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Management's Discussion and Analysis of financial results and financial status

for the first quarter of 2021 ended 31st March 2021

1) Executive Summay

Total revenue and core operating profit of the group of companies have continuously increase. Summary of the financial result for the first quarter of 2021 ended 31st March 2021 is shown below:

Consolidated Financial Statement (Unit: MTHB)	Q1/20	Q1/21	Change
Total Revenue	457.7	501.0	+9.5%
EBITDA ¹	349.2	413.3	+18.4%
Net Profit (to SSP's Shareholders)	216.9	183.1	-15.6%
Core Operating Profit	161.2	178.2	+10.5%
EBITDA Margin (%)	76.3%	82.5%	
Net Profit Margin (to SSP's Shareholders) (%)	47.4%	36.5%	
Core Operating Profit Margin (%)	35.2%	35.6%	

Remark: ¹ EBITDA excluded unrealized FX gain/loss

For the period of 3 months ended 31st March 2021, total revenue was 501.0 million Baht, increased by 9.5% from the same period last year. Net profit (to SSP's Shareholders) and EBITDA were 183.1 million Baht and 413.3 million Baht respectively. Net profit margin was 36.5% and EBITDA margin was 82.5%. Core operating profit was 178.2 million Baht, increased by 10.5% from the same period last year. Core operating profit margin was 35.6%.

2) Analysis of financial results and financial status

2.1) Analysis of financial results

(1) Revenue

Consolidated Financial Statement Revenue Structure (Unit: MTHB)	Q1/20	Q1/21	Change
Sale revenue from electricity sale in Thailand	229.8	230.1	
Sale revenue from electricity sale in Japan	82.8	175.2	
Sale revenue from electricity sale in Vietnam	48.6	44.6	
Sale revenue from electricity sale in Mongolia	33.5	29.9	
Sale revenue from electricity sale in Indonesia	0.5	2.2	
Total Sale revenue from electricity sale	395.2	482.0	+21.9%
EPC Construction revenue and service income on Solar rooftop projects	-	2.8	
Other revenues ¹	62.4	16.2	
Total revenues	457.7	501.0	+9.5%

Remark: ¹ Other revenue included (but not limited to) management income, service income, import duty, interest revenue, gain(loss) from foreign exchange, and revenue related to power development fund.

The main source of company's revenue was from electricity sale. In the first quarter of 2021, the consolidated electricity sale was 482.0 million Baht, increased by 21.9% from the same period last year. The revenue growth was contributed by revenue recognition from Yamaga project in Japan, which COD in June 2020.

(2) Cost of Sales

Consolidated Financial Statement	Q1/20	Q1/21	Change
Cost of Sales (Unit: MTHB)			
Operating and maintenance costs	39.6	43.6	
Depreciation and amortization	87.4	126.1	
Cost of EPC construction on Solar rooftop projects	0.0	2.0	
Others ¹	11.4	13.2	
Total cost of sales	138.4	184.8	+33.5%

Remark: ¹ Others included (but not limited to) electricity expenses, salary and bones, insurance fee and land lease of Japanese projects

The consolidated cost of sales increased in line with the revenue increase, mainly due to the increase of depreciation and amortization as well as O&M cost which arose from the above mentioned new commercial operation projects.

(3) Gross Profit

Consolidated Financial Statement	Q1/20	Q1/21	Change
Gross Profit (Unit: MTHB)			
Total Sale revenue from electricity sale and EPC	395.2	484.8	
Total cost of sales	138.4	184.8	
Gross profit	256.8	300.0	+16.8%
Gross profit margin (%)	65.0%	61.9%	

For the first quarter of 2021, gross profit was 300.0 million Baht, increased by 16.8% from the same period last year and in line with the increase of new commercial operation project. However, the narrower of gross profit margin of new projects when compared with the first solar project, which received government's subsidy in form of adder, led to lower gross profit margin from 65.0% last year to 61.9% in this year but still at favorable rate.

(4) Administrative Expenses

Consolidated Financial Statement Administrative Expenses (Unit: MTHB)	Q1/20	Q1/21	Change
G&A expenses	39.8	35.9	-9.9%

In Q1/21, general and administrative expenses decreased from 39.8 million Baht to 35.9 million Baht or decreasing 9.9%.

(5) Financial Costs

Consolidated Financial Statement Financial Cost (Unit: MTHB)	Q1/20	Q1/21	Change
Financial Cost	61.7	80.4	+30.3%

Consolidated financial costs increased from the same period last year owing to the recognition of interest expenses of the new commercial operation project and debenture.

(6) Net Profit (attributed to company's shareholders) and Core Operating Profit

Consolidated Financial Statement Core Operating Profit (Unit: MTHB)	Q1/20	Q1/21	Change
Net profit distribution to SSP's shareholders	216.9	183.1	-15.6%
Unrealized FX (gain)/loss	(55.7)	(4.9)	
Core Operating Profit (to SSP's shareholders)	161.2	178.2	+10.5%

For Q1/21, net profit (to SSP's shareholders) was 183.1 million Baht, decreasing 15.6% mainly from decreased of foreign exchange gain.

For Q1/21, Core Operating Profit increased from 161.2 million Baht to 178.2 million Baht, increasing 10.5% as a result of new COD project.

Core Operating Profit is the key performance indicator of management and board of directors to evaluate the company's financial results, and consider, together with dividend policy, for the payment of dividend. The adjustment items (from net profit to core operating profit) for Q1/21, Deducted unrealized foreign exchange gain from loan from subordinates, total 4.9 million Baht.

2.2 Financial Status

Consolidated Financial Statement Financial Status (Unit: MTHB)	31 Dec 2020	31 Mar 2021	Change
Total Assets	16,104.0	16,481.5	+2.3%
Total Liabilities	11,562.0	11,647.1	+0.7%
Total Equity	4,542.0	4,834.4	+6.4%
Total Equity (To SSP's shareholders)	4,205.1	4,490.0	+6.8%
Debt to Equity Ratio (Consolidated)	2.55	2.41	
Debt to Equity Ratio (Company)	0.62	0.59	

As at 31st March 2021, consolidated total assets were 16,481.5 million Baht, increased by 377.4 million baht, from 16,104.0 million Baht as at 31st December 2020 or 2.3% increase. The increase of total assets consisted mainly of the 272.3 million Baht increase of property, plant and equipment of power plant, 140.5 million Baht increase of non-current asset. Most of total assets were property, plant and equipment of power plant which accounted for 65.9% of total assets.

Consolidated total liabilities were 11,647.1 million Baht, increased by 85.1 million Baht, from 11,562.0 million Baht as at 31st December 2020 or increasing 0.7%. The total liabilities increase consisted mainly of the 173.5 million Baht increase of long-term loans from financial institutions but short-term loan decrease 53.3 million Baht.

Total equity at the end of 1Q/21 recorded 6.4% increase from 4,542.0 million Baht at the end of 2020 to 4,834.4 million Baht. Total Equity (To SSP's shareholders) increased from 4,205.1 million Baht at the end of 2020 to 4,490.0 million Baht at the end of 1Q/21 or increasing 6.8%

Debt to Equity ratio (Consolidated) decreased from 2.55 times at the end of 2020 to 2.41 times. D/E (company only) decreased from 0.62 times at the end of 2020 to 0.59 times at the end of the first quarter of 2021.