



Management Analysis for the Third Quarter of the year 2021

Overview

The Operating results of Power Solution Technologies Public Company Limited and its subsidiaries reported net profit for the nine-month period ended 30 September 2021 in the amount of 71 million baht; comprised of profit attributed to the company 69 million baht and non-controlling interest of the subsidiaries 2 million baht. The revenue increased mainly from construction revenue of 769 million baht from several large-scale construction projects, which are constantly in the progress. While sales and transportation of petroleum products decreased due to the impact of Corona virus pandemic, similarly as the situation of Quarter 2 this year. The revenue from renewable energy power plants was decreased because of the power plant maintenance. Besides the expenses decreased mainly from administrative expense due to improvement of power plant, better management of cash flow from operations and lower employee costs.

As of September 30, 2021 the company presented total assets of 8,505 million baht, higher than December 31, 2020 by 306 million baht. The non-current assets mainly increased from construction projects and investments in a new land and office building, including investment in several rooftop solar power plants which the permission of sales of electricity is processing during the 4th quarter of this year. This arrangement follows the company's business plan to contribute long term returns. Total liabilities was 2,644 million baht, higher than December 31, 2020 by 196 million baht because of the mentioned investment.





Profit & Loss Analysis

| Statement of comprehensive income (Unit:MB) | January to September | | Variance (Unit:MB) | Variance (%) |
|--|----------------------|------------------|-----------------------|-----------------|
| | 2021 | 2020 | | |
| Sales income and Services income | 533.2 | 974.9 | (441.7) | -45.31% |
| Sales of electricity income | 287.0 | 344.6 | (57.5) | -16.69% |
| Revenue from construction service | 1,194.8 | 425.7 | 769.0 | 180.65% |
| Total revenues | 2,015.0 | 1,745.2 | 269.8 | 15.46% |
| Cost of sales and services | (487.4) | (884.4) | (397.0) | -44.89% |
| Cost of electricity sold | (208.4) | (275.8) | (67.4) | -24.43% |
| Cost of construction service | (1,095.8) | (368.6) | 727.2 | 197.28% |
| Total Cost | (1,791.5) | (1,528.7) | (262.8) | 17.19% |
| Gross profit margin | 223.5 | 216.5 | 7.0 | 3.24% |
| % Gross profit margin / revenues | 11% | 12% | -1% | -10.59% |
| Selling and administrative expenses | (135.0) | (187.7) | (52.7) | -28.10% |
| Loss on impairment of assets | - | (1,020.2) | (1,020.2) | -100.00% |
| Other income | 56.3 | 12.5 | 43.8 | 350.80% |
| Profit from operating activities | 144.8 | (979.0) | 1,123.7 | -114.79% |
| Share of loss from investment in joint venture | (4.6) | (0.8) | 3.8 | 485.73% |
| Finance income | 0.5 | 1.6 | (1.1) | -68.73% |
| Finance cost | (55.5) | (91.1) | (35.6) | -39.09% |
| Income tax | (14.3) | (6.4) | 7.9 | 123.84% |
| Profit (Loss) for the period | 70.8 | (1,075.7) | 1,146.5 | 106.58% |

Total Revenue

Total revenues for the nine-month period ended 30 September 2021 was 2,015 million baht, increased from the same period of the previous year in the amount of 269.8 million baht or 15.46% as follow:

- Revenue of Construction was increased from large-scale projects for customers in the energy sector and construction progress have been continuously proceeded.
- Revenue from Sales and Services was decreased due to the Coronavirus disease 2019 pandemic affected our business as the state own projects of power and energy management business has been postponed. The services of several well-recognized private companies and LNG stations construction were postponed because the customers did not allow to access the area during the pandemic. There was lower gas



consumption in industrial, household and transportation. The sales of goods for big projects were postponed to the fourth quarter of this year due to the pandemic in manufacturer country causing the delay in shipment.

- Revenue from power plants decreased due to plant improvement plans. During the year, the company has built 9 solar rooftop power projects for the customers in private sector. The major construction were completed during the third quarter and currently in a process of applying for a permission to sales of electricity which was consequently expected to be finished within December of this year.

Cost and Expenses

- Total Cost for the nine-month period ended 30 September 2021 was 1,791.5 million baht, increased from the same period of previous year by 262.8 million baht or 17.19%, This was increased from construction costs associated with its revenue.
- Selling and Administrative expense for the nine-month period ended 30 September 2021 was 135 million baht, decreased from the same period of previous year by 52.7 million baht or 28.1%, as a result from the reduction in operating expenses of power plants, improvement of cash collection and lower employee costs.
- Financial expense for the nine-month period ended 30 September 2021 was 55.5 million baht, decreased from the same period of previous year by 35.6 million baht or 39.09%, The lower of interest expense was due to the full settlement of some long term loan contracts, lower financing from overdrafts and more efficient group cash management.





Financial Positions Analysis

| The Group Statement of Financial Position (Unit:MB) | As of 30 Sep | | Variance (Unit:MB) | Variance (%) |
|--|--------------|---------|-----------------------|--------------|
| | 2021 | 2020 | | |
| Assets | 8,505.4 | 8,199.7 | 305.7 | 3.73% |
| Liabilities | 2,644.6 | 2,448.4 | 196.2 | 8.01% |
| Shareholders' equity | 5,860.9 | 5,751.4 | 109.5 | 1.90% |

Total Assets as of September 30,2021 in the amount of 8,505.4 million baht, increased by 305.7 million baht or 3.7% from 31 December 2020. This was increase of non current assets, mainly from a purchase of land building and equipment of 406 million baht. This new investment in new land and office building is objectively increase operational efficiency. In addition, the company invested in nine solar rooftop power projects for the customers in private sector and currently in a process of applying for a license to sales of electricity which was consequently expected to be finished within December of this year. There was a decrease of current assets compared to ending of 2020, due to the cash receipt from the customer for construction income during the beginning of the third quarter.

Total Liabilities as of September 30,2021 was 2,644.6 million baht, increased by 196.2 million baht or 8% from year end of 2020, as the result of a purchase of new land and office building amount of 310 million baht. The change of current liabilities was mainly due to activities of large scale construction projects which expected to be completed by the end of this year. During the year, the company settled the long term loan and lease liabilities amounted to 145 million baht and paid the debenture amounted to 100 million baht.

Ending of the third quarter 2021, the company reported the current liabilities of 2,299.4 million baht, mainly comprised of Bank overdrafts and short-term loans from banks amounted 541.1 million baht, Trade and other payables amounted 545.5 million baht, Fixed asset payables amounted 310 million baht and Current portion of long-term liabilities of debenture amounted 399.9 million baht.

Total Shareholder's Equity as of September 30,2021 was 5,860.8 million baht, increased by 109.4 million baht or 1.9% from year end of 2020 due to net profit of 71 million baht, including an increase of the equity attribute





to non-controlling interests of the subsidiary 8 million baht , mainly from profit contributed from construction income during the year.

Cash Flow Analysis

The Company declared cash and cash equivalents as of September 30,2021 in the amount of 74 million baht, changes from the same period of previous year amount of 853 million baht. The main reason was from the cash receipt from sales of investment in subsidiaries. The changes of each activities in cashflow was described as the following details :

Cash inflow from operating activities for the nine-month period ended September 30, 2021 amounting to 197 million baht. A decrease of 18 million baht from previous year because the company spent cash in constructing projects such as energy related construction projects and power plant. Such activities required higher cash than the same period of the previous year. There was a decrease in selling and administrative expenses because of more efficiency in powerplant operations, improvement in cash collection and lower employment expense.

Cash outflow in investing activities for nine-month period ended September 30,2021 was 147 million baht, decreased by 1,297 million baht from the same period of previous year. There was a cash receipt from sales of investments in Thai Pipeline Network Co.,Ltd. in an amount of 1,240 million baht. Whereas, this year the company invested in construction of LNG stations, including new land building and decoration totally 227 million baht, and investment in several solar rooftop power plants. For cash inflow this year, the company sold land, assets and investment in subsidiaries and associated companies to receive cash in an amount of 52 million baht.

Cash outflow from financing activities for the nine-month period ended September 30, 2021 was amount of 126 million baht, decreased by 534 million baht from the same period of previous year. The company did not distribute the dividend this year while the company had paid the dividend 119 million bath during previous year. The company could settle more loan during previous year than this year after receiving cash from sales of the investment in subsidiary.





Key Financial Ratios

| Financial ratio | 30-ก.ย.-21 | 31 Dec 20 |
|----------------------|------------|-----------|
| Current Ratio | 0.51 | 0.66 |
| Debt to Equity Ratio | 0.45 | 0.43 |

Current Ratio of this quarter was 0.51 times, lower than 0.66 times of the previous year. This was a result of higher proportion of current assets to current liabilities. This was mainly due to the reclassification of current liabilities of Fixed asset payables amounted 310 million baht and Current portion of debentures 400 million baht. During the fourth quarter of this year, these mentioned liabilities will be reclassified to non current liabilities because the Company are in the process to execute the loan agreement and issued new debentures for the purpose of repayment of the Company current debentures during November and October 2021.

Debt to Equity Ratio was 0.45 times, higher from 0.43 times of previous year due to higher proportion of liabilities to equity, mainly due to Fixed asset payables and construction payables.

(Ms. Phatcha Nimsamut)

Chief Financial Officer

12 November 2021

