

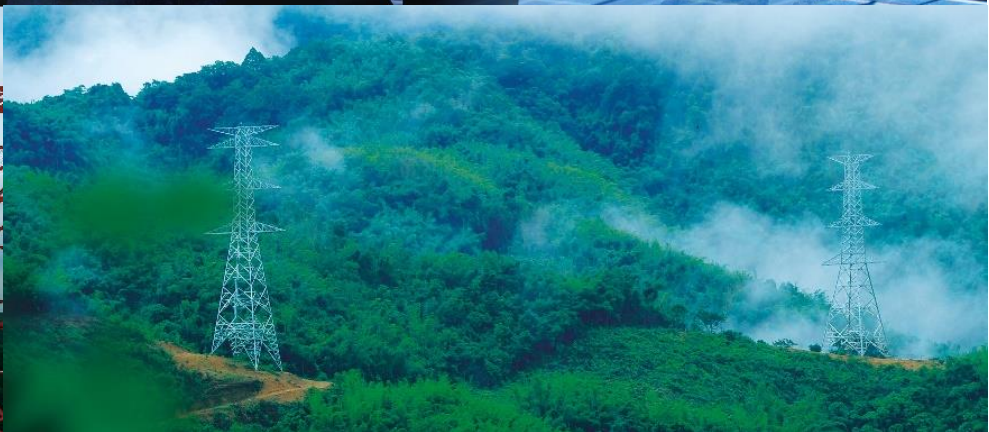


RENEWABLE ENERGY

FOR A SUSTAINABLE FUTURE



CKPower
ENDLESS ENERGY



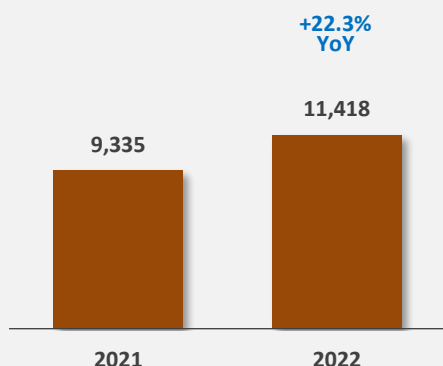
Management Discussion and Analysis

For Year Ended 31 December 2022

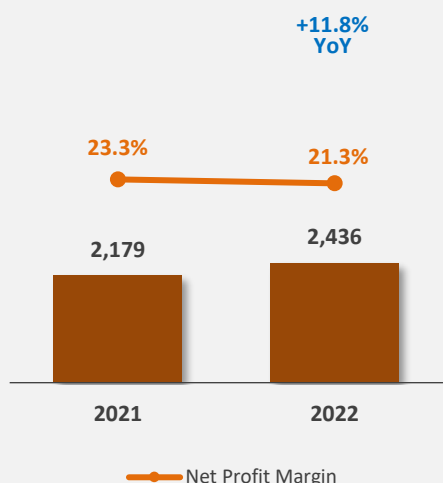
Executive Summary

Unit: Baht Million

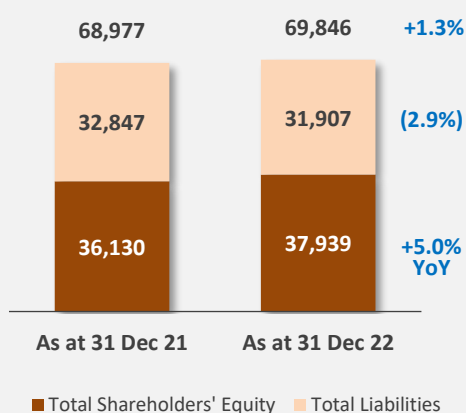
Total Revenue



Net Profit attributable to Equity Holders of the Company



Financial Position



Total Revenue

Total Revenues in 2022 increased by 22.3% YoY, primarily driven by 46.2% YoY increase in BIC's Revenues from Sales of Electricity and Steam in 2022, due to higher natural gas price following the global market price situation and higher retail Ft rate compared to the previous year.

Net Profit attributable to Equity Holders of the Company

Net Profit attributable to Equity Holders of the Company increased by 11.8% YoY in 2022, primarily driven by an increase in share of profit from investment in XPCL, mainly due to higher average water flow YoY, partially offset by BIC's higher fuel costs compared to the previous year following the global market price situation.

Financial Position as at 31 December 2022

Total Assets increased by 1.3% from the end of 2021, primarily due to (i) an increase in the share of profit from investment in XPCL following strong 2022 operating results, (ii) capital injections in proportion to the Company's shareholding in LPCL, and (iii) an increase in Trade Receivables.

Total Liabilities decreased by 2.9% from the end of 2021, mainly due to the redemption of NN2's Debentures and the repayments of long-term loans from financial institutions by BIC and BKC.

Total Shareholders' Equity increased by 5.0% from the end of 2021, mainly because of the 2022 operating results, offset by dividend payment and share of unrealized loss from cash flow hedges of XPCL as a result of the depreciation of Thai Baht against US Dollar from the beginning of the period.

Significant Events in 2022

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.

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 dividend was 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.

Capital Injection in Luang Prabang Power Company Limited

In April, May and October 2022, the Company completed capital injections in proportion to its shareholding in LPCL totaling Baht 1,209.6 million.

Debentures Issuance No. 1/2022 by Xayaburi Power Company Limited

On 27 July 2022, XPCL issued Baht 8,395 million unsecured, unsubordinated Green Debentures No. 1/2022 with a debentureholders’ representative. The initial issue size of the debentures was Baht 5,000 million with an over-allotment option of Baht 3,395 million. The debentures consisted of:

- Baht 4,031 million debentures with a tenor of 3 years at the interest rate of 4.50% per annum;
- Baht 1,258 million debentures with a tenor of 4 years at the interest rate of 4.75% per annum; and
- Baht 3,106 million debentures with a tenor of 5 years at the interest rate of 5.00% per annum.

TRIS Rating assigned the company rating of “A-” (with Stable Outlook) to XPCL and the issue rating of “BBB+” (with Stable Outlook) to XPCL’s debentures No. 1/2022. XPCL used all the proceeds from the debentures to repay long-term loan to reduce its finance cost on 1 August 2022.

Debentures Issuance No. 1/2022 by CK Power Public Company Limited

On 4 November 2022, the Company issued Baht 1,000 million unsecured, unsubordinated debentures No. 1/2022 with a debentureholders’ representative and the issuer’s right to early redemption to rollover the debentures maturing in Q4 2022. The debentures have tenor of 10 years with the interest rate of 4.71% per annum. TRIS Rating assigned credit rating of the Company at “A” (with Stable outlook) and credit rating for all Company’s unsecured, unsubordinated debentures including debentures No. 1/2022 at “A-” (with Stable outlook).

Approval of the Execution of the Transaction on Acquisition of Assets and the Connected Transactions of CK Power Public Company Limited

On 24 November 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 approved the execution of the transaction on acquisition of assets and the connected transactions, consisted of:

- Additional share acquisition of 8.0% in LPCL and acquisition of newly issued ordinary shares in LPCL in proportion to the Company’s shareholding;

- The provision of financial assistance to LPCL under the conditions stipulated in contracts related to the Credit Facilities Agreement of the Luang Prabang Hydroelectric Power Project; and
- The provision of financial assistance to PT Sole Company Limited (PTS) under the conditions stipulated in contracts related to the Credit Facilities Agreement of the Luang Prabang Hydroelectric Power Project.

Payment of Additional Share Acquisition in Luang Prabang Power Company Limited

On 22 December 2022, the Company completed the payment of Baht 2.56 million for additional 8.0% of share acquisition in LPCL, according to the approval from the Extraordinary General Meeting of Shareholders No. 1/2022.

Awards and Recognition in 2022

Included in Thailand Sustainability Investment (THSI) List for 2022

On 10 October 2022, the Company was once again included in the Thailand Sustainability Investment or THSI list of 2022 by the Stock Exchange of Thailand for the 3rd consecutive year.

Achieved Excellent Corporate Governance (CG) Score

On 27 October 2022, the Company received “Excellent” Corporate Governance (CG) score under the Corporate Governance Report of Thai Listed Companies 2022 published by Thai Institute of Directors Association for the 5th consecutive year.

Received the Rising Star Sustainability Awards from the Stock Exchange of Thailand

On 28 October 2022, the Company received the Rising Star Sustainability Award from SET Awards 2022, organized by the Stock Exchange of Thailand. This award reiterates the Company’s success in developing sustainable business, which prioritizes renewable electricity production with aims to increase renewable capacity to 95% of overall capacity by 2024 in order to support Thailand’s sustainable economic growth and community development in the long-term.

Awarded the ASEAN CG Scorecard (ACGS) for 2021

On 1 December 2022, the Company was awarded the ASEAN CG Scorecard (ACGS) for 2021 in the category of ASEAN Asset Class. The award is supported by ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB) to acknowledge listed companies in ASEAN that have good corporate governance, continuously disclose the ESG information and focus on sustainable growth in compliance with international investment standards.

Analysis of Consolidated Financial Results of 2022

Description	Year (Baht Million)		Changes	
	2021	2022	Inc/(Dec)	%
Revenue from Sales of Electricity and Steam	8,505.2	10,594.9	2,089.7	24.6
Project Management Income	292.6	309.5	16.9	5.8
Interest Income	532.3	490.4	(41.9)	(7.9)
Other Income	4.6	23.5	18.9	410.9
Total Revenues	9,334.7	11,418.3	2,083.6	22.3
Operating Expenses	(7,014.4)	(9,602.6)	2,588.2	36.9
Share of Profit from Investments in Joint Ventures and Associates	1,527.7	2,128.6	600.9	39.3
Foreign Exchange Gain	34.8	23.5	(11.3)	(32.5)
Earnings Before Interest and Tax	3,882.8	3,967.8	85.0	2.2
Finance Cost	(1,070.4)	(1,074.5)	4.1	0.4
Income Tax Expenses	(61.2)	(47.4)	(13.8)	(22.5)
Net Profit attributable to Non-controlling Interests of the Subsidiaries	(572.2)	(409.7)	(162.5)	(28.4)
Net Profit attributable to Equity Holders of the Company	2,179.0	2,436.2	257.2	11.8

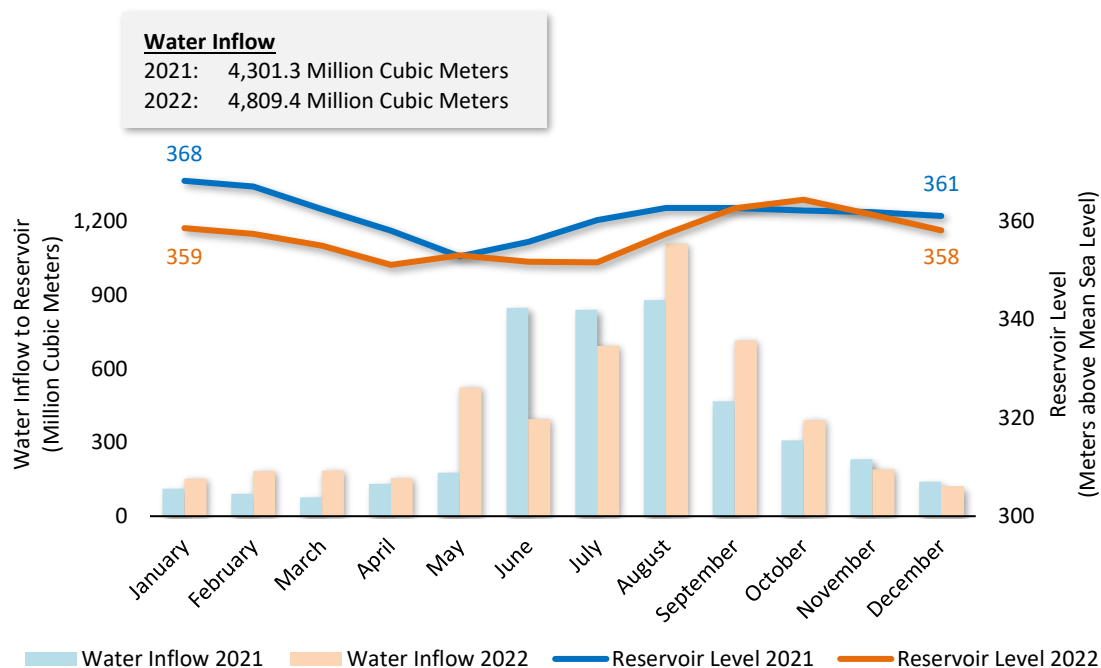
Revenue from Sales of Electricity and Steam

	Sales Volume of Electricity / Steam (GWh) / (Tons)		Changes		Revenue (Baht Million)		Changes	
	2021	2022	Inc/(Dec)	%	2021	2022	Inc/(Dec)	%
Revenue from Sales of Electricity								
NN2	1,844.8	1,658.9	(185.9)	(10.1)	3,414.3	3,273.6	(140.7)	(4.1)
BIC	1,543.9	1,531.7	(12.2)	(0.8)	4,851.9	7,070.8	2,218.9	45.7
BKC	23.2	22.9	(0.3)	(1.3)	188.1	152.8	(35.3)	(18.8)
Subtotal	3,411.9	3,213.5	(198.4)	(5.8)	8,454.3	10,497.2	2,042.9	24.2
Revenue from Sales of Steam								
BIC	73,395	78,036	4,641	6.3	50.9	97.7	46.8	91.9
Total					8,505.2	10,594.9	2,089.7	24.6

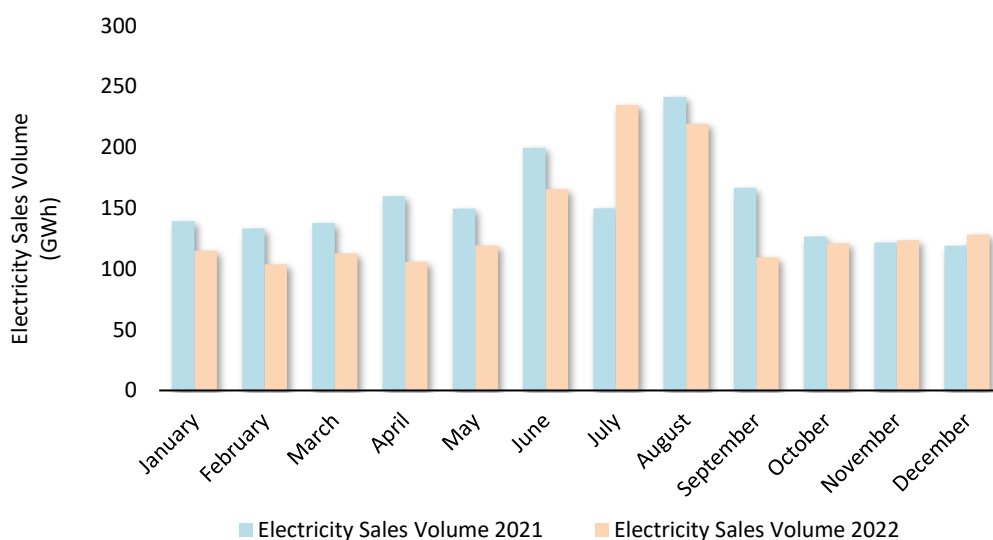
In 2022, Revenue from Sales of Electricity and Steam increased by 24.6% YoY, mainly due to the following reasons:

NN2: Revenues from Sales of Electricity of NN2 in 2022 decreased by 4.1% YoY, mainly because the water level in the reservoir at the beginning of 2022 was lower than that of the same period last year. This had prompted NN2 to adopt a conservative water management approach to ensure that the reservoir's remaining water would be sufficient to produce electricity for the entire year and to maintain an adequate water level at the end of 2022 to produce electricity during the dry season in the first half of 2023.

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



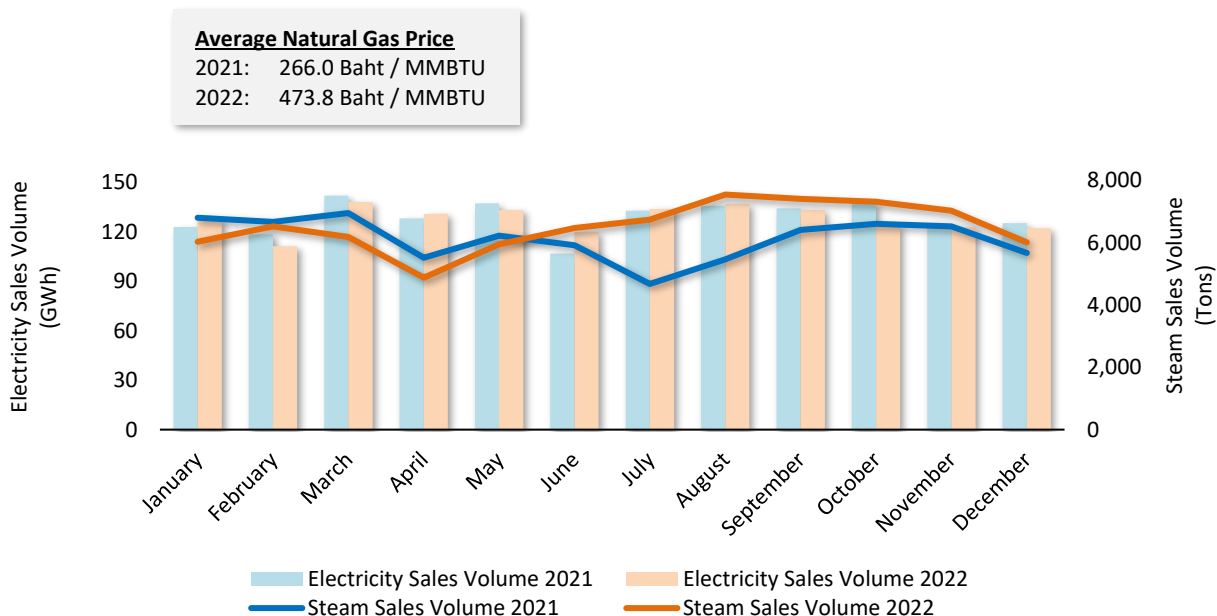
Electricity Sales Volume of Nam Ngum 2 Hydroelectric Power Plant



Description	Year (GWh)		Changes	
	2021	2022	Inc/(Dec)	%
Primary Energy (PE)	1,742.6	1,644.2	(98.4)	(5.6)
Secondary Energy (SE)	98.6	10.6	(88.0)	(89.2)
Excess Energy (EE)	-	-	-	-
Test Energy (TE)	3.6	4.1	0.5	13.9
Total Electricity Sales	1,844.8	1,658.9	(185.9)	(10.1)

BIC: Revenues from Sales of Electricity and Steam of BIC in 2022 increased by 46.2% YoY, driven by (i) the sharp YoY rise in natural gas price in 2022, consistent with the global market price situation, which resulted in increases in Energy Payment revenues and steam selling prices, and (ii) the YoY increase in retail Ft rate in 2022, especially during the second half of 2022, resulted in increases in electricity tariff of BIC's industrial customers.

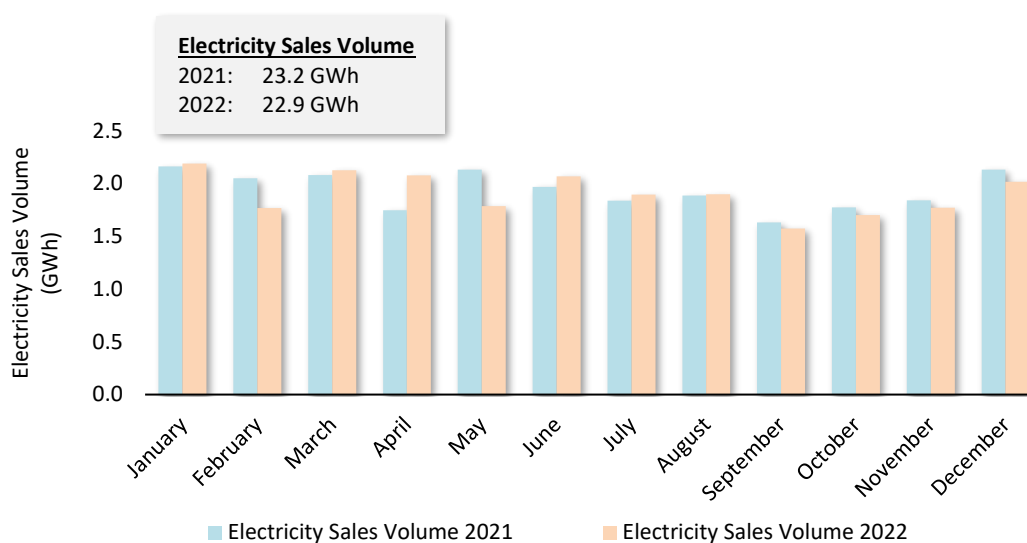
Electricity and Steam Sales Volume of Bangpa-in Cogeneration Power Plant



Off-takers	Year (GWh)		Changes	
	2021	2022	Inc/(Dec)	%
Electricity Generating Authority of Thailand (EGAT)	1,237.5	1,233.1	(4.4)	(0.4)
Industrial customers	306.4	298.6	(7.8)	(2.5)
Total Electricity Sales	1,543.9	1,531.7	(12.2)	(0.8)

BKC: Revenues from Sales of Electricity of BKC in 2022 decreased by 18.8% YoY, mainly because of the expiration of Adder in August 2022 after 10 years of commercial operation since its COD in August 2012. The decline was partially offset by the higher wholesale Ft rate in 2022 compared to the previous year, especially during the second half of 2022.

Electricity Sales Volume of Solar Power Plants under BKC



Project Management Income

Project Management Income in 2022 increased by 5.8% YoY, primarily from additional scope of services provided to XPCL starting from Q1 2022 and increases in management fees according to contracts.

Interest Income

Description	Year (Baht Million)		Changes	
	2021	2022	Inc/(Dec)	%
Interest income under Finance Lease Agreement	336.9	328.4	(8.5)	(2.5)
Other Finance Income	195.4	162.0	(33.4)	(17.1)
Total	532.3	490.4	(41.9)	(7.9)

In 2022, Interest Income decreased by 7.9% YoY, mainly due to the long-term loan principal repayment of XPCL resulted in a decline in Interest Income.

Operating Expenses

Description	Year (Baht Million)		Changes	
	2021	2022	Inc/(Dec)	%
Cost of Sales of Electricity and Steam	5,913.9	8,472.4	2,558.5	43.3
<i>Fuel Costs</i>	3,216.4	5,771.3	2,554.9	79.4
<i>Depreciation Expenses</i>	1,507.4	1,508.9	1.5	0.1
<i>Operation and Maintenance Costs</i>	695.6	769.8	74.2	10.7
<i>Wheeling Charge</i>	229.7	145.8	(83.9)	(36.5)
<i>Royalty Fee</i>	120.1	116.0	(4.1)	(3.4)
<i>Others</i>	144.7	160.6	15.9	11.0
Amortization of Right to Produce and Sell Electricity	521.3	508.8	(12.5)	(2.4)
Cost of Project Management	84.8	95.6	10.8	12.7
Administrative Expenses	494.4	525.8	31.4	6.4
Total Operating Expenses	7,014.4	9,602.6	2,588.2	36.9

The Operating Expenses for 2022 increased by 36.9% YoY, with key changes as follows:

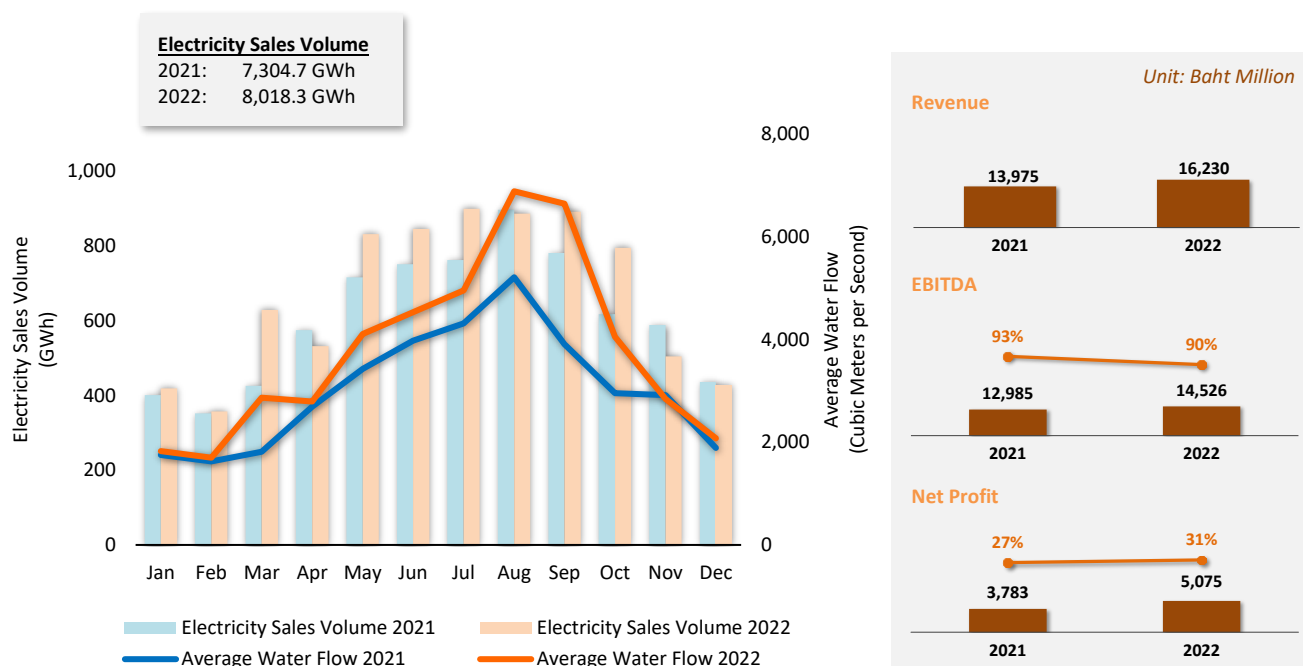
- Fuel Costs of BIC increased by 79.4% YoY in 2022, following the sharp YoY increase in natural gas price.
- Operation and Maintenance Costs increased by 10.7% YoY in 2022, primarily from an increase in BIC's maintenance fee according to the contract and an increase in USD proportion of the maintenance expenses due to the depreciation of Thai Baht compared to the previous year and an increase in expense related to NN2's Major Overhaul, which will start in 2023.
- Wheeling Charges declined by 36.5% YoY in 2022 due to a decline in dispatched electricity of NN2 and the decrease in Wheeling Charge rate according to the contract.
- Royalty Fee decreased by 3.4% YoY in 2022, consistent with NN2's revenue from sales of electricity.
- Other Costs increased by 11.0% YoY in 2022, mainly from increases in insurance premium and other general expenses.
- Amortization of Right to Produce and Sell Electricity decreased by 2.4% YoY in 2022, because the Right to Produce and Sell Electricity of BKC was fully amortized in July 2022.
- Cost of Project Management increased by 12.7% YoY in 2022, mainly driven by a YoY increase in employee-related expenses to support business expansion.
- Administrative Expenses increased by 6.4% YoY in 2022, primarily from higher advertising and public relations expenses and higher business activities after improvement in COVID-19 situation.

Share of Profit from Investments in Joint Ventures and Associates

Description	Year (Baht Million)		Changes	
	2021	2022	Inc/(Dec)	%
Share of Profit from Investments in Joint Ventures	40.3	27.3	(13.0)	(32.3)
Share of Profit from Investments in Associates	1,487.4	2,101.3	613.9	41.3
Share of Profit from Investments in Joint Ventures and Associates	1,527.7	2,128.6	600.9	39.3

In 2022, the Company's Share of Profits from Investments in Joint Ventures and Associates increased by 39.3% YoY. The improvement came mainly from the share of profit from investments in XPCL, the Company's associate, because of the YoY higher average water flow of Xayaburi Hydroelectric Power Plant, which resulted in stronger electricity sales volume. The Share of Profits from Investments in Joint Ventures declined YoY, mainly due to the expiration of Electricity Adder Revenue of Nakhon Ratchasima Solar Company Limited (NRS) in March 2022 after 10 years of commercial operation since its COD in March 2012.

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



Finance Cost

Finance Costs increased by 0.4% YoY in 2022, mainly driven by higher interest-bearing debt from Baht 2,000 million debentures issuance in October 2021.

Net Profit attributable to Equity Holders of the Company

Overall, Net Profit attributable to Equity Holders of the Company in 2022 was Baht 2,436.2 million, an increase of 11.8% YoY. The improvement was mainly driven by the increase in the share of profit from investment in XPCL following the YoY higher average water flow, which was partially offset by BIC's higher fuel costs.

Analysis of Financial Position

Description	As at 31 Dec 2021 (Baht Million)	As at 31 Dec 2022 (Baht Million)	Changes	
			Inc/(Dec)	%
Total Assets	68,977.3	69,846.0	868.7	1.3
Total Liabilities	32,847.3	31,906.6	(940.7)	(2.9)
Total Shareholders' Equity	36,130.0	37,939.4	1,809.4	5.0

Total Assets

As at 31 December 2022, Total Assets increased by 1.3% from the end of 2021 primarily from (i) an increase in the share of profit from investment in XPCL following strong 2022 operating results, (ii) the capital injections in proportion to the Company's shareholding in LPCL, and (iii) an increase in Trade Receivables, consistent with higher Revenues from Sales of Electricity.

Total Liabilities

As at 31 December 2022, Total Liabilities decreased by 2.9% from the end of 2021, mainly due to the redemption of NN2's Debentures No. 1/2019 in March 2022 and the repayments of long-term loans from financial institutions by BIC and BKC.

Total Shareholders' Equity

As at 31 December 2022, Total Shareholders' Equity increased by 5.0% from the end of 2021, mainly because of the 2022 operating results, offset by dividend payment and share of unrealized loss from cash flow hedges of XPCL as a result of the depreciation of Thai Baht against US Dollar from the beginning of the period.

Cash Flows Analysis

As at 31 December 2022, the Company reported Cash and Cash Equivalent of Baht 5,930.7 million, decreased by Baht 1,151.6 million or 16.3% from the end of 2021.

Cash Flow Statement for 2022	Baht Million
Net cash flows from operating activities	3,320.0
Net cash flows used in investing activities	(1,454.5)
Net cash flows used in financing activities	(3,016.5)
Effect of exchange rate changes on cash and cash equivalents	(0.6)
Net Decrease in Cash and Cash Equivalents	(1,151.6)

- 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 mutual funds for cash management and from additional investments in LPCL, an associated company.
- Net cash outflows from financing activities were mainly from redemption of debentures, interest payments, repayments of long-term loans from financial institutions, and dividend payments.

Key Financial Ratios

Profitability Ratios	2021	2022	Changes
Gross Profit Margin (%)	30.2	20.5	(9.7)
EBITDA Margin (%)	47.6	34.3	(13.3)
EBITDA Margin including Share of Profits (%)	64.0	53.0	(11.0)
Net Profit Margin (%)	23.3	21.3	(2.0)
<i>Earnings per share (Baht)</i>	<i>0.27</i>	<i>0.30</i>	<i>0.03</i>
Leverage Ratios	As at 31 Dec 2021	As at 31 Dec 2022	Changes
Total Liabilities to Total Shareholders' Equity Ratio (Times)	0.91	0.84	(0.07)
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times) ⁽¹⁾	0.65	0.59	(0.06)
Liquidity Ratio	As at 31 Dec 2021	As at 31 Dec 2022	Changes
Current Ratio (Times)	2.86	2.25	(0.61)

(1) Calculated from (Interest-bearing Debt excluding 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 of each year.

In 2022, Profitability Ratios declined YoY mainly due to higher fuel costs of BIC. As at 31 December 2022, Leverage Ratios improved from the end of 2021, mainly due to the redemption of NN2's debentures in March, the repayments of long-term loans from financial institutions by BIC and BKC, and the 2022 operating results. The Liquidity Ratio declined from the end of 2021, mainly because of an increase in Current Liabilities from maturing debentures of the Company and NN2 in 2023. Overall, the Company's key financial ratios remain at a healthy level.

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.