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 13<sup>rd</sup> August 2021

Topic Management's Discussion and Analysis of financial results and financial status for the second quarter ended 30<sup>th</sup> June 2021

Attention President  
The Stock Exchange of Thailand

Management Discussion & Analysis of Business Operation

For the second quarter ended 30<sup>th</sup> June 2021

1) Executive Summary

For the second quarter of 2021, the group of companies has shown the steady growth from the same period last year. Summary of the financial result for the second quarter and 6 months of 2021 ended 30<sup>th</sup> June 2021 is shown below:

Consolidated Financial Statement (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
Total Revenue	498.7	568.3	+14.0%	905.3	1,069.3	+18.1%
EBITDA <sup>1</sup>	395.8	478.3	+7.1%	749.6	891.7	+19.0%
Net Profit (to SSP's Shareholders)	150.1	240.4	+60.2%	367.0	423.5	+15.4%
Core Operating Profit	207.7	235.2	+13.2%	364.0	413.3	+13.6%
EBITDA Margin (%)	79.4%	84.2%		82.8%	83.4%	
Net Profit Margin (%)	30.1%	42.3%		40.5%	39.6%	
Core Operating Profit Margin (%)	41.6%	41.4%		40.2%	38.7%	

Remark: <sup>1</sup> EBITDA excluded unrealized FX gain/loss

For the period of 3 months ended 30<sup>th</sup> June 2021, total revenue was 568.3 million Baht, increased by 14.0% from the same period last year. Net profit (to SSP's Shareholders) and EBITDA were 240.4 million Baht and 478.3 million Baht respectively. Net profit margin was 42.3% and EBITDA margin was 84.2%. Core operating profit was 235.2 million Baht, increased by 13.2% from the same period last year. Core operating profit margin was 41.4%.

For the period of 6 months ended 30<sup>th</sup> June 2021, total revenue was 1,069.3 million Baht, increased by 18.1%. Net profit (to SSP's Shareholders) and EBITDA were 423.5 million Baht and 891.7 million Baht respectively. Net profit margin was 39.6% and EBITDA margin was 83.4%. Core operating profit was 413.3 million Baht, increased by 13.6% from the same period last year. Core operating profit margin was 38.7%.

## 2) Analysis of financial results and financial status

### 2.1) Analysis of financial results

#### (1) Revenue

Consolidated Financial Statement Revenue Structure (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
	Sale revenue from electricity sale in Thailand	246.1	236.9		475.9	467.0
Sale revenue from electricity sale in Japan	146.4	210.2		229.2	385.4	
Sale revenue from electricity sale in Vietnam	68.8	64.7		117.3	109.3	
Sale revenue from electricity sale in Mongolia	31.4	30.7		65.0	60.5	
Sale revenue from electricity sale in Indonesia	0.6	4.4		1.1	6.6	
<b>Total Sale revenue from electricity sale</b>	<b>493.3</b>	<b>546.8</b>	<b>+10.8%</b>	<b>888.5</b>	<b>1,028.7</b>	<b>+15.8%</b>
EPC Construction revenue and service income on Solar rooftop projects	0.9	8.1		7.0	10.9	
Other revenues <sup>1</sup>	4.5	13.4		2.1	29.6	
<b>Total revenues</b>	<b>498.7</b>	<b>568.3</b>	<b>+14.0%</b>	<b>905.3</b>	<b>1,069.3</b>	<b>+18.1%</b>

**Remark:** <sup>1</sup> Other revenue included (but not limited to) management income, service income, import duty, interest revenue, gain(loss) from foreign exchange and revenue related to power development fund.

The main source of company's revenue was from electricity sale. In the second quarter of 2021, the consolidated electricity sale was 546.8 million Baht, increased by 10.8% from the same period last year. The revenue growth was contributed by the increase of overseas electricity sale including full period revenue recognition from Yamaga project in Japan, COD in June 2020 and solar rooftop projects in Indonesia.

For the period of 6 months, total revenue from electricity sale was 1,028.7 million Baht or increase by 15.8% from the same period last year mainly due to the full period revenue recognition from Yamaga project.

## (2) Cost of Sales

Consolidated Financial Statement Cost of Sales (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
Operating and maintenance costs	41.1	44.9		80.7	88.5	
Depreciation and amortization	93.0	126.2		180.4	252.3	
Cost of EPC construction on Solar rooftop projects	0.0	5.7		0.0	7.7	
Others <sup>1</sup>	20.6	14.5		32.1	27.6	
<b>Total cost of sales</b>	<b>154.7</b>	<b>191.3</b>	<b>+23.7%</b>	<b>293.2</b>	<b>376.1</b>	<b>+28.3%</b>

Remark: <sup>1</sup> Others included (but not limited to) electricity expenses, salary and bones, insurance fee and land lease of Japanese projects

The consolidated cost of sales increased in line with the revenue increase, mainly due to the increase of depreciation and amortization as well as O&M cost which arose from the above mentioned new commercial operation projects

## (3) Gross Profit

Consolidated Financial Statement Gross Profit (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
Total Sale revenue from electricity sale and EPC	494.1	554.9		895.5	1,039.6	
Total cost of sales	154.7	191.3		293.2	376.1	
<b>Gross profit</b>	<b>339.4</b>	<b>363.5</b>	<b>+7.1%</b>	<b>602.3</b>	<b>663.5</b>	<b>+10.1%</b>
<b>Gross profit margin (%)</b>	<b>68.1%</b>	<b>65.5%</b>		<b>67.3%</b>	<b>63.8%</b>	

Consolidated gross profit for Q2/21 was 363.5 million Baht, increased by 7.1% from the same period last year. Gross profit margin was 65.5%.

For the period of 6 months of 2021, gross profit was 663.5 million Baht, increased by 10.1% from the same period last year and in line with the increase of new commercial operation projects. However, the narrower of gross profit margin of new projects when compared with the first solar project, which receives government's subsidy in form of adder, led to lower gross profit margin from 67.3% last year to 63.8% in this year but still at favorable rate.

#### (4) Administrative Expenses

Consolidated Financial Statement Administrative Expenses (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
Unrealized FX loss(gain)	58.8	-		7.7	-	
G&A expenses	40.2	40.1	-0.1%	80.0	76.0	-5.0%

In Q2/21, general and administrative expenses decreased from 40.2 million Baht to 40.1 million Baht while for 6 months of 2021, the G&A expenses decreased by 5.0%.

#### (5) Financial Costs

Consolidated Financial Statement Financial Cost (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
Financial Cost	72.1	67.1	-6.9%	133.9	147.6	+10.2%

In Q2/21, Consolidated financial costs decreased by 6.9% due to lower total outstanding loan while for 6 months of 2021, consolidated financial costs increased by 10.2% from the same period last year owing to the recognition of interest expenses of the new commercial operation projects and debenture.

#### (6) Net Profit (attributed to company's shareholders) and Core Operating Profit

Consolidated Financial Statement Core Operating Profit (Unit: MTHB)	Q2/20	Q2/21	Change	6M/20	6M/21	Change
Net profit distribution to SSP's shareholders	150.1	240.4	+60.2%	367.0	423.5	+15.4%
Unrealized FX (gain)/loss	57.7	(5.2)		(3.0)	(10.1)	
Core Operating Profit (to SSP's shareholders)	207.7	235.2	13.7%	364.0	413.3	+13.6%

For Q2/21, net profit (to SSP's shareholders) was 240.4 million Baht, increase from 150.1 million Baht of Q2/20 mainly from unrealized foreign exchange. For 6 months of 2020, net profit (to SSP's shareholders) increasing by 15.4% from 367.0 million Baht in 6M/20 to 423.5 million Baht contributed by full period revenue recognition from Yamaga project.

For Q2/21, Core Operating Profit increased from 207.7 million Baht to 235.2 million Baht, increasing 13.7%. For 6 months of 2021, Core Operating Profit increased from 364.0 million Baht to 413.3 million Baht,

increasing 13.6% from the same period last year which is in line with the increase of revenue from new COD projects.

Core Operating Profit is the key performance indicator of management and board of directors to evaluate the company's financial results, and consider, together with dividend policy, for the payment of dividend. The adjustment items (from net profit to core operating profit) for Q2/21 and 6M/21, Deducted unrealized foreign exchange gain from loan from subordinates, total 5.2 million Baht and 10.1 million Baht respectively.

i. **2.2 Financial Status**

Consolidated Financial Statement Financial Status (Unit: MTHB)	31 Dec 2020	30 Jun 2021	Change
Total Assets	16,104.0	18,459.1	14.6%
Total Liabilities	11,562.0	13,211.1	14.3%
Total Equity	4,542.0	5,248.0	15.5%
Total Equity (To SSP's shareholders)	4,205.1	4,787.7	13.9%
Debt to Equity Ratio (Consolidated)	2.55	2.52	
Debt to Equity Ratio (Company)	0.62	0.52	

As at 30<sup>th</sup> June 2021, consolidated total assets were 18,459.1 million Baht, increased by 2,355.1 million baht, from 16,104.0 million Baht as at 31<sup>st</sup> December 2020 or 14.6% increase. The increase of total assets consisted mainly of the 2,188.0 million Baht increase of property, plant and equipment of power plant. Most of total assets were property, plant and equipment of power plant which accounted for 69.2% of total assets.

Consolidated total liabilities were 13,211.1 million Baht, increased by 1,649.1 million Baht, from 11,562.0 million Baht as at 31<sup>st</sup> December 2020 or increasing 14.3%. The total liabilities increase consisted mainly of the 1,757.6 million Baht increase of other non-current liabilities for the purpose of investmet in new projects.

The total equity at the end of 30<sup>th</sup> June 2021 recorded 15.5% increase from 4,542.0 million Baht at the end of 2020 to 5,248.0 million Baht. Total Equity (To SSP's shareholders) increased from 4,205.1 million Baht at the end of 2020 to 4,787.7 million Bath at the end of Q2/21 or increasing 13.9%

Debt to Equity ratio (Consolidated) slightly decreased from 2.55 times at the end of 2020 to 2.52 times. D/E (company only) decreased from 0.62 times at the end of 2020 to 0.52 times at the end of Q2/21.

Please be informed accordingly

Your sincerely,

- Signed -

(Ms.Sukunya Phokhakul)

Chief Financial Officer