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Management Discussion & Analysis of Business Operation

For the second quarter ended 30th June 2023

Significant event in 2Q/23 and after Reporting Period

1. In April 2023, The Company have been awarded renewable energy power producers in Thailand total 170.5 MW (Solar farm 154.5 MW and Wind farm 16.0 MW).
2. In April 2023, The Company purchased shares 13% of Truong Thanh Quang Ngai Power and High Technology Joint Stock Company (TTQN), totaling holding from 87% to 100%. Solar power plant in Vietnam, PPA of 40.0 MW
3. In July 2023, The Company has purchased shares from exiting shareholder and proceeded capital increase to Samart Plastpack Co., Ltd, who mainly engaged in the production and sale of Flexible Packaging to industrial factory and small-scale operators, resulting in equivalent to 75% of the total registered capital or company's total investment 140.8 million Bath. The Company will improve the efficiency of production and capacity expansion for the future business growth to build value-added to the company.

The Company's summarized performance in Quarter 2 2023, The company's revenue decreased from last year from divested Hidaka project in June 2022 and electricity production decreased from others Japan project, however, SPN project (Solar farm in Thailand) and winchai project (Wind farm in Thailand) has better performance from the same period last year. In additional consolidated financial costs increased owing to the recognition of interest expenses of the new commercial operation projects, resulted to core operating profit decrease from 290.1 million Baht in Quarter 2 2022 to 225.4 million Bath in Quarter 2 2023. While The Financial statement to be more strength, D/E ratio was 1.59 times at the end of Quarter 2 2023. As a result, the Company has Finance capability and sufficient fund for further investment.

Financial statement

Consolidated Financial Statement								
(Unit: MTHB)	Q2/22	Q1/23	Q2/23	QoQ	YoY	6M/22	6M/23	YTD
Revenues								
Revenue from sales	810.3	758.2	756.4	-0.2%	-6.6%	1,657.9	1,514.6	-8.6%
Revenue from services	14.4	3.1	5.7	80.2%	-60.7%	21.8	8.8	-59.6%
Other income	351.4	14.3	13.8	-3.7%	-96.1%	354.9	28.1	-92.1%
Total revenues	1,176.1	775.6	775.9	0.0%	-34.0%	2,034.6	1,551.5	-23.7%
Cost of sales and services	344.5	312.2	315.3	1.0%	-8.5%	695.8	627.4	-9.8%
Administrative expenses	73.7	96.6	65.5	-32.2%	-11.1%	170.4	162.0	-4.9%
Share of profit from investments in subsidiaries and an associate	15.8	59.8	18.0	-69.9%	13.6%	17.8	77.7	336.7%
Finance income	4.3	1.4	7.4	437.6%	73.8%	6.4	8.8	36.7%
Finance cost	124.9	159.7	161.2	1.0%	29.0%	248.6	320.9	29.1%
Income tax	(2.9)	18.9	31.7	67.7%	-1203.4%	2.1	50.6	2288.4%
Profit for the period	656.0	249.4	227.6	-8.7%	-65.3%	941.9	477.1	-49.4%
Non-controlling interests of the subsidiaries	14.9	9.8	(0.5)	-104.8%	-103.1%	44.0	9.4	-78.8%
Profit attributable to: Equity holders of the Company	641.1	239.6	228.1	-4.8%	-64.4%	897.9	467.7	-47.9%
EBITDA	986.6	654.4	603.5	-7.8%	-38.8%	1,673.7	1,257.9	-24.8%
Core EBITDA	655.8	661.0	605.5	-8.4%	-7.7%	1,342.9	1,266.4	-5.7%
Core operating profit	290.1	249.9	225.4	-9.8%	-22.3%	584.7	475.3	-18.7%

1) Executive Summary

The Company's summarized performance for 2Q/23 ended 30th June 2023.

Consolidated Financial Statement (Unit: MTHB)	Q2/22	Q1/23	Q2/23	QoQ	YoY
Revenue from sales and services ¹	824.7	761.3	762.1	0.1%	(7.6)%
EBITDA	986.6	654.4	603.5	(7.8)%	(38.8)%
Core Operating EBITDA ²	655.8	661.0	605.5	(8.4)%	(7.7)%
Net Profit (to SSP's Shareholders)	641.1	239.6	228.1	(4.8)%	(64.4)%
Core Operating Profit	290.1	249.9	225.4	(9.8)%	(22.3)%
EBITDA Margin (%)	83.6%	84.2%	77.0%		
Core Operating EBITDA Margin (%)	79.5%	86.8%	79.4%		
Net Profit Margin (%)	54.3%	30.8%	29.1%		
Core Operating Profit Margin (%)	35.2%	32.8%	29.6%		

Remark: ¹ Revenue from electricity sales, Subsidy for adder, construction services

² Net profit before tax expense, finance cost, and deducted finance income, add back depreciation and amortization, loss (gain) from unrealized FX, gain (loss) from share of profit from investments in subsidiaries and an associate, and add back loss (gain) from one-time transaction.

For the 3-month period ended 30th June 2023, revenue from sales and services was 762.1 million Baht, decreased by 7.6% comparing to the same period last year and increased by 0.1% comparing to the previous quarter. Net profit (to SSP's Shareholders) was 228.1 million Baht and core operating EBITDA was 605.5 million Baht representing Net profit margin and core operating EBITDA margin were 29.1% and 79.4% respectively.

Core operating profit was 225.4 million Baht, decreased by 22.3% which comparing to decreased the same period last year, core operating profit margin was 29.6% of Revenue from sales and services.

Consolidated Financial Statement (Unit: MTHB)	6M/22	6M/23	YTD
Revenue from sales and services ¹	1,679.7	1,523.4	(9.3)%
EBITDA	1,673.7	1,257.9	(24.8)%
Core Operating EBITDA ²	1,342.9	1,266.4	(5.7)%
Net Profit (to SSP's Shareholders)	897.9	467.7	(47.9)%
Core Operating Profit	584.7	475.3	(18.7)%
EBITDA Margin (%)	82.0%	80.6%	
Core Operating EBITDA Margin (%)	79.9%	83.1%	
Net Profit Margin (%)	44.0%	30.0%	
Core Operating Profit Margin (%)	34.8%	31.2%	

Remark: ¹ Revenue from electricity sales, Subsidy for adder, construction services

² Net profit before tax expense, finance cost, and deducted finance income, add back depreciation and amortization, loss (gain) from unrealized FX, gain (loss) from share of profit from investments in subsidiaries and an associate, and add back loss (gain) from one-time transaction.

For the 6-month period ended 30th June 2023, revenue from sales and services was 1,523.4 million Baht, decreased by 9.3% comparing to the same period last year. Net profit (to SSP's Shareholders) was 467.7 million Baht and core operating EBITDA was 1,266.4 million Baht representing Net profit margin and core operating EBITDA margin were 30.0% and 83.1% respectively.

Core operating profit was 475.3 million Baht, decreased by 18.7% which comparing to decreased the same period last year, core operating profit margin was 31.2% of Revenue from sales and services.

2) Analysis of financial results and financial status

2.1) Analysis of financial results

(1) Revenues

Consolidated Financial Statement Revenues Structure (Unit: MTHB)	Q2/22	Q1/23	Q2/23	QoQ	YoY
Revenue from sales					
Sale revenue from solar	633.3	473.4	551.6	16.5%	(12.9)%
Sale revenue from wind	88.7	182.0	99.3	(45.4)%	12.0%
Sale revenue from biomass	68.8	78.6	80.7	2.7%	17.3%
Sale revenue from solar rooftop	19.5	24.2	24.8	2.5%	27.2%
Total revenue from sales	810.3	758.2	756.4	(0.2)%	(6.6)%
Total revenue from services	14.4	3.1	5.7	80.2%	(60.7)%
Total revenue from sales and services	824.7	761.3	762.1	0.1%	(7.6)%

In Quarter 2, 2023, the revenue from sales and services decreased by 7.6%. The revenue from solar projects decreased by 12.9% comparing to the same period last year from divestment Hidaka project in Quarter 2 2022 and total electricity production of Japan projects was less than the same period last year. The revenue from wind projects increased by 12.0% comparing to the same period last year, mainly from total electricity production increased. The revenue of biomass project increased by 17.3% to the same period last year because maintenance plan postpone from Quarter 2 2023 to Quarter 3 2023 and the revenue from solar rooftop projects increased by 27.2% from new projects increased in Thailand and Indonesia. For comparing to the previous quarter, the revenue from sales and services similar to the previous quarter. The revenue from solar projects increased by 16.5% comparing to the previous quarter from total electricity production increased. The revenue from wind projects decreased by 45.4% comparing to the previous quarter, mainly from annual maintenance plan postpone from Quarter 2 2023 to Quarter 3 2023. The revenue of biomass project increased by 2.7% comparing to the previous quarter and the revenue from solar rooftop projects increased by 2.5% from the previous quarter mainly from total electricity production increased.

Consolidated Financial Statement Revenues Structure (Unit: MTHB)	6M/22	6M/23	YTD
Revenue from sales			
Sale revenue from solar	1,195.0	1,025.0	(14.2)%
Sale revenue from wind	277.6	281.4	1.4%
Sale revenue from biomass	147.9	159.3	7.7%
Sale revenue from solar rooftop	37.4	48.9	30.7%
Total revenue from sales	1,657.9	1,514.6	(8.6)%
Total revenue from services	21.8	8.8	(59.6)%
Total revenue from sales and services	1,679.7	1,523.4	(9.3)%

For the 6-month period ended 30th June 2023, the revenue from sales and services decreased by 9.3%. The revenue from solar projects decreased by 14.2% comparing to the same period last year from divestment Hidaka project in Quarter 2 2022. However, SPN project has good performance from Ft rate increasing from the year 2022. The revenue from wind projects similar to the same period last year. The revenue of biomass project increased by 7.7% comparing to the same period last year, because maintenance plan postpone from Quarter 2 2023 to Quarter 3 2023. And the revenue from solar rooftop projects increased by 30.7% from new projects increased in Thailand and Indonesia.

(2) Share of profit from investments in subsidiaries and an associate

Consolidated Financial Statement Share of profit (Unit: MTHB)	Q2/22	Q1/23	Q2/23	QoQ	YoY	6M/22	6M/23	YTD
Share of profit from investments in subsidiaries and an associate	15.8	59.8	18.0	(69.9)%	13.6%	17.8	77.7	336.7%

The Company recognize gain from share of profit from investments in subsidiaries and an associate from Romklao wind farm, investment of 25.0% in March 2022, the Company recognized the Share of profit from investments in subsidiaries and an associate amounting to 18.0 million Baht in Quarter 2 2023, increased by 13.6% from the same period last year and decreased by 69.9% from previous quarter. Because in Quarter 1 2023 the total electricity production was higher than Quarter 2 2023. For 6-month period the Company recognized full period the Share of profit from investments in subsidiaries and an associate amounting to 77.7 million Baht increasing by 336.7% from the same period last year.

(3) Administrative Expenses

Consolidated Financial Statement	Q2/22	Q1/23	Q2/23	QoQ	YoY	6M/22	6M/23	YTD
Administrative Expenses (Unit: MTHB)								
Unrealized loss	(28.8)	14.0	(14.0)			6.9	-	
G&A expenses	102.5	82.6	79.5	(3.8%)	(22.4)%	163.5	162.0	(0.9)%
G&A expenses per revenue from sales (%)	12.4	10.8	10.4			9.7	10.6	

General and administrative expenses (G&A expenses) in Quarter 2 2023 decreased by 22.4% from the same period last year and decreased by 3.8% from previous quarter. Because in Quarter 2 2022, one-times expense from write-off of investment in development project in the past. For 6-month period General and administrative expenses (G&A expenses) decreased by 0.9% from the same period last year.

(4) Finance Costs

Consolidated Financial Statement	Q2/22	Q1/23	Q2/23	QoQ	YoY	6M/22	6M/23	YTD
Finance Cost (Unit: MTHB)								
Finance Costs	124.9	159.7	161.2	0.9%	29.0%	248.6	320.9	29.1%

In Quarter 2 2023, finance costs was 161.2 million Baht, increased by 29.0% from the same period last year, mainly from the recognition of interest expenses of TTQN and TTTV projects. While, finance costs similar to previous quarter. For 6-month period finance costs was 320.9 million Baht, increased by 29.1% from the same period last year mainly from the recognition of interest expenses of TTQN and TTTV projects. Although, finance costs decreased from loan restructuring of SPN project and lower loan of SSP.

(5) One-time items

One-time items are transactions that management had considered to be non-recurring items. For the purpose of providing a comparison of financial performance data and be more appropriate. The Company would adjust these one-time items in Core Operating Profit and Core Operating EBITDA.

In Quarter 2 2023, the Company has unrealized foreign exchange gain from loan from Subsidiaries, total amount of 4.7 million Baht and loss other transaction totaling 2.0 million Baht. For 6-month period

the Company has unrealized foreign exchange gain from loan from Subsidiaries, total amount of 1.0 million Baht and loss from other transaction totaling 8.6 million Baht

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

Consolidated Financial Statement								
	Q2/22	Q1/23	Q2/23	QoQ	YoY	6M/22	6M/23	YTD
Net profit distribution to SSP's shareholders								
Net profit distribution to SSP's shareholders	641.1	239.6	228.1	(4.8)%	(64.4)%	897.9	467.7	(47.9)%
• Adjust unrealized FX	(11.7)	3.7	(4.7)			26.1	(1.0)	
• Adjust others								
- Adjust gain from disposal	(348.4)	-	-			(348.4)	-	
- Adjust impairment provision	(8.5)	-	-			(8.5)	-	
- Adjust others	17.6	6.6	2.0			17.6	8.6	
Core Operating Profit	290.1	249.9	225.4	(9.8)%	(22.3)%	584.7	475.3	(18.7)%

In Quarter 2 2023, net profit (to SSP's shareholders) was 228.1 million Baht decreased 64.4% from the same period last year and decreased by 4.8 from previous quarter. For 6-month period net profit (to SSP's shareholders) decreased to 467.7 million Baht mainly from reconization gain from disposal Hidaka project in Quarter 2 2022.

In Quarter 2 2023, Core Operating Profit was 225.4 million Baht, decreased by 22.3% from comparing to the same period last year from divestment Hidaka project. Irradiation decreased from japan projects including finance costs and tax provision expense increased. For 6-month period, Core Operating Profit was 475.3 million Baht, decreased by 18.7% from comparing to the same period last year mainly from no revenue from Hidaka project including finance costs and tax provision expense increased.

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 Quarter 2 2023 by deducted, unrealized foreign exchange gain from loan from Subsidiaries, total amount of 4.7 million Baht, add back other transaction, total amount of 2.0 million Baht. For 6-month period, the adjustment items (from net profit to core operating profit) by deducted, unrealized foreign exchange gain from loan from Subsidiaries, total amount of 1.0 million Baht, added back other transaction, total amount of 8.6 million Baht.

2.2 Financial Status

Consolidated Financial Statement			
Financial Status (Unit: MTHB)	31 Dec 2022	30 Jun 2023	Change
Total Assets	21,292.0	21,847.0	2.6%
Total Liabilities	13,015.0	13,411.4	3.0%
Total Equity	8,277.0	8,435.5	1.9%
Total Equity (To SSP's shareholders)	7,775.7	8,029.0	3.3%
Debt to Equity Ratio (Consolidated)	1.57	1.59	
Debt to Equity Ratio (Company)	0.35	0.34	

As at 30th June 2023, consolidated total assets were 21,847.0 million Baht, increased by 555.0 million Baht, from 21,292.0 million Baht as at 31st December 2022 or increased by 2.6%. Most of total assets were property, plant and equipment of power plant which accounted for 58.8% of total assets.

Consolidated total liabilities were 13,411.4 million Baht, increased by 396.4 million Baht, from 13,015.0 million Baht as at 31st December 2022, increased by 3.0%. The increase of total liabilities mainly from long-term loan in the amount of 380.2 million Baht.

The total equity at the end of 30th June 2023 increased from 8,277.0 million Baht as at 31st December 2022 to 8,435.5 million Baht at the end of Quarter 2 2023 or increased by 1.9%. Total Equity (To SSP's shareholders) increased from 7,775.7 million Baht as at 31st December 2022 to 8,029.0 million Baht at the end of Quarter 2 2023 or increased by 3.3%.

Debt to Equity ratio (Consolidated) increased from 1.57 times at the end of 2022 to 1.59 times at the end of quarter 2 2023. Debt to Equity Ratio (Separated Company) decreased from 0.35 times at the end of 2022 to 0.34 times at the end of Quarter 2 2023.

Environmental, Social, Governance: ESG

Sermasang Power Corporation PLC. (SSP) is committed to operating an ecologically sustainable clean energy company. As part of our commitment to the Sustainable Development Goals (SDGs), we focus on business development in the economic, social, and environmental dimensions, with the goal of propelling the organization to become a sustainable energy firm of the future.

Environmental (E) The Company works under a good governance framework with the goal of serving as a role model for the Good Corporate Citizen society in terms of sustainable business operations, growth, and acceptance by society. The Company acknowledges the significance of managing environmental quality and biodiversity in accordance with relevant laws. It also recognizes the significance of investing in, developing, and enhancing the quality of environmental management, as well as encouraging the efficient, appropriate, and

maximum benefit use of resources. The Company has an environmental protection policy to guarantee safety and decrease environmental impacts in all business activities.

For 6-month period 2023, The Company sold electricity from renewable energy total of 272,836 MW or 1,514.6 million Baht, if exclude Hidaka project in 2022, revenue from sales was 1,539.0 million Baht in 6-month period 2022 or decreasing by 1.6%. Mainly from fluctuations in the Japanese Yen exchange rate.

Social (S) The Company realizes that it is important for the business to contribute to the health of the economy, society, and environment. We are aware of the impact of the business, which can both favorably and adversely affect the community. Favorable relationships with the community and community engagement have thus been given top priority, which will assist in streamlining the operation. We are ready to fully cooperate with the government and stakeholder groups in supporting surrounding communities and local communities to grow together in a sustainable manner.

The Company plan to installation solar rooftop for school. For the first project, the company will install solar rooftop for Child Development Center at Wang Khon Khwang, Lop Buri, Thailand. Total capacity of 13.3 kWDC/10.0 kWAC estimate production of 19,400 KWh per year. The project estimate plan to complete in October 2023.

Governance (G) The Company recognizes the importance of excellent corporate governance in promoting the Group of Companies' effectiveness and sustained growth. This will benefit all parties, including employees, investors, shareholders, and other stakeholders. As a result, a solid corporate governance policy has been established as a guideline for organizational management. This ensures that any operation of the Company is fair and serves the best interests of all stakeholders.

The Thai Institute of Directors (IOD) approved the company as a member of the Collective Action Coalition Against Corruption (CAC) in 2021. This accreditation will be valid for three years and will demonstrate the intention to combat all types of corruption via transparent management in compliance with corporate governance standards. This helps foster trust among stakeholders from different industries.