



Ref. Thor Hor (Por Por) 012/2565

November 9, 2022

To: The President

The Stock Exchange of Thailand

Re: Report on the operating result of the reviewed consolidated financial statements for the third quarter ended September 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 third quarter ended September 30, 2022 as follows:-

Total revenue from sales of power and goods and revenue from adders in Q3/2022 were Baht 2,321 million compared with Baht 2,878 million in Q3/2021, a decrease of 19.37%, as the units of power sale in Q3/2022 decreased and the adders for the 55-megawatt (MW) municipal solid waste fuel (MSW) power plant expired. Total income in Q3/2022 was Baht 2,409 million compared with Baht 2,943 million in Q3/2021, a decrease of 18.14%.

In Q3/2022, the Company and its subsidiaries registered profit for the period of Baht 539 million (or basic earnings per share of Baht 0.064) compared with profit for the period of Baht 943 million in Q3/2021 (or basic earnings per share of Baht 0.112), a decrease of 42.89%.

Profit for the period of Baht 539 million in Q3/2022 was comprised of normal operating profit of Baht 581 million, net foreign exchange loss of Baht 35 million and tax expense of Baht 7 million, whereas profit for the period of Baht 943 million in Q3/2021 was comprised of normal operating profit of Baht 975 million, net foreign exchange loss of Baht 4 million and tax expense of Baht 28 million.

For the first nine-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 2,249 million (or basic earnings per share of Baht 0.268) compared with profit for the period in 9M/2021 of Baht 3,192 million (or basic earnings per share of Baht 0.380), a decrease of 29.55%. Normal operating profit in 9M/2022 was Baht 2,310 million compared with the same of Baht 3,298 million in 9M/2021, a decrease of 29.94%.

As at September 30, 2022, the Company and its subsidiaries’ total assets and total equity were Baht 53,819 million and Baht 31,000 million respectively. Book value per share was Baht 3.69. Details of consolidated financial statements for the third quarter ended September 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 September 30, 2022 was Baht 53,819 million as compared with Baht 48,485 million as at December 31, 2021, an increase of Baht 5,334 million, or increased by 11%. Details of the major accounting change are as follows:

Unit: Million Baht

	As at 30 Sept. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Cash and cash equivalents	1,311	929	381	41.04
Trade accounts receivable	2,298	2,561	(263)	(10.27)
Other current financial assets	5,373	3,495	1,878	53.72
Inventories	2,044	1,591	453	28.47
Advances for plant and equipment	578	132	447	338.80
Property, plant and equipment	40,475	37,809	2,666	7.05
Total assets	53,819	48,485	5,334	11.00

Liabilities

The Company and its subsidiaries' total liabilities as at September 30, 2022 was Baht 22,819 million as compared with Baht 17,634 million as at December 31, 2021, an increase of Baht 5,185 million, or increased by 29.41%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 30 Sept. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Trade account payable and other payables	1,231	737	494	67.03
Current income tax payable	-	44	(44)	(100.00)
Debentures	20,217	15,524	4,693	30.23
Interest Bearing Debts (IBD)	20,803	16,174	4,629	28.62
Net Interest Bearing Debts (Net IBD) *	14,120	11,749	2,370	20.17
Total Liabilities	22,819	17,634	5,185	29.41

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

As at September 30, 2022, Interest Bearing Debts (IBD) of the Company and its subsidiaries' was Baht 20,803 million as compared with Baht 16,174 million as at December 31, 2021, an increase of 28.62% or increased by Baht 4,629 million, whilst Net Interest Bearing Debts (Net IBD) as at September 30, 2022 were Baht 14,120 million as compared with Baht 11,749 million as at December 31, 2021, an increase of 20.17% or increased by Baht 2,370 million.

Equity

The Company and its subsidiaries' total equity as at September 30, 2022 was Baht 31,000 million, an increase of Baht 149 million, from Baht 30,852 million as at December 31, 2021, or increased by 0.48%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 30 Sept. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Retained earnings - unappropriated	7,180	7,031	149	2.12
Total equity	31,000	30,852	149	0.48
Book value per share (Baht)	3.69	3.67	0.02	0.48

As of September 30, 2022, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity ratio) equated 0.67 times and Net IBD to Equity ratio equated 0.46 times.

Profit (Loss)

The Company and its subsidiaries registered profit for the period of Baht 539 million in Q3/2022, a decrease of Baht 404 million, from Baht 943 million in Q3/2021, or decreased by 42.89%.

For the first nine-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 2,249 million compared with Baht 3,192 million in 9M/2021, a decrease of 29.55%. Details of the major accounting change are as follows:-

Unit : Million Baht

	For nine-month period ended 30 Sept. 2022	Q3/2022	Q3/2021	Increase (Decrease)	%
Revenue from sale of power and goods	4,743	1,493	1,620	(128)	(7.88)
Revenue from adders	2,923	828	1,258	(430)	(34.17)
Total Revenue from sales	7,665	2,321	2,878	(557)	(19.37)
Cost of sales of power and goods	5,251	1,673	1,770	(97)	(5.46)
Gross profit	2,414	647	1,108	(461)	(41.58)
Investment income and other income	317	89	65	24	36.35
Distribution costs and administrative expenses	355	130	151	(21)	(13.73)
Finance cost	66	25	47	(22)	(46.62)
Tax expense	18	7	28	(21)	(75.91)
Net foreign exchange gain (loss)	(43)	(35)	(4)	(31)	(765.25)
Total profit	2,249	539	943	(404)	(42.89)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,079	822	1,246	(424)	(34.04)

The Company and its subsidiaries' earnings before interest, taxes, depreciation and amortization (EBITDA) for the first nine-month period of the year 2022 was Baht 3,079 million. IBD to EBITDA (annualized) ratio equated 5.07 times and net IBD/ EBITDA (annualized) ratio equated 3.44 times respectively.

ESG Performance

The Company is a leader and the biggest operator of waste fuel power plant business in Thailand with the largest municipal waste disposal facility, located in a single 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. For the first nine-month period of the year 2022, the Company used 2,102,455 tons of municipal waste as alternative fuel in the electricity production process (reducing greenhouse gas emissions (carbon reductions) by 4.88 million tons of carbon dioxide equivalent), an increase of 597,324 tons, compared with using of 1,505,131 tons of municipal waste in the same period of the year 2021 (reducing greenhouse gas emissions (carbon reductions) by 3.49 million tons of carbon dioxide equivalent.)

(Calculated from the emission factor in case the abovementioned waste turns into landfill waste, which will emit 2.32 tons of greenhouse gases per 1 ton of landfill waste).

2. The Company has increased water efficiency by reducing the volume of water used in the electricity production process from 8,030,940 cubic meters for the first nine-month period of the year 2021 to 7,190,299 cubic meters for the first nine-month period of the year 2022, or decreased by 840,641 cubic meters, and for the first nine-month period of the year 2022, the Company was able to reuse 299,505 cubic meters of water.
3. The Company attaches an importance to waste management by committing to implementing the "Zero Waste" policy. For the first nine-month period of the year 2022, industrial waste from the production process was used as alternative fuel and materials and was recycled totaling 14,975 tons, accounting for 100% of total quantity of industrial waste generated.

Social Performance

For the first 9 months of 2022, the Company allocated funds to support various projects and activities of public benefits such as communities, academic institutions, temples, hospitals and governmental authorities by donating X-ray vehicles with comprehensive mobile health check-ups, and supported TPIPL products such as cement, other construction materials, organic fertilizers, drinking water and healthcare products to prevent pathogens for total amount of Baht 37.40 million.

In addition, for the first 9 months of the year 2022, the Company employed 60 persons from local communities and employed 5 elderly people. 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 to comply with the Code of Conduct through enterprise-wide risk management. Material issues of the business are identified in response to participations from all stakeholders, aiming to achieve sustainable development of the business.

For the first 9 months of 2022, the Company has received awards and certifications from recognized organizations for promoting sustainable development, which is a result of the Company's ability to implement sustainability values to drive business operations, as follows:-

1. On July 1, 2022, the Company has been selected as one of the ESG100 securities companies with outstanding performance covering the areas of Environmental, Social and Governance (ESG) based on the assessment of listed securities in 2022 by Thaipat Institute.
2. On August 19, 2022, Thaipat Institute certified the 2022 ESG Credit projects for the Company's green investment projects, namely the Boiler Improvement Project of the 70 MW mixed-fuel power plant (TG7) and the waste fuel capacity expansion project (Plant 3) totaling 6,000,000 credits.
3. On October 10, 2022, the Company has been selected as the securities under the Thailand Sustainability Investment (THSI) 2022 list by the Stock Exchange of Thailand.
4. On October 27, 2022, the Company's corporate governance report 2022 (Corporate Governance Report of Thai Listed Companies 2022) has been evaluated by Thai Institute of Directors (IOD) at the level of "Very Good" (very good CG Scoring).

Please be informed accordingly.

Sincerely Yours,



Mrs. Orapin Leophairatana
Vice Chairman