



(Translation)

MD. 125 / 2021

August 9, 2021

Re: Management Discussion and Analysis  
For the Operating Results ended June 30, 2021

To: President  
The Stock Exchange of Thailand

Management Discussion and Analysis For the Operating Results ended June 30, 2021

### 1. Report and Analysis of Performance

In Q2/2021, Thailand faced a protracted and intensified spread of COVID-19. Mutations occur with a high increase in the number of new infections per day. Meanwhile, vaccinations against population proportions are still at a low rate. As a result, domestic and international aircraft travel has not recovered much. Overall, however, the group's daily aircraft refueling service situation improved from its low point in April of last year. As a result, the amount of aircraft fuel service by the Group at Suvarnabhumi Airport (BKK) and Don Mueang Airport (DMK) was totaling up to 400 million liters, an increase of 106.2%(y-o-y), and the total flights increase of 106.5%(y-o-y) to 19,968 flights. For the total multi-products fuel transportation volume of Fuel Pipeline Transportation Co. Ltd. (FPT) increased of 7.5%(y-o-y) to 686 million liters. However, considering the amount of fuel services by the Group in the 1H/2021, the aircraft fuel service was totaling up to 810 million liters, a decrease of 46.9%(y-o-y), and the total flights decrease of 40.6%(y-o-y) to 44,126 flights. For the total multi-products fuel transportation volume of FPT decreased of 21.0%(y-o-y) to 1,338 million liters

	Q2/21	Q2/20	Q1/21	Growth		6m/2021	6m/2020	Growth
				(y-o-y)	(q-o-q)			(y-o-y)
<u>Aviation Refuelling Services Business :</u>								
Aviation Fuel Volume (million litres)	400	194	410	106.2%	(2.4%)	810	1,526	(46.9%)
Flights	19,968	9,672	24,158	106.5%	(17.3%)	44,126	74,285	(40.6%)
<u>Fuel Pipeline Transportation Business :</u>								
Multi-products Fuel Volume (million litres)	686	638	652	7.5%	5.2%	1,338	1,694	(21.0%)

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



The group's total revenues in Q2/2021 totaled to Bt424.6 million, increased by Bt194.7 million or 84.7% increased from Q2/2020, while total group revenues in 1H/2021 totaled Bt801.4 million, decreased by bt295.8 million or 27.0% decreased from Bt1,097.2 million of 1H/2020. Although the Group's has revenues from the Electricity generating and distribution business thus began to be fully recorded in Q2/2021 of Bt119.7 million.

As a result, in Q2/2021 the Group had a loss to its shareholders of Bt175.0 million. The company's operating loss improved from Q2/2020 by Bt53.0 million, or an improved rate of 23.3% with a loss of Bt0.27 per share. While in the 1H/2021 the Group had a loss to its shareholders of Bt364.0 million. The operating results decreased by Bt290.5 million, or a decrease of 395.1% from 1H/2020 with a net loss per share of Bt0.57 million.

However, under the circumstances of the ongoing outbreak today, the outbreak is still ongoing. 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)

	Q2/21	Q2/20	Q1/21	Growth		6m/2021	6m/2020	Growth
				(y-o-y)	(q-o-q)			(y-o-y)
Services income	328.5	214.0	336.3	53.5%	(2.3%)	664.7	1,073.1	(38.1%)
Sales of Electricity	88.8	0.0	30.9	> 100%	187.3%	119.7	0.0	> 100%
Others income	7.3	15.9	9.6	(53.7%)	(23.5%)	17.0	24.1	(29.7%)
Total revenues	424.6	229.9	376.8	84.7%	12.7%	801.4	1,097.2	(27.0%)
Costs of service	375.8	343.3	362.7	9.5%	3.6%	738.5	767.7	(3.8%)
Cost of sales of electricity	38.0	0.0	9.6	> 100%	295.8%	47.6	0.0	> 100%
Gross Profit	3.4	(129.3)	(5.1)	102.6%	166.6%	(1.7)	305.3	(100.6%)
Gross Profit Margin	0.8%	(60.4%)	(1.4%)			(0.2%)	28.5%	
Administrative expenses	136.2	126.7	155.2	7.5%	(12.3%)	291.4	288.8	0.9%
Total expenses	550.0	464.5	527.5	18.4%	4.3%	1,077.5	1,057.0	1.9%
EBIT	(125.4)	(234.6)	(150.7)	46.5%	16.8%	(276.1)	40.2	(787.3%)
EBIT Margin	(29.5%)	(102.1%)	(40.0%)			(34.5%)	3.7%	
Depreciation and amortization	231.0	194.1	208.7	19.0%	10.7%	439.7	395.6	11.1%
EBITDA	105.6	(40.5)	58.0	360.4%	82.0%	163.6	435.8	(62.5%)
EBITDA Margin	24.9%	(17.6%)	15.4%			20.4%	39.7%	
Finance income	4.6	3.6	4.2	27.9%	8.7%	8.8	7.1	23.0%
Finance cost	129.2	69.3	73.9	86.3%	74.9%	203.2	141.4	43.7%
Income tax expenses (benefit)	60.9	54.7	22.2	11.4%	174.7%	83.0	1.6	5083.3%
Profit for the period	(189.1)	(245.9)	(199.6)	(23.1%)	5.2%	(388.7)	(92.7)	(319.2%)
Net Profit to Equity holders of the Company	(175.0)	(228.0)	(189.0)	23.3%	7.4%	(364.0)	(73.5)	(395.1%)
Net Profit Margin	(44.6%)	(107.0%)	(53.0%)			(48.5%)	(8.5%)	
Earning per share (Bt)	(0.27)	(0.36)	(0.30)	(23.3%)	7.4%	(0.57)	(0.12)	(395.1%)



## 1.1 Revenue

In Q2/2021 and 1H/2021, total revenues of the Group was of Bt424.6 million and Bt801.4 million which comprised of;-

### 1.1.1 Services Income

In Q2/2021, services Income of Bt328.5 million, increased by Bt114.5 million or 53.5%(y-o-y) from Q2/2020 due to the increasing in the total volume of aircraft fuel and multi-products fuel provided by the Group of the quarter. However in 1H/2021, the Group had services income of Bt664.7 million declined by bt408.3 million or 38.1% (y-o-y) due to the COVID-19 outbreak that affected the amount of fuel services by the Group.

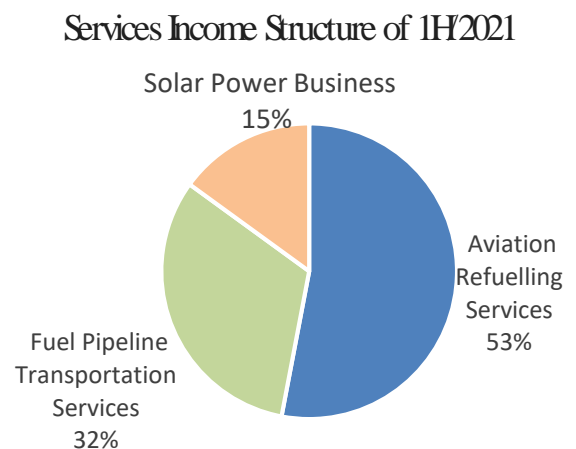
### 1.1.2 Revenue from Electricity sales

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 the ending of Q1/2021. This investment generate the revenue of Bt88.8 million in Q2/2021 and Bt119.7 million in 1H/2021.

For the services income proportion separating by business structure consisted of Aviation refuelling services at 53%, Fuel pipeline transportation services at 32% and Electricity sales at 15% respectively.

### 1.1.3 Others Income

Others income in Q2/2021 was of Bt7.3 million decreased by 53.7%(y-o-y) and in 1H/20201 was of Bt17.0 million decreased by 29.7%(y-o-y).



## 1.2 Expenses

### 1.2.1 Cost of services and Cost of electricity sales

In Q2/2021, the Group had cost of services of Bt375.8 million, an increase of 9.5%(y-o-y). Thus was mainly from the increasing in the airport concession fee and the depreciation and amortization expenses. While in the 1H/2021, the Group had service costs of Bt738.5 million, a decrease of 3.8%(y-o-y). As a result of declining in 1) the airport concession fee of the period thus in accordance with the reduced of aircraft fuel services volume 2) rental fee and 3) salary, labor and other employee benefit expense that reduced in accordance with the group's cost reduction policy.



Further, the cost of electricity sales from electricity generating and distribution businesses in Q2/2021 and 1H/2021 amounted to Bt38.0 million and Bt47.6 million, respectively.

Due to the performance began to recover compared to the same period of last year, in Q2/2021, the Group recorded gross operating profit of Bt3.4 million with a 0.8% total gross profit margin, rising from Q2/2020 with gross operating loss of Bt129.3 million. The performance of its core business in Q2/2021 improved from Q2/2020, with a gross operating loss improving to 14.4% (from gross operating loss of 60.4% in Q2/2020) and the electricity generating and distribution business has a gross profit margin of 57.2%.

### 1.2.2 Administrative Expenses

In Q2/2021 and 1H/2021, the Group had an administrative expenses of Bt136.2 million and Bt291.4 million respectively with the increasing rate of 7.5%(y-o-y) and 0.9%(y-o-y). This is mainly result of an increase in advisory costs from investment.

In Q2/2021 and 1H/2021, the Group had an operating loss before finance costs and taxes (EBIT) of Bt125.4 million and Bt276.1 million, representing an operating loss before financial and tax margin (EBIT loss margin) at 29.5% and 34.5% respectively. An EBITDA in Q2/2021 and 1H/2021 was of Bt105.6 million and Bt163.6 million. This was representing an EBITDA margin of 24.9% and 20.4% compared to -17.6% of Q2/2020 and 39.7% of 1H/2020.

### 1.2.3 Finances Cost

In Q2/2021, the financial cost has amounted to Bt129.2 million, an increase of Bt59.9 million or 86.3%(y-o-y) and in 1H/2021 was of Bt203.2 million, an increase of Bt61.8 million or 43.7%(y-o-y) due to the Group have short term and long term loan increasing by Bt3,160.5 million from June 30,2020.

### 1.3 Operating Results

In Q2/2021, the Group had a net loss in the equity of the Company of Bt175.0 million with an improving loss of Bt53.0 million from Q2/2020 and earnings per share was of Bt -0.27 per share with a net loss margin of 44.6%. While in 1H/2021, the Group had a net loss in the equity of the Company of Bt364.0 million with a decreasing loss of Bt290.5 million from 1H/2020 and earnings per share was of Bt -0.57 per share with a net loss margin of 48.5%. The Group's operations were directly affected by the COVID-19 epidemic, which resulted in a significant decrease in aircraft travel compared to the normal circumstances.



## 2. Report and Analysis of Financial Status

### 2.1 Assets

As of June 30, 2021, the Group had total assets at the amount of Bt21,837.8 million, increasing by Bt2,371.8 million or 12.2% from December 31, 2020. The important details of cash flow were as follows:

2.1.1 Cash and cash equivalent of Bt785.0 million which cash flow summarized for the period were below;-

- Net cash flows from operating activities was of Bt9.1 million, decreasing by Bt371.1 million or -97.6%(y-o-y)
- Net cash for investment activities was of Bt1,576.4 million, increasing by Bt584.2 million or 58.9%(y-o-y) which most of the investments in Solar Power Plants project
- Net cash from financing activities was of Bt1,547.7 million, increased by Bt632.6 million or 69.1%(y-o-y) due to cash received from short term and long term loan increasing by Bt3,160.5 million, while the long-term loans and financial lease payment amounted to Bt1,381.5 million

2.1.2 Property, leasehold improvement and equipment as of June 30, 2021 was of Bt16,073.3 million, increasing by Bt2,006.8 million or 14.3%, mostly were increased assets from the Solar Power Plants project

2.1.3 Projects costs under concession agreements was of Bt1,334.2 million, decreasing by Bt50.1 million or -3.6%

2.1.4 Right of use assets Projects costs under concession agreements was of Bt1,096.1 million, decreasing by Bt211.6 million by a result of the implementation of TFRS 16

### 2.2 Liabilities

As of June 30, 2021, the Group had total liabilities of Bt15,459.5 million, increasing by Bt2,760.9 million or 21.7% from December 31, 2020. The total liabilities to total equity ratio was of 2.42:1 time. The liabilities comprised of major items which follows; -

2.2.1 Account payable and others account payable was of Bt507.5 million

2.2.2 Long term loan from banks, which are due within one year, was of Bt719.6 million which were belonged to BAFS at the amount of Bt321.4 million, TARCO at the amount of Bt103.1 million, FPT at the amount of Bt134.6 million, BC at the amount of Bt154.4 million and BAFS Intech at the amount of Bt6.0 million respectively

2.2.3 Long-term loans from banks were Bt10,399.2 million, increasing by Bt2,001.5 million from December 31, 2020 or 23.8%(y-o-y). These belong to BAFS was of Bt2,090.7 million, TARCO was of Bt68.8 million, FPT was of Bt6,832.2 million, BC was of Bt1,348.0 million and BAFS INTECH was of Bt59.6 million

2.2.4 Long-term lease liabilities, net of current portion was of Bt1,194.0 million a decrease of Bt172.4 million



2.2.5 Debenture No.1/2020, at the amount of Bt998.4 million

2.2.6 The Employee benefit obligations was of Bt1,173.3 million according to Labor Protection Laws as TAS no.19 on employee benefits.

### 2.3 Shareholders' Equity

As at June 30, 2021, total shareholders' equity was of Bt6,378.3 million, decreased from December 31, 2020 by Bt389.1 million or -5.7% which Bt5,129.1 million was Equity attributable to owners of the Company, decreased by Bt364.0 million or -6.6%.

Please be informed accordingly.

Yours sincerely,

Signed

(Mr. Prakobkiat Ninnad)

President