

# TRITON

No TRITN-SET 011/2021

May 14, 2021

Subject: Management Discussion and Analysis for the first quarter of 2021

To: President

The Stock Exchange of Thailand

## Overview 1Q21

- Triton Holding Public Company Limited (“TRITN”) reported total revenue of 190.19 million baht in 1Q21, a decrease of 58% compared to the same period last year. This was attributable to relatively slow construction progress in the period and challenging environment from COVID-19 pandemic on overall of new projects acquiring.
- New power plant of the group, Aukkrarawat power plant 4.9 MW, completed its construction and started their commercial operation on February 12, 2021.
- Trans Thai Railway Company Limited, a subsidiary of the company, be awarded a new rail and train related project or ST8. The project value of ST8 is 337 million baht. Anyway, the construction shall start in 2Q21.

## For 3 months period ended March 31, 2021

Consolidated Profit & Loss of Triton Holding Public Company Limited

Unit: Million Baht

|  | Q1/2021 | Q1/2020 | Change       |          |
|--|---------|---------|--------------|----------|
|  |         |         | million baht | △ %      |
| Total revenues   | 190.19  | 453.03  | (262.84)     | (58.02)  |
| Total expenses   | 235.24  | 443.78  | (208.54)     | (46.99)  |
| Share of loss of associate accounted for using equity method | (1.64)  | 0.00    | (1.64)       | n.a.     |
| Net Profit   | (46.69) | 9.25    | (55.94)      | (604.78) |
| Net Profit (loss) - The Company                              | (33.82) | 7.92    | (41.73)      | (527.01) |
| Net Profit(loss) margin                                      | -24.55% | 2.04%   |              |          |

- For 3-month period, the company report consolidated revenue of 190.19 million baht, a decrease of 262.84 million baht or 58.02% compared to the same period of last year. This was attributable to relatively slow construction progress in the period and challenging environment from COVID-19 pandemic on overall of new projects acquiring.
- For 3-month period, the company generated a net loss of (46.69) million baht, a decrease 55.94 million baht compared to the same accounting period of 2020. This resulted mainly from relatively low revenues from construction in the quarter and decreasing in project-value of a rail and train project.

## 1. Construction Business

Unit : Million Baht

| Construction        | Q1/2021 | Q1/2020 | Change       |          |
|---------------------|---------|---------|--------------|----------|
|                     |         |         | million baht | △ %      |
| Revenues            | 157.79  | 430.90  | (273.11)     | (63.38)  |
| Expenses            | 167.65  | 393.23  | (225.59)     | (57.37)  |
| Gross Profit        | (9.86)  | 37.66   | (47.52)      | (126.17) |
| Gross profit margin | -6.25%  | 8.74%   |              |          |

For 3-month period, Construction business has generated revenues of 157.79 million baht, a decrease of 273.11 million Baht or 63.38% compared to the same accounting period of 2020. Construction business generated gross loss of (9.86) million baht, a decrease of 47.52 million baht compared to the same accounting period of 2020.

This resulted mainly from slow progress in ongoing projects both in Horizontal directional drilling projects and Rails and trains projects. Moreover, the new mega project, ST8, in rail and train business unit was delay and was not started construction in 1Q21.

Oil and gas infrastructure construction generated revenue of 136.79 million baht in 1Q21. At the end of first quarter, the company had recognized revenue amounting to 88.42% of the total project value with the remaining project backlog of 634.93 million Baht.

- Oil and gas infrastructure construction to northern area Project (94.45% progress)
- Underground Piping Construction and Electrical Conduit Installation Project under Chao Phraya river with Metropolitan Electricity Authority (100% progress)
- Pipe Jacking Construction Contract under Highway No. 304, Pak Kret District - Chaeng Watthana Government Center (17.65% progress)
- Oil and gas infrastructure construction to north east area Project (48.18% progress)

Civil engineering construction generated revenue of 18.56 million baht in 1Q21. The construction works consist of the Train Station and U-turn Overpass Crossing over Double-track Railway Projects in the southern part of Thailand. The company had recognized revenue from Civil engineering construction project amounting to 95.55% of the total project value with the remaining project backlog of 13.77 million Baht.

Train and Railway systems and construction On July 1, 2020, Triton Engineering and Construction Company Limited, a subsidiary of the company, acquired 65% of ordinary shares of Trans Thai Railway Company Limited (TTR). Train and Railway systems and construction generated revenue of 19.95 million baht. Anyway, there are decreasing in project-value of a rail and train project which incurred negative effect of 17.52 million baht. At the end of the first quarter, TTR had recognized revenue amounting to 40.90% of the total project value with the

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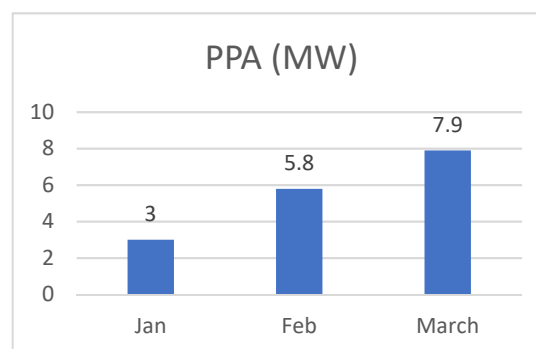
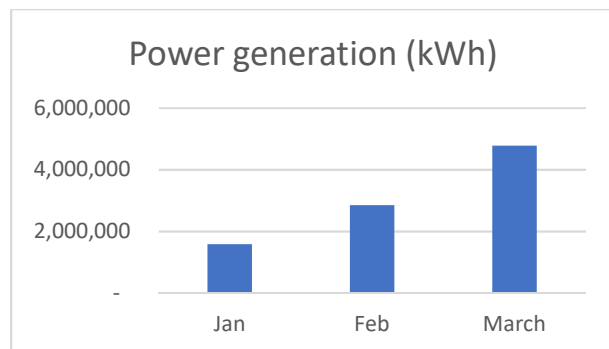
remaining project backlog of 475 million baht. The new awarded project, double track rail & train or ST8, of 337 million baht was not start construction in the period.

## 2. Power Business

On February 17, 2020, Triton Power Co., Ltd., a subsidiary of the company, acquired 75% of ordinary shares of Aukkrarawat Renewable Energy Power Plant Company Limited (AKP). The power plant is under Power Purchase Agreement (PPA) with Provincial Electricity Authority (PEA) of 4.9 megawatts. Now, the construction was completed. The company expects the new biogas power plant to generate revenue of approximately 100 million baht per year.

For 3-month period, Power business generated revenue of 24.24 million baht, increase by 10.30 million baht or increase 73.92%. Power plant business generated gross-profit of 0.25 million baht, which lower than expected due to the delay COD of Aukkrarawat power plant. Anyway, finally, the power plant completed its construction phase and move to commercial phase on February 12, 2021.

| Power               | Q1/2021 | Q1/2020 | Change       |         |
|---------------------|---------|---------|--------------|---------|
|                     |         |         | million baht | △ %     |
| Revenues            | 24.24   | 13.94   | 10.30        | 73.92   |
| Expenses            | 24.00   | 9.35    | 14.65        | 156.60  |
| Gross profit        | 0.25    | 4.59    | (4.34)       | (94.64) |
| Gross profit margin | 1.01%   | 32.91%  |              |         |



Note : AKP start commercial operation on February 12, 2021

## 3. Other Revenues

For 3-month period, Other revenues were 7.83 million baht, slightly increased by 11.46% or by 0.80 million Baht from the same period last year mainly from revenues from selling of unused assets and machine & equipment rental income.

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## 4. Financial Position and Statement of Cash Flows

Unit : Million Baht

| Balance sheet     | As of March 31,2021 | As of Dec 31, 2020 | Δ %    |
|-------------------|---------------------|--------------------|--------|
| Total Assets      | 2,826.11            | 2,717.08           | 4.01%  |
| Total Liabilities | 1,123.17            | 969.76             | 15.82% |
| Total Equities    | 1,702.93            | 1,747.33           | -2.54% |

| Cash Flow (Million Baht)  | For 3 months period end March 31, 2021 |
|---------------------------|--|
| Cash Flow from Operation  | -135.31                                |
| Cash Flow from Investment | -177.37                                |
| Cash Flow from Financing  | 214.39                                 |
| Net Change in Cash        | -98.29                                 |
| Ending Cash               | 368.60                                 |

| Financial Ratios     | Mar-21  | Mar-20 | Δ %      |
|----------------------|---------|--------|----------|
| ROE                  | -0.35%  | 2.75%  | -112.73% |
| ROA                  | -0.14%  | 1.81%  | -107.73% |
| Net Profit margin    | -18.58% | 1.78%  | -20.36%  |
|                      | Mar-21  | Dec-20 |          |
| D/E (time)           | 0.69    | 0.58   | 18.97%   |
| Current ratio (time) | 1.43    | 1.35   |          |

Triton reported lower profitability ratios than the same period last year, primarily due to decreasing in revenue. In 1Q21, Return on Equity was (0.35%) which decreased from 2.75% in the same period last year. Return on Asset was downed to (0.14%) which decreased from 1.81% in the same period last year. The company's net profit margin was (18.58%) which decreased from 1.78% in the same period last year. At the end of 1Q21, the company balance sheet was in strong position with Net Debt / Equity of 0.69x. Cash and cash equivalents were 368.60 million baht.

During the first quarter of 2021, some warrant holders intend to exercise warrant "TRITN-W3" at the ratio of 1 unit of warrant per 1.00027 existing ordinary shares. Total ordinary shares given from exercising were 14,365,400 shares with exercise price at Baht 0.2499 per share, totaling amount of 3.59 million baht

## 5. Impact of COVID 19 situation

The widespread of the COVID-19 pandemic situations have severely affected the global economy in almost all industrial groups. Fortunately, the pandemic situations have not severely affected our business. According to the company, such situation has not adversely impacted construction projects. Nevertheless, the Group and the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions, and contingent liabilities.

Faithfully yours

(Mr. Worapong Woottipruk)

Chief Financial Officer