**(222.3%)**
Net Profit Margin	**(53.0%)**	**17.7%**		
Earning per share (Bt)	**(0.30)**	**0.24**	**(0.54)**	**(222.3%)**

1.1 Revenue

Total revenues in Q1/2021 was totaled to Bt376.8 million, including:

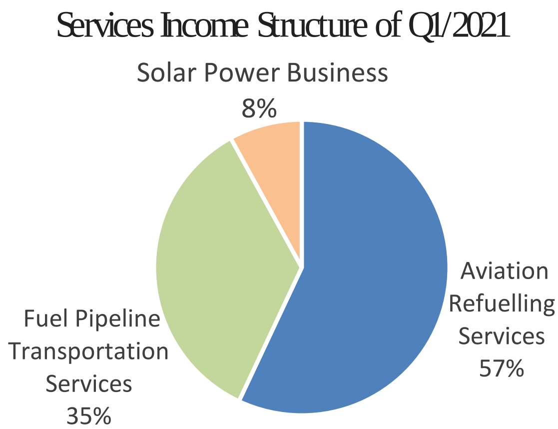
1.1.1 Services Income

Service Income of Bt336.3 million this was down 60.9%(y-o-y) from Q1/2020 due to the decline in the total volume of aircraft fuel and multi-products fuel provided by the Group due to the impact of COVID-19. In addition, the slowdown in economic activities resulted in a decrease in ground products fuel consumption, but at a lower rate than the decline in aircraft fuel demand.

1.1.2 Revenue from Electricity sales

According to the Group's acquisition the seven solar power plants which have long term contracts to sale the electricity to the government with an investment cost of Bt1,705 million in February, 2021. This investment generate the revenue of Bt30.9 million in this quarter. Further, the operating of the seven power plants currently have a capacity factor of 18.4%, higher than the estimated 16.4% earlier.

For the services income proportion separating by business structure consisted of Aviation refuelling services at 57%, Fuel pipeline transportation services at 35% and Electricity sales at 8% respectively.



1.1.3 Others Income

Others income of the Group was amounted to Bt9.6million, increased by Bt1.4 million or 16.6%(y-o-y).

1.2 Expenses

1.2.1 Cost of services and Cost of electricity sales

The Group had services cost of Bt362.7 million, a decrease of Bt61.8 million, or -14.6%(y-o-y). The company's strictly cost reductions measures were alleviate to reduce the impact of COVID-19 on the group's performance. Thus was mainly reduce in the salary-related and other benefit expenses, the Airport concession fee, maintenance expenses and rental and lease payment on operating expenses etc. In the quarter, the Group recognized the cost of electricity sales from the solar power plants business of Bt 9.6 million.

However, since the majority of the Group's costs of services are fixed, when services revenues was impact from the COVID-19 pandemic while the company business has not returned to normal level. The Group had a gross operating loss of Bt5.1 million which accounted for a negative gross margin of 1.5%, down from Q1/2020 with a gross margin of 50.6%

1.2.2 Administrative Expenses

The Group had administrative expenses of Bt155.2 million. The decrease was of Bt6.9 million or -4.2%(y-o-y) as a result of the strictly cost control measures with reduced expenses as salary-related expenses, other employee benefit expenses and other administrative expenses.

As a result, the Group had an operating loss before finance costs and taxes (EBIT) of Bt150.7 million, a decrease in profit of Bt425.5 million or -154.8%(y-o-y), representing an operating loss before financial and tax margin (EBIT loss margin) at 40.0% with an EBITDA of Bt58.0 million. This was a decrease of Bt418.3 million, or a decrease of 87.8%(y-o-y), representing an EBITDA margin of 15.4% compared to 54.9% of Q1/2020.

1.2.3 Finances Cost

The financial cost has amounted to Bt73.9 million, an increase of Bt1.9 million or 2.7%(y-o-y) due to the Group have bank loan increasing.

1.3 Operating Results

The Group had a net loss in the equity of the Company of Bt189.0 million, a decrease in profit of Bt343.5 million or -222.3%(y-o-y), and earnings per share of Bt-0.30 per share with a net loss margin of 53.0%.

2. Report and Analysis of Financial Status

2.1 Assets

As of March 31, 2021, the Group had total assets at the amount of Bt21,465.3 million, increasing by Bt1,999.6 million or 10.3% from December 31, 2020. The important details of cash flow were as follows:

2.1.1 Cash and cash equivalent of Bt644.2 million which cash flow summarized for the period were below;-

- Net cash flows used in operating activities was of Bt34.7 million, decreasing by Bt589.1 million or-106.3%

- Net cash for investment activities was of Bt1,455.8 million, increasing by Bt563.7 million or 63.2%(y-o-y) which most of the investments in Solar Power Plants project
- Net cash from financing activities was of Bt1,330.0 million, decreased by Bt231.8 million due to cash received from short term and long term loan increasing by Bt1,565.0 million, while the long-term loans and financial lease payment amounted to Bt155.3 million

2.1.2 Property, leasehold improvement and equipment as of March 31, 2021 was of Bt15,757.5 million, increasing by Bt1,691.1 million or 12.0%, mostly were increased assets from the Solar Power Plants project

2.1.3 Projects costs under concession agreements was of Bt1,358.4 million, decreasing by Bt25.9 million or -1.9%

2.1.3 Right of use assets Projects costs under concession agreements was of Bt1,116.1 million, decreasing by Bt191.6 million or -14.7% by a result of the implementation of TFRS 16

2.2 Liabilities

As of March 31, 2021, the Group had total liabilities of Bt14,897.9 million, increasing by Bt2,200.0 million or 17.3% from December 31, 2020. The total liabilities to total equity ratio was of 2.27:1 time. The liabilities comprised of major items which follows; -

2.2.1 Account payable and others account payable was of Bt760.0 million

2.2.2 Long term loan from banks, which are due within one year, was of Bt638.8 million which were belonged to BAFS at the amount of Bt321.4 million, TARCO at the amount of Bt89.4 million, FPT at the amount of Bt82.2 million, BC at the amount of Bt141.8 million and BAFS Intech at the amount of Bt4.0 million respectively

2.2.3 Long-term loans from banks were Bt9,836.4 million, increasing by Bt1,438.6 million from December 31, 2020 or 17.1%(y-o-y). These belong to BAFS was of Bt2,171.0 million, TARCO was of Bt96.3 million, FPT was of Bt6,704.1 million, BC was of Bt803.4 million and BAFS INTECH was of Bt61.6 million

2.2.4 Long-term lease liabilities, net of current portion was of Bt1,203.0 million an increase of Bt163.3 million

2.2.5 Debenture No.1/2020, at the amount of Bt998.3 million

2.2.6 The Employee benefit obligations was of Bt1,170.0 million according to Labor Protection Laws as TAS no.19 on employee benefits.

2.3 Shareholders' Equity

As at March 31, 2021, total shareholders' equity was of Bt6,567.4 million, decreased from December 31, 2020 by Bt200.0 million or -3.0% which Bt5,304.1 million was Equity attributable to owners of the Company, decreased by Bt189.0 million or -3.4%.

Please be informed accordingly.

Yours sincerely,

Signed

(Mr. Prakobkiat Ninnad)

President