

No. TSE (PCL)002/05-2022

12 May 2022

Subject: Management discussion and analysis quarter 1 ended 31 March 2022

To: The President
The Stock Exchange of Thailand

The Board Meeting of Thai Solar Energy Public Company Limited ("the **Company**") held on 12 May 2022 resolved to approve the financial statement quarter 1 ended 31 March 2022. The Company would like to inform Management Discussion and Analysis details as follow;

Management Discussion and Analysis for the 3-month period ended 31 March 2022

1. Revenue from Sales and Services

The group generated total revenue from sales and services of Q1/2022 amounting of THB 335.24 million, which decreased by THB 36.16 million or 9.74% compared to THB 371.40 million of the same period last year. (The revenue from sales and services did not include the revenue from 80 MW of solar farm which was recognized the contribution through share of profit from investments of 60% in jointly controlled entities).

The group has revenue decreased amounting of 43.42 million from 21.74 MW solar farms in Japan which is disposed since Q3/2021 and Q1/2022, in the same time, the group has revenue increased from Floating solar project which construction completed and start operation in May 2021.

2. Cost of Sales and Expenses

Total cost of sales and services of Q1/2022 amounting of THB 231.52 million, which decreased by THB 38.29 million or 14.19% compared to THB 269.81 million of the same period last year. The decrease mainly from material costs of Biomass projects and operation costs of disposed projects. Result in the increase of gross profit margin of 30.94% in Q1/2022 compared to 27.36% in Q1/2021.

Total administrative expenses of Q1/2022 amounting of THB 77.78 million, which increased by THB 30.33 million or 63.92% compared to THB 47.45 million of the same period last year. The increase mainly from professional fee related to disposal of solar farm projects during the year.

In 2022, the group recognized gain from disposal of investment amounting of THB 234.44 million and increased in loss from exchange rate amounting of THB 63.20 million which is considered as non-cash transaction and no impact to operation. Therefore, other gains (losses) of the group increased amounting of THB 171.24 million.

Total finance costs of Q1/2022 amounting of THB 78.30 million, which decreased by THB 6.39 million or 7.55% compared to THB 84.69 million of the same period last year. The decrease mainly from finance costs of disposed projects.

3. Share of Profit from Investment in Joint Ventures

According to Thai Accounting Standards with regards to an investment in joint controlled entities, the company recognizes an investment in joint ventures based on equity method. This concept is applied for the 80-MW solar PV farm. The details are as followed;

Financial Performance of joint ventures based on equity method

Unit : THB million

Items	31 March		Increase (Decrease)	
	2022	2021	2022	2021
Revenues	409.64	412.83	409.64	412.83
Costs and expenses	(113.92)	(100.49)	(113.92)	(100.49)
Net Profit	295.72	312.34	295.72	312.34
Share of Profit from Joint Ventures (60%)	177.43	187.40	177.43	187.40

Net profit of joint ventures of Q1/2022 amounting of THB 295.72 million, decreased by THB 16.62 million or 5.32% compared to THB 312.34 million of the same period last year due to increase in corporate income tax of the projects that gradually expired tax privileges from the Board of Investment under investment promotion certificates.

Net profit from joint ventures would be categorized by the equity method in terms of share of profit from joint ventures. In Q1/2022, the amount of share of profit from joint ventures amounting to THB 177.43 million, decreased by THB 9.97 million or 5.32%, comparing to THB 187.40 million of the same period last year.

4. Profit attributable to Owners of the parent

According to the consolidated financial statement of Q1/2022, the profit attribute to owners amounting of THB 338.94 million, increased by THB 136.37 million or 67.32% compared to THB 202.57 million of the same period last year. Main increase came from gain from disposal of investment in 2022.

Please be informed accordingly.
Your sincerely,

- signed -

(Mr. Somphop Prompanapitak)
Chief Operating Officer