

9<sup>th</sup> August 2024

Subject: Management Discussion and Analysis for the period ended 30 June 2024

 To: The President  
 The Stock Exchange of Thailand

SAAM Development Public Company Limited (the “Company”) would like to provide explanation and analysis regarding financial performance and position for the 6-month period ended 30 June 2024 as follows:

**(1) Financial performance**

Statement of income	Consolidated Financial Statements for					
	6-Month period ended 30 June 2024 (Unaudited but reviewed)		6-Month period ended 30 June 2023 (Unaudited but reviewed)		Change Increase (Decrease)	
	Million THB	%	Million THB	%	Million THB	%
<b><u>Revenue</u></b>						
Sales income	9.36	25.14	9.27	25.21	0.09	1.03
Service and rental income	26.87	72.14	26.87	73.10	-	-
Net gain on exchange rate	0.52	1.39	0.16	0.44	0.36	221.74
Other income	0.50	1.33	0.46	1.24	0.04	8.53
<b>Total revenues</b>	<b>37.25</b>	<b>100.00</b>	<b>36.76</b>	<b>100.00</b>	<b>0.49</b>	<b>1.34</b>
<b><u>Expenses</u></b>						
Cost of sales	3.10	8.32	3.06	8.33	0.04	1.18
Cost of service and rental	6.60	17.71	6.31	17.17	0.29	4.53
Selling and service expenses	0.08	0.22	0.08	0.23	-	-
Administrative expenses	12.32	33.08	10.97	29.84	1.35	12.32
<b>Total expense</b>	<b>22.10</b>	<b>59.33</b>	<b>20.43</b>	<b>55.57</b>	<b>1.67</b>	<b>8.19</b>
<b>Profit from operating activities</b>	<b>15.15</b>	<b>40.67</b>	<b>16.33</b>	<b>44.43</b>	<b>(1.18)</b>	<b>(7.24)</b>
Share of loss of associate from using equity method	1.10	2.94	1.03	2.81	0.06	5.90
Finance cost	1.37	3.66	1.34	3.64	0.03	2.02
<b>Profit before income tax expenses</b>	<b>12.69</b>	<b>34.06</b>	<b>13.96</b>	<b>37.97</b>	<b>(1.27)</b>	<b>(9.10)</b>
Income tax expenses	3.71	9.97	1.99	5.40	1.73	86.91
<b>Profit for the period</b>	<b>8.98</b>	<b>24.10</b>	<b>11.97</b>	<b>32.57</b>	<b>(2.99)</b>	<b>(25.03)</b>
<b>Profit for equity holders of the Company</b>	<b>8.98</b>	<b>24.10</b>	<b>11.97</b>	<b>32.57</b>	<b>(2.99)</b>	<b>(25.03)</b>
Profit for non-controlling interests of the subsidiaries	0.00	0.00	0.00	0.00	(0.00)	(67.69)

## Revenue

Total revenues from operation of SAAM Group consist of (1) Sales income from the sale of electricity from its own solar power project operated by its direct subsidiary, and (2) Service and rental income from project site procurement and provision of related services within solar power projects which SAAM Group provides to client who operates 17 solar power projects in Thailand

For the 6-month period ended 30 June 2024, total revenues amounting to THB 37.25 million, a THB 0.49 million or 1.34% increase from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 36.76 million) mainly due to the subsidiary's revenue from sale of electricity recognition which is varied in line with the irradiation quantity at different time of the year, while as a slightly change in other income, which mainly comprised of interest income and consultation income, not related to business operations.

### ○ Sales income

SAAM Group's income from sale of electricity in Thailand which is operated by SAAM-SP1. For the 6-month period ended 30 June 2024, electricity sales amounting to THB 9.36 million, representing 25.14% of total revenue, reflecting a THB 0.09 million or 1.03% increase from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 9.27 million).

### ○ Service and rental income

For the 6-month period ended 30 June 2024, SAAM Group's service and rental income, representing stable income generation from long-term contracts with customers operating solar power projects in Thailand amounting to THB 26.87 million, representing 72.14% of total revenue.

### ○ Net gain on exchange

For the 6-month period ended 30 June 2024, SAAM Group's gain from foreign exchange amounting to THB 0.52 million, representing 1.39% of total revenue due to exchange rate fluctuations as SAAM Group has equipment deposit in US Dollar, bank deposits in US Dollar and Japanese Yen currency for foreign subsidiaries, and business transactions related to the development of renewable energy projects in Japanese Yen.

## Expenses

Cost of sales and services consists of cost of sales from renewable energy investment business, while cost of services and rental consists of cost of project site procurement and rendering of related services business, renewable energy project development for sale business, and renewable energy project development in accordance with client's requirements business. For the 6-month period ended 30 June 2024, cost of sales and services amounting to THB 9.70 million, reflecting a THB 0.32 million or 3.44% increase from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 9.37 million).

Consolidated financial statements Cost of sales and services	6-Month period ended 30 June 2024 (Unaudited but reviewed)		6-Month period ended 30 June 2023 (Unaudited but reviewed)		Change Increase (Decrease)	
	Million THB	%	Million THB	%	Million THB	%
	Cost of sales – sale of electricity	3.10	31.96	3.06	32.68	0.04
Cost of services and rental – provision of services and development of renewable energy projects	6.60	68.04	6.31	67.32	0.29	4.53
<b>Total</b>	<b>9.70</b>	<b>100.00</b>	<b>9.37</b>	<b>100.00</b>	<b>0.32</b>	<b>3.44</b>

○ **Cost of sales**

Cost of sales related to generation and distribution of electricity under SAAM-SP1 mainly includes (1) Depreciation expense for the solar power project, (2) Operation and maintenance, and (3) Other costs such as utility expenses, insurance premium, and power development fund expense. For the 6-month period ended 30 June 2024, cost of sales amounting to THB 3.10 million, which is slightly increased from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 3.06 million).

○ **Cost of services and rental**

Cost of services and rental mainly consists of (1) Cost of the provision of related services within solar power projects which SAAM Group provides to client, and costs related to renewable energy project development overseas, (2) Land rental for solar projects operating under SAAM, SAAM-1, SAAM-2, and SAAM-3, and (3) Depreciation expense for buildings and equipment. For the 6-month period ended 30 June 2024, cost of services and rental amounting to THB 6.60 million, which is slightly increased from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 6.31 million).

For the 6-month period ended 30 June 2024, SAAM Group's gross profit amounting to THB 26.54 million, representing gross profit margin of 73.24% of operating revenue, a THB 0.23 million or 0.85% decrease from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 26.77 million) mainly attribute to the slightly increase in cost of rendering of services and rental.

○ **Administrative expenses**

For the 6-month period ended 30 June 2024, administrative expenses amounting to THB 12.32 million, a THB 1.35 million or 12.32% increase from the same period of the previous year (for the 6-month period ended 30 June 2023: THB 10.97 million). Administrative expenses mainly include salary, employee and management benefits, office rental, travel expenses, and professional fees. The increase in administrative expenses is mainly due to an increase in salaries, wages and other employee benefits and welfare.

**Net profit**

For the 6-month period ended 30 June 2024, SAAM Group's net profit amounting to THB 8.98 million, a THB 2.99 million or 25.03% decrease from the same period of the previous year (for the 6-month period

ended 30 June 2023: THB 11.97 million), mainly due to the increase in administrative expenses as described above and income tax expense due to the expiration of the subsidiary's promotional privilege.

## (2) Financial position

Financial Position	Consolidated financial statements					
	As of 30 June 2024 (Unaudited but reviewed)		As of 31 December 2022 (Audited)		Change Increase (Decrease)	
	THB million	%	THB million	%	THB million	%
Total assets	501.94	100.00	505.26	100.00	(3.32)	(0.66)
Total liabilities	88.07	17.55	92.86	18.38	(4.79)	(5.16)
Total shareholders' equity	413.87	82.45	412.40	18.62	1.47	0.36

### Assets

At the end of Quarter 2 of 2024, SAAM Group presented total assets of THB 501.94 million, mainly comprising the property, plant, and equipment (PPE) including solar power project and land under its subsidiary, and investment properties including project land used as site location for clients' solar power projects. Total assets decreased by THB 3.32 million or 0.66% from the end of the previous year (end of 2023: THB 505.26 million).

### Liabilities

At the end of Quarter 2 of 2024, SAAM Group presented total liabilities of THB 88.07 million, a slightly decreased by THB 4.79 million or 5.16% from the end of the previous year (end of 2023: THB 92.86 million) due to the repayment of long-term loan from financial institution and repayment of liabilities under lease agreements.

### Shareholders' equity

At the end of Quarter 2 of 2024, SAAM Group presented total shareholders' equity of THB 413.87 million, a THB 1.47 million or 0.36% increase from the end of the previous year (end of 2023: THB 412.40 million) mainly due to SAAM Group's generation of net profit.

Please be informed accordingly,

Yours sincerely,

Mr. Podduang Kongkamee

Chief Executive Officer