



Press Release

TPI Polene Power 2Q 2024 Performance

Sequentially higher

Total sales in 2Q24 improved marginally by 5.4% QoQ to THB2,697 million, and the growth mainly come from power sales. Power throughput was higher QoQ while the average price is slightly lower. Power sales under adder were flattish. Keeping a tight lid on operating costs is a key operating metric for the TPI Polene Group as a whole and in the case of TPIPP SG&A to sales was 4.9% slightly higher QoQ. Higher sales largely underpinned the higher EBITDA to sales margin at 43.9% compared to 40.8% in 1Q24. FX loss during the quarter was only THB9 million compared to THB89 million resulting in net profit increasing by 23% QoQ to THB858 million. The normalized EBITDA in 2Q24 was THB1,184 million, up 13% from the previous quarter.

Better throughput

Overall throughput rose 8.4% about 561 million units, putting the utilization rate at about 60%. However, throughput from our MSW power plants was down by about 2% QoQ due to a brief maintenance disruption in the two plants. The operation of the recently-modified TG7 is stable but still below optimal level. Throughput at the coal-fired power plant rose significantly QoQ as some phases of the modification program have been completed. The 6MW solar roof started commissioning in June but contributes very little to overall performance.

Power pricing was stable from 1Q24. The slight decline in the average price was due to higher proportion of volume sold under SPS. Sales under adder pricing was flattish at THB687 million. Overall, power sales to EGAT accounted for 73% in value terms and 63% in volume terms. The financial performance for the remainder of the year will depend on 1) throughput, 2) Ft adjustment and 3) some contribution from the newly commissioned solar power capacity. Managing the cost of MSW is also an important factor. Even as 1H24 is only 41% of our FY guidance, we maintain our FY guidance as the outlook for the underpinning variables are still favorable.

Projects on roll out

Our plant modification program for the 150MW continues and we maintain our completion target by the end of 2025. We are commissioning phase-by-phase the solar farm capacity starting with 16MW in 3Q24 and aiming to complete the total 71MW by 2025. We are also rolling out two MSW projects: one in Chana province and another in Mukdahan province expected to be completed by 2025/26.

At the end of 2Q24, net interest bearing debt (IBD) ended at THB21,606 million, 12% higher than the closing net IBD position of 2023. Cash and cash equivalent was THB5,512 million. Financing ratios remain healthy with net IBD to equity ratio at 0.6x and the net IBD to EBITDA ratio at 4.85x. Capex deployed during the 1H 2024 was THB3,117million, including advance payment for equipment and machinery. For now, we maintain the budget of THB5,552 million.

ESG strides in the first half of 2024

In 1Q24 TPIPP used 727,279 tons of waste as fuel. By end 2Q24 the total reached 1,399,181 million tons that convert into 3.246 million tons CO₂e based on the ratio of 2.32 tons of GHG per ton of landfill waste. At the end of the quarter TPIPP has accumulated 1,559,229 tons of T-VER certified carbon credits and 2,504,658.94 units of Renewable Energy Certificates from EGAT. To meet our zero-waste policy, we have recycled 100% the industrial waste our operations generated or 8,382.84 tons. We have also recycled all effluents generated and this accounted for about 4.59% of the total water consumed in our operations during the period. We continue to push forward our long term goal of lower carbon footprint and deliver to our target of high recycling and zero waste generation. TPIPP expects to hit carbon neutrality by 2037.

TPIPP Corporate Relations Department

ESG Strides in 1H 2024

The Company has implemented sustainable development in Environmental, Social and Governance (ESG) dimensions for business operations. ESG performance in the first six-month period of the year 2024 is summarized as follows:-

Environmental Management

1. The Company used a total of 1,399,181 million tons of all types of waste as fuel in the Company's power plants and sold waste to cement plants of TPI Polene Public Company Limited, which reduced greenhouse gas emissions (carbon reduction) by approximately 3,246,099.92 tCO₂e (emission factor is calculated based on the above wastes left into landfill waste, will generate 2.32 tons of greenhouse gases per 1 ton of landfill waste).

As at June 31, 2024, the Company obtained carbon credit registration from Thailand Greenhouse Gas Management Organization (Public Organization), totaling 1,559,229 tCO₂e, and received a Renewable Energy Certificate (REC) from the Electricity Generating Authority of Thailand (EGAT) from renewable energy power generation (from waste fuel and waste heat recovery). The Company has registered and opened a REC volume trading account with the International REC Standard (I-REC) of 2,504,658.94 RECs (1 REC represents 1 MWh of electricity generated from renewable energy).

2. The Company reduced greenhouse gas emissions from power plants by 288,045.49 tons of CO₂e or decreased by 22.18%, from 1,298,910.49 tons of CO₂e the first six-month period of the year 2023 to 1,010,865.00 tons of CO₂ equivalent in the first six-month period of the year 2024.
3. The Company was able to reuse the effluents from the electricity generation process to re-filter of 190,335 cubic meters, representing 4.59% of the total water consumption of 4,149,205 cubic meters.
4. The Company utilized industrial waste from the production process to be used as renewable fuel, renewable materials and recycled for total of 8,382.84 tons, representing 100% of total quantity of industrial wastes generated, to comply with the "Zero Waste" policy

Corporate Social Responsibility

1. The Company has supported various projects and activities for public benefits in the first six-month period of the year 2024, totaling Baht 21.11 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 healthcare products to prevent pathogens.
2. The Company provides equal opportunities for employment without discrimination in favor or against any person. In the first six-month period of the year 2024, 36 additional

new employees were employed, which comprises 30 general staff, 3 seniors and 3 employees with disabilities.

3. The Company has implemented human rights for stakeholders throughout the value chain by respecting human rights of employees, suppliers, customers, and local communities. In the first six-month period of the year 2024, there were no complaints of human rights violations.
4. The Company has implemented occupational health and safety in the working environment with an objective to become a zero-accident organization. Performance in the first six-month period of the year 2024 is summarized as follows:-
 - The number of Fatal Occupational Injuries among employees and contractors was zero.
 - Occupational injuries rate (associated with high-impact jobs) among employees and contractors was zero.
 - Occupational illnesses rate among employees and contractors was zero.
5. The Company disposed of 4,063.71 tons of non-hazardous industrial wastes to be used as fuel in the electricity production process.

In Compliance with Good Corporate Governance Policy

The Company continues to operate its business with an emphasis on sustainable development and growth while creating sustainable values in environmental and social importance under a good corporate governance policy, disclosing information and operating results transparently, managing risks in all aspects. The Company pays attention to the impacts that occur or are expected to arise from business operations. Therefore, the Company has the opportunity to generate increased revenue and profit from its business operations, driven by sustainable development that create growth potential and increase good quality of products and environmentally friendly output. As a result, investors and shareholders will receive sustainable returns from investment in the Company's business.

The Company is fully responsible and creates value and benefits for relevant stakeholders in an all-round manner. As a result, in the first six-month period of the year 2024, the Company received awards and certifications from recognized organizations in terms of promoting sustainable development as follows:-

1. On July 12, 2024, Thaipat Institute announced that the Company has been ranked in the 2024 ESG100 list for the fifth year (in 2018, 2021, 2022, 2023 and 2024) with outstanding environmental performance in Environmental, Social and Governance (ESG) criteria in the Resource Sector.
2. On March 25, 2024, the Company was certified ISO14064-1 (Carbon Footprint Verification or CFV), which is a standard for principles and requirements at corporate level for measuring and reporting greenhouse gas emissions and reductions, including requirements for design, development, management, reporting and verification of corporate greenhouse gas emissions and reductions from BSI Group (Thailand) Co., Ltd. ("BSI: British Standards Institution"), British Standards Institution

3. The Company received Business Excellence Award 2023 from BIZTECH OUTLOOK Magazine, USA.

4. The Company received “The Best ESG Energy Efficiency Initiative Company Thailand 2023” award as Thailand's ESG Energy Efficiency Innovation Leader for the third consecutive year from International Finance Magazine (IFM), the United Kingdom.

5. The Company received “The Best Innovations in Renewable Energy Industry in Thailand 2023” from The Global Economics magazine, a leading financial magazine, the United Kingdom.

