

ALPHAXSET-2411-003

November 14, 2024

Subject: Management Discussion and Analysis for Quarter 3/2024

To: President and Manager
The Stock Exchange of Thailand

Alpha Divisions Public Company Limited (“the Group”) would like to clarify operating results for Quarter 3/2024. The main reasons are as follows:

Overall operating performance of the Group

Unit: Million Baht

Consolidated Financial Statements	3M		Change QoQ	%	3M		%	9M		Change YTD	%
	Q3/24	Q2/24			Q3/23	YoY		Q3/24	Q3/23		
Revenue	72.39	36.89	35.50	96%	16.40	55.99	341%	137.21	52.99	84.22	159%
Cost	(10.09)	(14.67)	4.58	31%	(3.49)	(6.60)	-189%	(25.42)	(5.22)	(20.20)	-387%
Gross profit	62.30	22.22	40.08	180%	12.91	49.39	383%	111.79	47.77	64.02	134%
Interest income	25.86	23.73	2.13	9%	1.18	24.68	2092%	75.35	2.92	72.43	2480%
Other income	3.82	5.45	(1.63)	-30%	0.92	2.90	315%	12.73	2.24	10.49	468%
Gain on bargain purchase	-	-	-	0%	-	-	0%	107.79	-	107.79	100%
Gain on disposal of investment	58.75	-	58.75	100%	-	58.75	100%	58.75	-	58.75	100%
Gain (loss) on foreign exchange rate	99.58	13.69	85.89	627%	(12.47)	112.05	899%	84.91	(15.06)	99.97	664%
Distribution costs	-	(0.69)	0.69	100%	(0.66)	0.66	100%	(1.26)	(2.60)	1.34	52%
Administrative expenses	(41.86)	(43.56)	1.70	4%	(40.62)	(1.24)	-3%	(129.63)	(100.51)	(29.12)	-29%
Finance costs	(6.65)	(7.45)	0.80	11%	(0.22)	(6.43)	-2923%	(14.09)	(0.88)	(13.21)	-1501%
Profit (loss) before tax expense	201.80	13.39	188.41	1407%	(38.96)	240.76	618%	306.34	(66.12)	372.46	563%
Tax (expenses) income	0.37	(6.39)	6.76	106%	0.11	0.26	236%	(10.85)	0.65	(11.50)	-1769%
Profit (loss) from continuing operation	202.17	7.00	195.17	2788%	(38.85)	241.02	620%	295.49	(65.47)	360.96	551%
Profit (loss) from discontinued operation	(3.39)	(0.76)	(2.63)	-346%	(11.05)	7.66	69%	(13.16)	(23.76)	10.60	45%
Net Profit (loss)	198.78	6.24	192.54	3086%	(49.90)	248.68	498%	282.33	(89.23)	371.56	416%
Equity holders of the Company	196.78	5.56	191.22	3439%	(47.21)	243.99	517%	280.54	(85.88)	366.42	427%

Revenue

Unit: Million Baht

Consolidated Financial Statements	3M		Change QoQ	%	3M		%	6M		Change YTD	%
	Q2/24	Q1/24			Q2/23	YoY		Q2/24	Q2/23		
Continuing operation											
Revenue from main business											
Energy business	50.51	14.20	36.31	256%	-	50.51	100%	64.71	-	64.71	100%
Leasing business and Microfinance business	21.88	22.69	(0.81)	-4%	16.08	5.80	36%	71.14	52.12	19.02	36%
Hemp/Cannabis business	-	-	-	-	0.32	(0.32)	-100%	1.36	0.87	0.49	56%
Total revenue from main business	72.39	36.89	35.50	96%	16.40	55.99	341%	137.21	52.99	84.22	159%
Interest income	25.86	23.73	2.13	9%	1.18	24.68	2092%	75.35	2.92	72.43	2480%
Other income	3.82	5.45	(1.63)	-30%	0.92	2.90	315%	12.73	2.24	10.49	468%
Gain on bargain purchase	-	-	-	-	-	-	-	107.79	-	107.79	100%
Gain on disposal of investment	58.75	-	58.75	100%	-	58.75	100%	58.75	-	58.75	100%
Total revenue	160.82	66.07	94.75	143%	18.50	142.32	769%	391.83	58.15	333.68	574%
Discontinued operation											
Property development business	-	72.15	(72.15)	-100%	1.11	(1.11)	-100%	103.67	45.11	58.56	130%

Financial Performance Summary for the 3-month period ended in Quarter 3/2024 compared with Quarter 2/2024 (QoQ)

Total revenue from main business from continuing operation of the Group for the 3-month period ended in quarter 3/2024 amounted to Baht 72.39 million, an increase of Baht 35.50 million, or 96% increase from the previous quarter, due to an increase in revenue from energy business.

Net profit attributable to the parent company for the 3-month period of quarter 3/2024 amounted to Baht 196.78 million, an increase from the previous period by Baht 191.22 million or an increase of 3,439%, due to an increase in revenue from energy business amounted to Baht 36.31 million, gain on disposal of investment amounted Baht 58.75 million and gain on foreign exchange rate amounted Baht 85.89 million.

Financial Performance Summary for the 3-month period ended in Quarter 3/2024 compared with Quarter 3/2023 (YoY)

Total revenue from main business from continuing operation of the Group for the 3-month period ended in quarter 3/2024 amounted to Baht 72.39 million, an increase of Baht 55.99 million, or 341% increase from the same period of the previous year, due to an increase in revenue from energy business.

Net profit attributable to the parent company for the 3-month period of quarter 3/2024 amounted to Baht 196.78 million, an increase from the same period of the previous year by Baht 243.99 million or an increase of 517%, due to an increase in revenue from energy business amounted to Baht 50.51 million, gain on disposal of investment amounted Baht 58.75 million, gain on foreign exchange rate amounted Baht 112.05 million and interest income amounted to Baht 24.68 million

Financial Performance Summary for the 9-month period ended September 30, 2024 compared with 9-month period ended September 30, 2023 (YTD)

Total revenue from main business from continuing operation of the Group for the 9-month period ended in quarter 3/2024 amounted to Baht 137.21 million, an increase of Baht 84.22 million, or 159% increase from the same period of the previous year, due to an increase in revenue from energy business, leasing business and microfinance business.

Net profit attributable to the parent company for the 9-month period of quarter 3/2024 amounted to Baht 280.54 million, an increase from the same period of the previous year by Baht 366.42 million or an increase of 427%. The main reason was the increase in gain on bargain purchase amounted Baht 107.79 million, Gain on disposal of investment amounted Baht 58.75 million and interest income by Baht 72.43 million. This was because during quarter 3 and quarter 4 of 2023, the Company received funds from the capital increase of PP and RO, amounting to more than Baht 4,000 million. While allocating the capital for investment expansion according to the business plan, the company deposited the funds with financial institutions, resulting in increased interest income.

Financial position of the Group

Unit: Million Baht

Consolidated Financial Statements	Q3/24	YE/23	Change	%
Cash and cash equivalents	4,308.12	4,264.89	43.23	1%
Other current financial assets	61.00	61.00	-	-
Trade and other current receivables	48.28	5.91	42.37	717%
Current portion of finance lease receivables	86.99	116.40	(29.41)	-25%
Current portion of loan to customers	71.28	155.25	(83.97)	-54%
Inventories	3.53	4.82	(1.29)	-27%
Asset held for sale	0.12	0.26	(0.14)	-54%
Cost of property development	-	323.23	(323.23)	-100%
Restricted bank deposits	12.86	-	12.86	100%
Other current assets	17.04	520.70	(503.66)	-97%
Total current assets	4,609.22	5,452.46	(843.24)	-15%
Restricted bank deposits	10.24	28.60	(18.36)	-64%
Finance lease receivables	27.75	17.08	10.67	62%
Loan to customers	0.02	0.07	(0.05)	-71%
Land held for development	-	3.69	(3.69)	-100%
Property, plant and equipment	51.01	39.51	11.50	29%
Right-of-use assets	7.21	9.83	(2.62)	-27%

Consolidated Financial Statements	Q3/24	YE/23	Change	%
Unallocated costs of business acquisition	-	21.48	(21.48)	-100%
Goodwill	104.73	188.44	(83.71)	-44%
Intangible assets	915.91	22.81	893.10	3915%
Deferred tax assets	1.17	3.65	(2.48)	-68%
Other non-current assets	155.28	155.67	(0.39)	0%
Total non-current assets	1,273.32	490.83	782.49	159%
Total assets	5,882.54	5,943.29	(60.75)	-1%
Short-term borrowings from financial institutions	-	108.03	(108.03)	-100%
Trade and other current payables	43.26	21.57	21.69	101%
Current portion of long-term borrowings from financial institutions	71.78	19.01	52.77	278%
Current portion of lease liabilities	2.23	2.34	(0.11)	-5%
Corporate income tax payable	7.82	1.26	6.56	521%
Advance received	0.25	15.24	(14.99)	-98%
Other current provisions	1.02	3.61	(2.59)	-72%
Other current liabilities	7.17	4.39	2.78	63%
Total current liabilities	133.53	175.45	(41.92)	-24%
Long-term borrowings from financial institutions	188.00	65.62	122.38	186%
Lease liabilities	3.97	5.59	(1.62)	-29%
Other non-current provisions	2.52	-	2.52	100%
Non-current provisions for employee benefits	3.90	3.62	0.28	8%
Other non-current liabilities	0.32	0.32	-	-
Total non-current liabilities	198.71	75.15	123.56	164%
Total liabilities	332.24	250.60	81.64	33%
Equity attributable to shareholders of the parent	5,511.24	5,512.10	(0.86)	0%
Non-controlling interests	39.06	180.59	(141.53)	-78%
Total shareholders' equity	198.71	75.15	123.56	164%

Total assets

Total assets as at September 30, 2024 were Baht 5,882.54 million, an decrease of Baht 60.75 million, or 1% decrease compared to the total assets as at December 31, 2023, which were Baht 5,943.29 million due to disposal of ordinary shares of V Property Development Co., Ltd. (“VPROP”), a property development business on July 30, 2024, resulting in cost of property development decreased by Baht 323.23 million, Other current assets decreased by Baht 500.81 million and Goodwill decreased by Baht 105.19 million. The additional details of the main changes are as follows:

- Loan to customers decreased by Baht 84.02 million due to receiving payments from borrowers according to the agreements.
- Intangible assets increased by Baht 893.10 million due to investment in the energy business, specifically in a concession agreement for Nam Houng 1 Hydropower dam project.

Total liabilities

Total liabilities as at September 30, 2024 were Baht 332.24 million, an increase of Baht 81.64 million, or 33% increase compared to the total liabilities as at December 31, 2023, which were Baht 250.60 million. The details of the main changes are as follows:

- Short-term borrowings from financial institutions decreased by Baht 108.03 million due to repayments made towards the borrowings.
- Long-term borrowings from financial institutions increased by Baht 175.15 million due to investments in the energy business.

Shareholders' equity

Equity attributable to shareholders of the parent as at September 30, 2024 was Baht 5,550.30 million, an decrease of Baht 142.39 million, or a 3% decrease compared to December 31, 2023, which was Baht 5,692.69 million due to an decrease in Non-controlling interests from disposal of ordinary shares of V Property Development Co., Ltd. ("VPROP").

Cash flows of the Group

Unit: Million Baht

Consolidated Financial Statements	9M Q3/24	9M Q3/23	Change YTD
Net cash flows from (used in) operating activities	319.39	(259.80)	579.19
Net cash flows from (used in) investing activities	149.86	15.70	134.16
Net cash flows from (used in) financing activities	(218.13)	2,999.98	(3,218.11)
Increase (decrease) in translation adjustments	(207.89)	104.09	(311.98)
Net increase (decrease) in cash and cash equivalents	43.23	2,859.97	(2,816.74)
Cash and cash equivalents at the beginning of the period	4264.89	330.13	3,934.76
Cash and cash equivalents at the end of the period	4,308.12	3,190.10	1,118.02

Cash flows

Cash flows for Quarter 3/2024 decreased by Baht 43.23 million; details are as follows:

- Net cash from operating activities in the quarter 3/2024 amounted to Baht 319.39 million. This comprised cash received from operations of approximately Baht 264.68 million and cash received from interest of approximately Baht 71.69 million.
- Net cash from investing activities in the quarter 3/2024 amounted to Baht 149.86 million. This comprised cash received from disposal of ordinary shares of V Property Development Co., Ltd. ("VPROP") of Baht 292.84 million.
- Net cash used in financing activities in quarter 3/2024 amounted to Baht 218.13 million. This resulted from payments made to repay borrowings to financial institutions.

Please be informed accordingly.

Yours sincerely,
Alpha Divisions Public Company Limited

(Mr. Kumpon Suangburanakul)
Chief Executive Officer