

**EKARAT ENGINEERING PUBLIC COMPANY LIMITED**

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May 10, 2022

To: Director and Manager

The Stock Exchange of Thailand

Subject: Management Discussion and Analysis for Quarter 1 Year 2022

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and the subsidiaries for the first quarter ending 31 March 2022. The performance of the Company is as follow:

Summary of operating results

As for the Company's performance in the first quarter Year 2022, with Net Profit of Equity holders of the parent was Baht 20.20 million and earning per share Baht 0.014, decreased 14.66% from the same quarter of last year.

Key financial figures

	Unit	Quarter 1		Increase(Decrease)	
		2022	2021	Amount	%
Total revenue ^[1]	Million Baht	352.25	344.56	7.69	2.23
Total Expenses ^[2]	Million Baht	270.54	256.60	13.94	5.43
Gross Profit	Million Baht	81.71	87.96	(6.25)	(7.11)
Other Incomes	Million Baht	2.05	1.76	0.29	16.48
Distribution Costs	Million Baht	19.78	22.46	(2.68)	(11.93)
Administration Expenses	Million Baht	34.55	35.78	(1.23)	(3.44)
Profit from operating activities	Million Baht	29.43	31.48	(2.05)	(6.51)
Financial Cost	Million Baht	5.12	2.41	2.71	112.66
Tax Expenses	Million Baht	4.12	5.46	(1.34)	(24.54)
Net Profit of Equity holders of the parent	Million Baht	20.20	23.67	(3.47)	(14.66)
Earning per share	Baht/Share	0.014	0.018	(0.004)	(22.22)

Note : [1] Total revenue consist of : (1) Revenue from sales of goods (2) Revenue from services and maintenance

(3) Revenue from service of installing a solar panel (4) Revenue from sales of electricity

[2] Total Expenses consist of : (1) Cost of goods sold (2) Cost of services and maintenance (3) Cost of service of installing a solar panel (4) Cost of electricity sales (5) Loss on devaluation of goods

Analysis of operating results in Quarter 1 Year 2022**Revenue :**

The total revenues from operation of the Company was Baht 352.25 million, increased by Baht 7.69 million or about 2.23% compared to the same quarter of last year, detail are as follows;

- Revenue from service of installing a solar panel has increased about 244% from the recognition of revenue from the major project of installation of solar power generation system of a private customer which ongoing project since 2021.

- Revenue from services and maintenance has increased about 10.62%. Due to the situation of Covid-19 getting better, the Company could provide more transformer maintenance services to the customers.
- Revenue from sales of electricity has decreased about 10.85% because the amount of electricity produced from the Solar Farm decreased according to the climate.
- Revenue from sales of goods has decreased about 21.36%, mainly due to the decrease in sales of transformers from government agencies and private customers. But sales of transformers to foreign customers increased from the previous year.

Costs :

The total costs from operation of the Company was Baht 270.54 million, increased by Baht 13.94 million or about 5.43% compared to the same quarter of last year, detail are as follows;

- Cost from service of installing a solar panel has increased about 233.28% from the recognition of the cost of solar panel installation project by private customer with 97% completion in 1Q2022, thus the cost of installing solar panels increased dramatically.
- Cost of electricity sold has increased about 5.19% from the cost of repairing and maintaining solar panels at the Solar Farm.
- Cost of services and maintenance has increased about 4.46%. Most of the increase was from the cost of contracting services.
- Cost of goods sold has decreased about 21.62%, in accordance with the decrease in revenue.

In addition, the loss on devaluation of goods decreased about 95.80% from the same quarter of last year. It was a reserve for the deterioration of finished transformers sold in this quarter.

Distribution Cost :

Distribution Cost of the Company was Baht 19.78 million, decreased by Baht 2.68 million or about 11.93% compared to the same quarter of last year. Most of them are expenses related to the reduction of transformer sales.

Administrative Expenses :

Administrative Expenses of the Company was Baht 34.55 million, decreased by Baht 1.23 million or about 3.44% compared to the same quarter of last year. Most of them were reduced from unrealized gains and losses from foreign exchange rates.

Financial Cost :

Financial Cost of the Company was Baht 5.12 million, increased by Baht 2.71 million or about 112.66% compared to the same quarter of last year. This was due to increased interest on trust receipts from purchases of raw materials from overseas.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director