




**SERMSANG**  
POWER CORPORATION



Sermasang Power Corporation Public Company Limited  
Management Discussion and Analysis  
for the first quarter of 2026

## Company Highlights for the year 2025

-  In March 2026, the Company received an ESG performance assessment from FTSE Russell, achieving a score of 4.0 out of 5.0. This score is above the market average of 3.6, based on 222 companies, and exceeds the Company's established target.

### Executive Summary

In the first quarter of 2026, marked the high season for wind power plants in Vietnam. This year, the TTTV project was able to fully recognize its electricity generation and sales volume, following partial maintenance shutdowns of subsea transmission lines during the same period last year. Meanwhile, the Romklao Wind Farm in Thailand experienced lower wind speeds compared to both the previous quarter and the same period last year.

In terms of increased solar irradiance across Thailand, Japan, Mongolia, and especially Vietnam supported a higher overall electricity generation from solar power plants during the quarter.

Furthermore, this quarter marked the first full-quarter revenue recognition from electricity sales of the Leo 2 project in Japan. In addition, the repowering of the SPN solar power plant has been completed, enabling the project to operate at full efficiency. This led to improved operational performance and growth. However, revenue from the SPN project continued to be pressured by the expiration of government subsidies (Adder) since February 2025.

The Thai baht continued to appreciate in this quarter compared to the same period last year. This has affected the recognition of revenue in Thai baht for overseas projects. Furthermore, the decline in the fuel tariff (Ft) relative to the same period last year has also impacted revenue recognition for the SPN project and the Romklao Wind Farm project in Thailand.

**Financial Performance:** The Company reported core EBITDA from operations in the first quarter of 2026 of 683.6 million baht, representing a 1.1% decrease compared to the same period last year. The Company also reported Core Operating Profit (COP) of 251.3 million baht in the first quarter of 2026, a 10.7% increase compared to the same quarter last year.

**The statement of financial position as of March 31, 2026:** The total assets of the Company amounted to 28,129.4 million baht, showing an increase from 27,003.8 million baht as of December 31, 2025. The total liabilities of the Company amounted to 19,675.4 million baht, indicating an increase from 19,056.5 million baht as of December 31, 2025. Total equity stood at 8,454.0 million baht, a decrease from 7,947.3 million baht as of December 31, 2025.

At the end of the first quarter of 2026, the Company's Debt-to-Equity Ratio stood at 2.33 times. The Interest-Bearing Debt-to-Equity Ratio (IBD to Equity Ratio), as defined under the debenture covenants, was also recorded 1.98 times, remaining well within the debenture covenant threshold of 3.00 times.

## 1. Economic Overview, Risk Factors, and Risk Management Approaches

Amid ongoing global political uncertainties and evolving economic policies, the energy sector in 2026 is expected to remain one of the key industries driving economic growth. This outlook is supported by sustained energy demand from the industrial and household sectors, as well as the continued expansion of data centers. According to the International Energy Agency (IEA), global electricity demand is projected to increase by 3.7% in 2026. Renewable energy is expected to play an increasingly significant role and record the highest growth, followed by oil and natural gas.<sup>1</sup> Domestically, the Bank of Thailand forecasts Thailand's GDP growth at 1.5%<sup>2</sup> in 2026, compared to 2.2% in the previous year, reflecting a slowdown in the overall economy. Nevertheless, the Energy Reform Plan aimed at transitioning toward a Low Carbon Economy, which is expected to take effect in 2026, is anticipated to support growth in directly related sectors, including power generation, natural gas production and importation, and oil refining businesses.<sup>3</sup>

**Risk Factors and Risk Management Approach.** Climate change and global warming have prompted many countries worldwide to intensify efforts to reduce greenhouse gas (GHG) emissions and achieve Net Zero targets under the Paris Agreement. This has led to the implementation of stricter policies and regulations to control carbon emissions and promote clean energy adoption. A notable example is the Carbon Border Adjustment Mechanism (CBAM) of the European Union, which has been fully implemented since January 1, 2026.<sup>4</sup> The CBAM imposes carbon costs on imported goods with high GHG emissions to prevent carbon leakage and ensure fair competition between domestic and imported products within the EU, although certain adjustments have been introduced to ease compliance burdens.

In Thailand, the Draft Power Development Plan 2024–2037 (Draft PDP 2024)<sup>5</sup> outlines a reduction in the share of natural gas in power generation to 41% of total generation capacity and an increase in clean energy to 51% by 2037. This direction encourages private sector players in the energy industry to accelerate investment readiness during the energy transition toward achieving Net Zero Emissions by 2065. While these developments present positive prospects for the Company as a renewable energy operator, they also intensify industry competition and investment challenges. The Company's electricity sales volume in Thailand for the first ten months of 2025 accounted for 0.13%<sup>6</sup>. In addition, the Company has identified and developed risk management approaches for potential emerging risks<sup>7</sup> as follows.

Risk Types	Risk Management Approach
<b>Risks from Cyber Threats in Information Technology</b>	Establish a risk governance and management committee to ensure strict compliance with relevant policies. Implement an Automated Data Backup System and utilize certified, industry-standard software with robust cybersecurity features to protect against data breaches.
<b>Geopolitical Risks</b>	The Company manages risks by diversifying investments both domestically and internationally, while closely monitoring geopolitical developments. Risk assessments and impact analyses are conducted by experts during both the pre-investment stage and throughout project implementation. In addition, strong emphasis is placed on strategic international partnerships to reinforce the resilience and strength of overseas investments.
<b>Climate Change Risks</b>	<ul style="list-style-type: none"> <li><b>Risk from Lower-than-Expected Solar Irradiance:</b> Assesses solar irradiance using statistical data from reliable sources such as the Ministry of Energy. In addition, technical consultants are engaged to evaluate various influencing factors to ensure the accuracy of energy yield forecasts.</li> <li><b>Risk from Lower-than-Expected Wind Speeds:</b> Wind measurement masts were installed to collect data and develop wind resource models by analyzing correlations between high-resolution data and reliable statistical sources. In addition, a technical consultant was engaged to assess various factors relevant to the project.</li> <li><b>Risk from Natural Disasters:</b> The Company conducted a study on natural disaster statistics in the project area and arranged insurance coverage to manage potential risks and financial impacts. Preventive maintenance was carried out regularly, and risk assessments were performed on an ongoing basis. In addition, the Company implemented its Business Continuity Plan (BCP) to ensure operational resilience.</li> </ul>

<sup>1</sup> International Energy Agency [link](#)

<sup>2</sup> Bank of Thailand. Forecast summary as of December 17, 2025. [link](#)

<sup>3</sup> Krungsri Research, Bank of Ayudhya Company Limited. [link](#)

<sup>4</sup> European Commission [link](#)

<sup>5</sup> Energy News Center of the Ministry of Energy [link](#)

<sup>6</sup> Based on Thailand's 10M2025 cumulative electricity consumption (Energy Policy and Planning Office, Ministry of Energy, disclosed 6 January 2026) compared with the Company's cumulative electricity sales from four projects in Thailand (SPN, WVO, Winchai, and UPT).

<sup>7</sup> Annual Report 2024 Chapter 2, Emerging Risk.

## 2. Analysis of financial results and financial status

### Financial statement

(Unit: MB)

<b>Consolidated Financial Statement</b>	<b>1Q25</b>	<b>4Q25</b>	<b>1Q26</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
Revenues from sales	868.9	853.3	869.4	1.9	0.1
Revenues from services	24.3	23.7	14.9	(37.1)	(38.6)
Other incomes	40.8	18.4	40.1	118.3	(1.8)
<b>Total revenues</b>	<b>934.0</b>	<b>895.4</b>	<b>924.4</b>	<b>3.2</b>	<b>(1.0)</b>
Cost of sales and services	(390.8)	(413.0)	(408.4)	1.1	(4.5)
<b>Gross profit</b>	<b>502.4</b>	<b>464.1</b>	<b>475.9</b>	<b>2.6</b>	<b>(5.3)</b>
Selling and Administrative expenses	(101.5)	(100.6)	(86.7)	13.8	14.6
Financial incomes	4.5	2.0	6.7	242.8	47.8
Financial costs	(187.8)	(155.6)	(143.6)	7.7	23.5
Income taxes	(17.9)	(2.3)	(14.0)	(501.0)	21.8
<b>Net profit</b>	<b>240.6</b>	<b>225.9</b>	<b>278.5</b>	<b>23.3</b>	<b>15.8</b>
Non-controlling interests of the subsidiaries	(2.3)	0.1	(14.3)	(13,094.7)	(520.4)
<b>Net profit attributable to: Equity holders of the Company</b>	<b>238.2</b>	<b>226.1</b>	<b>264.2</b>	<b>16.9</b>	<b>10.9</b>
EBITDA <sup>1</sup>	690.9	674.6	683.6	1.3	(1.1)
<b>Core operating EBITDA</b>	<b>690.9</b>	<b>664.7</b>	<b>683.6</b>	<b>2.8</b>	<b>(1.1)</b>
<b>Core operating profit (COP)<sup>2</sup></b>	<b>226.9</b>	<b>236.5</b>	<b>251.3</b>	<b>6.2</b>	<b>10.7</b>

<b>Key profit margin (%)</b>	<b>1Q25</b>	<b>4Q25</b>	<b>1Q26</b>
EBITDA margin	73.6%	75.2%	73.4%
<b>Core operating EBITDA margin</b>	<b>77.3%</b>	<b>75.8%</b>	<b>77.3%</b>
Net profit margin	25.4%	25.2%	28.4%
<b>Core operating profit margin</b>	<b>25.4%</b>	<b>27.0%</b>	<b>28.4%</b>

#### Remark:

<sup>1</sup> EBITDA: Net profit, add back income taxes expenses and financial costs, and deducted financial incomes, add back depreciation and amortization, loss (gain) from FX, gain (loss) from share of profits from investments in subsidiaries and an associate, and add back loss (gain) from one-time transactions.

<sup>2</sup> Core Operating Profit (COP) is a key performance indicator used by management and the board of directors to evaluate the Company's financial performance and to determine dividend policy.

## 2.1) Analysis of financial results

### (1) Sale Volume and Revenues

(Unit: MWh)

Sales Volume breakdown	1Q25	4Q25	1Q26	QoQ (%)	YoY (%)
<b>Solar Farm</b>	<b>56,125</b>	<b>56,615</b>	<b>75,716</b>	33.7	34.9
Thailand	19,539	22,757	27,894	22.6	42.8
Japan	17,914	20,407	26,161	28.2	46.0
Vietnam	12,783	8,426	15,777	87.2	23.4
Mongolia	5,890	5,024	5,885	17.1	(0.1)
<b>Wind Farm</b>	<b>86,461</b>	<b>91,463</b>	<b>91,649</b>	0.2	6.0
Thailand	46,104	55,624	37,096	(33.3)	(19.5)
Vietnam	40,357	35,839	54,553	52.2	35.2
<b>Biomass</b>	<b>17,187</b>	<b>15,335</b>	<b>17,207</b>	12.2	0.1
Thailand	17,187	15,335	17,207	12.2	0.1
<b>Solar Rooftop</b>	<b>11,749</b>	<b>14,312</b>	<b>13,211</b>	(7.7)	12.4
Thailand	2,565	3,389	4,145	22.3	61.6
Indonesia	9,184	10,923	9,066	(17.0)	(1.3)
<b>Total</b>	<b>171,522</b>	<b>177,725</b>	<b>197,783</b>	11.3	15.3

In the first quarter of 2026, total electricity sales volume amounted to 197,783 MWh, representing an increase of 11.3% compared to the previous quarter and 15.3% compared to the same period last year.

- Solar farms** recorded electricity sales of 75,716 MWh, representing an increase of 33.7% compared to the previous quarter, primarily driven by higher solar irradiance across all projects, and particularly TTQN project in Vietnam, the sales volume increased significantly by 87.2% compared to the previous quarter. In addition, the Company recognized a full-quarter contribution from the Leo 2 project in Japan. Compared to the same period last year, electricity sales volume increased by 34.9%, mainly driven by higher electricity generation from the SPN project in Thailand following the completion of repowering. This was further supported by the recognition of electricity sales from the Leo 2 project, as well as higher solar irradiance across all projects.
- Wind farms** reported electricity sales of 91,649 MWh, increasing by 0.2% compared to the previous quarter, driven by the high season of the Vietnam project. Sales also rose by 6.0% compared to the same period last year, supported by increased electricity sales volume in Vietnam following the temporary shutdown of the subsea cable in the same period last year.
- Biomass** generated electricity sales of 17,207 MWh, increasing by 12.2%, mainly due to no scheduled annual maintenance shutdowns during this quarter, and rising slightly by 0.1% compared to the same period last year.
- Solar Rooftop** recorded electricity sales of 13,211 MWh, representing a decrease of 7.7% compared to the previous quarter, primarily due to lower electricity sales volume in Indonesia as a result of reduced solar irradiance. However, compared to the same period last year, electricity sales increased by 12.4%, mainly driven by contributions from an additional 5.2 MW of installed capacity from new projects in Thailand.

(Unit: MB)

Revenue Structure	1Q25	4Q25	1Q26	QoQ (%)	YoY (%)
Sale revenues from solar	331.3	284.3	365.7	28.6	10.4
Sale revenues from wind	434.1	471.9	398.7	(15.5)	(8.2)
Sale revenues from biomass	80.2	71.6	80.6	12.6	0.5
Sale revenues from solar rooftop	23.2	25.6	24.4	(4.6)	5.0
<b>Total revenues from electricity sales</b>	<b>868.9</b>	<b>853.3</b>	<b>869.4</b>	<b>1.9</b>	<b>0.1</b>
<b>Total revenues from services</b>	<b>24.3</b>	<b>23.7</b>	<b>14.9</b>	<b>(37.1)</b>	<b>(38.6)</b>
<b>Total revenues from electricity sales and services</b>	<b>893.2</b>	<b>877.1</b>	<b>884.3</b>	<b>0.8</b>	<b>(1.0)</b>

In the first quarter of 2026, total revenue from electricity sales and services amounted to 884.3 million baht, representing an increase of 0.8% compared to the previous quarter and a decrease of 1.0% compared to the same period last year.

**Revenue from electricity sales totaled 869.4 million baht**, increasing by 16.1 million baht, or 1.9% compared to the previous quarter. The increase was primarily attributable to: (1) the high season of wind power plants in Vietnam, (2) the first full-quarter revenue recognition of the Leo 2 project, and (3) increased revenue from the TTQN and SPN projects, driven by higher solar irradiance. However, revenue from the Romklao Wind Farm declined due to lower wind speeds, resulting in an overall decrease in wind power revenue compared to the previous quarter. In addition, the appreciation of the Thai baht continued to put pressure on revenue recognition from overseas projects.

Compared to the same quarter last year, the Company's electricity sales revenue increased by 0.5 million baht, or 0.1%. This was mainly driven by: (1) the first full-quarter revenue recognition of the Leo 2 project, (2) partial shutdowns of the subsea transmission line at the TTTV wind power plant in Vietnam, in the first half of the year 2025, and (3) the completion of the repowering of the SPN solar power plant.

However, the increase in revenue was offset by several factors: (1) lower wind speeds at the Romklao Wind Farm in Thailand compared to the same period last year, (2) the expiration of the government subsidy (Adder) for the SPN project in February 2025, (3) the appreciation of the Thai Baht, resulting in lower revenue recognition from overseas projects, and (4) the decline in the fuel tariff (Ft), which affected the revenue of the SPN project and the Romklao Wind Farm in Thailand.

**Service revenue amounted to 14.9 million baht**, decreased by 8.8 million baht, or 37.1% compared to the previous quarter, mainly due to lower revenue recognition from solar rooftop installation (EPC) projects, as well as a decline in revenue from the flexible packaging business. Compared to the same period last year, revenue decreased by 9.4 million baht, or 38.6%, primarily driven by lower revenue recognition from solar rooftop installation (EPC) projects.

## (2) Administrative Expenses

(Unit: MB)

Administrative Expenses	1Q25	4Q25	1Q26	QoQ (%)	YoY (%)
Loss on exchange rate	-	24.6	-	(100.0)	N/A
Administrative expenses	101.5	75.9	86.7	14.2	(14.6)
Administrative expenses per revenue from sales and services	11.4%	8.7%	9.8%		

In the first quarter of 2026, the Company did not record any foreign exchange losses. Administrative expenses amounted to 86.7 million baht, representing an increase of 14.2% compared to the previous quarter, mainly due to expenses related to the development and commercial operation of new projects. However, administrative expenses decreased by 14.6% compared to the same period last year, primarily due to the absence of tax expense adjustments for overseas projects. The ratio of administrative expenses to revenue from sales and services was 9.8%, up from 8.7% in the previous quarter but down from 11.4% in the same period last year.

### (3) Financial costs and Income Tax

(Unit: MB)

<b>Financial costs and Income tax</b>	<b>1Q25</b>	<b>4Q25</b>	<b>1Q26</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
Financial costs	187.8	155.6	143.6	(7.7)	(23.5)
Income tax	17.9	2.3	14.0	501.0	(21.8)

In the first quarter of 2026, the Company recorded the finance costs amount 143.6 million baht, decreasing by 7.7% compared to the previous quarter. This decline was mainly attributable to the lower floating interest rates across multiple currencies, and the appreciation of the Thai baht. Compared to the same period last year, finance costs declined by 23.5%, driven by improved financial cost management. This included the issuance of new debentures, the refinancing of the Romklao Wind Farm project, and the restructuring of the TTQN project. In addition, lower floating interest rates across several currencies and the appreciation of the Thai baht led to reduced finance cost recognition for overseas projects.

Income tax expenses amounted to 14.0 million baht, increasing by 501.0% compared to the previous quarter, mainly due to deferred tax adjustments and higher profits before tax. However, income tax expenses decreased by 21.8% compared to the same period last year, primarily due to lower tax expenses related to other incomes.

### (4) One-time items

One-time transactions are items that management has determined to be non-recurring have been adjusted by reclassifying special items and other gains (losses) to be reflected in Core Operating Profit (COP) and core EBITDA. This adjustment is intended to provide a more appropriate basis for comparing financial performance.

In the first quarter of 2026, the Company did not have any one-time items.

### (5) Net Profit (attributed to company shareholder) and Core Operating Profit

(Unit: MB)

<b>Net profit distribution to SSP's shareholders</b>	<b>1Q25</b>	<b>4Q25</b>	<b>1Q26</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
Net profit distribution to SSP's shareholders	238.2	226.1	264.2	16.9	10.9
Adjust unrealized FX	(11.3)	20.4	(12.9)	(163.3)	(14.0)
Adjust special items and other gains (losses)	-	(9.9)	-	100.0	N/A
<b>Core Operating Profit (COP)</b>	<b>226.9</b>	<b>236.5</b>	<b>251.3</b>	<b>6.2</b>	<b>10.7</b>

In the first quarter of 2026, the Company reported a net profit (attributable to equity holders of the Company) of 264.2 million baht, representing an increase of 16.9% and 10.9% compared to the previous quarter and the same period last year, respectively. In this quarter, the Company adjusted its reported net profit to core operating profit by deducting unrealized foreign exchange gains of 12.9 million baht. As a result, in the first quarter of 2026, the Company reported core operating profit of 251.3 million baht, increasing by 6.2% and 10.7% compared to the previous quarter and the same period last year, respectively.

## 2.2) Financial Position of the Group

(Unit: MB)

<b>Financial Status</b>	<b>31-Dec-25</b>	<b>31-Mar-26</b>	<b>Change (%)</b>
Total Assets	27,003.8	28,129.4	4.2
Total Liabilities	19,056.5	19,675.4	3.2
Total Equity	7,947.3	8,454.0	6.4
Total Equity (To SSP's shareholders)	7,568.4	8,049.7	6.4
Debt to Equity Ratio (Consolidated) (times)	2.40	2.33	
Interest Bearing Debt (As defined under the debenture covenants)	16,337.9	16,767.9	2.6
Interest Bearing Debt to Equity (As defined under the debenture covenants) (times)	2.06	1.98	

As of March 31, 2026, total assets amounted to 28,129.4 million baht, representing an increase of 1,125.6 million baht, from 27,003.8 million baht or a 4.2% increase from December 31, 2025. The majority of total assets consisted of property, plant, and equipment of power plants, accounting for 65.1% of the total assets.

Total liabilities amounted to 19,675.4 million baht, an increase of 618.9 million baht from 19,056.5 million baht as of December 31, 2025, representing a 3.2% increase. This rise was primarily due to increased interest-bearing debt of 430.0 million baht, which included a decrease in bank overdrafts and short-term borrowings from financial institutions of 1.6 million baht, an increase in long-term borrowings from financial institutions of 430.3 million baht. Additionally, bonds increased by 1.3 million baht.

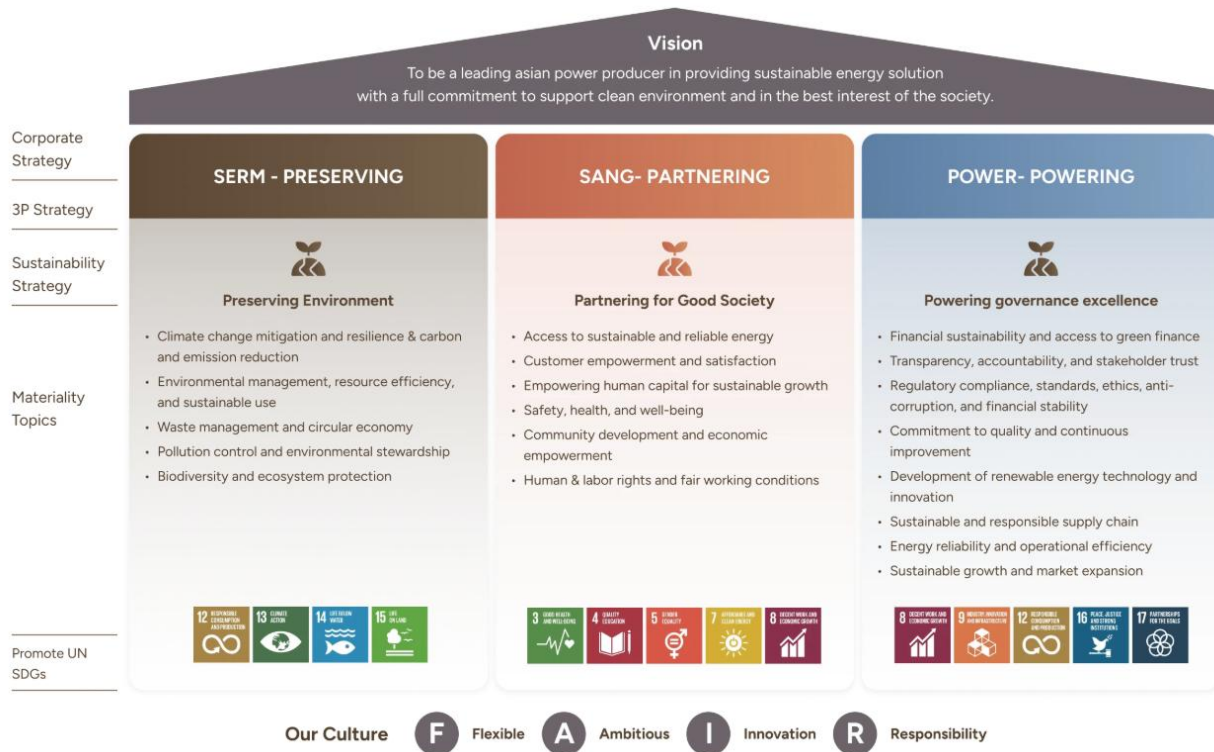
Total equity recorded 8,454.0 million baht, increased 506.7 million baht from 7,947.3 million baht as of December 31, 2025, or 6.4% increase. Total equity to SSP's shareholders reported at 8,049.7 million baht, increased 481.3 million baht from 7,568.4 million baht at December 31, 2025, representing an increase of 6.4%, primarily driven by increases in the cash flow hedge reserve and exchange differences on translation of financial statements in foreign currencies.

## 2.3) Financial Ratios

The debt-to-equity ratio (Consolidated) as of March 31, 2026, at 2.33 times, decreased from December 31, 2025, at 2.40 times. The interest-bearing debt to equity ratio (IBD to Equity Ratio), as defined under the debenture covenants, was also recorded 1.98 times, which remained well within the debenture covenant threshold of 3.00 times.

### 3. Environmental, Social, Governance: ESG

#### 3.1) Sustainability Strategy and Path Forward (3P Sustainability Strategy)



#### 3.2) Sustainable Business Progress in the first quarter of 2026

## E

nvironmental Enhancing waste

management to achieve an 80% recycling target by 2030. The Company is committed to advancing its **SERM Preserving Environment** strategy through resource management aligned with the Circular Economy concept. A notable achievement was the successful implementation of the **“Cap to Craft”** Keychain Workshop, held in celebration of Global Recycling Day. The initiative generated meaningful engagement from a total of 50 employees and their family members, transforming 2,000 plastic bottle caps into valuable resources through an upcycling process. Each alphabet keychain required approximately 6–8 plastic caps. The project achieved an exceptional satisfaction score of 98%, representing a significant step in fostering environmental awareness. It also supports the Company’s long-term objective of increasing the recycling rate of non-hazardous waste to at least 80% and reducing overall waste generation by 10% by 2030, contributing to a sustainable future.



## S

ocial Creating Shared Value and

Enhancing Community Quality of Life The Company places strong emphasis on social initiatives that address stakeholder expectations, incorporating feedback from the 2025 community satisfaction survey.



This commitment was concretely demonstrated through the **“Safe School, Sustainable World”** project at Ban Wang Khon Khwang School in Lopburi Province, with a project investment budget of THB 5,770. The initiative achieved a high community satisfaction score of **96.8%**.



## G

overnance Enhancing sustainability

standards to the international level through the **FTSE Russell ESG Scores** assessment. The Company has successfully elevated its operational standards to the international level, achieving a strong debut in **the FTSE Russell ESG Scores with a score of 4.0 out of 5.0**. This places the Company in the 89<sup>th</sup> percentile and above the average score of 3.6 among Thai listed companies. The result reflects the Company’s strong and effective management capabilities across environmental, social, and governance (ESG) dimensions, reinforcing SSP’s commitment to being a sustainable stock. It also strengthens stakeholder confidence through performance that has clearly outperformed the broader capital market average from the first year of assessment.



Sustainability website [Click](#)