

# EMPOWERING SUSTAINABILITY



## Management Discussion and Analysis (MD&A)

YE / 2022


**EXECUTIVE SUMMARY**

OPERATING HIGHLIGHT	Q4/21	Q3/22	Q4/22	Change +/-		YE/21	YE/22	Change +/-
Unit : THB Million				%YoY	%QoQ			%YoY
<b>Operating Revenue</b>	<b>218.9</b>	<b>243.9</b>	<b>242.1</b>	<b>10.6%</b>	<b>(0.7%)</b>	<b>781.2</b>	<b>938.1</b>	<b>20.1%</b>
Gross Profit	65.1	75.3	81.1	24.6%	7.7%	278.6	307.6	10.4%
EBITDA	95.5	97.6	108.3	13.4%	10.9%	374.8	409.5	9.3%
<b>Net Profit</b>	<b>47.5</b>	<b>49.2</b>	<b>59.9</b>	<b>26.1%</b>	<b>21.7%</b>	<b>202.1</b>	<b>216.4</b>	<b>7.1%</b>
Gross Profit Margin	29.7%	30.9%	33.5%	3.8%	2.6%	35.7%	32.8%	(2.9%)
EBITDA Margin	39.1%	40.0%	44.5%	5.4%	4.5%	46.4%	42.9%	(3.5%)
Net Profit Margin	21.7%	20.2%	24.8%	3.1%	4.6%	25.9%	23.1%	(2.8%)

In 2022, The Thachang Group places importance on expanding production capacity and continuously looks for new growth opportunities from new clean energy sources in response to the sustainable growth strategy. In 2022, the Group reported operating revenue of Baht 938.1 million, increased by Baht 156.9 million or 20.1%, and reported net profit of Baht 216.4 million, increased by Baht 14.3 million or 7.1% from 2021. The increase in operating income and net profit was mainly from revenue recognition of TBP power plant in 2022 for the full year and revenue from selling water and steam, along with the increase in Ft Rate (Float time) and TBP receiving additional power purchasing agreement during the period. In 2023, the Group expects to have approximately 100 MW of installed capacity on hand, as well as enter other clean energy power plants and applying new technology to increase the efficiency of power generation as well as negotiating with business partners.

**YoY Q4/2022 vs Q4/2021**

- In Q4/2022, the Group reported operating revenue of Baht 242.1 million, increased by Baht 23.2 million or 10.6% from Q4/2021, mainly due to the increase in Ft Rate (Float time), as well as TBP's additional power purchasing agreement of 6 MW, along with the ability of TBP power plant to operate at full capacity.
- In Q4/2022, the Group reported gross profit margin of 33.5%, increased from 29.7% in Q4/2021 mainly due to higher selling price according to the Ft Rate(Float time). Along with TBP receiving additional power purchasing agreement of 6 MW and the ability of TBP power plant to operate at full capacity.
- In Q4/2022, the Group reported net profit of Baht 59.9 million, increased by Baht 12.4 million or 26.1% from Q4/2021, mainly due to the increase in Ft Rate(Float time) as well as TBP receiving additional power purchasing agreement of 6 MW.

**QoQ Q4/2022 vs Q3/2022**

- In Q4/2022, The Group reported operating revenue of Baht 242.1 million, decreased slightly by Baht 1.8 million or 0.7% from Q3/2022, mainly due to construction revenue recognized under the concession agreement of the BOOT (Build-Own-Operate-Transfer) contract to expand the community waste power plant in Chumphon Province during Q3/2022. The revenue will be recognized at the same amount as cost recognized under the concession agreement according to the assets acquisition of the Group. The Group made a payment for land acquisition in Q3/2022, but there was no assets acquisition for this project in Q4/2022, so there was no such revenue recognition in Q4/2022. Therefore, when considering the actual operating revenue, the operating revenue increased by Baht 10.0 million or 4.3% due to the increase in Ft Rate(Float time) and the ability of TPG power plant to operate at full capacity while there was the maintenance shutdown of TPG for a major overhaul in Q3/2022.
- In Q4/2022, the Group reported gross profit margin of 33.5%, increased from 30.9% in Q3/2022 due to higher selling price according to the Ft Rate(Float time) and the ability of TPG power plant to operate at full capacity.
- The Group reported net profit of Baht 59.9 million, increased by Baht 10.7 million or 21.7% from Q3/2022, mainly due to the ability of TPG power plant to reoperate at full capacity since the the maintenance shutdown of TPG for a major overhaul in Q3/2022.

**YoY YE/2022 vs YE/2021**

- In 2022, The Group reported operating revenue of Baht 938.1 million, increased by Baht 156.9 million or 20.1% from 2021, mainly due to revenue recognition of TBP power plant in 2022 for the full year, and revenue from selling water and steam. Along with the increase in Ft Rate (Float time) and TBP receiving additional power purchasing agreement during the period.
- In 2022, the Group reported gross profit margin of 32.8%, decreased from 35.7% in 2021, mainly due to the increase in revenue from steam sales which have a relatively lower margin compared to electricity, as well as the maintenance shutdown of TPG power plant for major overhaul, and the expiration of FiT premium under PPA of TGE power plant.
- The Group reported net profit of Baht 216.4 million, increased by Baht 14.3 million or 7.1%, mainly due to revenue recognition of TBP power plant in 2022 for the full year, revenue from selling water and steam, along with the increase in Ft Rate (Float time) and TBP receiving additional power purchasing agreement of 6 MW.



## Q4/2022 SIGNIFICANT EVENTS



### Announcement of Organizational Restructuring for Sustainable Growth

According to the meeting of the board of directors, reported to approved an organizational restructuring and the management team in order to responds to the Company's sustainable growth strategic plans, by appointing Mr. Sumet Larksitanont as Chief Executive Officer which has been effective since 1 January 2023 onwards as Mr. Sumet Larksitanont will be an important force to drive all businesses of the Group. In addition, the Company also appointed 2 additional management teams, which are cooperate management and strategic business development team in order to enhance the business operation according to the Company's green energy goals.



### Extending the expiration date of the short-term Power Purchase Agreement of TBP Biomass Power Plant Project

On 11 January 2023, the Energy Policy and Planning Office approved the Company's extension of the short-term power purchase of TBP biomass power plant (signed on 5 May 2022, total of 6 MW which under a fixed power purchase system at 2.20 Baht per unit). This is to support any energy emergency scenarios, by extending an expiration date by 2 years which the contract will end on 31 December 2024, resulted in more than 2 years period for this agreement.



### Winning bid for Nong Na Mong (TES CNT) Municipal Waste Power Plant

On 27 January 2023, the Company got selected and prepared to enter a management contract for the Nong Ma Mong municipal waste power plant project TES CNT in the area of Nong Ma Mong Subdistrict, Nong Ma Mong district, in Chainat province. The contractual term is that the private sector will invest and manage the project (Build Own and Operate, BOO) with the contract period of 25 years. This is the renewable energy generated from municipal waste project under Waste to Energy (WTE) system with the installed power capacity of 8.0 MW and the expected selling of electricity under Power Purchase Agreement (PPA) of 6.0 MW. The expected commercial operation date (COD) and revenue recognition date are from 2025 onwards.

## Progress of the Community Waste Power Plant Project

### Municipal Waste Power Plant

The municipal waste project was selected by the Local Government Organization (LGO) for a total of 5 projects. These projects are the TES SKW municipal waste project in Wattana Nakhon district, Sa Kaeo province, the TES RBR municipal waste project in Mueang district, Ratchaburi province, and the TES CPN The municipal waste project in Mueang district, Chumphon province, which is currently undergoing the process of submitting a proposal to sell electricity to the Provincial Electricity Authority (PEA) before signing a power purchase agreement (PPA). In addition, the TES TCN project in Samut Sakhon province and the TES CNT in Chai Nat province are in the process of preparing project management contracts. The total installed capacity of 5 projects is 39.9 MW. In addition, the Company plans to expand investment in other types of renewable energy, both domestically and internationally, such as solar energy, wind energy, and biogas, in order to achieve its long-term goal of increasing installed capacity to more than 200 MW by 2032.



### Auction of Municipal Waste Power Plant

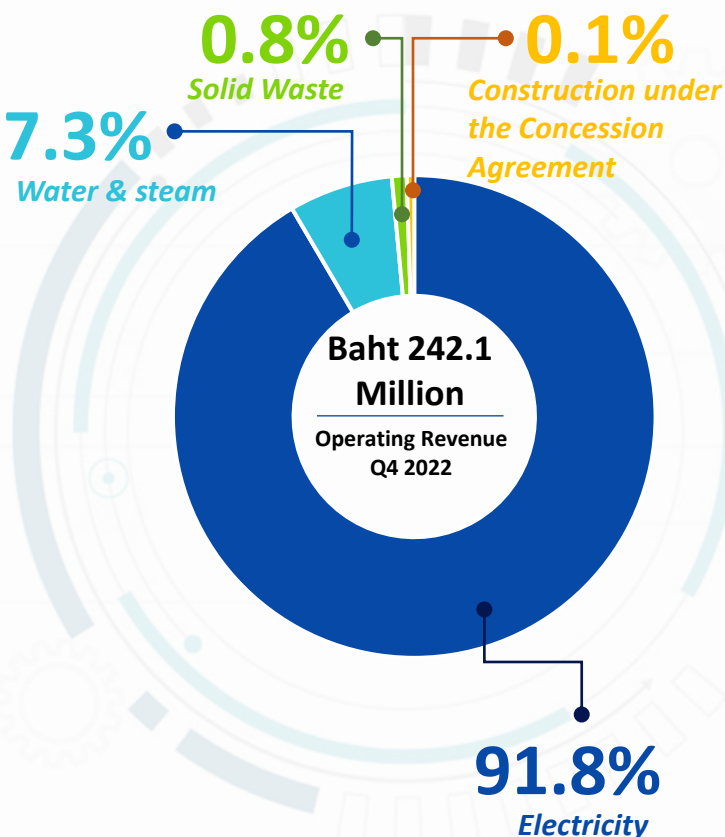
The Company is preparing to bid on a municipal waste project with the local government organization (LGO) for 2 more projects, which are TES PRI power plant in Prachinburi province and the TES UBN power plant in Ubon Ratchathani province. If selected by the LGO, the Company expects to have an installed capacity of 90 MW after commercial operation of these two projects in the next three years and expects the proportion of revenue from the municipal waste projects to be 65% of total revenue.



## OPERATING RESULT IN Q4/2022

OVERALL OPERATING RESULTS	Q4/21	Q3/22	Q4/22	Change +/-		YE/21	YE/22	Change +/-
				%YoY	%QoQ			
Unit : THB Million				%YoY	%QoQ			%YoY
Operating Revenue	218.9	243.9	242.1	10.6%	(0.7%)	781.2	938.1	20.1%
Cost of Sales	153.8	168.6	161.0	4.7%	(4.5%)	502.6	630.5	25.4%
<b>Gross Profit</b>	<b>65.1</b>	<b>75.3</b>	<b>81.1</b>	<b>24.6%</b>	<b>7.7%</b>	<b>278.6</b>	<b>307.6</b>	<b>10.4%</b>
Other Income	25.1	0.4	1.4	(94.4%)	250.0%	26.3	17.5	(33.5%)
Administrative Expenses	29.9	12.5	12.6	(57.9%)	0.8%	53.1	56.7	6.8%
Gains (losses) on Exchange Rate	(0.2)	(1.1)	1.4	800.0%	227.3%	(1.8)	(0.6)	(66.7%)
Finance Cost	13.0	14.2	10.8	(16.9%)	(23.9%)	47.6	50.6	6.3%
<b>Profit before Income tax expense</b>	<b>47.1</b>	<b>47.9</b>	<b>60.5</b>	<b>28.5%</b>	<b>26.3%</b>	<b>202.4</b>	<b>217.2</b>	<b>7.3%</b>
Tax expense (income)	(0.4)	(1.3)	0.6	250.0%	146.2%	0.4	0.7	75.0%
<b>Net Profit</b>	<b>47.5</b>	<b>49.2</b>	<b>59.9</b>	<b>26.1%</b>	<b>21.7%</b>	<b>202.0</b>	<b>216.4</b>	<b>7.1%</b>

## Operating Revenue Structure



### REVENUE FROM ELECTRICITY

**Energy from Biomass** consists of 3 projects: TGE, TPG, and TBP. The raw material used to produce electricity are Chopped Palm bunch, Palm Fibers, Chopped Palm Trees, Roots etc. It has a total capacity of 29.7 MW, distributed to the PEA and other private companies not a part of the TGE group.

**Community Waste Power Plant** is in the process of submitting a contract to the PEA for the selling of electricity and is expected to COD within 2024.

### REVENUE FROM WATER AND STEAM

Revenue from the sale of reverse osmosis (RO) water and steam to companies not a part of the TGE group.

### REVENUE FROM SOLID WASTE MANAGEMENT

Revenue generated from the waste power plant in Sa Kaeo province, which is the revenue generated from waste disposal service for local authorities and related municipalities in the province. The power projects in Ratchaburi and Chumphon province will begin service once the power plants start their commercial operation.

### REVENUE FROM CONSTRUCTION UNDER CONCESSION AGREEMENT

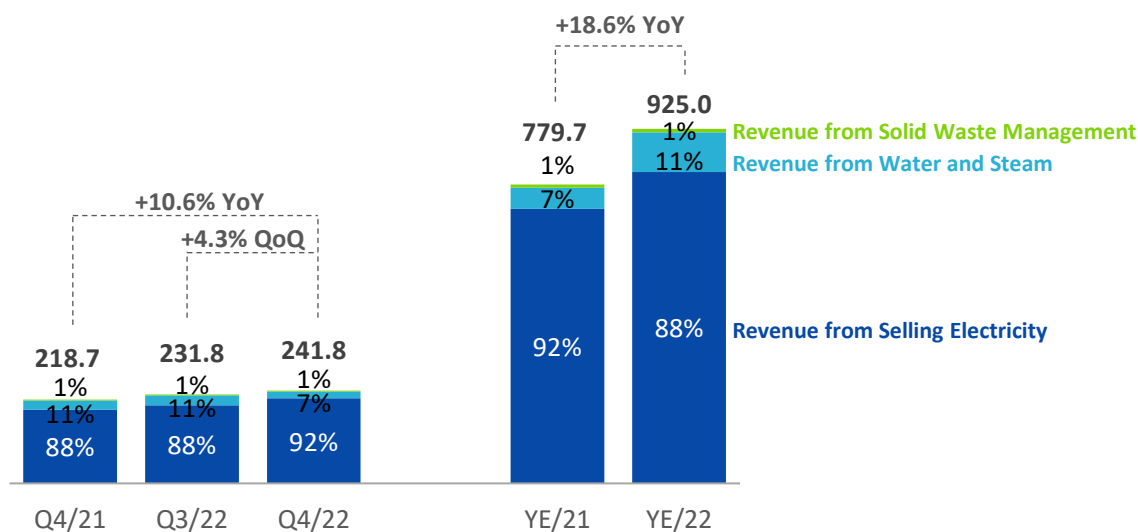
Revenue from construction of solid waste power plant, with an important condition that assets will be transferred to local government agencies upon the expiration of the Solid Waste Disposal Agreement (BOOT), where income is recorded equal to cost according to accounting standards.

## BUSINESS OVERVIEW BY CATEGORY

REVENUE BREAKDOWN	Q4/21	Q3/22	Q4/22	Change +/-		YE/21	YE/22	Change +/-
Unit : THB Million				%YoY	%QoQ			%YoY
Revenue from Selling Electricity	192.2	203.7	222.1	15.6%	9.0%	716.3	813.0	13.5%
Revenue from Selling Water and Steam	24.3	25.8	17.6	(27.6%)	(31.8%)	55.1	103.5	87.7%
Revenue from Solid Waste Management	2.2	2.3	2.1	(4.5%)	(8.7%)	8.3	8.5	2.7%
<b>Total Revenue from sales and services</b>	<b>218.7</b>	<b>231.8</b>	<b>241.8</b>	<b>10.6%</b>	<b>4.3%</b>	<b>779.7</b>	<b>925.0</b>	<b>18.6%</b>
Revenue from cost of Construction under the Concession Agreement	0.2	12.1	0.3	50.0%	(97.5%)	1.5	13.1	773.3%
<b>Total Operating Revenue</b>	<b>218.9</b>	<b>243.9</b>	<b>242.1</b>	<b>10.6%</b>	<b>(0.7%)</b>	<b>781.2</b>	<b>938.1</b>	<b>20.1%</b>
Other Income	25.1	0.4	1.4	(94.4%)	250.0%	26.3	17.5	(33.5%)
<b>Total Revenue</b>	<b>244.0</b>	<b>244.3</b>	<b>243.5</b>	<b>(0.2%)</b>	<b>(0.3%)</b>	<b>807.5</b>	<b>955.6</b>	<b>18.3%</b>

### 1. Operating Revenue

Unit: THB million, %



\*\*Exclude construction revenue under concession agreement

#### YoY Q4/2022 vs Q4/2021

In Q4/2022, the Group reported consolidated operating revenue of Baht 241.8 million, increased by Baht 23.1 million or 10.6% from Q4/2021 mainly due to :

- **Revenue from Selling Electricity** was Baht 222.1 million in Q4/2022, increased by Baht 29.9 million or 15.6% mainly due to the increase in Ft Rate (Float time) resulting in the average selling price to industrial customers to increase, as well as TBP's additional power purchasing agreement 6 MW in 2022, along with the ability of TBP power plant to operate at full capacity.
- **Revenue from Selling Water and Steam** was Baht 17.6 million in Q4/2022, decreased by Baht 6.7 million or 27.6% due to revenue recognition of TBP power plant's steam sales which is higher than usual from Q3/2021 to October 2021 as the power generation unit was in maintenance, the Group was able to sell more steam to customers resulting in a higher revenue from selling steam in Q4/2021.
- **Revenue from Solid Waste Management** was Baht 2.1 million in Q4/2022, decreased slightly by Baht 0.1 million or 4.5% from Q4/2021

### QoQ Q4/2022 vs Q3/2022

In Q4/2022, the Group reported consolidated operating revenue of Baht 241.8 million, increased by Baht 10.0 million or 4.3% mainly due to:

- **Revenue from Selling Electricity** was Baht 222.1 million in Q4/2022, increased by Baht 18.4 million or 9.0% from Q3/2022, mainly due to the increase in Ft Rate (Float time) resulting in the average selling price to industrial customers to increase, as well as the ability of TPG power plant to operate at full capacity after the maintenance shutdown of TPG for a major overhaul in Q3/2022.
- **Revenue from Selling Water and Steam** was Baht 17.6 million in Q4/2022, decreased by 8.2 million or 31.8%, mainly due to normal operation of TCP's steam boiler, resulting in decrease of steam revenue. However, the group companies can still use full production capacity to generate electricity and sell to TCP instead.
- **Revenue from Solid Waste Management** was Baht 2.1 million, decreased slightly by 0.2 million or 8.7% from Q3/2022

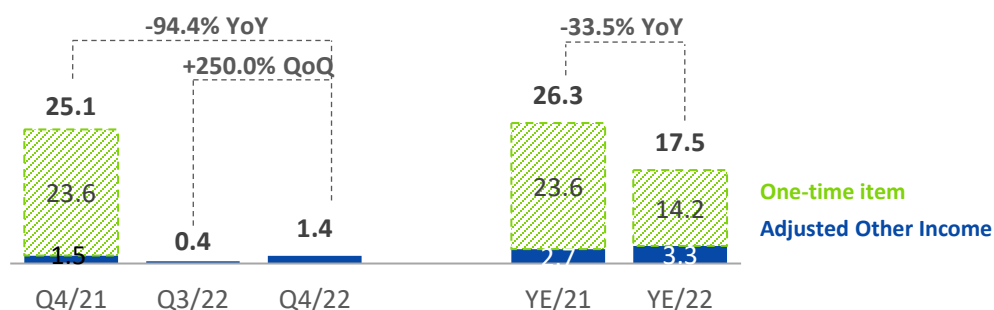
### YoY YE/2022 vs YE/2021

In 2022, the Group reported consolidated operating revenue of Baht 925.0 million, increased by Baht 145.3 million or 18.6% from 2021, mainly due to:

- **Revenue from Selling Electricity** was Baht 813.0 million in 2022, increased by Baht 96.7 million or 13.5% mainly due to the revenue recognition of TBP power plant which COD in May 2021, as well as the increase in FT Rate (Float Time) resulting in the average selling price to industrial customers to increase, along with revenue recognition of TBP power plant from the additional power purchasing agreement of 6 MW.
- **Revenue from Selling Water and Steam** was Baht 103.5 million in 2022, increased by 48.4 million or 87.7% from 2021, mainly due to revenue recognition of TBP power plant's steam sales to related companies since July 2021.
- **Revenue from Solid Waste Management** was Baht 8.5 million in 2022, increased slightly by Baht 0.2 million or 2.7% from 2021.

## 2. Other Income

Unit: THB million, %



### YoY Q4/2022 vs Q4/2021

In Q4/2022, the Group reported other income of Baht 1.4 million, decreased by Baht 23.7 million or 94.4% from Q4/2021. In Q4/2021, the Group received insurance compensation from the machine fire incident which occurred in 2021, of Baht 22.4 million, along with revenue recognition from selling machine part of Baht 1.2 million. Excluding this extraordinary item, other income will decrease slightly by Baht 0.1 million or 7.1%

### QoQ Q4/2022 vs Q3/2022

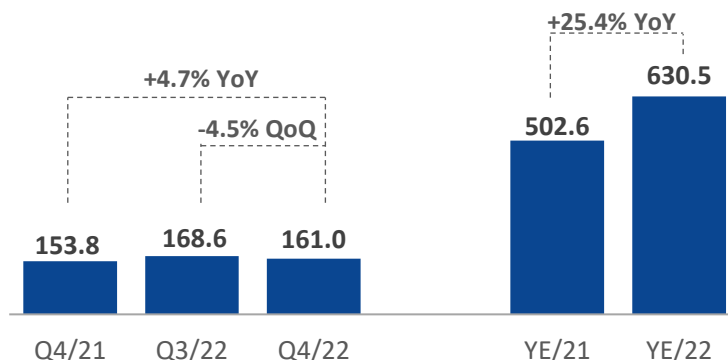
In Q4/2022, the Group recorded other income of Baht 1.4 million, increased by Baht 1.0 million or 250.0% from Q3/2022, mainly due to adjustment in the payable at year end based on realized gain from exchange rate.

**YoY** YE/2022 vs YE/2021

In 2022, the Group recorded other income of Baht 17.5 million, decreased by Baht 8.8 million or 33.5% from 2021. In 2022, the Group received insurance compensation from the machine fire incident less than in Q4/2021. However, this demonstrates the Group’s ability to plan for unexpected events and to prevent losses.

### 3. Cost of Sales

Unit: THB million, %



**YoY** Q4/2022 vs Q4/2021

In Q4/2022, the Group reported cost of sales of Baht 161.0 million, increased by Baht 7.2 million or 4.7% from Q4/2021 corresponding to the increased revenue from power plant.

**QoQ** Q4/2022 vs Q3/2022

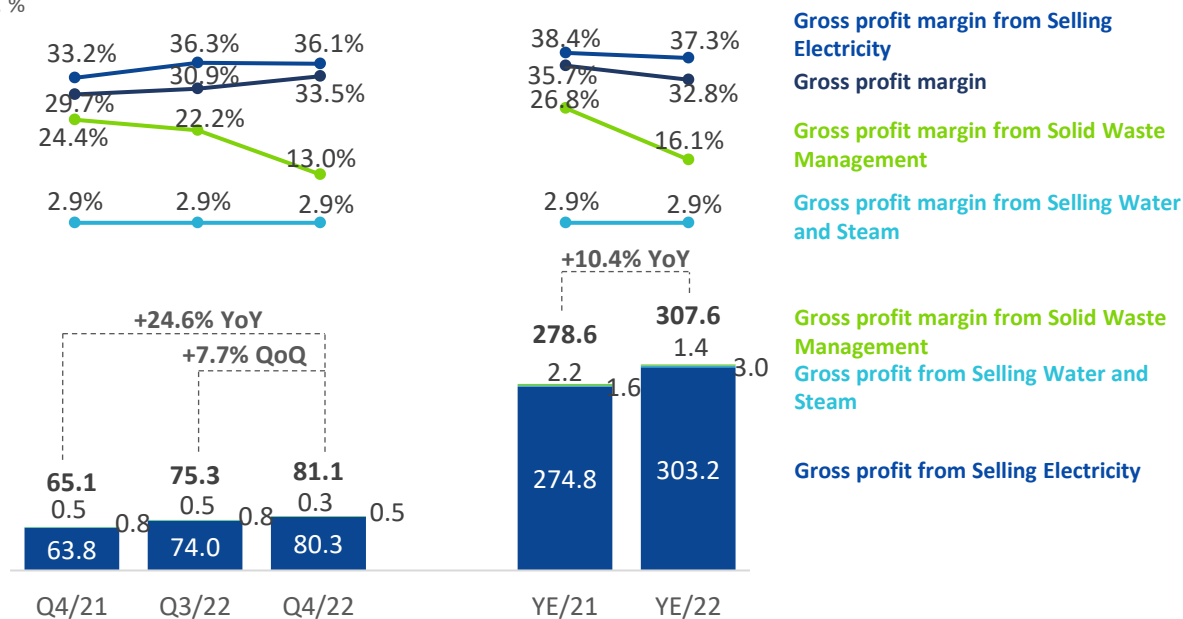
In Q4/2022, the Group reported cost of sales of Baht 161.0 million, decreased by Baht 7.6 million or 4.5% from Q3/2022, mainly due to the maintenance cost for TPG’s power plant major overhaul in Q3/2022 to enhance efficiency of the power plant while in Q4/2022, the power plant came back to full operation.

**YoY** YE/2022 vs YE/2021

In 2022, the Group reported cost of sales of Baht 630.5 million, increased by Baht 127.9 million or 25.4% from 2021, mainly due to the maintenance cost for TPG’s power plant major overhaul in Q3/2022 to enhance efficiency of the power plant, as well as cost recognition of TBP power plant in 2022 for the full year operation.

### 4. Gross Profit and Gross Profit Margin

Unit: THB million, %





## YoY Q4/2022 vs Q4/2021

**Gross profit:** In Q4/2022, the Group recorded Gross profit of Baht 81.1 million, increased by Baht 16.0 million or 24.6% from Q4/2021, mainly due to :

- **Gross profit from Selling Electricity:** In Q4/2022, the Group recorded Gross profit of Baht 80.3 million, increased by Baht 16.5 million or 25.9% from Q4/2021, mainly due to the increase in Ft Rate (Float time) resulting in the average selling price to increase. Along with the revenue recognition of TBP power plant from additional power purchasing agreement and the ability of TBP power plant to operate at full capacity.
- **Gross profit from Selling Water and Steam:** In Q4/2022, the Group recorded Gross profit of Baht 0.5 million, decreased by Baht 0.3 million or 37.5% from Q4/2021, mainly due to the maintenance shutdown of TBP for a major overhaul in Q4/2021 resulting in more unused steam. The Group was able to sell more steam resulting in higher revenue in Q4/2021.
- **Gross profit margin from Solid Waste Management:** In Q4/2022, the Group recorded Gross profit of Baht 0.3 million, decreased slightly by Baht 0.2 million.

**Gross Profit Margin:** Gross Profit Margin was 33.5%, increased from 29.7% in Q4/2021, mainly due to the increase in Ft Rate (Float time) resulting in the average selling price to increase, along with TBP power plant receiving additional power purchasing agreement and the ability of TBP power plant to operate at full capacity.

## QoQ Q4/2022 vs Q3/2022

**Gross Profit:** In Q4/2022 the Group recorded Gross Profit of Baht 81.1 million, increased by Baht 5.8 million or 7.7% from Q3/2022, mainly due to :

- **Gross profit from Selling Electricity :** In Q4/2022, the Group recorded Gross profit of Baht 80.3 million, increased by Baht 6.3 million or 8.5%, mainly due to the increase in Ft Rate (Float time) resulting in the average selling price to increase, as well as the ability of TPG power plant to operate at full capacity after the maintenance shutdown of TPG for a major overhaul in Q3/2022.
- **Gross profit from Selling Water and Steam :** In Q4/2022, the Group recorded Gross profit of Baht 0.5 million, decreased by Baht 0.3 million or 37.5% from Q3/2022, mainly due to the decrease in steam sales from TBP power plant to a related company because of normal operation of the TCP steam boiler, resulting in decrease of steam revenue. However, the Group can operate at its full capacity by using this production capacity to generate electricity and sell to TCP instead.
- **Gross profit margin from Solid Waste Management :** In Q4/2022, the Group recorded Gross profit of Baht 0.3 million, decreased slightly by Baht 0.2 million.

**Gross Profit Margin :** Gross Profit Margin was 33.5%, increased from 30.9% in Q3/2022, mainly due to the increase in Ft Rate (Float time) resulting in the average selling price to increase, as well as the ability of TPG power plant to operate at full capacity.

## YoY YE/2022 vs YE/2021

**Gross Profit:** In 2022, the Group recorded Gross Profit of Baht 307.6 million, increased by Baht 29 million or 10.4% from 2021, mainly due to :

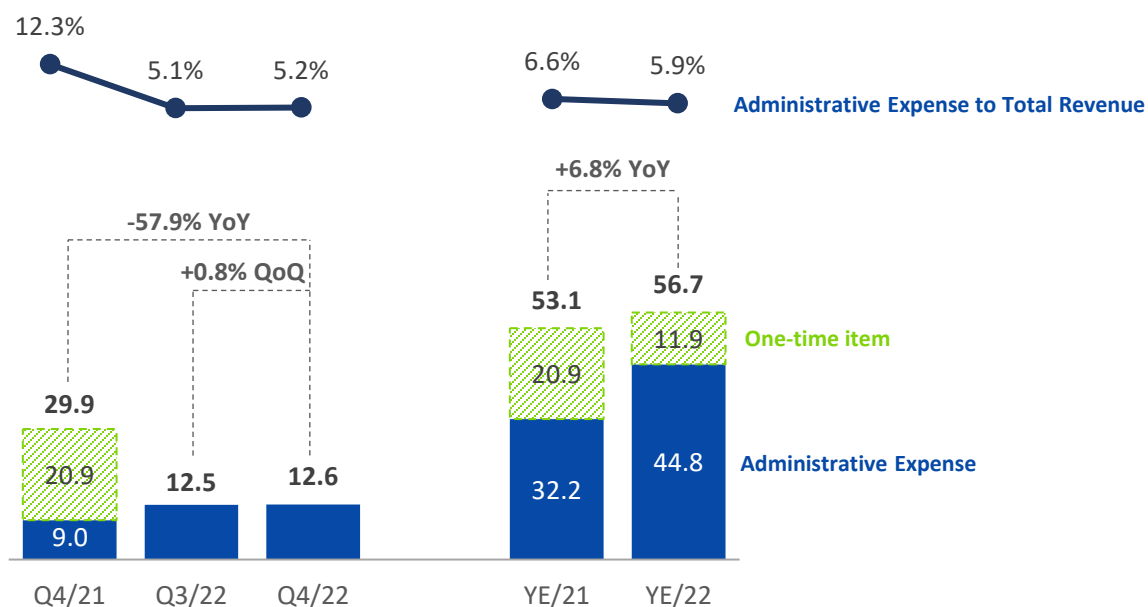
- **Gross profit from Selling Electricity :** In 2022, the Group recorded Gross profit of Baht 303.2 million, increased by Baht 28.4 million or 10.3%, mainly due to the revenue recognition from TBP power plant for the full year in 2022, as well as the increase in Ft Rate (Float Time) resulting in the average selling price to industrial customers to increase, along with the revenue recognition of TBP power plant from additional power purchasing agreement.
- **Gross profit from Selling Water and Steam :** In 2022, the Group recorded Gross profit of Baht 3.0 million, increased by Baht 1.4 million or 87.5% from 2021, mainly due to revenue recognition of TBP steam sales to related parties
- **Gross profit margin from Solid Waste Management :** In 2022, the Group recorded Gross profit of Baht 1.4 million, decreased by Baht 0.8 million or 36.4% from 2021, mainly due to an increase in cost for waste disposal service according to payments collected from local government organizations for the revenue for waste disposal service.

**Gross Profit Margin :** Gross Profit Margin was 32.8%, decreased from 35.7% in 2021, mainly due to the Group's adjustment of product's proportion by increasing the production of steam to enhance efficiency and operate at full capacity. The margin of steam sales is lower in relative to power, resulting in a declining in gross profit margin. In addition, during the period, there was a maintenance shutdown for TPG power plant for a major overhaul, as well as the expiration of FiT premium under PPA of TGE power plant.



## 5. Administrative Expenses

Unit: THB million, %



### YoY Q4/22 vs Q4/21

**Administrative Expense:** In Q4/2022, the Group administrative expenses was Baht 12.6 million, decreased by Baht 17.3 million or 57.9% from Q4/2021, mainly due to the Group had written off machinery parts damaged from the fire incident of the TGE's machineries of Baht 20.9 million. Excluding this extraordinary item, the adjusted administrative expense would increase by Baht 3.6 million or 40% from post-IPO expenses.

**Administrative Expense to Total Revenue:** The percentage of administrative expenses to total revenue was 5.2%, decreased from 12.3% in Q4/2021 mainly due to the recognition of loss from the fire incident of the TGE's machineries in Q4/2021, as well as increase in total revenue.

### QoQ Q4/22 vs Q3/22

**Administrative Expense:** In Q4/2022, the Group administrative expenses was Baht 12.6 million, increased slightly by Baht 0.1 million or 0.8% from Q3/2022.

**Administrative Expense to Total Revenue :** The percentage of administrative expenses to total revenue was 5.2%, increased slightly from 5.1% in Q3/2022

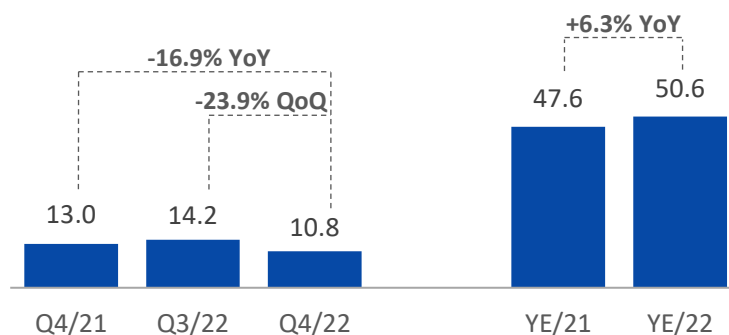
### YoY YE/22 vs YE/21

**Administrative Expense:** In 2022, the Group recorded administrative expenses of Baht 56.7 million, increased by Baht 3.6 million or 6.8% from 2021. In 2021 and 2022, the Group had written off machinery parts and raw materials damaged from the fire incident of Baht 20.9 and 11.9 million respectively. If the extraordinary item is excluded, the adjusted administrative expense would increase by Baht 12.6 million or 39.1% from financial advising fees and other IPO-related costs.

**Administrative Expense to Total Revenue:** The percentage of administrative expenses to total revenue was 5.9%, decreased from 6.6% in 2021, mainly due to an increase in total revenue and the ability to manage administrative expenses more efficiently.

## 6. Finance Cost

Unit: THB million, %



### YoY Q4/22 vs Q4/21

In Q4/2022, the Group recorded finance cost of Baht 10.8 million, decreased by Baht 2.2 million or 16.9% from Q4/2021, mainly due to loans repayment to related parties according to the objectives specified in the IPO, including repayment of long-term loans from financial institutions.

### QoQ Q4/22 vs Q3/22

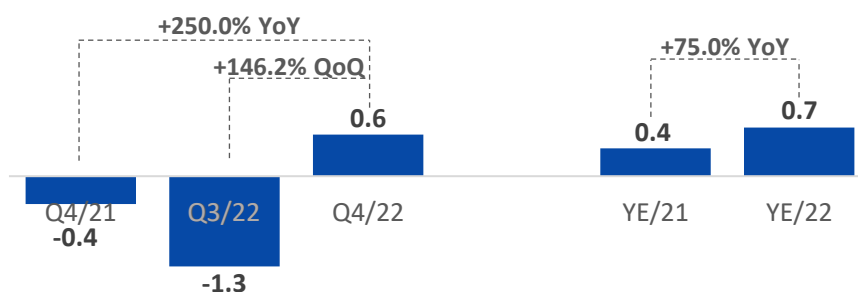
In Q4/2022, the Group recorded finance cost of Baht 10.8 million, decreased by Baht 3.4 million or 23.9% from Q3/2022, mainly due to loans repayment to related parties according to the objectives specified in the IPO, including repayment of short-term loans from financial institutions.

### YoY YE/22 vs YE/21

In 2022, the Group recorded finance cost of Baht 50.6 million, increased by Baht 3.0 million or 6.3% from 2021, mainly due to an increase in interest expense from TBP power plant as it has been recognized as expense instead of cost of asset after the COD of power plant.

## 7. Tax Expense (Income)

Unit: THB million, %



### YoY Q4/22 vs Q4/21

In Q4/2022, the Group recorded tax expense (Income) of Baht 0.6 million, increased by Baht 1.0 million or 250.0%, mainly due to end of corporate income tax exemption for TGE power plants by BOI since 7 May 2022. However, the Group get 50% reduction of corporate income tax from the normal rate for 5 years (from 20% to 10%) until 7 November 2027.

### QoQ Q4/22 vs Q3/22

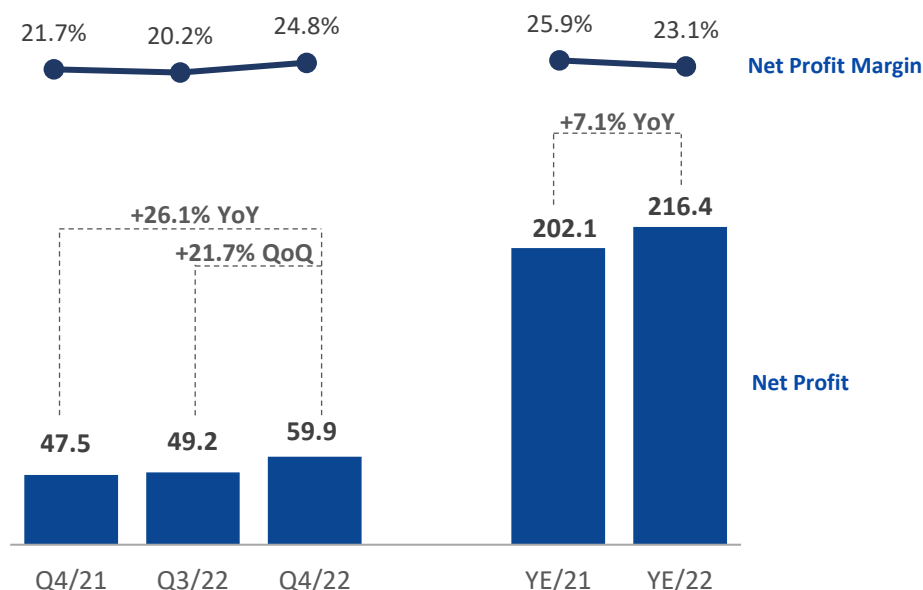
In Q4/2022, the Group recorded tax expense (Income) of Baht 0.6 million, increased by Baht 1.9 million or 146.2% from Q3/2022, mainly due to change in corporate income tax benefits of TGE power plants.

### YoY YE/22 vs YE/21

In 2022, the Group recorded tax expense (Income) of Baht 0.7 million, increased by Baht 0.3 million or 75.0% from 2021, mainly due to end of full corporate income tax exemption of TGE power plants from BOI privilege since 7 May 2022. However, the Company still has the corporate income tax exemption of 50% from the normal rate for 5 years (from 20% to 10%) until 7 November 2027.

## 8. Net Profit and Net Profit Margin

Unit: THB million, %



### YoY Q4/22 vs Q4/21

**Net Profit:** In Q4/2022, the Group recorded Net profit of Baht 59.9 million, increased by Baht 12.4 million or 26.1% from Q4/2021, mainly due to the increase in Ft Rate (Float time), as well as from TBP receiving additional power purchasing agreement of 6 MW.

**Net Profit Margin:** Net Profit Margin was 24.8%, increased from 21.7% in Q4/2021, mainly due to the increase in Ft Rate (Float time), as well as from TBP receiving additional power purchasing agreement, along with the ability of the Group to manage administrative expenses more efficiently.

### QoQ Q4/22 vs Q3/22

**Net Profit:** In Q4/2022, the Group recorded Net profit of Baht 59.9 million, increased by Baht 10.7 million or 21.7% from Q3/2022, mainly due to the ability of TPG power plant to operate at full capacity after the maintenance shutdown of TPG for a major overhaul in Q3/2022.

**Net Profit Margin:** Net Profit Margin was 24.8%, increased from 20.2% in Q3/2022, mainly due to the ability of TPG power plant to operate at full capacity.

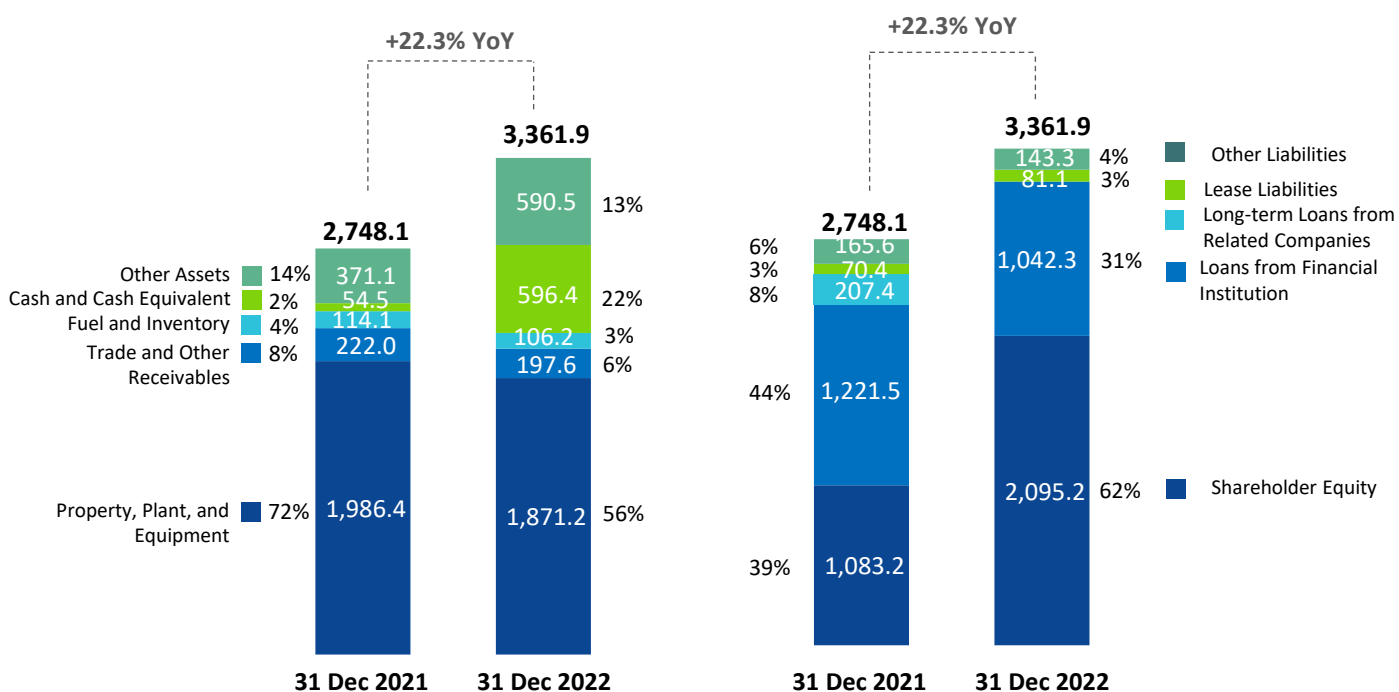
### YoY YE/22 vs YE/21

**Net Profit:** In 2022, the Group recorded Net profit of Baht 216.4 million, increased by Baht 14.3 million or 7.1% from 2021, mainly due to revenue recognition of TBP power plant for the full year in 2022 and increase in revenue from water and steam sales to related parties. Moreover, there was an increase in Ft Rate (Float time), along with TBP receiving additional power purchasing agreement of 6 MW.

**Net Profit Margin:** Net Profit Margin was 23.1%, decreased from 25.9% in 2021, mainly due to the Group's adjustment of product proportion to increase the production of steam to enhance efficiency and operate at full capacity. However, the margin of steam sales is lower in relative to power, resulting in a declining in net profit margin. In addition, during the period, there was a maintenance shutdown of TPG power plant for a major overhaul, as well expiration of FiT premium under PPA of TGE power plant.

# Statement of Financial Position

Unit: Million Baht



## Total Assets

As of 31 December 2022, the total assets of the Group was Baht 3,361.9 million, increased by Baht 613.8 million or 22.3% from 31 December 2021. The significant changes are as follows:

- **Trade and other receivables** : decreased by Baht 24.4 million due to the receiving of insurance compensation from the fire incident
- **Cash and cash equivalents** : increased by Baht 541.9 million from the proceeds from IPO
- **Property, Plant and Equipment** : decreased by Baht 115.2 million due to depreciation in the accounting period

## Total Liabilities

As of 31 December 2022, the total liabilities of the Group was Baht 1,266.7 million, decreased by Baht 398.2 million or 23.9 % from 31 December 2021. The significant changes are as follows:

- **Lease Liabilities**: increased by Baht 10.7 million due to a new lease agreement from the relocation of TGE’s office buildings in Bangkok and Surat Thani in June.
- **Long-term Loans from Related Companies** : decreased by Baht 207.4 million, due to repayment of loans as specified in the IPO’s objectives, as well as the capital restructuring of the Group in order to reduce dependency on related companies
- **Loans from Financial Institution**: decreased by Baht 179.2 million due to the payment of loans according to the agreements.

## Total Shareholders’ Equity

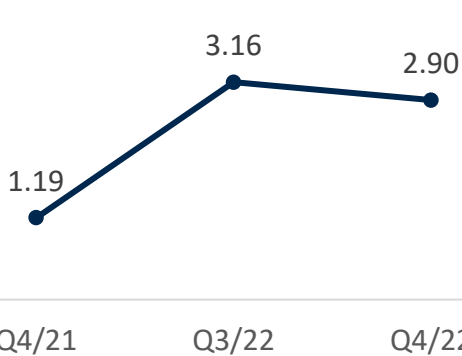
As of 31 December 2022, the total shareholder’s equity of the Group was Baht 2,095.2 million, increased by Baht 1,012.0 million or 93.4% from 31 December 2021. This was mainly due to positive performance as well as the fund raising through IPO.



## Key Financial Ratios

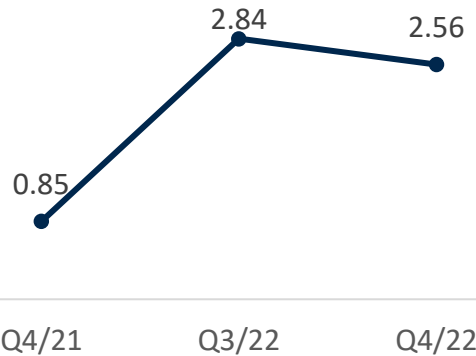
### Current Ratio

Unit: Times



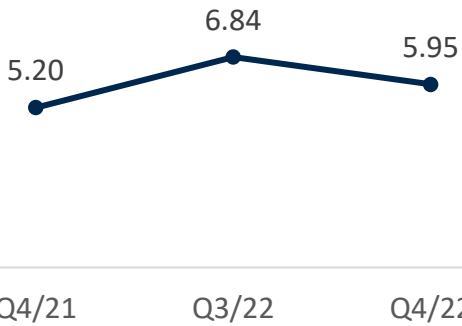
### Quick Ratio

Unit: Times



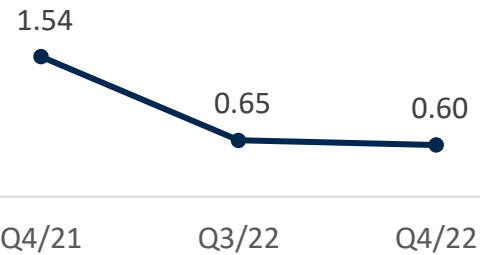
### Account Receivable Turnover Ratio

Unit: Times



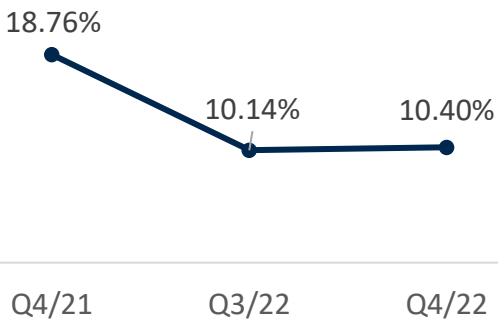
### D/E Ratio

Unit: Times



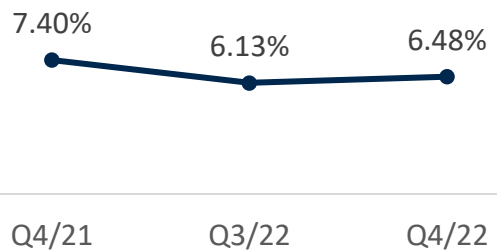
### ROE

Unit: %



### ROA

Unit: %



## Appendix

There are 2 types of the Company's power plant businesses according to the fuels used in production, as listed on the tables

### 1. 3 Operational commercial biomass powerplant projects, as listed on the table

Powerplant / Location	Operated by	Type /Energy source	Installed Capacity (MW)	Amount of electricity offered for long-term (MW) / <sup>1</sup>	Amount of electricity offered for short-term (MW) / <sup>1</sup>	Date of commercial operation start
Biomass power plant project TGE (Thachang district, Surat Thani)	TGE	VSPP / Biomass	9.9	7.2	-	8 May 2014
Biomass power plant project TPG (Thachang district, Surat Thani)	TPG	VSPP / Biomass	9.9	9.7	-	7 November 2019
Biomass power plant project TBP (Thachang district, Surat Thani)	TBP	VSPP / Biomass	9.9	3.4	6.0	25 May 2021
<b>Total</b>			<b>29.7</b>	<b>20.3</b>	<b>6.0</b>	

### 2. Municipal waste projects

2.1 5 projects are under the development, as listed on the table

Power plant / Location	Operated by	Type /Energy source	Installed Capacity (MW)	Amount of electricity offered (MW) / <sup>1</sup>	Date of commercial operation start
Municipal waste power plant project TES SKW (Watthana Nakorn district, Sa Kaeo)	TES SKW	VSPP / Municipal waste	8.0	6.0	Within 2524
Municipal waste power plant project TES RBR (Mueang district, Ratchaburi)	TES RBR	VSPP / Municipal waste	8.0	6.0	Within 2524
Municipal waste power plant project TES CPN (Mueang district, Chumphon)	TES CPN	VSPP / Municipal waste	6.0	4.0	Within 2524
Municipal waste power plant project TES TCN (Samut Sakorn)	TES TCN	VSPP / Municipal waste	9.9	8.0	Within 2525
Municipal waste power plant project TES CNT (Chainat)	TES CNT	VSPP / Municipal waste	8.0	6.0	Within 2525
<b>Total</b>			<b>39.9</b>	<b>30.0</b>	

2.2 2 projects in the bidding preparation with the Local Government Organizations, as listed on the table

Power plant/ location	Operated by	Type /Energy source
1. Municipal waste power plant TES PRI (Prachin Buri)	TES PRI	VSPP / Municipal waste
2. Municipal waste power plant TES UBN (Ubon Ratchathani)	TES UBN	VSPP / Municipal waste