

28<sup>th</sup> February 2025

Subject: Management Discussion and Analysis for the year ended 31<sup>st</sup> December 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 year ended 31<sup>st</sup> December 2024 of the Company and the subsidiaries (“the Group”) as follows:

### (1) Financial performance of the Group

Consolidated financial statements (Unit: million Baht)	3M	3M	Change		3M	Change		12M	12M	Change	
	Q4/24	Q3/24	QoQ	%	Q4/23	YoY	%	2024	2023	YTD	%
<b>Revenues</b>											
Sales income	3.81	4.16	(0.35)	(8.39)	3.80	0.01	0.20	17.34	17.23	0.11	0.06
Service and rental income	13.44	13.44	-	0.00	59.68	(46.24)	(77.49)	53.74	99.98	(46.24)	(46.25)
Other income	0.38	0.47	(0.09)	(18.99)	0.45	(0.07)	(15.17)	1.35	1.14	0.21	18.40
<b>Total revenues</b>	<b>17.63</b>	<b>18.07</b>	<b>(0.44)</b>	<b>(2.43)</b>	<b>63.93</b>	<b>(46.30)</b>	<b>(72.43)</b>	<b>72.43</b>	<b>118.36</b>	<b>(45.93)</b>	<b>(38.80)</b>
<b>Expenses</b>											
Cost of sale	1.58	1.56	0.02	1.08	1.57	0.01	0.31	6.23	6.18	0.05	0.82
Cost of service and rental	3.63	3.33	0.30	9.05	6.39	(2.76)	(43.21)	13.56	15.78	(2.22)	(14.08)
Selling and service expenses	0.04	0.04	-	5.02	0.04	-	0.02	0.17	0.17	-	0.00
Administrative expenses	10.14	6.29	3.85	61.18	6.21	3.93	63.31	28.75	21.92	6.83	31.17
Net loss on exchange rate	(1.23)	3.00	(4.23)	(141.14)	(0.42)	(0.81)	191.81	1.25	0.35	0.90	259.82
<b>Total expenses</b>	<b>14.16</b>	<b>14.22</b>	<b>(0.06)</b>	<b>(0.46)</b>	<b>13.79</b>	<b>0.37</b>	<b>2.62</b>	<b>49.96</b>	<b>44.40</b>	<b>5.56</b>	<b>12.53</b>
<b>Profit from operating activities</b>	<b>3.47</b>	<b>3.85</b>	<b>(0.38)</b>	<b>(9.69)</b>	<b>50.14</b>	<b>(46.67)</b>	<b>(93.07)</b>	<b>22.47</b>	<b>73.96</b>	<b>(51.49)</b>	<b>(69.62)</b>
Share of loss of associate from using equity method	1.80	(0.06)	1.86	(3,093.02)	(1.22)	3.02	(247.31)	0.64	(2.82)	3.46	(122.66)
Finance cost	(0.65)	(0.66)	0.01	(2.00)	(0.74)	0.09	(12.25)	(2.67)	(2.78)	0.11	(3.94)
<b>Profit before income tax expenses</b>	<b>4.62</b>	<b>3.13</b>	<b>1.49</b>	<b>47.86</b>	<b>48.18</b>	<b>(43.56)</b>	<b>(90.41)</b>	<b>20.44</b>	<b>68.36</b>	<b>(47.92)</b>	<b>(70.09)</b>
Income tax expenses	(0.72)	(1.56)	0.84	(53.88)	(3.74)	3.02	(80.75)	(5.99)	(6.81)	0.82	(11.96)
<b>Profit for the period</b>	<b>3.90</b>	<b>1.57</b>	<b>2.33</b>	<b>149.20</b>	<b>44.44</b>	<b>(40.54)</b>	<b>(91.22)</b>	<b>14.45</b>	<b>61.55</b>	<b>(47.10)</b>	<b>(76.52)</b>
<b>Profit for equity holders of the Company</b>	<b>3.90</b>	<b>1.57</b>	<b>2.33</b>	<b>148.58</b>	<b>44.44</b>	<b>(40.54)</b>	<b>(91.22)</b>	<b>14.45</b>	<b>61.55</b>	<b>(47.10)</b>	<b>(76.52)</b>
Profit for non-controlling interests of the subsidiaries	0.00	0.00	(0.00)	(6.32)	0.00	(0.00)	(69.62)	0.00	0.00	0.00	(67.77)

### Revenue

Total revenues from operation of SAAM Group consist of

- 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

In 2024, the Group's total revenues amounting to THB 72.43 million, a THB 45.93 million or 38.80% decrease from the previous year (in 2023: THB 118.36 million). This decrease was primarily driven by a THB 46.24 million reduction in revenue from custom project development services due to project delays by contracting parties. Meanwhile, while as an increase in the subsidiary's revenue from sale of electricity recognition which is varied in line with the irradiation quantity at different time of the year and other income, which mainly comprised of interest income and consultation income.

#### ○ Sales income

The Group's income from electricity sales, generated by its solar power plant project in Thailand under SAAM-SP1, saw a **quarter-on-quarter (QoQ) decrease of 8.39%**, from THB 4.16 million to THB 3.81 million, representing a reduction of THB 0.35 million. On a **year-on-year (YoY) basis, revenue showed a slight increase of 0.20%**. This fluctuation in sales income aligns with the changes in solar irradiance levels during to comparative periods.

#### ○ Service and rental income

The Group's service and rental income comprises fixed compensation throughout the contract terms for providing services to clients of solar power plant projects in Thailand under long-term agreements. Although, a **year-on-year (YoY) decrease of 77.49%**, amounting to a decrease of THB 46.24 million. This was primarily due to the reduced revenue recognition from custom project development services during Q4 2024, as previously mentioned.

### Expenses

The Group's cost of sales and services comprises of:

- (1) The cost of sales from renewable energy investment business; and
- (2) The cost of services and rental, which includes Expenses related to site procurement, associated services within renewable energy power plant projects, Renewable energy project development for sale business, and Renewable energy project development in accordance with client's requirements business.

In 2024, cost of sales and services at THB 19.79 million, making a decrease of THB 2.17 million, or 9.88%, compared to the previous year (in 2023: THB 21.96 million).

Consolidated financial statements Cost of sales and services (Unit: million Baht)	3M Q4/24	3M Q3/24	Change		3M Q4/23	Change		12M 2024	12M 2023	Change	
			QoQ	%		YoY	%			YTD	%
Cost of sales – sale of electricity	1.58	1.56	0.02	1.08	1.57	0.01	0.31	6.23	6.18	0.05	0.82
Cost of services and rental – provision of services and development of renewable energy projects	3.63	3.33	0.30	9.05	6.39	(2.76)	(43.21)	13.56	15.78	(2.22)	(14.08)

Consolidated financial statements Cost of sales and services (Unit: million Baht)	3M Q4/24	3M Q3/24	Change		3M Q4/23	Change		12M 2024	12M 2023	Change	
			QoQ	%		YoY	%			YTD	%
Total	5.21	4.89	0.32	6.50	7.96	(2.75)	(34.62)	19.79	21.96	(2.17)	(9.88)

#### ○ Cost of sales

The cost of sales primarily encompasses key expenses associated with the production and sale of electricity for the SAAM-SP1 solar power project, including: (1) Depreciation of the power plant, (2) Operation and maintenance costs for the power plant, and (3) Other expenses, such as utility expenses, insurance premiums, and power development fund expense. The cost of sales **increased by 1.08% quarter-on-quarter (QoQ)**, from THB 1.56 million to THB 1.58 million, reflecting an increase of THB 0.02 million. **Year-on-year (YoY), it rose by 0.31%**, from THB 1.57 million to THB 1.58 million, marking a THB 0.01 million increase.

#### ○ Cost of services and rental

Cost of services and rental primarily includes: (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 site procurement services under SAAM, specifically for SAAM-1, SAAM-2, and SAAM-3 solar power projects; and (3) Depreciation of buildings and associated equipment within the project sites. Cost of service and rental **increased by 9.05% quarter-on-quarter (QoQ)**, rising from THB 3.33 million to THB 3.63 million, an increase of THB 0.30 million. **Year-on-year (YoY), it dropped by 43.21%**, from THB 6.39 million to THB 3.63 million, reflecting a decrease of THB 2.76 million.

Consolidated financial statements Gross profit (Unit: million Baht)	3M Q4/24	3M Q3/24	Change		3M Q4/23	Change		12M 2024	12M 2023	Change	
			QoQ	%		YoY	%			YTD	%
Sales income	3.81	4.16	(0.35)	(8.39)	3.80	0.01	0.20	17.34	17.23	0.10	0.60
Service and rental income	13.44	13.44	-	0.00	59.68	(46.24)	(77.49)	53.74	99.98	(46.24)	(46.25)
<b>Total revenue from sales and services</b>	<b>17.25</b>	<b>17.60</b>	<b>(0.35)</b>	<b>(1.98)</b>	<b>63.48</b>	<b>(46.23)</b>	<b>(72.83)</b>	<b>71.08</b>	<b>117.21</b>	<b>(46.14)</b>	<b>(39.36)</b>
Cost of sales – sale of electricity	1.58	1.56	0.02	1.08	1.57	0.01	0.31	6.23	6.18	0.05	0.82
Cost of services and rental – provision of services and development of renewable energy projects	3.63	3.33	0.30	9.05	6.39	(2.76)	(43.21)	13.56	15.78	(2.22)	(14.08)
<b>Total cost of sales and services</b>	<b>5.21</b>	<b>4.89</b>	<b>0.32</b>	<b>(6.50)</b>	<b>7.96</b>	<b>(2.75)</b>	<b>(34.62)</b>	<b>19.79</b>	<b>21.96</b>	<b>(2.17)</b>	<b>(9.88)</b>
<b>Gross profit</b>	<b>12.04</b>	<b>12.71</b>	<b>(0.67)</b>	<b>(5.25)</b>	<b>55.52</b>	<b>(43.48)</b>	<b>(78.31)</b>	<b>51.29</b>	<b>95.25</b>	<b>(43.96)</b>	<b>(46.16)</b>
<b>Gross profit margin (%)</b>	<b>69.80</b>	<b>72.21</b>		<b>(2.41)</b>	<b>87.45</b>		<b>(17.65)</b>	<b>72.15</b>	<b>81.26</b>		<b>(9.11)</b>

#### Gross profit

In 2024, the Group has a gross profit of THB 51.29 million, a decrease of THB 43.96 million or 46.16%, compared to the previous year (in 2023: THB 95.25 million). This corresponds to a gross profit margin of 72.15% of operating revenue, a decrease of 9.11% from the previous year (in 2023: 81.26%). This decline was

primarily driven by the decrease in revenue from custom project development services, as previously mentioned.

**Quarter-on-quarter (QoQ), gross profit decreased by 5.25%**, from THB 12.71 million to THB 12.04 million, a reduction of THB 0.67 million, while **the gross profit margin dropped by 2.41%**, from 72.21% to 69.80%, mainly due to a decrease in electricity sales that aligns with the lower solar irradiance levels over the period. **Year-on-year (YoY), gross profit decreased by 78.31%**, from THB 55.52 million to THB 12.04 million, a reduction of THB 43.47 million. **The gross profit margin dropped by 17.65%**, from 87.45% to 69.80%. This was mainly driven by a reduction in revenue from custom project development services, as project development was delayed by contracting parties.

○ **Administrative expenses**

In 2024, the Group's primary administrative expenses included salary, employee and management benefits, office rent, travel expenses, and professional fees, among others. Administrative expenses **increased by 61.18% quarter-on-quarter (QoQ)**, from THB 6.29 million to THB 10.14 million, an increase of THB 3.85 million. **Year-on-year (YoY), it rose by 63.31%**, from THB 6.21 million to THB 10.14 million, an increase of THB 3.93 million. The increase was primarily due to higher expenses related to salaries, wages, other employee benefits and welfare.

○ **Net loss on exchange rate**

Net loss on exchange rate resulted from unrealized fluctuations in exchange rates on assets such as the subsidiary's equipment deposit denominated in US Dollar, the overseas subsidiary's bank deposits in Thai Baht, as well as transactions related to the development of renewable energy projects denominated in Japanese Yen. During Q4 of 2024, The Group has gain on exchange rate of THB 1.23 million resulted from the Hong Kong Dollar was appreciated against the Thai Baht during Q4 of 2024, compared to exchange rate of Q3 of 2024, leading to an exchange gain for the overseas subsidiary that has functional currency in Hong Kong Dollar. Thus, the Group has a net loss on exchange rate for the year 2024 of THB 1.25 million.

**Net profit**

In 2024, the Group's reported a net profit of THB 14.45 million, a decrease of THB 47.10 million or 76.52%, compared to the previous year (in 2023: THB 61.55 million). The decrease was primarily due to a decline in the revenue from rendering of project development service and an increase in administrative expenses, as previously mentioned.

**Quarter-on-quarter (QoQ), net profit increased by 149.20%**, from THB 1.57 million to THB 3.90 million, an increase of THB 2.33 million was primarily due to a gain on exchange rate and share of profit of associate from using equity method. **Year-on-year (YoY), net profit decreased by 91.22%**, from THB 44.44 million to THB 3.90 million, a decrease of THB 40.54 million was primarily due to a decline in the revenue from rendering of project development service.

## (2) Financial position

Financial Position	Consolidated financial statements					
	As of 31 <sup>st</sup> December 2024 (Audited)		As of 31 <sup>st</sup> December 2023 (Audited)		Change Increase (Decrease)	
	THB million	%	THB million	%	THB million	%
Total assets	502.98	100.00	505.26	100.00	(2.28)	(0.45)
Total liabilities	83.71	16.64	92.86	18.38	(9.15)	(9.85)
Total shareholders' equity	419.27	83.36	412.40	18.62	6.87	1.67

### Assets

As of 31<sup>st</sup> December 2024, total assets amounted to THB 502.98 million, with key assets consisting of property, plant, and equipment (PPE), primarily comprising solar power plants and the land on which the Group's subsidiary projects are located. Additionally, investment properties, which include project land used as the site for clients' solar power projects serviced by the Group, are included. Total assets decreased by THB 2.28 million, or 0.45%, from the end of the previous year (end of 2023: THB 505.26 million).

### Liabilities

As of 31<sup>st</sup> December 2024, total liabilities amounted to THB 83.71 million, decreased by THB 9.15 million, or 9.85%, from the end of the previous year (end of 2023: THB 92.86 million). This reduction was primarily due to the gradual repayment of long-term loan from financial institution and the settlement of liabilities under lease agreements.

### Shareholders' equity

As of 31<sup>st</sup> December 2024, shareholder's equity amounted to THB 419.27 million, increased by THB 6.87 million, or 1.67%, from the end of the previous year (end of 2023: THB 412.40 million). This increase was primarily due to the overall performance of the Group, which generated a net profit.

Please be informed accordingly,

Yours sincerely,

-Mr. Podduang Kongkamee-  
(Mr. Podduang Kongkamee)

Chief Executive Officer