

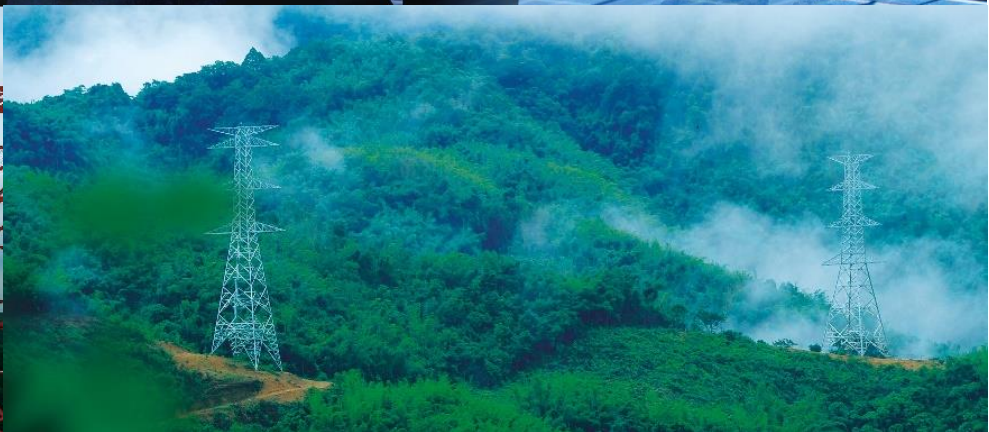


# RENEWABLE ENERGY

FOR A SUSTAINABLE FUTURE



**CKPower**  
ENDLESS ENERGY



## Management Discussion and Analysis

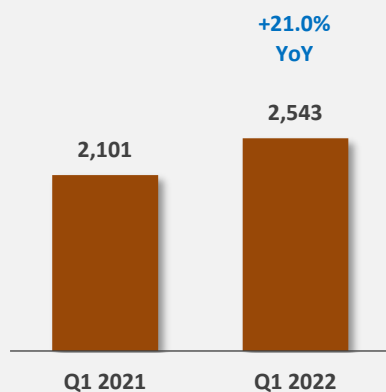
For the Three-month Period Ended 31 March 2022

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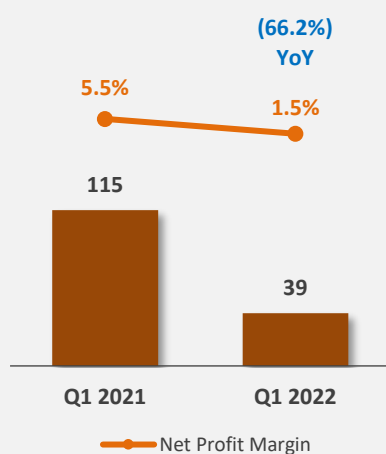
## Executive Summary

Unit: Baht Million

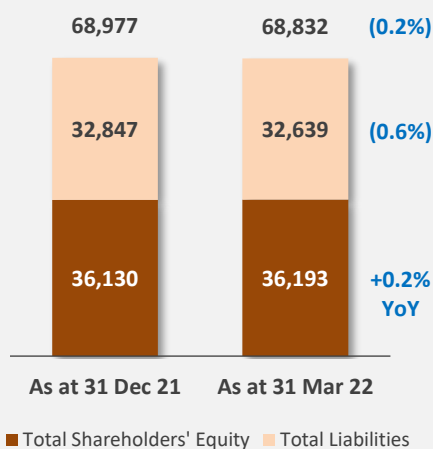
### Total Revenue



### Net Profit attributable to Equity Holders of the Company



### Financial Position



### Total Revenue

Total Revenue of Q1 2022 increased by 21.0% YoY, mainly driven by an increase in Revenue from Sales of Electricity and Steam of BIC by 49.6% YoY following the rise in natural gas price during Q1 2022 compared to the same period last year.

### Net Profit attributable to Equity Holders of the Company

Net Profit attributable to Equity Holders of the Company in Q1 2022 decreased by 66.2% YoY mainly due to the higher fuel costs compared to the same period last year, partially offset by the YoY decline in share of loss from investment in XPCL.

### Financial Position as at 31 March 2022

**Total Assets** decreased by 0.2% from the end of 2021 primarily from the recognition of depreciation and amortization of fixed assets of the Company and its subsidiaries and the decline in cash and cash equivalent from the interest payments and the redemption of maturing debentures by NN2 in March 2022.

**Total Liabilities** decreased by 0.6% from the end of 2021 mainly due to the redemption of maturing debentures by NN2 in March 2022.

**Total Shareholders' Equity** increased by 0.2% from the end of 2021 mainly driven by the operating results of Q1 2022 and the share of unrealized gain from cash flow hedges of XPCL following the appreciation of Thai Baht from the beginning of the period.

## Significant Events in Q1 2022 to Date

### Company Rating and Issue Rating of CK Power Public Company Limited

On 24 March 2022, TRIS Rating Co., Ltd. (“TRIS Rating”) affirmed credit rating of the Company at “A” (with Stable outlook) and credit rating for all Company’s unsecured, unsubordinated debentures at “A-” (with Stable outlook).

### Company Rating and Issue Rating of Nam Ngum 2 Power Company Limited

On 24 March 2022, TRIS Rating affirmed credit rating of Nam Ngum 2 Power Company Limited (“NN2”) at “A” (with Stable outlook) and credit rating for all NN2’s unsecured, unsubordinated debentures at “A” (with Stable outlook).

### Company Rating of Xayaburi Power Company Limited

On 29 March 2022, Xayaburi Power Company Limited (“XPCL”) was assigned a company rating of “A-” (with Stable outlook) by TRIS Rating. The rating reflects the reliable cash flow from the company’s long-term Power Purchase Agreement (PPA) with the Electricity Generating Authority of Thailand (“EGAT”), the favorable contractual framework of the PPA, and XPCL’s competitive electricity generation cost.

### Approval of Dividend Payment from the 2021 Operating Results

On 26 April 2022, the 2022 Annual Ordinary General Meeting of Shareholders approved the dividend payment from the Company’s operating results for the year 2021 of Baht 0.080 per share, totaling approximately Baht 650.4 million, equivalent to a payout ratio of 74.6% of Net Profit under the separate financial statement. The Record Date to determine the list of shareholders entitled to receive the dividends was 6 May 2022. The dividend will be paid on 20 May 2022.

### Execution of the Tariff Memorandum of Understanding for the Luang Prabang Hydroelectric Power Project

On 27 April 2022, Luang Prabang Power Company Limited (“LPCL”), the Company’s associate, executed the Tariff Memorandum of Understanding (Tariff MOU) for the Luang Prabang Hydroelectric Power Project with EGAT. Currently, LPCL is in the process of negotiation with EGAT on the terms and conditions of the Power Purchase Agreement.

## Analysis of Operating Results from the Consolidated Financial Statements for the Three-month Period Ended 31 March 2022

Description	First Quarter (Baht Million)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%
Revenue from Sales of Electricity and Steam	1,914.3	2,339.4	425.1	22.2
Project Management Income	71.2	76.7	5.5	7.7
Finance Income	114.0	125.7	11.7	10.3
Other Income	1.5	1.2	(0.3)	(20.0)
<b>Total Revenues</b>	<b>2,101.0</b>	<b>2,543.0</b>	<b>442.0</b>	<b>21.0</b>
Operating Expenses	(1,574.7)	(2,202.3)	627.6	39.9
Share of Loss from Investments in Jointly Controlled Entities and Associates	(32.2)	(3.0)	29.2	90.7
Foreign Exchange Gain	10.8	0.7	(10.1)	(93.5)
<b>Earnings Before Interest and Tax</b>	<b>504.9</b>	<b>338.4</b>	<b>(166.5)</b>	<b>(33.0)</b>
Finance Cost	(262.0)	(267.0)	5.0	1.9
Income Tax Expenses	(7.9)	(9.0)	1.1	13.9
Non-controlling Interests of the Subsidiaries	(120.4)	(23.7)	(96.7)	(80.3)
<b>Net Profit attributable to Equity Holders of the Company</b>	<b>114.6</b>	<b>38.7</b>	<b>(75.9)</b>	<b>(66.2)</b>

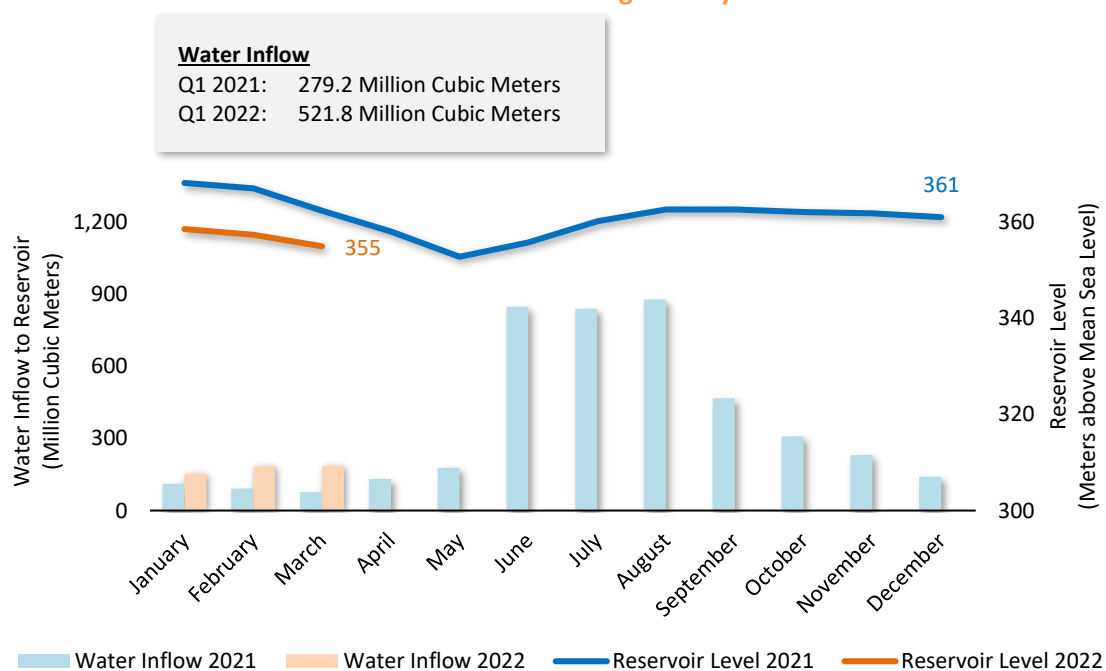
## Revenue from Sales of Electricity and Steam

	Sales Volume of Electricity / Steam (GWh) / (Tons)		Changes		Revenue (Baht Million)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%	Q1 2021	Q1 2022	Inc/(Dec)	%
<b>Revenue from Sales of Electricity</b>								
NN2	410.4	331.5	(78.9)	(19.2)	758.9	637.0	(121.9)	(16.1)
BIC	382.9	376.5	(6.4)	(1.7)	1,091.8	1,629.7	537.9	49.3
BKC	6.3	6.1	(0.2)	(3.2)	51.9	51.1	(0.8)	(1.5)
<b>Subtotal</b>	<b>799.6</b>	<b>714.1</b>	<b>(85.5)</b>	<b>(10.7)</b>	<b>1,902.6</b>	<b>2,317.8</b>	<b>415.2</b>	<b>21.8</b>
<b>Revenue from Sales of Steam</b>								
BIC	20,407	18,734	(1,673)	(8.2)	11.7	21.6	9.9	84.6
<b>Total</b>					<b>1,914.3</b>	<b>2,339.4</b>	<b>425.1</b>	<b>22.2</b>

Revenue from Sales of Electricity and Steam in Q1 2022 increased by 22.2% YoY with details as follows:

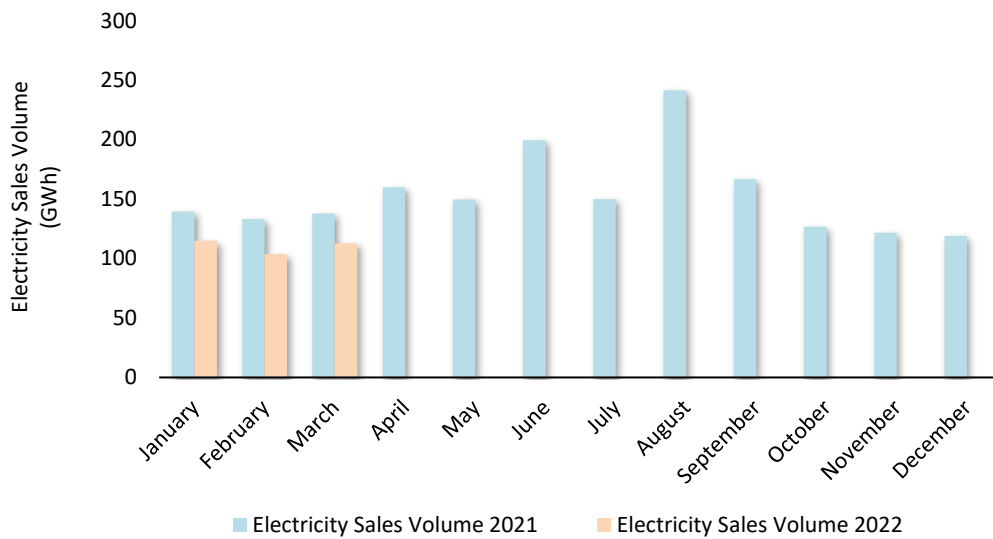
**NN2:** Revenue from Sales of Electricity of NN2 in Q1 2022 decreased by 16.1% YoY, mainly because water level in the reservoir at the beginning of 2022 was lower than that of the same period last year, prompting NN2 to adopt a conservative water management approach to ensure that the remaining water in the reservoir would be sufficient to produce electricity as planned for the dry season during the first half of the year.

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





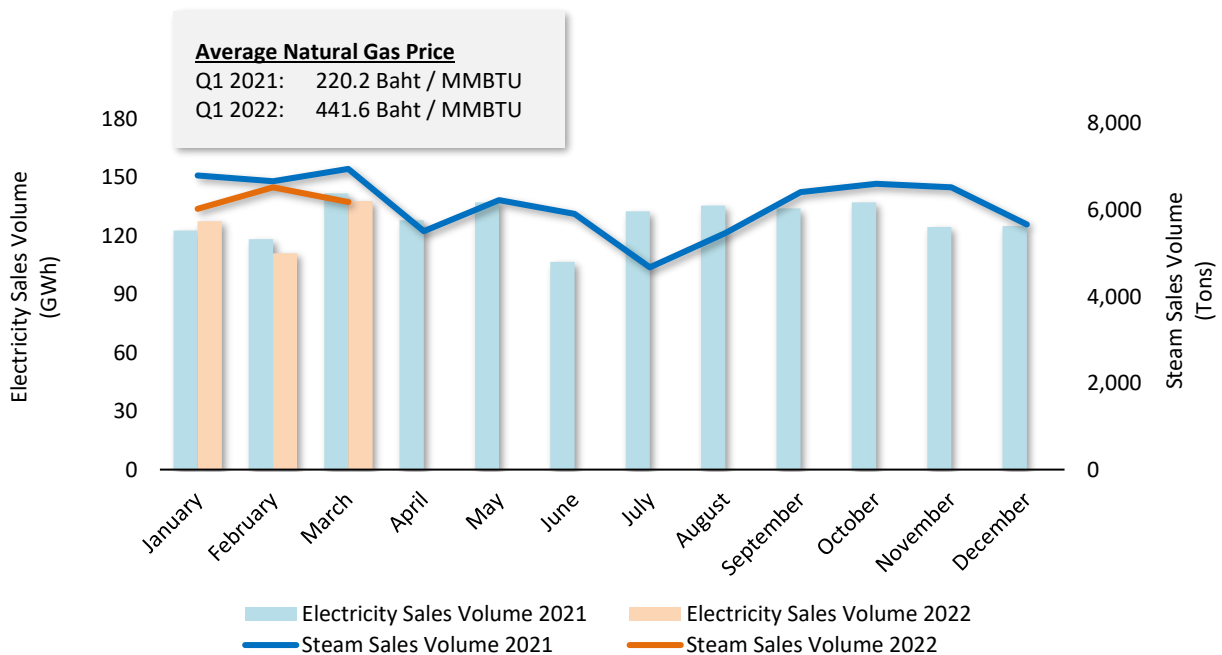
### Electricity Sales Volume of Nam Ngum 2 Hydroelectric Power Plant



Description	First Quarter (GWh)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%
Primary Energy (PE)	410.4	331.5	(78.9)	(19.2)
Secondary Energy (SE)	-	-	-	-
Excess Energy (EE)	-	-	-	-
Test Energy (TE)	-	-	-	-
<b>Total Electricity Sales</b>	<b>410.4</b>	<b>331.5</b>	<b>(78.9)</b>	<b>(19.2)</b>

**BIC:** Revenue from Sales of Electricity and Steam of BIC in Q1 2022 increased by 49.6% YoY, mainly driven by significantly higher natural gas price during Q1 2022 compared to the same period last year, which resulted in an increase in Energy Payment revenue and steam unit price.

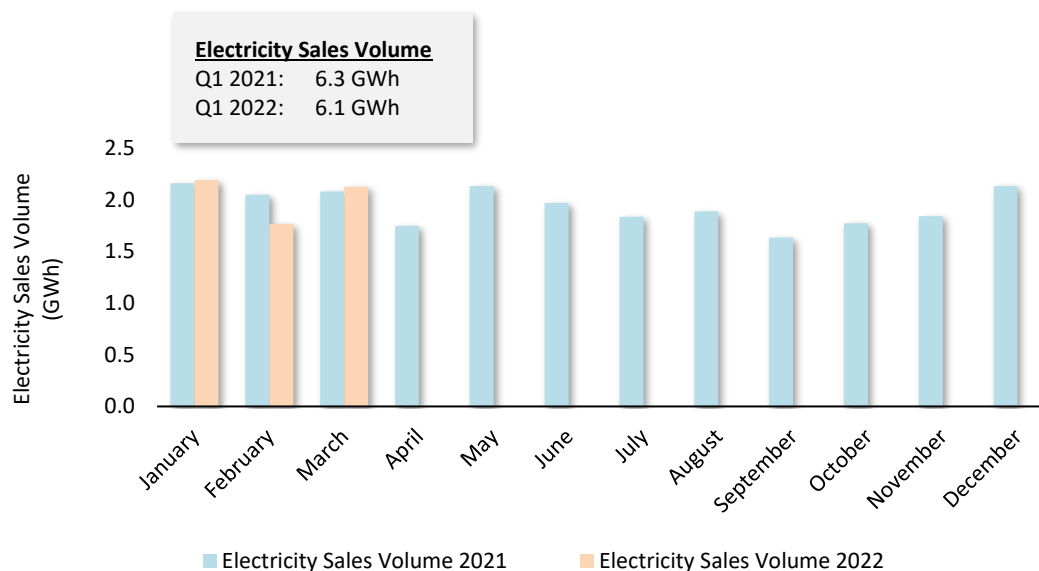
### Electricity and Steam Sales Volume of Bangpa-in Cogeneration Power Plant



Off-takers	First Quarter (GWh)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%
Electricity Generating Authority of Thailand (EGAT)	308.5	301.1	(7.4)	(2.4)
Industrial customers	74.4	75.4	1.0	1.3
<b>Total Electricity Sales</b>	<b>382.9</b>	<b>376.5</b>	<b>(6.4)</b>	<b>(1.7)</b>

**BKC:** Revenue from Sales of Electricity of BKC in Q1 2022 decreased by 1.5% YoY due to lower irradiation following the off-season rain fall during Q1 2022, especially in February, resulted in the YoY drop of electricity sales volume in Q1 2022.

### Electricity Sales Volume of Solar Power Plants under BKC



### Project Management Income

Project Management Income in Q1 2022 increased by 7.9% YoY mainly from additional scope of services provided to XPCL starting from Q1 2022.

### Finance Income

Description	First Quarter (Baht Million)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%
Interest income under Finance Lease Agreement	83.9	81.9	(2.0)	(2.4)
Other Finance Income	30.1	43.8	13.7	45.5
<b>Total</b>	<b>114.0</b>	<b>125.7</b>	<b>11.7</b>	<b>10.3</b>

Finance Income increased by 10.3% YoY mainly due to the full recognition of interest income from long-term loan to XPCL.

## Operating Expenses

Description	First Quarter (Baht Million)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%
Cost of Sales of Electricity and Steam	1,308.2	1,932.3	624.1	47.7
<i>Fuel Costs</i>	661.4	1,308.9	647.5	97.9
<i>Depreciation Expenses</i>	371.1	372.1	1.0	0.3
<i>Operation and Maintenance Costs</i>	173.5	160.2	(13.3)	(7.7)
<i>Wheeling Charge</i>	41.5	29.6	(11.9)	(28.7)
<i>Royalty Fee</i>	26.3	21.6	(4.7)	(17.9)
<i>Other Costs</i>	34.4	39.9	5.5	16.0
Amortization of Right to Produce and Sell Electricity	130.3	130.3	-	-
Cost of Project Management	21.6	25.0	3.4	15.7
Administrative Expenses	114.6	114.7	0.1	0.1
<b>Total Operating Expenses</b>	<b>1,574.7</b>	<b>2,202.3</b>	<b>627.6</b>	<b>39.9</b>

The Operating Expenses in Q1 2022 increased by 39.9% YoY with key changes as follows:

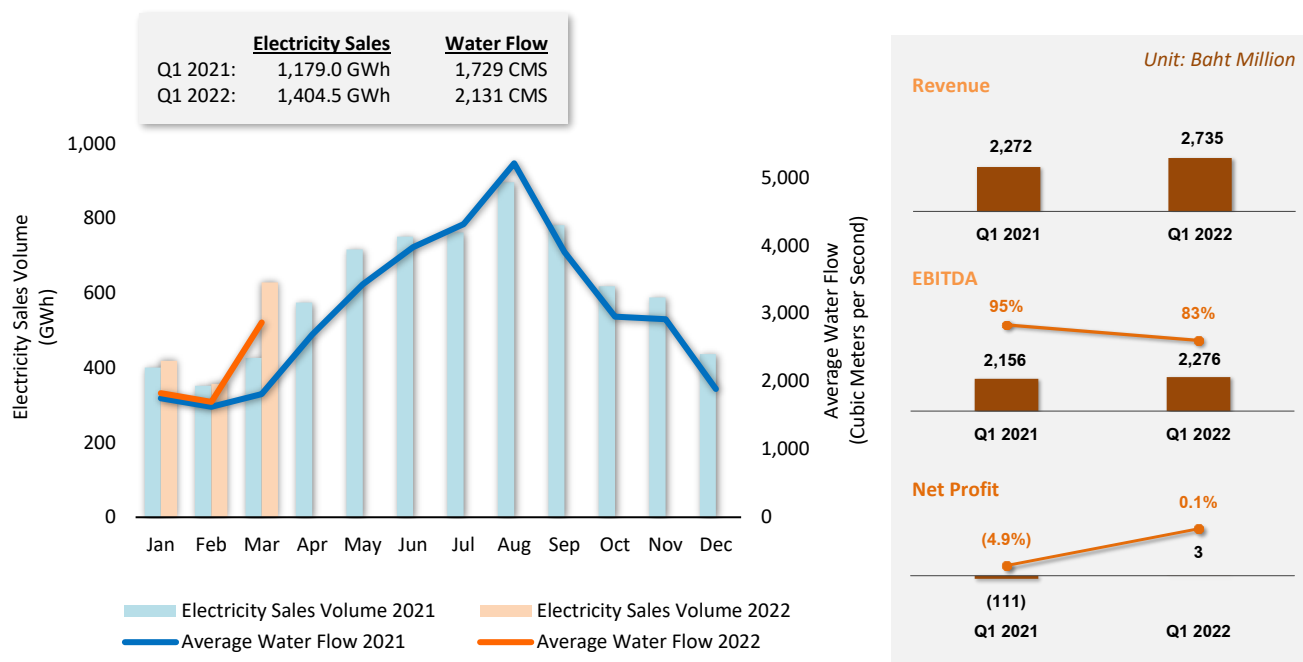
- BIC's Fuel Costs increased by 97.9% YoY following the YoY increase in natural gas price.
- Operation and Maintenance Costs decreased by 7.7% YoY, since, during Q1 2021, Bangpa-in Cogeneration Power Plant 1's Gas Turbine was undergoing maintenance, while there was no similar maintenance during Q1 2022.
- Wheeling Charges decreased by 28.7% YoY following the decrease in dispatched electricity of NN2.
- Royalty Fee decreased by 17.9% YoY, consistent with the YoY decline in NN2's revenue from sales of electricity.
- Other Costs increased 16.0% YoY mainly from the increase in insurance expenses of NN2 and BIC.
- Cost of Project Management increased by 15.7% YoY mainly driven by higher expenses related to employees YoY to support the business expansion.

## Share of Loss from Investments in Jointly Controlled Entities and Associates

Description	First Quarter (Baht Million)		Changes	
	Q1 2021	Q1 2022	Inc/(Dec)	%
Share of Profit from Investments in Jointly Controlled Entities	9.8	9.9	0.1	1.0
Share of Loss from Investments in Associates	(42.0)	(12.9)	(29.1)	(69.3)
<b>Share of Loss from Investments in Jointly Controlled Entities and Associates</b>	<b>(32.2)</b>	<b>(3.0)</b>	<b>(29.2)</b>	<b>(90.7)</b>

In Q1 2022, the Company recorded a decline in the Share of Loss from Investments in Jointly Controlled Entities and Associated Companies of 90.7% YoY. The improvement was primarily from lower share of loss from investment in XPCL, comprising a share of profit according to the Company's shareholding proportion of Baht 1.1 million and the recognition of the amortization of right to produce and sell electricity of Baht 14.0 million. XPCL operating results improved YoY from higher electricity sales volume following YoY increase in average water flow.

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



### Finance Cost

Finance Cost in Q1 2022 increased by 1.9% YoY, mainly from the Company's Baht 2,000 million Debentures No. 2/2021 issuance on 21 October 2021, partially offset by loan repayments and redemptions of maturing Debentures.

### Net Profit attributable to Equity Holders of the Company

Overall, Net Profit attributable to Equity Holders of the Company in Q1 2022 decreased by 66.2% YoY, mainly due to the higher fuel costs compared to the same period last year, offset by the lower share of loss from investment in XPCL from higher average water flow.



## Analysis of Financial Position

Description	As at 31 Dec 2021 (Baht Million)	As at 31 Mar 2022 (Baht Million)	Changes	
			Inc/(Dec)	%
Total Assets	68,977.3	68,831.6	(145.7)	(0.2)
Total Liabilities	32,847.3	32,638.9	(208.4)	(0.6)
Total Shareholders' Equity	36,130.0	36,192.7	62.7	0.2

### Total Assets

As at 31 March 2022, Total Assets decreased by 0.2% from the end of 2021 primarily from the recognition of depreciation and amortization of fixed assets of the Company and its subsidiaries and the decline in cash and cash equivalent from the interest payments and the redemption of maturing Debentures No. 1/2019 of NN2 on 7 March 2022.

### Total Liabilities

As at 31 March 2022, Total Liabilities decreased by 0.6% from the end of 2021 mainly due to the redemption of maturing Debentures No. 1/2019 of NN2 on 7 March 2022.

### Total Shareholders' Equity

As at 31 March 2022, Total Shareholders' Equity increased by 0.2% from the end of 2021 mainly driven by the operating results of Q1 2022 and the share of unrealized gain from cash flow hedges of XPCL following the appreciation of Thai Baht from the beginning of the period.

## Cash Flows Analysis

As at 31 March 2022, the Company reported Cash and Cash Equivalent of Baht 6,974.3 million, decreased by Baht 107.9 million or 1.5% from the end of 2021.

Cash Flow Statement for the Three-month Period ended 31 March 2022	Baht Million
Net cash flows from operating activities	712.7
Net cash flows used in investing activities	(4.6)
Net cash flows used in financing activities	(818.5)
Effect of exchange rate changes on cash and cash equivalents	2.5
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(107.9)</b>

- 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 for investments in building and equipment and investment in intangible assets.
- Net cash outflows from financing activities were mainly from interest payments by the Company and its subsidiaries, redemption of debentures, and dividend payment by a subsidiary.

## Significant Financial Ratios

Profitability Ratios	Q1 2021	Q1 2022	Changes
Gross Profit Margin (%)	30.5	17.9	(12.6)
EBITDA Margin (%)	50.2	33.8	(16.4)
EBITDA Margin including Share of Profit (%)	48.6	33.7	(14.9)
Net Profit Margin (%)	5.5	1.5	(4.0)
<i>Earnings per share (Baht)</i>	0.014	0.005	(0.009)
Leverage Ratios	As at 31 Dec 2021	As at 31 Mar 2022	Changes
Total Liabilities to Total Shareholders' Equity Ratio (Times)	0.91	0.90	(0.01)
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times) <sup>(1)</sup>	0.65	0.64	(0.01)
Liquidity Ratio	As at 31 Dec 2021	As at 31 Mar 2022	Changes
Current Ratio (Times)	2.86	2.49	(0.37)

(1) Calculated from (Interest-bearing Debt (excluded Lease Liabilities) – Cash and Cash Equivalents and long-term restricted bank deposits) / 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 Q1 2022, Profitability Ratios declined YoY mainly due to the higher fuel costs.

As at 31 March 2022, Leverage Ratios improved slightly from the end of 2021 primarily from the redemption of Debentures No. 1/2019 of NN2 on 7 March 2022. The Current Ratio decreased from the end of 2021 mainly due to increases in trade and other payables and current portion of debentures.

**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 Bangkokchai 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.