



Ref. Thor Hor (Por Por) 013/2566

August 7, 2023

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, 2023

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, 2023 as follows:-

Total revenue from sales of power and goods and revenue from adders in Q2/2023 were Baht 2,930 million compared with Baht 2,557 million in Q2/2022, an increase of 14.61% as electricity sales volume in Q2/2023 increased. Total income in Q2/2023 was Baht 2,997 million compared with Baht 2,678 million in Q2/2022, an increase of 11.90%.

In Q2/2023, the Company and its subsidiaries registered profit for the period of Baht 935 million (or basic earnings per share of Baht 0.111) compared with profit for the period of Baht 856 million in Q2/2022 (or basic earnings per share of Baht 0.102), an increase of 9.27%.

Profit for the period of Baht 935 million in Q2/2023 was comprised of normal operating profit of Baht 953 million, net foreign exchange loss of Baht 19 million and tax income of Baht 1 million, whereas 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.

For the first six-month period of the year 2023, the Company and its subsidiaries registered profit for the period of Baht 1,981 million (or basic earnings per share of Baht 0.236) compared with profit for the period in 6M/2022 of Baht 1,710 million (or basic earnings per share of Baht 0.204), an increase of 15.85%. Normal operating profit in 6M/2023 was Baht 2,000 million compared with the same of Baht 1,730 million in 6M/2022, an increase of 15.61%.

As at June 30, 2023, the Company and its subsidiaries’ total assets and total equity were Baht 56,999 million and Baht 32,538 million respectively. Book value per share was Baht 3.87. Details of consolidated financial statements for the second quarter ended June 30, 2023, can be summarized as follows:-

บริษัท ทีพีโอ โพลีน เพาเวอร์ จำกัด (มหาชน)

TPI POLENE POWER PUBLIC COMPANY LIMITED

Assets

The Company and its subsidiaries' total assets as at June 30, 2023 was Baht 56,999 million as compared with Baht 50,579 million as at December 31, 2022, an increase of 6,420 million, or increased by 12.69%. Details of the major accounting change are as follows:-

	As at 30 June 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Cash and cash equivalents	1,934	2,003	(69)	(3.42)
Trade accounts receivable	2,678	1,574	1,103	70.09
Other current financial assets	4,325	1,134	3,192	281.49
Inventories	1,817	1,931	(113)	(5.87)
Advances for plant and equipment	990	530	461	86.97
Property, plant and equipment	43,554	41,652	1,902	4.57
Total assets	56,999	50,579	6,420	12.69

Unit: Million Baht

Liabilities

The Company and its subsidiaries' total liabilities as at June 30, 2023 was Baht 24,462 million as compared with Baht 19,015 million as at December 31, 2022, an increase of 5,447 million, or increased by 28.64%. Details of the major accounting change are as follows:-

	As at 30 June 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Trade account payable and other payables	1,482	1,742	(259)	(14.89)
Current income tax payable	0.4	0.2	0.2	83.04
Debentures	21,937	16,217	5,720	35.27
Interest Bearing Debts (IBD)	22,478	16,779	5,699	33.97
Net Interest Bearing Debts (Net IBD) *	16,218	13,642	2,576	18.88
Total Liabilities	24,462	19,015	5,447	28.64

Unit : Million Baht

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

As at June 30, 2023, Interest Bearing Debts (IBD) of the Company and its subsidiaries' was Baht 22,478 million as compared with Baht 16,779 million as at December 31, 2022, an increase of 33.97% or increased by Baht 5,699 million, whilst Net Interest Bearing Debts (Net IBD) as at June 30, 2023 were Baht 16,218 million as compared with Baht 13,642 million as at December 31, 2022, an increase of 18.88% or increased by Baht 2,576 million.

Equity

The Company and its subsidiaries' total equity as at June 30, 2023 was Baht 32,538 million as compared with Baht 31,564 million as at December 31, 2022, an increase of 973 million, or increased by 3.08%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 30 June 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Retained earnings – unappropriated	8,717	7,744	973	12.57
Total equity	32,538	31,564	973	3.08
Book value per share (Baht)	3.87	3.76	0.12	3.08

As at June 30, 2023, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity ratio) equated 0.69 times and Net IBD to Equity ratio equated 0.50 times.

Profit (Loss)

The Company and its subsidiaries registered profit for the period of Baht 935 million in Q2/2023 compared with profit for the period of Baht 856 million in Q2/2022, an increase of Baht 79 million or increased by 9.27%.

In Q2/2023, the Company and its subsidiaries registered earnings before interest, taxes, depreciation and amortization (EBITDA) of Baht 1,205 million, increased by Baht 74 million compared with EBITDA for the period of Baht 1,132 million in Q2/2022. As at June 30, 2023, IBD to EBITDA ratio equated 4.66 times and Net IBD/ EBITDA ratio equated 3.36 times respectively. Details of the major accounting change are as follows:-

Unit : Million Baht

	For six-month period ended 30 June 2023	Q2/2023	Q2/2022	Increase (Decrease)	%
Revenue from sale of power and goods	4,530	2,242	1,514	728	48.09
Revenue from adders	1,341	688	1,043	(355)	(34.01)
Total Revenue from sales	5,870	2,930	2,557	374	14.61
Cost of sales of power and goods	3,695	1,895	1,665	230	13.81
Gross profit	2,176	1,036	892	144	16.10
Investment income and other income	143	67	122	(55)	(45.17)
Distribution costs and administrative expenses	277	132	122	10	7.98
Finance cost	43	18	19	(2)	(7.78)
Tax expense	(8)	1	(7)	8	120.95
Net foreign exchange gain (loss)	(11)	(19)	(9)	(10)	(110.16)
Total profit	1,981	935	856	79	9.27
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2,535	1,205	1,132	74	6.51

ESG Performance

The Company places an importance on creating sustainable values in Environment, Social and Governance (ESG) dimensions as a driving force for business operations. ESG performance in the first six-month period of the year 2023 is summarized as follows:-

Environmental Management

1. The Company used a total of 1,342,273.67 tons of all types of waste as fuel in the Company's power plants and cement plants of TPI Polene Public Company Limited, which reduced greenhouse gas emissions (carbon reduction) by approximately 3,114,074.19 tons of emission of carbon dioxide equivalent or CO₂e (emission factor is calculated based on the above wastes into landfill waste of 2.32 tons of greenhouse gases per 1 ton of landfill waste).
2. On May 24, 2022, the Company has registered with Thailand Greenhouse Gas Management Organization (Public Organization) or TGO for accreditation of reduced greenhouse gas emissions (carbon credits) from the period May 1, 2017 to December 31, 2020, increasing by 717,931 tons of CO₂e. As a result, the Company has carbon credits remaining at 765,297 tons of CO₂e.

On April 28, 2023, the Company registered an additional 462,797 tons of CO₂e. As a result, the Company has carbon credits remaining at 1,228,094 tons of CO₂e.

3. The Company was able to reduce greenhouse gas emissions in the power generation process by 102,667.51 tons emission of CO₂e or decreased by 7.33%, from 1,401,578 tons of CO₂e in the first six-month period of 2022 to 1,298,910.49 tons of CO₂e in the first six-month period of 2023.
4. Energy consumption decreased by 2,152,788.07 gigajoules or decreased by 12.92%, from 16,659,703.80 gigajoules in the first six-month period of 2022 to 14,506,915.73 gigajoules the first six-month period of 2023.
5. The Company was able to reuse the effluents from the electricity generation process to re-filter of 192,527 cubic meters, representing 4.62% of the total water consumption of 4,171,403 cubic meters.
6. The Company utilized industrial waste from the production process to be used as renewable fuel, renewable materials and recycled for total of 7,079.61 tons, representing 100% total quantity of industrial wastes generated, to comply with the "Zero Waste" policy
7. On March 16, 2023, the Company together with community leaders and local people in the community of Tubkwang and Tha Khlo subdistricts, Kaeng Khoi district and Mittraphap and Muaklek subdistricts, Muaklek district, Saraburi province jointly planted forestry under "TPIPP Reforestation Project to Reduce Heat and Save the Earth" by planting 1,000 lagerstroemia trees, 1,000 teak trees and 1,000 neem trees in the area of 100 Rai within Saraburi plant.

Corporate Social Responsibility

1. The Company has supported various projects and activities for public benefits in the first six -month period of 2023, totaling approximately Baht 18.49 million to communities, educational institutions, temples, hospitals and government authorities and contributed healthcare products and products of TPI Polene Group, such as cement, other construction materials, organic fertilizers, drinking water and health products to prevent pathogens.
2. The Company respects human rights and provides equal opportunities for employment without discrimination in favor or against any person, no child labor under the age of majority, no illegal labor, with no breach of customer information, treat business partners fairly and respect community rights. In the first six -month period of 2023, there were no complaints of human rights violations.
3. The Company provides equal opportunities for employment without discrimination in favor or against any person. In the first six-month period of 2023, 24 additional employees and 3 seniors were employed.
4. Disposal of contaminated waste infected with COVID-19 of 1,638 tons and 5,938.43 tons of non-hazardous industrial wastes were disposed of as fuel in the production process.

In Compliance with Good Corporate Governance Policy

1. On June 23, 2023, Thai pat Institute announced that the Company was ranked on the ESG100 securities list for the year 2023 for the fourth year (2018, 2021, 2022 and 2023), with outstanding performance covering the areas of Environmental, Social and Governance aspects (ESG) and is assessed as an attractive company to invest in the Resources Sector.
2. The Company has received the prestigious 3G Environmental Responsibility Award 2023 from the Global Good Governance Awards 2023 (3G Awards), organized by Cambridge IFA International Financial Advisory (financial advisory firm) in the UK, with an aim to esteem organizations that have successfully adopted social responsibility issues to their ongoing business operations. This includes quality, consistency, stability and clarity of the corporate social responsibility plans and reports.
3. The Company has been awarded “The International Diamond Prize for Excellence in Quality 2023” from European Society for Quality Research (ESQR), Switzerland, to esteem organizations whose quality management practices and strategies serve as a guarantee of excellence in quality management, which reflects the strength of business operations that are equivalent to international standards and represents being a prototypical organization with good business operations under the framework of quality assessment according to international standards and create innovative cutting-edge technology. The event was held at Hotel Le Plaza Brussels, Brussels, Belgium on July 9, 2023.

Please be informed accordingly.

Sincerely Yours,



Mrs. Orapin Leophairatana
Vice Chairman