

TRANSLATION

TTCL PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. Operating Performance for the period ended March 31, 2023

For period ending 31st March 2023, the Company reported Gross Profit at THB 254 million, increasing 19% year over year, mainly driven by Revenues from construction and service (EPC).

The foreign exchange difference on translation financial statement was THB -92 million. Therefore, the total comprehensive income for the period was THB 39 million.

The net profit for the period was THB 131 million, which attributed to the Company at THB 130 million with earnings profit of THB 0.21 per share.

2. Management Discussion and Analysis Report according to consolidated financial statements

For the Three-month period ended

(Unit: Million Baht)

	31-Mar-23		31-Mar-22		Change
Revenues from construction and service	3,841.48	100%	2,580.46	99%	49%
Revenues from operating the power plant	13.80	0%	13.08	1%	6%
Revenue from sale	1.14	0%	-	0%	100%
Total revenues	3,856.42	100%	2,593.54	100%	49%
<u>Less</u> Cost of construction and services (EPC)	(3,598.87)	93%	(2,376.61)	92%	51%
<u>Less</u> Cost of operating the power plant	(2.41)	0%	(2.80)	0%	-14%
<u>Less</u> Costs of goods sold	(1.39)	0%	-	0%	100%
Total Costs	(3,602.66)	93%	(2,379.41)	92%	51%
Gross profit	253.76	7%	214.13	8%	19%
<u>Add</u> Other income	24.23	1%	31.32	1%	-23%
<u>Add</u> Reversal allowance for doubtful accounts	0.00	0%	570.95	22%	-100%
<u>Less</u> Administrative Expenses	(161.84)	4%	(239.25)	9%	-32%
<u>Add/(Less)</u> Gain (Loss) on exchange rate, net	27.66	1%	(3.77)	0%	834%
<u>Add</u> Share of Profit / (Loss) of Joint venture	47.74	1%	40.10	2%	19%
Profit before Financial Cost and Income Tax	191.55	5%	613.48	24%	-69%
<u>Less</u> Financial Costs	(41.15)	1%	(29.01)	1%	42%

Profit before Income Tax	150.40	4%	584.47	23%	-74%
Income tax benefit (expenses)	(19.03)	0%	(32.42)	1%	-41%
Net Profit for this period	131.37	3%	552.05	21%	-76%
Other comprehensive income (loss)					
- <u>Add/(Less)</u> Translation adjustments on foreign currency financial statements	(91.88)	2%	9.84	0%	-1034%
Total comprehensive income for the period	39.49	1%	561.88	22%	-93%
Profit attributable to:					
Owners of the parent	129.51		548.77		
Non-controlling interests	1.86		3.27		
	131.37		552.05		
Basic earnings per share (THB)	0.21		0.87		

2.1 Analysis of Revenues, Costs and Expenses

2.1.1 Revenues

Total Revenues recorded at THB 3,856 million, increased 49% when compare to the same period last year.

Revenues	31-Mar-23	31-Mar-22	Change
Revenue from Construction and service	3,841.48	2,580.46	49%
Revenue from operation power plant	13.80	13.08	6%
Revenue from sales	1.14	-	100%
Total Revenues	3,856.42	2,593.54	49%

- EPC Businesses

Revenue from construction and service (EPC) increased by 49% to THB 3,841 million, which improved from last year due to the company had been awarded many new EPC contracts in 2022.

- Power Plant Businesses

Revenue from the operation and maintenance of power plant increased by 6% to THB 14 million.

- Bio Pellets Businesses

Revenue from the sale of product of THB 1 million mainly due to the Company has started selling the sample product from the Black Pellet Demonstration Plant to the potential customer.

2.1.2 Costs & Gross Profit

Gross Profit Comparison

31-Mar-23	Revenue	Cost	Gross profit
EPC construction	3,841.48	(3,598.87)	242.60
Operation of Power Plant	13.80	(2.41)	11.40
Sale of goods	1.14	(1.39)	(0.25)
Total	3,856.42	(3,602.66)	253.76

Gross Profit consists of THB 243 million from construction and service (EPC), THB 11 million from operation and maintenance of power plant, and THB -0.3 million from Sale of goods (Black Pellet). The negative gross profit of sales of goods was due to the selling of sample pellet from Demonstration Plant for the marketing purpose.

The overall Gross Profit margin for the period was 7%, decreasing from 8% during the same period last year, mainly due to higher cost of construction materials and equipment as a result of the ongoing conflict between Russia and Ukraine. Moreover, most of the Front End Engineering Design Work (FEED Work) have progressed into construction projects. Hence, the FEED work usually provide higher profit margin as it only consists of a scope of engineering design.

2.1.3 Other Income / Gain on Exchange Rate

- Other Income decreased by 23% to THB 24 million mainly due to the same period last year the Company had recorded the insurance claim from the Company's subsidiary in Vietnam.
- Gain on Exchange Rate was THB 28 million mainly due to an unrealized gain on account receivable as a result of weaker Thai Baht against EUR.

2.1.4 Administrative Expenses

Administration Expenses decreased by 32% to THB 162 million mainly due to the Company is no longer required to record the Provision Expenses (per adoption of TFRS No. 9).

2.1.5 Share of Profit of Joint Venture

Share of Profit of Joint Venture from the investment in TTGP increased by 19% to THB 48 million as the power plant in Myanmar was operating at its full capacity.

2.1.6 Finance Cost and Income Tax

The Finance cost for the period increased by 42% to THB 41 million due to the debenture issuance of THB 1,500 million during Q2, 2022. Income tax expenses for the period was recorded at THB 19 million.

3. Analysis of Financial Status

3.1 Analysis of Assets

Figures in THB Million	31-Mar-23	31-Dec-22	Increase/(Decrease)	% Change
Current assets	12,788.66	13,252.09	(463.42)	(3.50%)
Non-current assets	5,084.18	4,650.42	433.75	9.33%
Total assets	17,872.84	17,902.51	(29.67)	(0.17%)

As of 31 March 2023, Total Assets were THB 17,873 million, decreased by 0.2% compared with the end of last year.

Total Current Assets decreased by THB 463 million or 4%; major movement as the following items:

- Cash and cash equivalents decreased by THB 1,638 million mainly from the payment for the investment in Black Pellet of THB 588 million, the company's subsidiary in Vietnam has collateral deposit at the bank of THB 165 million, the payment to suppliers which were due of THB 149 million, and the repayment of short term loan to the bank of THB 83 million.
- Trade account receivable – general customers increased by THB 269 million mainly from the increasing number of the customers due to the Company had been awarded many new EPC contracts last year.
- Contract assets - general customers increased by THB 615 million driven by progress in large construction projects.

Total Non-Current Assets increased by THB 434 million or 9% mainly from an increase in Property, plant and equipment of THB 588 million from the investment of Black Pellet.

3.2 Analysis of Liabilities and Shareholders' Equity

Figures in THB Million	31-Mar-23	31-Dec-22	Increase/(Decrease)	% Change
Current Liabilities	12,868.68	13,073.19	(204.51)	(1.56%)
Non-Current Liabilities	1,861.71	1,868.42	(6.71)	(0.36%)
Total Liabilities	14,730.39	14,941.61	(211.22)	(1.41%)
Shareholders' equity	3,142.45	2,960.90	181.55	6.13%
Total Liabilities and shareholders' equity	17,872.84	17,902.51	(29.67)	(0.17%)

As of 31 March 2023, Total Liabilities were THB 14,730 million, decreased by 1% compared with the end of last year.

Total Current Liabilities decreased by THB 205 million or 2%; major movement as the following items:

- Accrued construction costs – general suppliers increased by THB 762 million due to the large projects have progress in the construction.
- Contract liabilities decreased by THB 730 million due to the progress of work delivered to the customer.

Total Non-Current Liabilities slightly decreased by THB 7 million or 0.4% mainly from the decreasing of Lease liabilities of THB 13 million.

Shareholder's equity was THB 3,142 million or increased by 6%. The Shareholders' Equity Opening balance as of the beginning of the year was THB 2,961 million, effect from change in equity of the period consists of 1) Change in proportion of investment in subsidiary of THB -56 million, 2) Subsidiary issued preferred shares of THB 198 million, 3) Other comprehensive income for the period of THB 39 million. Therefore, the Closing Balance of Shareholders' Equity as of 31 March 2023 were THB 3,142 million.

4. Major Financial Measures

4.1. Profitability Ratios	31-Mar-23	31-Mar-22	Favorable/Unfavorable
4.1.1. Gross profit margin	6.58%	8.26%	Unfavorable
4.1.2. Net profit margin	3.41%	21.29%	Unfavorable
4.1.3. Times Interest Earned ratio	4.66	21.14	Unfavorable
4.1.4. Earnings per share	0.21	0.87	Unfavorable

4.2. Leverage Ratios	31-Mar-23	31-Dec-22	Favorable/Unfavorable
4.2.1. Current ratio	0.99	1.01	Neutral
4.2.2. Debt/ Equity ratio	4.69	5.05	Favorable
4.2.3. Interest-Bearing Debt/ Equity ratio	0.81	0.88	Favorable

4.3. Shareholders Value Ratios	31-Mar-23	31-Dec-22	Favorable/Unfavorable
4.3.1. Net Book Value	5.10	4.81	Favorable
4.3.2. Return on total assets	0.74%	3.78%	Unfavorable
4.3.3. Return on equity	4.18%	22.86%	Unfavorable