

Sahacogen (Chonburi) Public Company

Management's Discussion and Analysis (MD&A)



For the Fiscal Year Ended
31 December 2023



Executive Summary

Key Milestone

🕒 NOVEMBER 2023

Secured Rating “A” from the announcement of the results of SET ESG Ratings 2023 and has been included in the Thailand Sustainability Investment Index (THSI) for 6 consecutive years.

This resulted from the business operations with responsible for all stakeholders and awareness of Environmental, Social and Governance (ESG) to achieve sustainable growth.

Sahacogen Green Co., Ltd. – a subsidiary of the Company, has been started commercial operation (COD) of the Solar Rooftop Projects

with the total installed capacity of 0.6 MW to additional supply the green electricity for the 3 hospitals under the Principal Healthcare Company Limited.

🕒 DECEMBER 2023

Solarist Thungfai Co., Ltd. – a subsidiary of the Company, signed 25-year Power Purchase Agreements with Electricity Generating Authority of Thailand (EGAT) to develop and operate the ground-mounted solar power plant project with the contracted capacity of 27 MW which scheduled commercial operation (SCOD) within the year 2030.

Started commercial operation of the 1st Phase of the Solar Rooftop Project with the installed capacity of 0.89 MW to supply the green electricity to Thai Samsung Electronics Co., Ltd. via Saha Pathana Inter-holding PCL. from the total installed capacity of 5.15 MW as signed the Private Power Purchase Agreements on March 2023.

Executive Summary

Key Financial Highlight

| | Y2022 | Y2023 | Change |
|--|-------------|-------------|--------|
| | THB million | THB million | % |
| Revenue from Sales and Rendering of Services | 5,744.06 | 5,048.07 | -12.1% |
| Earnings Before Interest, Tax, Depreciation, and Amortization* | 580.69 | 808.73 | 39.3% |
| Profit (loss) for the period | (229.17) | 94.04 | 141.0% |
| Profit (loss) from operating activities | (181.00) | 253.39 | 240.0% |
| <hr/> | | | |
| EBITDA Margin (%) | 10.66 | 14.92 | |
| Operating Profit Margin (%) | (3.67) | 5.02 | |

* EBITDA: Earnings Before Interest, Tax, Depreciation, and Amortization = Operating Profit + Depreciation, and Amortization

Revenue from Sales and Rendering of Services

Revenue from Sales and Rendering of Services were THB 5,048.07 million decreased by 12.1% mainly from decreasing of the EGAT's natural-gas-indexed electricity selling price and the Industrial Users' steam selling price indexed by fuel oil and natural price while the Industrial Users' selling electricity price was increased in accordant with the Fuel Adjustment (Ft). The electricity and steam sales to Industrial Users were slightly dropped resulted from the economic slowdown.

Earnings Before Interest, Tax, Depreciation, and Amortization

EBITDA was THB 808.73 million which increased by 39.3% which EBITDA Margin of 14.92%

Profit (loss) from operating activities

Profit from operating activities were THB 253.39 million which increased 240.0% caused by the decreasing of natural gas prices of 21.8% while the Industrial Users' electricity selling price, adjusted by the Fuel Adjustment (Ft), was raised by 11.3% (contributing 31 percent of revenue from sales and rendering of services) including the insurance compensation income less the expenses related to the damaged asset.

Profit (loss) for the year

Net Profit of THB 94.04 million which increased by 141.0% and deducted Non-Controlling Interests which resulted Net Profit attributable to shareholders of the Company was THB 92.28 million, increased by 139.5%.

Financial Performance

Revenue Structure

| Electricity | Y2022 | Y2023 | Change |
|--|--------------|--------------|---------------|
| | GWh | GWh | % |
| Sales to EGAT | | | |
| Power Plant - Sriracha | 607.89 | 585.21 | -3.7% |
| Sales to PEA | | | |
| Power Plant - Lamphun | 66.24 | 66.61 | 0.6% |
| Power Plant – Kamphaeng Phet | 57.43 | 53.60 | -6.7% |
| Sales to IUs in Sriracha Saha Group Industrial Park | | | |
| Power Plant - Sriracha | 390.67 | 368.61 | -5.7% |

| Steam | 2022 | 2023 | Change |
|--|-------------|-------------|---------------|
| | Ton | Ton | % |
| Sales to IUs in Sriracha Saha Group Industrial Park | | | |
| Power Plant - Sriracha | 316,846 | 301,349 | -4.9% |
| Sales to IUs in Lamphun Saha Group Industrial Park | | | |
| Power Plant - Lamphun | 94,031 | 95,533 | 1.6% |

Financial Performance

Expenses Structure

| | 2022 | 2023 | Change |
|---|-----------------|-----------------|---------------|
| | THB million | THB million | % |
| Cost of Sales and Rendering of Services | 5,803.47 | 4,809.20 | -17.1% |
| Administrative Expenses | 151.37 | 358.85 | 137.1% |
| Total Expenses | 5,954.84 | 5,168.05 | -13.2% |
| Share of profit (loss) of associate accounted for using equity method | 1.98 | 13.06 | 559.7% |
| Financial cost | 107.59 | 135.97 | 26.4% |
| Income tax benefit (expenses) | 57.44 | (36.44) | -163.4% |
| Profit (loss) for the period | (229.17) | 94.04 | 141.0% |

Cost of Sales and Rendering of Services

Decreased by 17.1% mainly from the decreasing of natural gas prices of 21.8%.

Administrative Expenses

Increased by 137.1% because during the year 2023, the Company recognized an impairment loss of assets related to the damaged asset in amounting to THB 196.65 million which received the insurance compensation income.

Share of Profit (Loss) of Associate Accounted for using Equity Method

Increased by 559.7% which influenced by the performance of the associated company in the year 2023.

Financial Cost

Increased by 26.4% which from the increment of Interest-Bearing Debt by issued of debenture in September 2022 and interest rate hike.

Income Tax Benefit (Expenses)

Tax expenses were increased by 163.4% resulted from the effect of deferred tax calculation which in line with the operating result.

Financial Position

Financial Statement

| | 31/12/2022 | 31/12/2023 | Change |
|---|-----------------|-----------------|--------------|
| | THB million | THB million | % |
| Cash and Cash Equivalents and Short-Term Investment | 1,081.81 | 964.99 | -10.8% |
| Property, Plant and Equipment - Net | 5,825.00 | 7,103.08 | 21.9% |
| Total Asset | 8,520.77 | 9,940.79 | 16.7% |
| Interest-Bearing Debt | 3,995.79 | 5,131.42 | 28.4% |
| Total Liabilities | 4,827.66 | 6,206.97 | 28.6% |
| Total equities attributable to Owner of the Company | 3,613.29 | 3,654.75 | 1.2% |
| Total Equity | 3,693.11 | 3,733.81 | 1.1% |
| <hr/> | | | |
| <i>Current Ratio (times)</i> | 1.69 | 0.81 | |
| <i>Debt to Equity Ratio (times)</i> | 1.31 | 1.66 | |
| <i>Net Debt to Equity Ratio (times)**</i> | 0.79 | 1.12 | |

** Net Debt to Equity Ratio = (Interest Bearing Debt – Cash and cash equivalents and short-term investment) ÷ equity

Change in Capital Structure

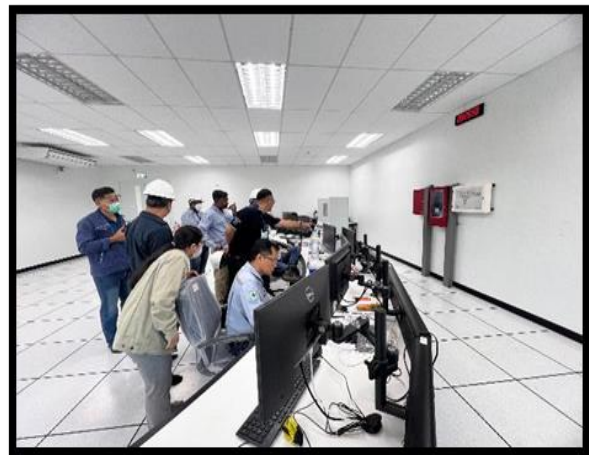
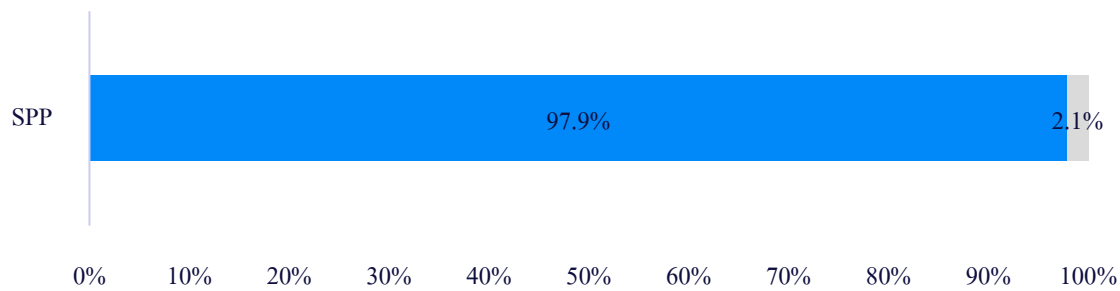
- **Total Assets:** increased by 16.7% which form the increment of Property, Plant and - net in amount of THB 1,992.03 million, generally from the construction of SPP Replacement Project.
- **Interest-Bearing Debt:** increased by 38.4% mainly from the increased of short-term loan from banks THB 1,309 million and long-term loan from bank for the Solar Rooftop Project 173 million.
- **Total Equities:** increased by 1.1% from the Profit for the year 2023.
- **Net Debt to Equity ratio:** increased to 1.12 from the increased of Interest-Bearing Debt during the year 2023.

Projects under Construction

I. SPP REPLACEMENT

| | | |
|----------------------|--------------|------------|
| Installed Capacity | MW | 79.5 |
| Steam Capacity | Ton per hour | 75 |
| Shareholding Portion | % | 100 |
| SCOD | | April 2024 |
| EGAT PPA | year | 25 |

% Progress

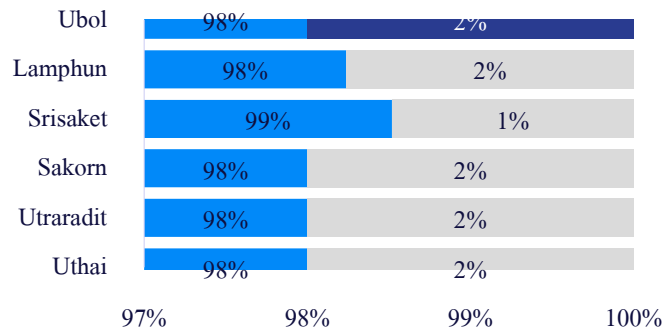


Projects under Construction

2.SOLAR ROOFTOP - PRINC

| | | Lamphun | Sisaket | Sakhon | Uttaradit | Uthai Thani | Ubon Ratchathani |
|----------------------|------|----------|----------|----------|------------|----------------|---------------------|
| Installed Capacity | MW | 0.27 | 0.20 | 0.22 | 0.23 | 0.11 | 0.17 |
| Shareholding Portion | % | 100 | 100 | 100 | 100 | 100 | 100 |
| SCOD | | Nov 2023 | Aug 2023 | Nov 2023 | March 2024 | Nov 2023 | March 2024 |
| Private PPA | year | 25 | 25 | 25 | 25 | 25 | 25 |

% Progress

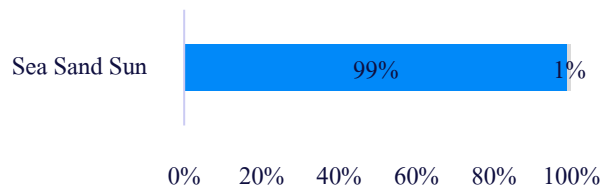


Projects under Construction

3. SOLAR ROOFTOP - SEA SAND SUN

| | | |
|----------------------|------|----------|
| Installed Capacity | MW | 0.19 |
| Shareholding Portion | % | 100 |
| SCOD | | Nov 2023 |
| EGAT PPA | year | 20 |

% Progress

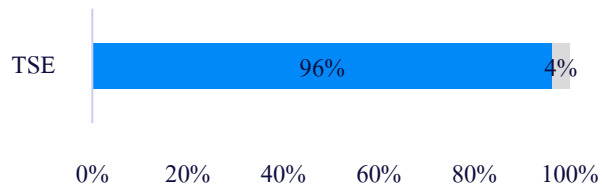


Projects under Construction

4. SOLAR ROOFTOP-THAI SAMSUNG

| | | |
|--------------------------|------|------------|
| Installed Capacity | MW | 5.15 |
| Shareholding Portion | % | 100 |
| SCOD | | April 2024 |
| Power Purchase Agreement | Year | 15 |

% Progress

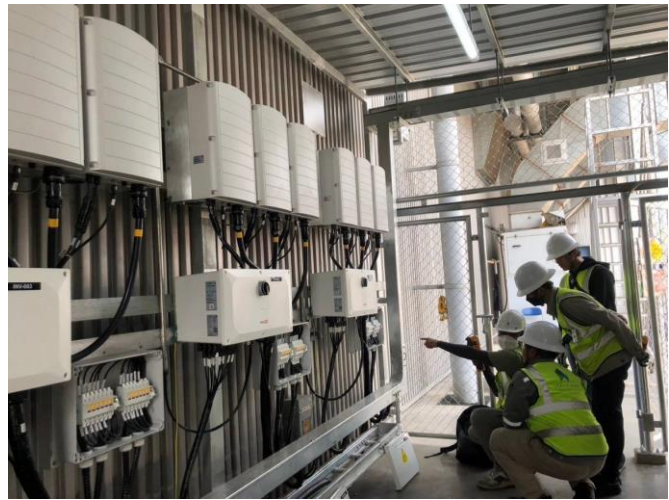
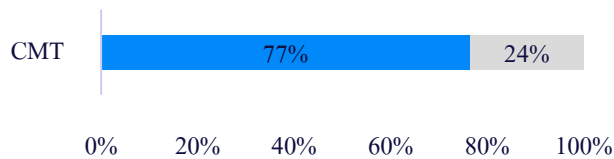


Projects under Construction

5.SOLAR ROOFTOP – Carbon Magic (Thailand)

| | | |
|--------------------------|------|------------|
| Installed Capacity | MW | 0.606 |
| Shareholding Portion | % | 100 |
| SCOD | | April 2567 |
| Power Purchase Agreement | Year | 15 |

% Progress



The Management Discussion and Analysis of the Company's Performance (the "MD&A") is proposed to present and analyze the operational results and financial position at the end of the accounting period. Such information may change in the future. The MD&A is primarily prepared in Thai. In cases where the content in the translation contains any conflict or is interpreted differently from the Thai version, the Thai version shall prevail. For questions or queries, please contact our Investor Relations Department: Tel: +66 (0) 38-481-555 or Email: investorrelation@sahacogen.com