

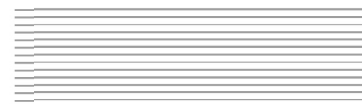
No. SKE-SET-011/65

17 May 2022

Management's Discussion and Analysis
For the three-month period ended 31 March 2022

Overall Performance

- On 25 March 2022, the Company entered into an agreement termination of the Natural Gas Compression Contract of the private mother station (Ban Na-Kaeng Khoi) in Saraburi Province prior to the expiration date with PTT Public Company Limited (“PTT”) due to a continuous reduction of the demand of the compressed natural gas and the Company has been informed that the demand of NGV for the private mother station (Ban Na-Kaeng Khoi) was zero tons per day since 1 March 2021. The parties agreed such Natural Gas Compression Contract to be effective until 31 March 2022 and ended on 1 April 2022. The Company will receive cash compensation for the contract termination by term and conditions as stipulate in the agreement.
- From the approval of the investment in Refuse Derived Fuel “RDF” production plant in Saraburi province with an investment value of Baht 400 million in November 2021, on 4 March 2022, N15 Technology Co., Ltd., a subsidiary of the company, held a groundbreaking ceremony and begun construction by leveling ground area, field compaction, land reclamation. The project is currently undergoing factory building construction.



Operating result

Unit: in Million Baht

	Three-month period			% Increase (Decrease)	
	Q1'2021	Q4'2021	Q1'2022	YoY	QoQ
Revenues					
Revenue from rendering of services	41.26	28.78	30.82	(25.30%)	7.09%
Revenue from sales of goods	91.12	84.19	74.91	(17.79%)	(11.02%)
Revenue from leases	4.58	4.35	4.25	(7.21%)	(2.30%)
Other income	0.93	1.93	2.96	218.28%	53.37%
Total revenue	137.89	119.25	112.94	(18.09%)	(5.29%)
Expenses					
Costs of rendering of services	24.61	17.63	18.52	(24.75%)	5.05%
Cost of sales of goods	64.05	62.55	60.41	(5.68%)	(3.42%)
Selling and Administrative expenses	34.69	27.64	26.64	(23.21%)	(3.62%)
Finance costs	6.95	5.80	12.29	76.83%	111.90%
Tax income	(0.38)	(0.28)	(0.83)	(118.42%)	(196.43%)
Total expenses	129.92	113.34	117.03	(9.92%)	3.26%
Profit for the period	7.97	5.91	(4.09)	(151.32%)	(169.20%)
Gain attributable to non-controlling interests	1.39	0.70	(1.67)	(220.14%)	(338.57%)
Former shareholders before business restructuring	1.05	-	-	(100.00%)	0.00%
Profit attributable to owners of the parent	5.53	5.21	(2.42)	(143.76%)	(146.45%)


Revenues

Unit: in Million Baht

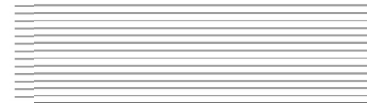
	Three-month period					
	Q1'2021		Q4'2021		Q1'2022	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from rendering of services	41.26	29.92%	28.78	24.13%	30.82	27.29%
Revenue from sales of goods	91.12	66.09%	84.19	70.60%	74.91	66.33%
Revenue from leases	4.58	3.32%	4.35	3.65%	4.25	3.76%
Other income	0.93	0.67%	1.93	1.62%	2.96	2.62%
Total revenue	137.89	100%	119.25	100%	112.94	100%

Significant changes can be summarized as follows:

Revenue from rendering of services

For the three-month period ended 31 March 2022, revenue from rendering of services amounted to Baht 30.82 million comprised of revenue from NGV natural gas compression for PTT Public Company Limited (PTT) of Baht 25.20 million, revenue from the treatment of wastes of Baht 3.83 million and revenue from purchase and sale of Refuse Derived Fuel (RDF) of Baht 1.79 million. Revenue from rendering of services decreased from the same period of last year resulted from the following reasons:

Revenue from compression of NGV for PTT for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 12.08 million or 32.41%, due to a decrease in service volume of natural gas compression which was in line with a decrease in demand from natural gas for vehicles (NGV) including the situation of outbreak of COVID-19. Moreover, in February 2021, PTT informed the Company of the zero demand of compressed natural gas for vehicles by the Company's Ban Na-Kaeng Khoi Private Mother Station in Saraburi, effective from 1 March 2021 onwards. However, the Company still has a duty to be ready to compress gas for PTT and PTT continues to pay the available payment (AP) to the Company on monthly basis at the rate stipulated in the contract. Subsequently, on 25 March 2022, the Company entered into an agreement to voluntarily terminate the natural gas compression contract by private mother station prior to the expiration date with PTT in which, the parties agreed such natural gas compression contract to be effective until 31 March 2022 and ended on 1 April 2022.



Revenue from the treatment of wastes for the three-month period ended 31 March 2022 increased from the same period of last year amounted to Baht 0.08 million or 2.20%.

Revenue from purchase and sale of RDF for the three-month period ended 31 March 2022 increased from the same period of last year amounted to Baht 1.56 million or 707.12% which were in line with demand for RDF of customers in each period and new customer.

Revenue from sale of goods

For the three-month period ended 31 March 2022, revenue from sales of goods of Baht 74.91 million comprised of revenue from generating and distribution of electricity of Baht 64.12 million and revenue from sales of RDF of Baht 10.79 million. Revenue from sale of goods decreased from the same period of last year resulted from the following reasons:

Revenue from generating and distribution of electricity sale to the Provincial Electricity Authority (PEA) for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 12.93 million or 16.78% because the planned shutdown for repair and maintenance which occurred at different times as in 2021.

Revenue from sales of RDF for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 2.28 million or 17.48% due to demand for RDF of customers decreased in each period.

Revenue from production and distribution of compressed bio-methane gas for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 1 million or 100% because the Company disposed compressed bio-methane gas business in April 2021. As a result, the Group did not recognize revenue from production and distribution gas for the first quarter of 2022.

Revenue from leases

For the three-month period ended 31 March 2022, the Company recognized revenue from leases of Baht 4.25 million or 3.76% of total revenue which decrease from the same period of last year based on the revenue recognition of revenue from leases with discounted present value.

Other income

Other income was comprised of 1) revenue from rendering utility services to lessees 2) interest income 3) gain on sale of mutual fund, an investment in debt instruments which is low-risk and high liquidity, 4) revenue from solar rooftop equipment rental, and 5) gain on disposal of assets.



For the three-month period ended 31 March 2022, other income was Baht 2.96 million, an increase by Baht 2.03 million or 218.28% compared from the same period of last year. This was mainly due to the recognition of gain on disposal of assets of Baht 1.40 million.

Expenses

Unit: in Million Baht

	Three-month period					
	Q1'2021		Q4'2021		Q1'2022	
	Amount	%	Amount	%	Amount	%
Expenses						
Costs of rendering of services	24.61	18.94%	17.63	15.55%	18.52	15.83%
Cost of sales of goods	64.05	49.30%	62.55	55.19%	60.41	51.62%
Selling and Administrative expenses	34.69	26.70%	27.64	24.39%	26.64	22.76%
Finance costs	6.95	5.35%	5.80	5.12%	12.29	10.50%
Tax income	(0.38)	(0.29%)	(0.28)	(0.25%)	(0.83)	(0.71%)
Total expenses	129.92	100%	113.34	100%	117.03	100%

Costs of rendering of services

For the three-month period ended 31 March 2022, cost of rendering of services amounted to Baht 18.52 million, comprised of cost of compression of NGV for PTT of Baht 15.14 million and cost of the treatment of wastes of Baht 3.38 million. Cost of rendering of services decreased from the same period of last year resulted from the following reasons:

Cost of compression of NGV for PTT for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 7.28 million or 32.48% which was in line with the decrease of revenue from rendering of services.

Cost of the treatment of wastes for the three-month period ended 31 March 2022 increased from the same period of last year amounted to Baht 1.19 million or 54.35%, mainly due to costs of transportation.

Costs of sales of goods

For the three-month period ended 31 March 2022, cost of sales of goods amounted to Baht 60.41 million, comprised of cost of generating and distribution of electricity of Baht 53.37 million and cost of production and distribution of RDF of Baht 7.04 million. Cost of sales of goods decreased from the same period of last year resulted from the following reasons:



Cost of generating and distribution of electricity for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 0.94 million or 1.73%. A proportion of decrease in cost was less than a decrease in revenue from generating and distribution of electricity sale to the Provincial Electricity Authority, mainly due to the cost of repair and maintenance of machinery,

Cost of production and distribution of RDF for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 1.38 million or 16.36% due to a decrease in the purchase volume of waste for production, which varies with lower revenue from sale of goods.

Cost of production and distribution of bio-methane gas for the three-month period ended 31 March 2022 decreased from the same period of last year amounted to Baht 1.32 million or 100% because the Company disposed the compressed bio-methane gas business in April 2021. As a result, the Group did not recognize cost of production and distribution of bio-methane gas for the first quarter of 2022.

Selling and administrative expenses

For the three-month period ended 31 March 2022, the Group incurred selling and administrative expenses amounted to Baht 26.64 million, a decrease from the same period of last year of Baht 8.05 million or 23.21%. This decrease was due to a decrease in expenses from production and distribution of compressed bio-methane gas business since the Company disposed the business in April 2021, advertising expense for solar power generation business and expenses relating to the investment in ordinary shares of N15 Technology Co., Ltd. amounted to Baht 3.65 million.

Main selling and administrative expenses are comprised of employee expenses, depreciation and amortization, transportation, other service fees, and other administrative expenses.

Finance costs

For the three-month period ended 31 March 2022, the Group incurred finance costs of Baht 12.29 million, an increase from the same period of last year of Baht 5.34 million or 76.83%, mainly due to financial fees for refinancing a long-term loan from a financial institution of a subsidiary.

Gross profit and net profit for the period

1. Gross profit *

For the three-month period ended 31 March 2022, gross profit of the Group was Baht 26.80 million, a decrease by Baht 16.92 million or 38.70% compared to the same period of last year. Gross margin for the three-month period ended 31 March 2022 and 2021 were 25.35% and 33.03%, respectively. A decrease in gross profit resulted from a





decrease in revenue from rendering of services of the private mother station business which decreased from the lower demand from natural gas for vehicles and the decrease in revenue from rendering of services from the zero demand of compressed natural gas for vehicles by the Company's Ban Na-Kaeng Khoi Private Mother Station, effective from 1 March 2021 onwards. In addition, in Q1 2022 revenue from generating and distribution of electricity of Mae Krating biomass power plant decreased and production cost increased from planned machinery repair and maintenance.

Remark: Gross profit * = (Revenue from rendering of services + Revenue from sale of goods) – (Cost of rendering of services + Cost of sales of goods)

Gross profit margin = Gross profit / (Revenue from rendering of services + Revenue from sale of goods)

2) Net profit for the period

For the three-month period ended 31 March 2022, Group had loss for the period of Baht 4.09 million, a decrease by Baht 12.06 million or 151.32% compared to the same period of last year which mainly resulted from a decrease in profit of the Mae Krating biomass power plant business.

Financial Position

Unit: in Million Baht

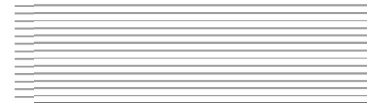
	As at 31 March 2022	As at 31 December 2021	Increase (Decrease)	%
Total assets	1,673.39	1,586.96	86.43	5.45%
Total liabilities	592.38	501.86	90.52	18.04%
Total equity	1,081.01	1,085.10	(4.09)	(0.38%)

Total assets

Main assets of the Group consist of trade accounts receivables, lease receivables, property, plant and equipment, investment properties, and intangible assets. Total assets of the Group as of 31 March 2022 and 31 December 2021 were Baht 1,673.39 million and Baht 1,586.96 million, respectively. Total assets increased by Baht 86.43 million or 5.45% were mainly due to its subsidiary received cash received from refinancing to repay loans and used for operating, net of the decrease in depreciation and amortization during the period.

Total liabilities

Total liabilities of the Group are mainly comprised of trade accounts payable, loans from financial institutions and lease liabilities. As at 31 March 2022 and 31 December 2021, total liabilities of the Group were Baht 592.38 million and Baht 501.86 million, respectively, increased by Baht 90.52 million or 18.04%. This was mainly due to the Company increased short-term loans from a financial institution and its subsidiary refinanced long-term loans with a leasing



company whereas total liabilities decreased from the repayment of lease liabilities of machinery of RDF production business and the repayment of long-term loans from financial institutions during the period.

Equity

As of 31 March 2022 and 31 December 2021, equity of the Group were Baht 1,081.01 million and Baht 1,085.10 million, respectively. Equity decreased by Baht 4.09 million or 0.38%, as a result of net loss for the three-month period ended 31 March 2022.