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Management Discussion & Analysis of Business Operation

For the year 2022 and forth quarter ended 31<sup>st</sup> December 2022

Significant event in 2022

1. Full period revenue reconigzation from Leo1 (Solar power plant) project in Japan, PPAe of 20.0 MW, COD in July 2021.
2. Full period revenue reconigzation from TTTV (Wind power plant) project in Vietnam, PPAe of 38.4 MW, COD in late of October 2021.
3. There was excercising SSP Warrant 1 (SSP-W1) In February 2022 amounting to 35 million units, which led Company to received cash for capital 417 million Baht ( In 2021, there was excercising SSP Warrant 1 (SSP-W1) amounting to 37 million units, 448 million Baht) The Company received a total cash from excercising SSP Warrant 1 (SSP – W1) totalling 865 million Baht
4. In March 2022, The Company invested in 25% shares of Romklao wind farm (Winchai), Wind power plant in Mukdahan, Thailand, PPAe of 45.0 MW.
5. In June 2022, the Company divested Hidaka project (Solar power plant), PPAe of 14.8 MW.
6. In September 2022, TRIS Rating upgraded the SSP's rating to "BBB+" from "BBB", with "stable". The rating upgrade reflected a significant improvement in SSP's financial profile.
7. In December 2022, International Finance Corporation and Siam Commercial Bank Public Company Limited approved the credit facilities to the Company with a total of 2,200 million Baht for restructuring the Group's current facilities and for future investment.

In 2022, The Company had shown the steady growth from the whole year performance of Leo1 project, and TTTV project and share of profit from investments in subsidiaries and an associate of Winchai project. This was led to the increase in revenue from sale and service by 20.0% and core operating profit increase by 20.4%. The Company successfully restructured its financial structure to be more strenght, D/E ratio lower from 2.78 :1 in 2021 to 1.57 :1 at the end of 2022, As a result, the Company has Finance capability and subficiant fund for further investment.

## 1) Executive Summary

The Company's summarized performance for 4Q/22 and the year 2022 ended 31<sup>st</sup> December 2022.

Consolidated Financial Statement (Unit: MTHB)	Q4/21	Q3/22	Q4/22	QoQ	YoY
Revenue from sales and service <sup>1</sup>	728.4	739.9	698.0	-5.7%	-4.2%
EBITDA	532.5	590.4	582.0	-1.4%	9.3%
Core Operating EBITDA <sup>2</sup>	529.8	617.0	608.0	-1.5%	14.8%
Net Profit (to SSP's Shareholders)	149.1	263.8	140.1	-46.9%	-6.0%
Core Operating Profit	178.7	254.7	180.2	-29.2%	0.9%
EBITDA Margin (%)	72.0%	73.2%	80.3%		
Core Operating EBITDA Margin (%)	72.7%	83.4%	87.1%		
Net Profit Margin (%)	20.2%	32.7%	19.3%		
Core Operating Profit Margin (%)	24.5%	34.4%	25.8%		

Remark:<sup>1</sup> Revenue from electricity sales, Subsidy for adder, construction services

<sup>2</sup> Net profit before tax expense, finance cost, and deducted finance income, add back depreciation and amortization, loss (gain) from unrealized FX, gain (loss) from share of profit from investments in subsidiaries and an associate, and add back loss (gain) from one-time transaction,

For the 3-month period ended 31<sup>st</sup> December 2022, revenue from sales and service was 698.0 million Baht, decreased by 4.2% comparing to the same period last year and decreased by 5.7% comparing to the previous quarter. Net profit (to SSP's Shareholders) was 140.1 million Baht and and core operating EBITDA 608.0 million Baht representing Net profit margin and core operating EBITDA margin were 19.3% and 87.1% respectively.

Core operating profit was 180.2 million Baht which similar to the same period last year, Core operating profit margin was 25.8% of Revenue from sales and service.

Consolidated Financial Statement (Unit: MTHB)	12M/21	12M/22	YTD
Revenue from sales and service <sup>1</sup>	2,597.1	3,117.4	20.0%
EBITDA	2020.3	2,846.0	40.9%
Core Operating EBITDA <sup>2</sup>	2018.9	2,541.0	25.9%
Net Profit (to SSP's Shareholders)	859.0	1,301.8	51.5%
Core Operating Profit	846.7	1,019.6	20.4%
EBITDA Margin (%)	74.9%	78.7%	
Core Operating EBITDA Margin (%)	77.7%	81.5%	
Net Profit Margin (%)	31.8%	36.9%	
Core Operating Profit Margin (%)	32.6%	32.7%	

Remark: <sup>1</sup> Revenue from electricity sales, Subsidy for adder, construction services

<sup>2</sup> Net profit before tax expense, finance cost, and deducted finance income, add back depreciation and amortization, loss (gain) from unrealized FX, gain (loss) from share of profit from investments in subsidiaries and an associate, and add back loss (gain) from one-time transaction,

For 12-month period ended 31<sup>st</sup> December 2022, revenue from sales and service was 3,117.4 million Baht, increased by 20.0% comparing to the previous year. Net profit (to SSP's Shareholders) was 1,301.8 million Baht and and core operating EBITDA 2,541.0 million Baht representing Net profit margin and core operating EBITDA margin were 36.9% and 81.5% respectively.

Core operating profit was 1,019.5 million Baht, increased by 20.4% comparing to the same period last year, Core operating profit margin was 32.7% of Revenue from sales and service.

## 2) Analysis of financial results and financial status

## 2.1) Analysis of financial results

## (1) Revenue

Consolidated Financial Statement Revenue Structure (Unit: MTHB)	Q4/21	Q3/22	Q4/22	QoQ	YoY
<b>Revenue from sale</b>					
Sale revenue from solar	513.0	534.5	465.3	-13.0%	-9.3%
Sale revenue from wind	117.7	101.5	129.1	27.2%	9.7%
Sale revenue from biomass	76.0	80.4	74.5	-7.3%	-1.9%
Sale revenue from solar rooftop	15.2	22.7	20.9	-7.9%	37.7%
<b>Total revenue from sales</b>	<b>721.8</b>	<b>739.1</b>	<b>689.8</b>	<b>-6.7%</b>	<b>-4.4%</b>
<b>Total revenue from service</b>	<b>6.5</b>	<b>0.8</b>	<b>8.2</b>	<b>915.1%</b>	<b>25.1%</b>
<b>Total revenue from sales and service</b>	<b>728.4</b>	<b>739.9</b>	<b>698.0</b>	<b>-5.7%</b>	<b>-4.2%</b>

In Quarter 4, 2022, the revenue from sales and service decreased by 4.2%. The revenue from solar projects decreased by 9.3% comparing to the same period last year from divestment Hidaka project in Quarter 2 and total electricity production of Japan projects was less than the same period last year. The revenue from wind project increased by 9.7% comparing to the same period last year, mainly from full period revenue recognition. The revenue of biomass project was similar to the previous year. And the revenue from solar rooftop project increased by 37.7% from new project in Indonesia.

Consolidated Financial Statement Revenue Structure (Unit: MTHB)	12M/21	12M/22	YTD
<b>Revenue from sale</b>			
Sale revenue from solar	2,110.0	2,194.4	4.0%
Sale revenue from wind	117.7	508.2	331.9%
Sale revenue from biomass	304.0	302.8	-0.4%
Sale revenue from solar rooftop	47.4	81.3	71.5%
<b>Total revenue from sales</b>	<b>2,579.1</b>	<b>3,086.6</b>	<b>19.7%</b>
<b>Total revenue from service</b>	<b>18.0</b>	<b>30.8</b>	<b>71.2%</b>
<b>Total revenue from sales and service</b>	<b>2,597.1</b>	<b>3,117.4</b>	<b>20.0%</b>

For 12-month period, the revenue from sales and service increased by 20.0%. The revenue from solar projects increased by 4.0% comparing to the same period last year, although the divestment Hidaka project. The Company recognised the full year revenue from Leo1 project and the increase in Variable electricity tariff (Ft) in 2022. The revenue from wind project increased by 331.9% comparing to the same period last year, mainly from full year revenue recognition from TTTV project. The revenue from solar rooftop project increased by 71.2% mainly from new project in Indonesia.

## (2) Share of profit from investments in subsidiaries and an associate

Consolidated Financial Statement Share of profit (Unit: MTHB)	Q4/21	Q3/22	Q4/22	QoQ	YoY	12M/21	12M/22	YTD
Share of profit from investments in subsidiaries and an associate	-	(5.9)	74.4	1,576.5%	-	-	86.3	-

The Company recognize gain from share of profit from investments in subsidiaries and an associate from Romklao wind farm, investment of 25% in March 2022. This led to the recognition of share profit from in Quarter 4 and the Year 2022. In 2022, the Company recognized the Share of profit from investments in subsidiaries and an associate amounting to 74.4 million Baht and 86.3 million Baht respectively. During Q3, Winchai project had restructured its finance structure with a new financial institution. This allowed for better terms in terms of both interest payments and repayment schedules. However, there was an extra expense for such restructuring in the amount of 30.3 million baht, which was a one-time expense.

## (3) Administrative Expenses

Consolidated Financial Statement Administrative Expenses (Unit: MTHB)	Q4/21	Q3/22	Q4/22	QoQ	YoY	12M/21	12M/22	YTD
G&A expenses	92.0	65.1	92.2	41.6%	0.1%	243.5	320.7	31.7%
G&A expenses per revenue from sale	12.6%	8.8%	13.2%			9.4%	10.3%	

General and administrative expenses (G&A expenses) increased because of new project, property tax expense and one-time expenses. The one-time expenses were including, cost of restructure financial agreements with IFC and SCB, which would reduce the interest expenses and enhance capital expenditure for future investment, unrealized loss from foreign exchange and write-off development project. In Quarter 4 2022, G&A expenses was 92.2 million Baht. For 12-month period of 2022, the G&A expenses increased to 320.7

million Baht, or G&A expenses was 249.3 million Baht after one-time expenses adjustment, G&A expenses compared to the revenue from sale was 8.0% decrease from 9.4% in 2021.

#### (4) Finance Costs

Consolidated Financial Statement	Q4/21	Q3/22	Q4/22	QoQ	YoY	12M/21	12M/22	YTD
Finance Cost (Unit: MTHB)								
Finance Cost	104.8	118.0	194.7	64.9%	85.8%	356.0	561.3	57.7%

In Quarter 4 2022, finance cost was 194.7 million Baht, increased by 64.9% from the previous period, mainly from the recognition of interest expenses of TTTV, cost of restructure financial agreement SPN project amounted to 16.1 million Baht, considering as one-time expense. In addition, the Financial Cost was also included full period financial expenses from the solar power plant project in Vietnam, Project Leo 1 in Japan and the interest expenses recognition from the Vietnam wind power project in the Quarter 4. Further more, there were one-time expenses from restructuring of loan agreement of SPN project. These factors led the finance cost to 561.3 million Baht in the year 2022, increasing by 57.7% from 2021

#### (5) One-time items

One-time items are transactions that management had considered to be non-recurring items. For the purpose of providing a comparison of financial performance data and be more appropriate. The Company would adjust these one-time items in Core Operating Profit and Core Operating EBITDA.

For 12-month period of 2022, the Company divested Hidaka project at 2,800 million JPY, which led to gain from disposal at 348.4 million Baht, including deferred tax expense of Hidaka project at 8.5 million Baht, and add back from restructuring financial agreement Winchai project of 7.6 million Baht and Others add back totalling 26.5 million Baht.

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

Consolidated Financial Statement Core Operating Profit (Unit: MTHB)	Q4/21	Q3/22	Q4/22	QoQ	YoY	12M/21	12M/22	YTD
	Net profit distribution to SSP's shareholders	149.1	263.8	140.1	-46.9%	-6.0%	859.0	1,301.8
Adjust unrealized FX (gain)/loss	20.9	(10.6)	25.0			(21.0)	40.5	
Adjust gain from disposal	-	-	-			-	(348.4)	
Adjust impairment provision	-	-	-			-	(8.5)	
Adjust restructure financial agreement Winchai project	-	7.6	-			-	7.6	
Adjust others	8.7	(6.09)	15.1			8.7	26.5	
<b>Core Operating Profit</b>	<b>178.7</b>	<b>254.7</b>	<b>180.1</b>	<b>-29.3%</b>	<b>0.8%</b>	<b>846.7</b>	<b>1,019.5</b>	<b>+20.4%</b>

In Quarter 4 2022, net profit (to SSP's shareholders) was 140.1 million Baht, decreased by 6.0% from comparing to the same period last year. For 12-month period of 2022, net profit (to SSP's shareholders) increased by 51.5% from 859.0 million Baht to 1,301.8 million Baht contributed by revenue recognition from the start of commercial operation of new project, recognition from share of profit from subsidiaries and associate (Winchai project) and gain from disposal of Hidaka project.

In Quarter 4 2022, Core Operating Profit was 180.1 million Baht, increased by 0.8% from comparing to the same period last year. For 12-month period of 2022, Core Operating Profit increased from 846.7 million Baht to 1,019.5 million Baht, increased by 20.4% from the same period last year

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 Quarter 4 2022 by add back, unrealized foreign exchange loss from loan from Subsidiaries, total amount of 25.0 million Baht, add back other transaction, total amount of 15.1 million Baht. For 12-month period of 2022, add back unrealized foreign exchange loss from loan from Subsidiaries, total amount of 40.5 million Baht, deducted gain from disposal Hidaka project amount of 348.4 million Baht, deducted deferred tax expense of Hidaka project 8.5 million Baht, add back restructure financial agreement Winchai project of 7.6 million Baht and add back others transaction including, restructure shareholding of Winchai project, write-off investment on development project, restructure

financial agreement to This allowed for better terms in terms of both interest payments and increase finance facilities for future investment. Total amount 26.5 million Bath.

## 2.2 Financial Status

Consolidated Financial Statement Financial Status (Unit: MTHB)	31 Dec 2021	31 Dec 2022	Change
Total Assets	24,063.3	21,292.0	-11.5%
Total Liabilities	17,689.1	13,015.0	-26.4%
Total Equity	6,374.2	8,277.0	29.9%
Total Equity (To SSP's shareholders)	5,884.1	7,775.7	32.1%
Debt to Equity Ratio (Consolidated)	2.78	1.57	
Debt to Equity Ratio (Company)	0.58	0.35	

As at 31<sup>st</sup> December 2022, consolidated total assets were 21,292.0 million Baht, decreased by 2,771.3 million Baht, from 24,063.3 million Baht as at 31<sup>st</sup> December 2021 or 11.5% decrease. The total asset decreased mainly from property, plant and equipment in the amount 2,273.2 million Baht, mainly from disposal of Hidaka, while investment in an associate increased by 819.8 million Baht. Most of total assets were property, plant and equipment of power plant which accounted for 62.2% of total assets.

Consolidated total liabilities were 13,015.0 million Baht, decreased by 4,674.1 million Baht, from 17,689.1 million Baht as at 31<sup>st</sup> December 2021, decreased by 26.4%. The decrease of total liabilities mainly from long-term loan and short-term loan in the amount of 1,826.2 million Baht and 495.4 million Baht respectively, while 1,500 million Baht increase from issued of debenture in 1<sup>st</sup> quarter 2022 for the purpose of investmet in new projects and repayment 800.0 million Baht of debenture in 2<sup>nd</sup> quarter 2022.

The total equity at the end of 31<sup>st</sup> December 2022 increased from 6,374.2 million Baht at the end of 2021 to 8,277.0 million Baht or increased by 29.9%. Total Equity (To SSP's shareholders) increased from 5,884.1 million Baht at the end of 2021 to 7,775.7 million Bath at the end of Quarter 4 2022 or increased by 32.1%

Debt to Equity ratio (Consolidated) decreased from 2.78:1 at the end of 2021 to 1.57:1 at the end of 2022. D/E (Separated Company) decreased from 0.58:1 at the end of 2021 to 0.35:1 at the end of 2022.