



Ref. Thor Hor (Por Por) 010/2565

August 10, 2022

To: The President
The Stock Exchange of Thailand

Re: Report on the operating result of the reviewed consolidated financial statements for the second quarter ended June 30, 2022.

Dear Sirs,

TPI Polene Power Public Company Limited (“the Company”) would like to report the operating result of the reviewed consolidated financial statements for the second quarter ended June 30, 2022 as follows:-

Total revenue from sales of power and goods and revenue from adders in Q2/2022 were Baht 2,557 million compared with Baht 2,924 million in Q2/2021, a decrease of 12.55%, as the units of power sale in Q2/2022 decreased. Total income in Q2/2022 was Baht 2,678 million compared with Baht 2,981 million in Q2/2021, a decrease of 10.14%.

In Q2/2022, the Company and its subsidiaries registered profit for the period of Baht 856 million (or basic earnings per share of Baht 0.102) compared with profit for the period of Baht 1,188 million in Q2/2021 (or basic earnings per share of Baht 0.141), a decrease of 27.97%.

Profit for the period of Baht 856 million in Q2/2022 was comprised of normal operating profit of Baht 872 million, net foreign exchange loss of Baht 9 million and tax expense of Baht 7 million, whereas profit for the period of Baht 1,188 million in Q2/2021 was comprised of normal operating profit of Baht 1,212 million, net foreign exchange loss of Baht 2 million and tax expense of Baht 22 million.

For the first six-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 1,710 million (or basic earnings per share of Baht 0.204) compared with profit for the period in 6M/2021 of Baht 2,249 million (or basic earnings per share of Baht 0.268), a decrease of 23.96%. Normal operating profit in 6M/2022 was Baht 1,730 million compared with the same of Baht 2,322 million in 6M/2021, a decrease of 25.52%.

As at June 30, 2022, the Company and its subsidiaries’ total assets and total equity were Baht 49,510 million and Baht 31,470 million respectively. Details of consolidated financial statements for the second quarter ended June 30, 2022, can be summarized as follows:

บริษัท ทีพีไอ โพลีน เพาเวอร์ จำกัด (มหาชน)

TPI POLENE POWER PUBLIC COMPANY LIMITED

Assets

The Company and its subsidiaries' total assets as at June 30, 2022 was Baht 49,510 million as compared with Baht 48,485 million as at December 31, 2021, an increase of Baht 1,025 million, or increased by 2.11%. Details of the major accounting change are as follows:

Unit: Million Baht

	As at 30 Jun. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Cash and cash equivalents	910	929	(19)	(2.09)
Trade accounts receivable	3,252	2,561	691	26.97
Other current financial assets	1,828	3,495	(1,668)	(47.71)
Inventories	1,852	1,591	262	16.45
Advances for plant and equipment	472	132	341	258.35
Property, plant and equipment	39,551	37,809	1,743	4.61
Total assets	49,510	48,485	1,025	2.11

Liabilities

The Company and its subsidiaries' total liabilities as at June 30, 2022 was Baht 18,040 million as compared with Baht 17,634 million as at December 31, 2021, an increase of Baht 407 million, or increased by 2.31%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 30 Jun. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Trade account payable and other payables	1,256	737	519	70.36
Current income tax payable	0.14	44	(44)	(99.69)
Debentures	15,524	15,524	-	-
Interest Bearing Debts (IBD)	16,123	16,174	(51)	(0.32)
Net Interest Bearing Debts (Net IBD) *	13,385	11,749	1,636	13.92
Total Liabilities	18,040	17,634	407	2.31

Note : * Net Interest Bearing Debts means Interest Bearing Debts less cash and cash equivalents and other current financial assets.

As at June 30, 2022, Interest Bearing Debts (IBD) of the Company and its subsidiaries' was Baht 16,123 million as compared with Baht 16,174 million as at December 31, 2021, a decrease of 0.32 % or decreased by Baht 51 million, whilst Net Interest Bearing Debts (Net IBD) as at June 30, 2022 were Baht 13,385 million as compared with Baht 11,749 million as at December 31, 2021, an increase of 13.92% or increased by Baht 1,636 million.

Equity

The Company and its subsidiaries' total equity as at June 30, 2022 was Baht 31,470 million, an increase of Baht 618 million, from Baht 30,852 million as at December 31, 2021, or increased by 2%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 30 Jun. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Retained earnings - unappropriated	7,649	7,031	618	8.79
Total equity	31,470	30,852	618	2.00
Book value per share (Baht)	3.75	3.67	0.07	2.00

As of June 30, 2022, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity ratio) equated 0.51 times and Net IBD to Equity ratio equated 0.43 times.

Profit (Loss)

The Company and its subsidiaries registered profit for the period of Baht 856 million in Q2/2022, a decrease of Baht 332 million, from Baht 1,188 million in Q2/2021, or decreased by 27.97%. For the first six-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 1,710 million compared with Baht 2,249 million in 6M/2021, a decrease of 23.96%. Details of the major accounting change are as follows:-

Unit : Million Baht

	For six-month period ended 30 June 2022	Q2/2022	Q2/2021	Increase (Decrease)	%
Revenue from sale of power and goods	3,250	1,514	1,678	(164)	(9.78)
Revenue from adders	2,095	1,043	1,245	(203)	(16.29)
Total Revenue from sales	5,344	2,557	2,924	(367)	(12.55)
Cost of sales of power and goods	3,578	1,665	1,495	170	11.36
Gross profit	1,766	892	1,429	(537)	(37.57)
Investment income and other income	229	122	57	65	114.05
Distribution costs and administrative expenses	225	122	195	(73)	(37.26)
Finance cost	40	19	78	(59)	(75.34)
Tax expense	11	7	22	(15)	(69.20)
Net foreign exchange gain (loss)	8	(9)	(2)	(7)	(399.45)
Total profit	1,710	856	1,188	(332)	(27.97)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2,256	1,132	1,510	(378)	(25.04)

The Company and its subsidiaries' earnings before interest, taxes, depreciation and amortization (EBITDA) for the first six-month period of the year 2022 was Baht 2,256 million. IBD to EBITDA (annualized) ratio equated 3.57 times and net IBD/ EBITDA (annualized) ratio equated 2.97 times.

ESG Performance

The Company is a leader in the biggest waste fuel power plant business in Thailand with the largest community waste disposal facility located in the same area in the world with the policy focusing on sustainable development for balanced growth in all dimensions, covering the areas of Environmental, Social and Governance (ESG) under the standards of good corporate governance principles so as to manage the business for the benefits of all stakeholder groups in a balanced manner.

Production process which is environmentally friendly can be summarized as follows:

1. In 2021, the Company used approximately 2.19 million tons of all types of waste as fuel in the Company's power plants and Cement Plants of TPI Polene Public Company Limited, which can reduce greenhouse gas emissions or carbon reductions by approximately 5.08 million tons of carbon dioxide equivalent. The Company is currently applying to Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) for approval for the reduction of greenhouse gases (carbon credit) for these new projects.

For the first six-month period of the year 2022, the Company used 1,385,023 tons of community waste as a renewable fuel in the electricity production process (reducing greenhouse gas emissions (carbon reductions) by 3.21 million tons of carbon dioxide equivalent), an increase of 458,505 tons, compared with using of 926,518 tons of community waste in the same period of the year 2021 (reducing greenhouse gas emissions (carbon reductions) by 2.15 million tons of carbon dioxide equivalent.)

(Calculated from the emission factor for the abovementioned waste emissions into landfill waste of 2.32 tons of greenhouse gases per 1 ton of landfill waste).

2. At the end of year 2021, the Company registered with TGO to apply for the reduction of greenhouse gases, which subsequently TGO has certified the reduction of greenhouse gases (carbon credit) for the Company's project of 82,056 tons of carbon dioxide equivalent, and after sale of 34,690 tons of carbon dioxide equivalent, the Company has the balance of 47,366 tons of carbon dioxide equivalent.

On May 24, 2022, the Company has registered with TGO to certify carbon credits for the period from May 1, 2017 to December 31, 2020) of 717,931 tons of carbon dioxide equivalent.

3. The Company has reduced water resource consumption from 5,324,773 cubic meters for the first six-month period of 2021 to 5,120,103 cubic meters for the first six-month period of 2022, or reduced by 204,670 cubic meters.

Social Performance

On May 17, 2022, the Company provided a comprehensive X-ray and mobile health check-up vehicle worth Baht 9,000,000 to Prince of Songkla Hospital to help reduce the rate of patient service at the hospital and reduce the risk of patients under Covid-19 surveillance.

In addition, for the first 6 months of the year 2022, the Company employed 47 persons from local communities. Besides, the Company has also conducted activities to visit surrounding communities at the factory area to continuously support public activities.

Good Corporate Governance Policy

The Company has managed compliance with the Code of Conduct through enterprise-wide risk management. Material issues of the business are identified in response to all stakeholders, aiming to sustainable development of the business.

In addition, on July 1, 2022, the Company has been selected as one of the ESG100 securities companies with outstanding performance in the areas of Environmental, Social and Governance (ESG) based on the assessment of listed securities in 2022 by Thaipat Institute.

Please be informed accordingly.

Sincerely Yours,



Mrs. Orapin Leophairatana
Vice Chairman