

(Translation)

Ref. no. STPI.FAD.013/2026

15th May 2026

Subject: Management Discussion and Analysis for the First Quarter of 2026

To: President of the Stock Exchange of Thailand

With reference to the submission of STP&I Public Company Limited for the first quarter Financial Statements ended 31 March 2026, the Company would like to provide further explanation for the changes in financial performance as follows:

1. Revenue:

Revenue by Business Segment (Unit: Million Baht)	Q1'2026	Q1'2025	Change YoY	
			Amount	%
Revenues from fabrication work	407	394	13	3%
Sales and service income	77	262	(185)	(71%)
Sales and service income related to electricity	100	100	0	0%
Revenue from rental of real estates	33	35	(1)	(4%)
Total operating revenue	617	791	(173)	(22%)

In the first quarter of 2026, the Company generated total operating revenue of Baht 617 million, a decrease of Baht 173 million or 22%, compared with Baht 791 million in the first quarter of 2025. This was mainly attributable to a decline in revenue from sales and services of Baht 185 million or 71%, due to the completion of the offshore platform decommissioning service project in the fourth quarter of 2025. Moreover, newly awarded projects secured in early 2026 are expected to commence operations in the third quarter of this year.

Revenue from other business segments, including fabrication work, sales and services related to electricity, and rental of real estates, remained at similar level to those of the previous year.

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2. Expenses:

Cost by Business Segment (Unit: Million Baht)	Q1'2026	Q1'2025	Change YoY	
			Amount	%
Cost of fabrication work	393	311	82	26%
Cost of sales and service	45	96	(51)	(53%)
Cost of sales and services related to electricity	66	60	6	9%
Cost of rental of real estates	14	14	0	3%
Total operating costs	518	481	37	8%
Factory overhead expenses not allocated to cost of fabrication work	59	39	21	54%

In the first quarter of 2026, the Company recorded total direct operating costs of Baht 518 million and gross profit of approximately Baht 100 million, representing a gross profit margin of 16% of revenue, which was lower than the 39% recorded in the same period of the previous year. The decrease was mainly due to the lower proportion of revenue from sales and services, which generally carries a relatively favorable gross profit margin because the Company has been able to efficiently manage cost. In addition, the major project of fabrication works incurred acceleration costs during the final stage of the project, while certain related revenue could not yet be recognized, resulting in a lower gross profit margin. Nevertheless, the Company is currently under negotiation with client to compensate the said acceleration costs in the following quarters once the payment milestones are achieved.

Furthermore, the lower production utilization resulted in factory overhead expenses not allocated to cost of fabrication work of Baht 59 million, an increase of approximately 54% compared to the same quarter of the previous year.

3. Other Income and Expenses:

- In this reporting quarter, the Company recorded other income of Baht 10 million, compared to Baht 46 million in the first quarter of the previous year in which the Company received Baht 35 million from refunds of VAT penalties and surcharges. Excluding such item, other income remained at a level comparable to that of the previous year.
- In this first quarter, the Company recognized a foreign exchange gain of Baht 86 million, compared to the loss of Baht 3 million in the first quarter of the last year, due to accounting revaluation of U.S. dollar-denominated assets and liabilities in accordance with financial reporting standards.

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- Administrative expenses in the current quarter amounted to Baht 108 million, increased by Baht 29 million or approximately 37%, compared to the previous year, mainly due to higher legal advisory fees and repair and maintenance expenses to prepare for the commercial operation of a MSW power plant.
- In the reporting quarter, the Company recorded additional impairment loss on financial assets totaling Baht 19 million, decreased from Baht 62 million recognized in the previous year. The allowance was adjusted to align with the amount and timing of expected collections from long-outstanding trade receivables and unbilled receivables currently under arbitration proceedings.
- Finance costs for the current quarter amounted to Baht 43 million, decreased by Baht 11 million or approximately 20%, compared to the previous year, in line with the reduction in long-term borrowings as the Company Group gradually repaid its loans.

4. Share of Profit from Joint Ventures and Associates:

- In this reporting quarter, the Company recognized a share of profit from investments in joint ventures of Baht 62 million, compared with Baht 16 million share of loss in the prior year. The main reason was attributable to the Monsoon Project, the 600MW wind power plant in Lao PDR, which commenced electricity generation and sales in the third quarter of 2025. In the first quarter of 2026, wind conditions remained favorable, resulting in positive operating performance, compared with the same period last year when the project still incurred only administrative and finance costs during the construction phase.
- For investments in associates, the Company recognized Baht 5 million share of profit in this first quarter, increased approximately Baht 2 million from the previous year.

5. Profitability:

As a result of the above factors, the Company reported net profit attributable to shareholders of Baht 25 million for the first quarter of 2026, representing a decrease of 80% compared with Baht 125 million in the first quarter of 2025.

Please kindly be informed.

Yours sincerely,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager