

No. TSE(PCL) 002/11-2020

12 November 2020

Subject: Management discussion and analysis quarter 3 ending 30 September 2020

To: The President
The Stock Exchange of Thailand

The Board Meeting of Thai Solar Energy Public Company Limited ("**the Company**") held on 12 November 2020 resolved to approve the financial statement Q3/2020 (Reviewed) ended 30 September 2020. The Company would like to inform Management Discussion and Analysis details as follow;

Management Discussion and Analysis for the 3 month and 9 month period ended 30 September 2020

1. Revenue from Sales and Services

The group has total revenue from sales and services for the three-month period of Q3/2020 amounting of THB 408.54 million compared to THB 360.82 million, higher than the same period last year by THB 47.72 million or 13.23%. In the same time, total revenue from sales and services for the nine-month period of Q3/2020 amounting of THB 1,198.98 million compared to THB 1,032.84 million of the same period last year, which increased by THB 166.14 million or 16.08%.

- Increase in revenue from sales and services from new acquired projects

The group has revenue increased from fully recognized revenue from projects acquired since 2019 total of 18 MW in Ayudthaya, Udonthani and Angthong province, caused the increase in revenue of THB 48.25 million for the three-month period of Q3/2020 and THB 151.79 million for the nine-month period.

- Consistency in revenue from sales and services from existing operating projects

The group has revenue increased from 3 Biomass projects total of 22.2 MW, 7 solar farms in Japan total of 21.74 MW and solar rooftop projects 14 MW. Total revenue increased amounting of THB 16.70 million for the nine-month period of Q3/2020 compared to THB 962.82 million of the same period last year, increased by 1.73%.

(The revenue from sales and services for the nine-month period did not include the revenue from 80 MW of solar farm which was THB 1,156.77 million, 2.53% increase from the same period last year. The company recognized this project performance in the statement of income in form of the contribution through share of profit from investments of 60% in joint ventures).

2. Cost of Sales and Expenses

- Increase in cost of sales and services from new acquired projects

Total cost of sales and services for the three-month period of Q3/2020 amounting of THB 258.76 million compared to THB 226.15 million of the same period last year, increased by THB 32.61 million or 14.42%. In the same time, the cost of sales and services for the nine-month period amounting of THB 758.76 million compared to THB 645.79 million of the same period last year, which increased by THB 112.97 million or 17.49% due to fully recognized operation costs of new acquired projects and costs of Biomass projects that increase in relation to revenue.

For the nine-month period of Q3/2020, net profit of joint ventures amounting of THB 1,156.77 million compared to THB 1,128.23 million of the same period last year, increased by THB 28.54 million or 2.53%. The amount of share of profit from joint ventures amounting to THB 498.87 million comparing to THB 475.33 million of the same period last year, increased by THB 23.54 million or 4.95 %. The company has consistent strong operation performance with the consistent net profit. Net profit from joint ventures would be categorized by the equity method in terms of share of profit from joint ventures

4. Profit attributable to Owners of the parent

According to the consolidated financial statement for the three-month period of Q3/2020, the profit attribute to owners amounting of THB 71.12 million compared to THB 204.80 million of the same period last year, decreased by THB 133.68 million or 65.27%. For the nine-month period of Q3/2020, the profit attribute to owners amounting of THB 320.03 million compared to THB 559.92 million of the same period last year, decreased by THB 239.89 million or 42.84%.

The comprehensive income attribute to owners for the three-month period of Q3/2020 amounting of THB 335.49 million compared to THB 165.70 million of the same period last year, which increased by THB 169.79 million. The comprehensive income for the nine-month period of Q3/2020 amounting of THB 805.71 million compared to THB 376.09 million of the same period last year, which increased by THB 429.62 million. Main changes came from exchange rate translation.

Please be informed accordingly.
Your sincerely,

- signed -

(Mr. Somphop Prompanapitak)
Chief Operating Officer