

GENERATING INFINITE POSSIBILITIES



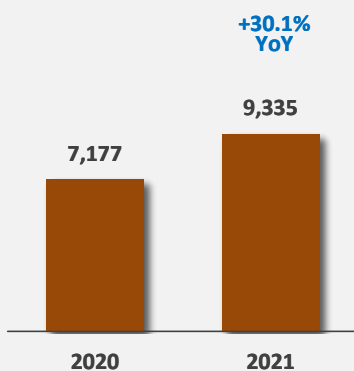
Management Discussion and Analysis For Year Ended 31 December 2021



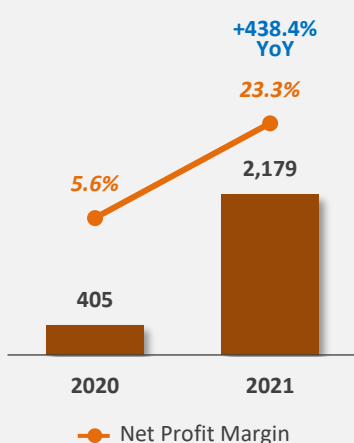
Executive Summary

Unit: Baht Million

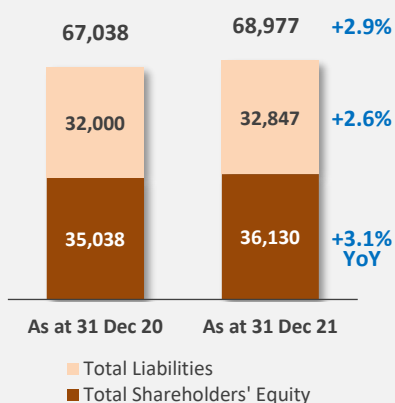
Total Revenue



Net Profit attributable to Equity Holders of the Company



Financial Position



Total Revenue

Total Revenue of 2021 increased by 30.1% YoY, mainly driven by:

- (1) An increase in Revenue from Sales of Electricity of NN2 following higher electricity sales volume due to higher water inflow during 2021 compared to the previous year and higher water level in the reservoir at the beginning of 2021.
- (2) An increase in Revenue from Sales of Electricity and Steam of BIC following higher average natural gas price and YoY growth in electricity sales volume.
- (3) An increase in Project Management Income mainly from the recognition of project management income from Luang Prabang Hydroelectric Power Project since Q4 2020.

Net Profit attributable to Equity Holders of the Company

Net Profit attributable to Equity Holders of the Company in 2021 increased by 438.4% YoY, mainly from:

- (1) A YoY increase in Revenue from Sales of Electricity of NN2; and
- (2) A YoY increase in the share of profit from investment in XPCL following higher electricity sales volume and lower finance cost compared to the previous year, together with the increase in ownership of XPCL from 37.5% to 42.5% at the end of Q2 2021.

Financial Position as at 31 December 2021

Total Assets increased by 2.9% from the end of 2020 mainly from capital injection in Luang Prabang Power Company Limited (LPCL), additional 5.0% share acquisition of XPCL, and an increase in accounts receivable from electricity sales.

Total Liabilities increased by 2.6% from the end of 2020 primarily from the issuance of the Company's Debentures No. 2/2021 to redeem the short-term loan used in the additional 5.0% XPCL share acquisition transaction and to support operation as working capital.

Total Shareholders' Equity increased by 3.1% from the end of 2020, mainly driven by the improvement of operating results in 2021, offset by unrealized loss from cash flow hedges of XPCL due to the weakening of Thai Baht against US Dollar.

Significant Events in 2021

Capital Injection in Luang Prabang Power Company Limited (LPCL)

On 19 January 2021 and 6 October 2021, the Company completed Baht 2,170.6 million and Baht 504 million capital injections in proportion to its shareholding in LPCL, respectively.

Approval of Dividend Payment from the 2020 Operating Results

On 22 April 2021, the 2021 Annual Ordinary General Meeting of Shareholders approved the dividend payment from the Company's operating results for the year 2020 of Baht 0.0350 per share, totaling Baht 284.5 million, equivalent to a payout ratio of 45.6% of Net Profit under the separate financial statement. The dividend was paid on 20 May 2021.

Approval of Additional Share Acquisition of Xayaburi Power Company Limited (XPCL)

On 22 April 2021, the 2021 Annual Ordinary General Meeting of Shareholders approved an additional 5.0% share acquisition of XPCL from PT Sole Company Limited (PTS), totaling Baht 1,826.6 million (not exceeding Baht 13.60 per share). On 29 June 2021, the Company completed the acquisition using Baht 1,800 million short-term loan facility as source of fund, resulted in an increase in its holding in XPCL from 37.5% to 42.5%.

Issuance of Debentures No. 1/2021 by CK Power Public Company Limited

On 28 May 2021, the Company issued Baht 4,000 million unsecured, unsubordinated Debentures No. 1/2021 with a debentureholders' representative. The proceeds from the debentures were used to redeem debentures maturing in Q2 2021, expand the Company's business, and support operation as working capital. The debentures consisted of:

- Baht 1,500 million debentures with a tenor of 3 years at the interest rate of 1.74% per annum;
- Baht 1,000 million debentures with a tenor of 5 years at the interest rate of 2.45% per annum; and
- Baht 1,500 million debentures with a tenor of 7 years at the interest rate of 3.02% per annum with issuer's right to early redemption.

TRIS Rating Company Limited (TRIS Rating) assigned the company rating of "A" (with Stable Outlook) to the Company and the issue rating of "A-" (with Stable Outlook) to all of the Company's debentures including debentures No. 1/2021.

Issuance of Debentures No. 2/2021 by CK Power Public Company Limited

On 21 October 2021, the Company issued Baht 2,000 million of unsecured, unsubordinated Debentures No. 2/2021 with a debentureholders' representative. The debentures have tenor of 10 years with an interest rate of 3.58% per annum and an issuer's right to early redemption. The proceeds from the debentures were used to redeem the short-term loan from financial institution and to support operation as working capital. TRIS Rating assigned the issue rating of "A-" (with Stable Outlook) to debentures No. 2/2021.

Awards and Recognition in 2021

Included in Thailand Sustainability Investment (THSI) List for 2021

On 4 October 2021, the Company was included in the Thailand Sustainability Investment or THSI list of 2021 by the Stock Exchange of Thailand for the 2nd consecutive year, reflecting the Company's focus on operating a sustainable business that supports environment, social, and good corporate governance (ESG).

Achieved Excellent Corporate Governance (CG) Score

On 26 October 2021, the Company received "Excellent" Corporate Governance (CG) score under the Corporate Governance Report of Thai Listed Companies 2021 published by Thai Institute of Directors Association for the 4th consecutive year.

Received Asia Power Awards 2021

In November 2021, the Company received Asian Power Awards 2021 in the Innovative Power Technology of the Year – Thailand category. The Awards recognized the Bangpa-in Cogeneration Power Plant's development of project and innovation to reduce the use of energy, minimize the environmental impact and achieve cost savings without affecting the electricity production.

Received The Asset ESG Corporate Awards 2021

In December 2021, the Company received ESG Corporate Awards 2021 – Gold Level from The Asset financial magazine. The awards reflected the Company’s efforts in driving sustainable business direction and incorporating ESG considerations for all stakeholders.

Joined the Task Force on Climate-related Financial Disclosures as Supporter

In December 2021, the Company became a Task Force on Climate-related Financial Disclosures Supporter or TCFD Supporter, reflecting the Company’s intent to improve its financial disclosure and risk assessment related to the climate change to meet the international standard.

Analysis of Operating Results of 2021

Description	Year (Baht Million)		Changes	
	2020	2021	Inc/(Dec)	%
Revenue from Sales of Electricity and Steam	6,527.0	8,505.2	1,978.2	30.3
Project Management Income	168.1	292.6	124.5	74.1
Interest Income under Finance Lease Agreement	344.7	336.9	(7.8)	(2.3)
Other Income	137.7	200.0	62.3	45.2
Total Revenues	7,177.5	9,334.7	2,157.2	30.1
Operating Expenses	(6,417.5)	(7,014.4)	596.9	9.3
Share of Profit from Investments in Jointly Controlled Entities and Associated Companies	407.4	1,527.7	1,120.3	275.0
Foreign Exchange Gain	10.8	34.8	24.0	222.2
Earnings Before Interest and Tax	1,178.2	3,882.8	2,704.6	229.6
Finance Cost	(996.4)	(1,070.4)	74.0	7.4
Income Tax Expenses	15.9	(61.2)	77.1	484.9
Net Profit attributable to Non-controlling Interests of the Subsidiaries	207.0	(572.2)	779.2	376.4
Net Profit attributable to Equity Holders of the Company	404.7	2,179.0	1,774.3	438.4

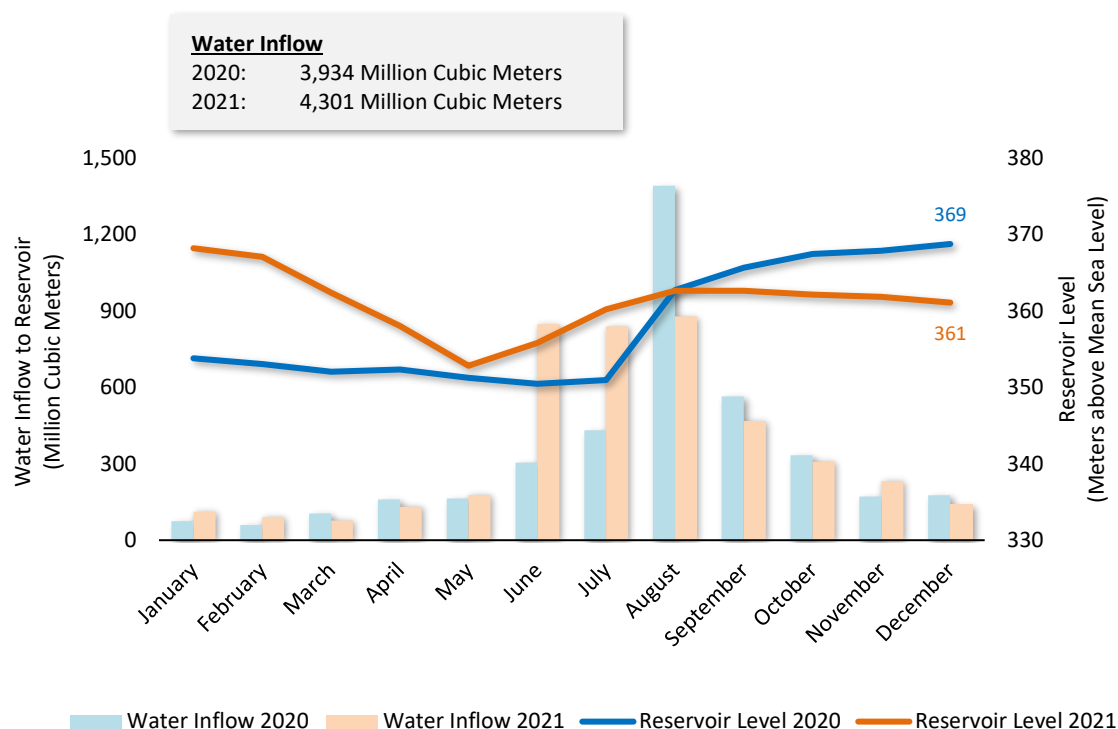
Revenue from Sales of Electricity and Steam

	Sales Volume of Electricity / Steam (GWh) / (Tons)		Changes		Revenue (Baht Million)		Changes	
	2020	2021	Inc/(Dec)	%	2020	2021	Inc/(Dec)	%
Revenue from Sales of Electricity								
NN2	920.1	1,844.8	924.7	100.5	1,716.6	3,414.3	1,697.7	98.9
BIC	1,535.7	1,543.9	8.2	0.5	4,604.8	4,851.9	247.1	5.4
BKC	20.1	23.2	3.1	15.4	157.8	188.1	30.3	19.2
Subtotal	2,475.9	3,411.9	936.0	37.8	6,479.2	8,454.3	1,975.0	30.5
Revenue from Sales of Steam								
BIC	74,026	73,395	(631)	(0.9)	47.8	50.9	3.1	6.5
Total					6,527.0	8,505.2	1,978.2	30.3

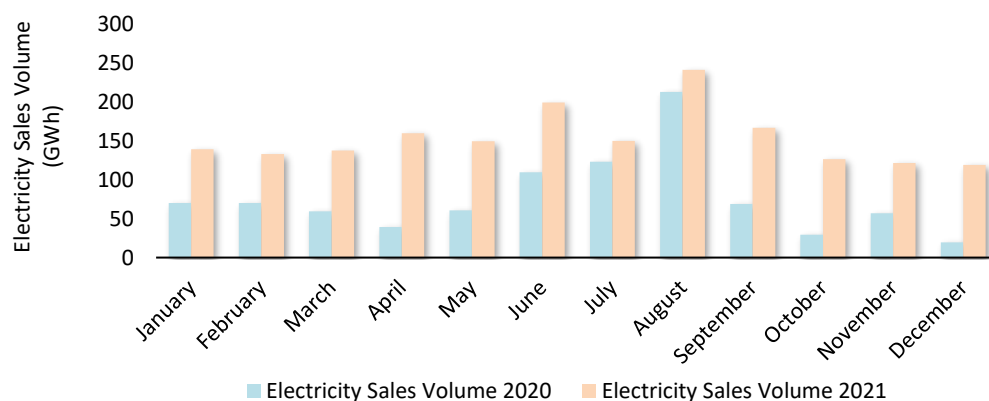
In 2021, Revenue from Sales of Electricity and Steam increased by 30.3% YoY mainly due to the following reasons:

NN2: Revenue from sales of electricity of NN2 in 2021 increased by 98.9% YoY, driven by the higher electricity sales volume YoY due to higher water inflow during 2021 compared to the previous year and higher water level in the reservoir at the beginning of 2021 as a result of conservative declaration during 2020.

Water Inflow and Reservoir Level of Nam Ngum 2 Hydroelectric Power Plant



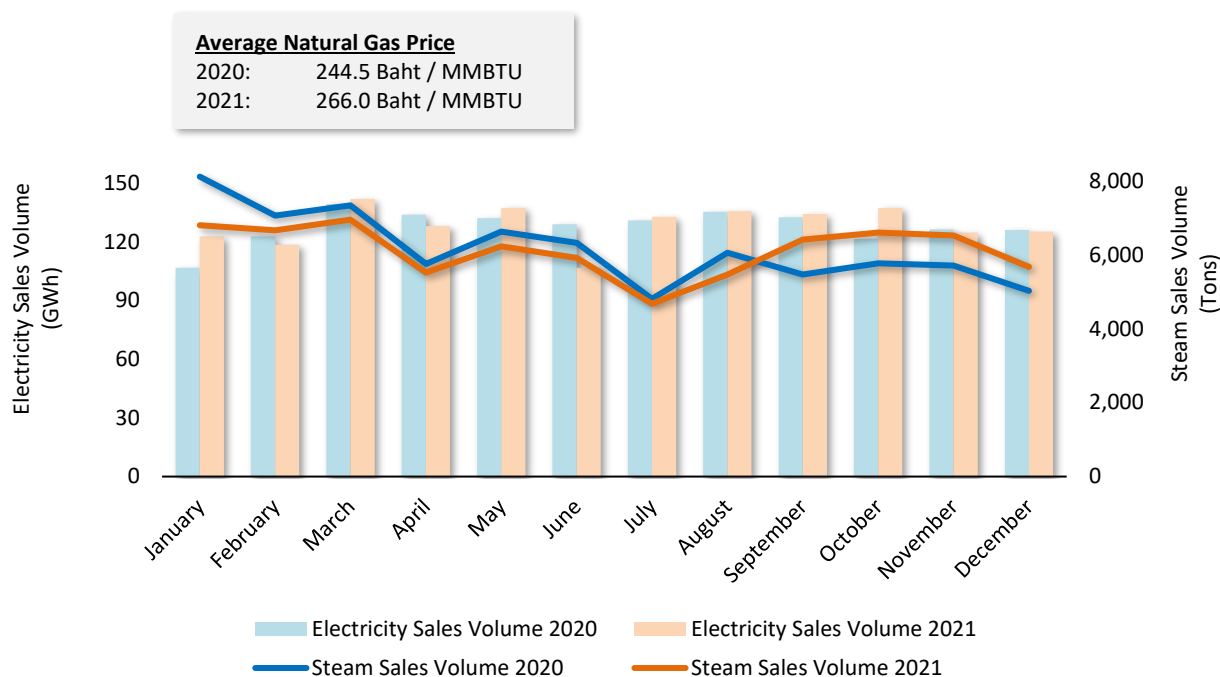
Electricity Sales Volume of Nam Ngum 2 Hydroelectric Power Plant



Description	Year (GWh)		Changes	
	2020	2021	Inc/(Dec)	%
Primary Energy (PE)	915.7	1,742.6	826.9	90.3
Secondary Energy (SE)	-	98.6	98.6	-
Excess Energy (EE)	-	-	-	-
Test Energy (TE)	4.4	3.6	(0.8)	(18.2)
Total Electricity Sales	920.1	1,844.8	924.7	100.5

BIC: Revenue from Sales of Electricity and Steam of BIC in 2021 increased by 5.4% YoY, driven by an increase of average natural gas price in 2021 compared to the previous year, which resulted in higher Energy Payment revenue, and the YoY growth in electricity sales volume due to increased demand.

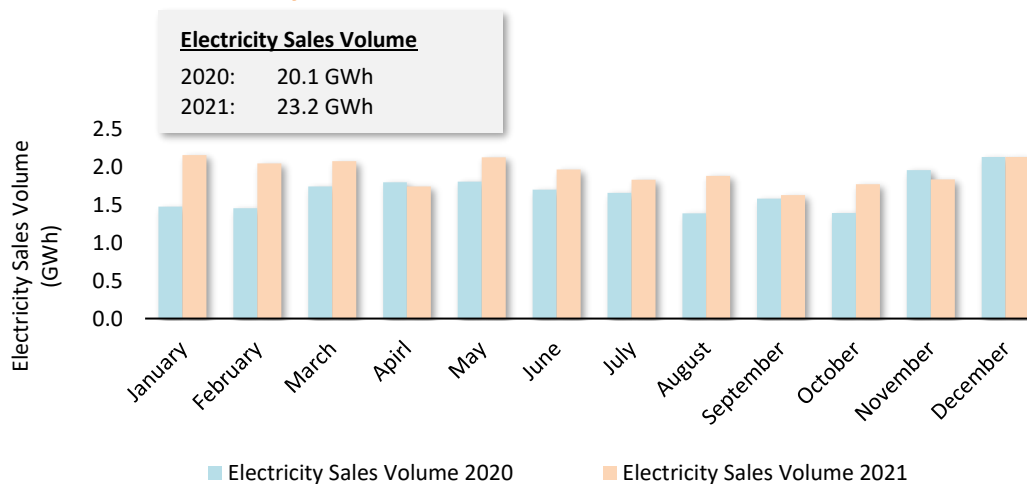
Electricity and Steam Sales Volume of Bangpa-in Cogeneration Power Plant



Off-takers	Year (GWh)		Changes	
	2020	2021	Inc/(Dec)	%
Electricity Generating Authority of Thailand (EGAT)	1,235.9	1,237.5	1.6	0.1
Industrial customers	299.8	306.4	6.6	2.2
Total Electricity Sales	1,535.7	1,543.9	8.2	0.5

BKC: Revenue from Sales of Electricity of BKC in 2021 increased by 19.2% YoY primarily because Bangkhenchai Solar Power Plant changed its solar panels during Q3 2020, which improved the plant's overall efficiency, and Khlong Preng Solar Power Plant under BKC with a total installed capacity of 2.67 MW started selling electricity to its private-sector customer in September 2020, resulted in the YoY increase in electricity sales volume in 2021.

Electricity Sales Volume of Solar Power Plants under BKC



Project Management Income

Project Management Income in 2021 increased by 74.1% YoY mainly from the recognition of project management income from Luang Prabang Hydroelectric Power Project since Q4 2020.

Interest Income under Finance Lease Agreement

Interest Income under Finance Lease Agreement in 2021 decreased by 2.3% YoY according to the term of the lease agreement between Nabong Substation and the Government of Lao.

Other Income

Other Income in 2021 increased by 45.2% YoY primarily due to the full recognition of interest income from long-term loan to XPCL.

Operating Expenses

Description	Year (Baht Million)		Changes	
	2020	2021	Inc/(Dec)	%
Cost of Sales of Electricity and Steam	5,380.0	5,913.9	533.9	9.9
<i>Fuel Costs</i>	2,948.4	3,216.4	268.0	9.1
<i>Depreciation Expenses</i>	1,500.7	1,507.4	6.7	0.4
<i>Operation and Maintenance Costs</i>	644.8	695.6	50.8	7.9
<i>Wheeling Charge</i>	119.2	229.7	110.5	92.7
<i>Royalty Fee</i>	59.6	120.1	60.5	101.5
<i>Others</i>	107.3	144.7	37.4	34.8
Amortization of Right to Produce and Sell Electricity	521.3	521.3	-	-
Cost of Project Management	88.5	84.8	(3.7)	(4.2)
Administrative Expenses	427.7	494.4	66.7	15.6
Total Operating Expenses	6,417.5	7,014.4	596.9	9.3

The Operating Expenses for 2021 increased by 9.3% YoY with key changes as follows:

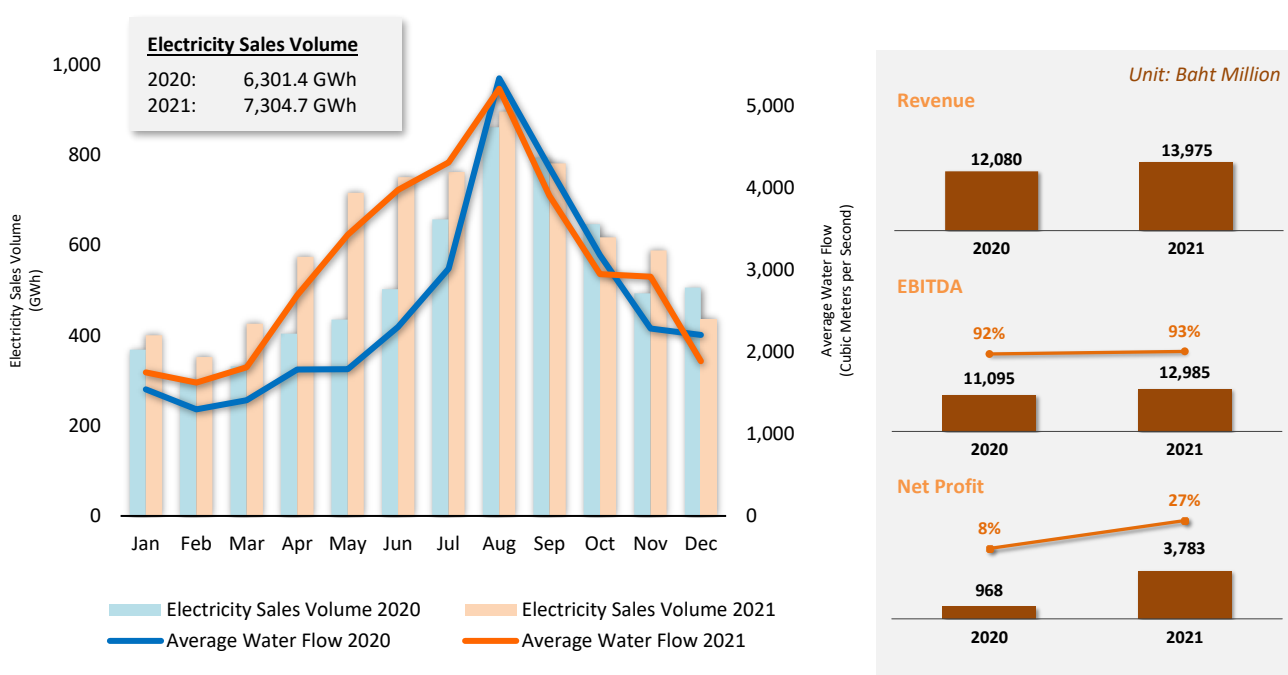
- BIC's Fuel Costs increased by 9.1% YoY following the increase of average natural gas price compared to the previous year.
- Depreciation Expenses increased by 0.4% YoY primarily from the Khlong Preng Solar Power Plant under BKC, which started selling electricity in September 2020.
- Operation and Maintenance Costs increased by 7.9% YoY mainly from expenses related to the Partial Overhaul of Bangpa-in Cogeneration Power Plant 2, gas turbine maintenance expenses of Bangpa-in Cogeneration Power Plant 1 and an increase of other maintenance cost of BIC according to the maintenance agreement.
- Wheeling Charges increased by 92.7% YoY following the increase in dispatched electricity of NN2.
- Royalty Fee increased by 101.5% YoY, consistent with the increase in NN2's revenue from sales of electricity.
- Cost of Project Management decreased by 4.2% YoY from lower activities during the COVID-19 situation.
- Administrative Expenses increased by 15.6% YoY primarily from consulting fee, advertising expenses and social contribution activities during the COVID-19 situation.

Share of Profit from Investments in Jointly Controlled Entities and Associated Companies

Description	Year (Baht Million)		Changes	
	2019	2020	Inc/(Dec)	%
Share of Profit from Investments in Jointly Controlled Entities	40.7	40.3	(0.4)	(1.0)
Share of Profit from Investments in Associated Companies	366.7	1,487.4	1,120.7	305.6
Share of Profit from Investments in Jointly Controlled Entities and Associated Companies	407.4	1,527.7	1,120.3	275.0

In 2021, Share of Profit from Investments in Jointly Controlled Entities and Associated Companies increased 275.0% YoY. The improvement came mainly from (1) Xayaburi Hydroelectric Power Plant's higher average water flow compared to the previous year, which resulted in higher electricity sales volume, together with the decline in XPCL's finance cost driven mainly by lower interest rate and principal repayments and (2) the increased ownership of XPCL from 37.5% to 42.5% at the end of Q2 2021 by the Company.

Monthly Average Water Flow and Electricity Sales Volume of Xayaburi Hydroelectric Power Plant



Finance Cost

Finance Costs in 2021 increased by 7.4% YoY mainly due to debenture issuances by the Company since late 2020 to support the capital injection in LCPL, the additional 5.0% XPCL share acquisition, and the Company's operation as working capital.

Income Tax Expenses

Income Tax Expenses in 2021 increased by 484.9% YoY, mainly due to (1) the expiration of Bangpa-in Cogeneration 1's income tax privilege on 23 June 2021, which resulted in BIC paying corporate income tax at the rate of 20% since the expiration and (2) the expiration of BKC's income tax privilege on 10 August 2020, which resulted in BKC paying corporate income tax at the rate of 10%, according to the 50% corporate income tax reduction privilege that BKC received for the period of 5 years following the expiration date.

Net Profit attributable to Equity Holders of the Company

Overall, Net Profit attributable to Equity Holders of the Company in 2021 increased by 438.4% YoY, mainly driven by (1) higher Revenue from Sales of Electricity of NN2 following higher water inflow during 2021 compared to the previous year and higher water level in the reservoir at the beginning of 2021 and (2) higher share of profit from investment in XPCL

following higher electricity sales volume YoY, lower finance cost YoY, and additional 5.0% ownership of XPCL by the Company.

Analysis of Financial Position

Description	As at 31 Dec 2020 (Baht Million)	As at 31 Dec 2021 (Baht Million)	Changes	
			Inc/(Dec)	%
Total Assets	67,038.5	68,977.3	1,938.8	2.9
Total Liabilities	32,000.5	32,847.3	846.8	2.6
Total Shareholders' Equity	35,038.0	36,130.0	1,092.0	3.1

Total Assets

As at 31 December 2021, Total Assets increased by 2.9% from the end of 2020 primarily from the capital injection in LPCL, the additional 5.0% share acquisition of XPCL, and an increase in accounts receivable from electricity sales.

Total Liabilities

As at 31 December 2021, Total Liabilities increased by 2.6% from the end of 2020 mainly due to the Company's issuance of Debentures No. 2/2021 on 21 October 2021 to redeem the short-term loan used in the additional 5.0% XPCL share acquisition transaction and to support operation as working capital.

Total Shareholders' Equity

As at 31 December 2021, Total Shareholders' Equity increased by 3.1% from the end of 2020, mainly driven by the improvement of operating results in 2021, offset by unrealized loss from cash flow hedges of XPCL following the depreciation of Thai Baht against US Dollar from the beginning of the period.

Cash Flows Analysis

As at 31 December 2021, the Company reported Cash and Cash Equivalent of Baht 7,082.3 million, decreased by Baht 1,816.8 million or 20.4% from the end of 2020.

Cash Flow Statement for 2021	Baht Million
Net cash flows from operating activities	3,667.2
Net cash flows used in investing activities	(4,080.5)
Net cash flows used in financing activities	(1,403.8)
Effect of exchange rate changes on cash and cash equivalents	0.3
Net Increase in Cash and Cash Equivalents	(1,816.8)

- Net cash inflows from operating activities came mainly from the Company and its subsidiaries' operating cash flows.
- Net cash outflows from investing activities were mainly from investments in associated companies, namely LPCL and XPCL.
- Net cash outflows from financing activities were mainly from the redemptions of debentures, interest payments and principal repayments, offset by proceeds from debentures issuances.

Significant Financial Ratios

Profitability Ratios	Year		Changes
	2020	2021	
Gross Profit Margin (%)	16.5	30.2	13.7
EBITDA Margin (%)	39.7	47.6	7.9
EBITDA Margin including Share of Profit (%)	45.4	64.0	18.6
Net Profit Margin (%)	5.6	23.3	17.7
<i>Earnings per share (Baht)</i>	<i>0.050</i>	<i>0.268</i>	<i>0.218</i>
Leverage Ratios	As at 31 Dec 2020	As at 31 Dec 2021	Changes
Total Liabilities to Total Shareholders' Equity Ratio (Times)	0.91	0.91	-
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times) ⁽¹⁾	0.60	0.65	0.05
Liquidity Ratio	As at 31 Dec 2020	As at 31 Dec 2021	Changes
Current Ratio (Times)	1.68	2.86	1.18

(1) Calculated from (Interest-bearing Debt (excluded Lease Liabilities) - Cash and Cash Equivalents) / Total Shareholders' Equity, according to the Company's debentures covenant. The Company must maintain the ratio to not exceed 3:1 (Three to One) as at the end of the Second Quarter and the end of the year each year.

In 2021, Profitability Ratios improved YoY mainly driven by higher Revenue from Sales of Electricity of NN2 and higher share of profit from investment in XPCL.

As at 31 December 2021, Net Interest-bearing Debt to Total Shareholders' Equity Ratio increased from the end of 2020 mainly due to the issuance of the Company's debentures No. 2/2021 to redeem the short-term loan used in the payment of the additional 5% acquisition of XPCL shares on 21 October 2021. Current Ratio increased from the end of 2020 mainly due to the Company's June 2021 debentures redemption, resulted in a decrease of Current Liabilities.

About CKPower: The Company engages in production and sales of electricity generated from three types of energy under its 13 power plants with the total installed capacity of 2,167 MW, consisting of two hydroelectric power plants, the Nam Ngum 2 Hydroelectric Power Plant with 615 MW installed capacity, operated by Nam Ngum 2 Power Company Limited (46% owned by CKPower through its shareholding in SouthEast Asia Energy Limited) and the Xayaburi Hydroelectric Power Plant with 1,285 MW installed capacity, operated by Xayaburi Power Company Limited (42.5% owned); two cogeneration power plants with 238 MW installed capacity, operated by Bangpa-in Cogeneration Limited (65% owned); and nine solar power plants, comprising seven under Bangkhenchai Company Limited (100% owned) with total installed capacity of 15 MW, one under Nakhon Ratchasima Solar Company Limited (30% owned) with 6 MW installed capacity and one under Chiangrai Solar Company Limited (30% owned) with 8 MW installed capacity.