



Ref. Thor Hor (Por Por) 002/2567

February 19, 2024

To: The President

The Stock Exchange of Thailand

Re: Report on the operating result of the audited consolidated financial statements for the year ended December 31, 2023

Dear Sirs,

TPI Polene Power Public Company Limited (“the Company”) would like to report the operating result of the audited consolidated financial statements for the year ended December 31, 2023 as follows:-

Total revenue from sales of power and goods and revenue from adders in 2023 were Baht 10,990 million compared with Baht 10,200 million in 2022, an increase of 7.74%, as the units of power sale in 2023 increased. Total income in 2023 was Baht 11,331 million compared with Baht 10,626 million in 2022, an increase of 6.64%.

In 2023, the Company and its subsidiaries registered profit for the year of Baht 3,653 million (or basic earnings per share of Baht 0.435) compared with profit for the year of Baht 2,813 million (or basic earnings per share of Baht 0.335) in 2022, an increase of 29.88%.

Profit for the year 2023 of Baht 3,653 million was comprised of normal operating profit of Baht 3,627 million, net foreign exchange gain of Baht 43 million and tax expense of Baht 17 million, whereas profit for the year 2022 of Baht 2,813 million was comprised of normal operating profit of Baht 2,820 million, net foreign exchange gain of Baht 7 million and tax expense of Baht 14 million.

As at December 31, 2023, the Company and its subsidiaries’ total assets and total equity were Baht 59,767 million and Baht 33,202 million respectively. Book value per share was Baht 3.95. Details of consolidated financial statements for the year ended December 31, 2023 can be summarized as follows:-

บริษัท ทีพีไอ โพลีน เพาเวอร์ จำกัด (มหาชน)

TPI POLENE POWER PUBLIC COMPANY LIMITED

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Assets

The Company and its subsidiaries' total assets as at December 31, 2023 was Baht 59,767 million as compared with Baht 50,579 million as at December 31, 2022, an increase of Baht 9,188 million, or increased by 18.17%. Details of the major accounting change are as follows:-

Unit: Million Baht

	As at 31 Dec. 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Cash and cash equivalents	2,434	2,003	431	21.52
Trade accounts receivable	1,727	1,574	153	9.70
Other current financial assets	1,985	1,134	852	75.12
Inventories	1,824	1,931	(107)	(5.53)
Advances for plant and equipment	683	530	154	29.05
Property, plant and equipment	48,025	41,652	6,373	15.30
Total assets	59,767	50,579	9,188	18.17

Liabilities

The Company and its subsidiaries' total liabilities as at December 31, 2023 was Baht 26,566 million as compared with Baht 19,015 million as at December 31, 2022, an increase of Baht 7,551 million, or increased by 39.71%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 31 Dec. 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Trade account payable and other payables	2,376	1,742	635	36.44
Current income tax payable	0.41	0.23	0.18	78.70
Debentures	21,937	16,217	5,720	35.27
Interest Bearing Debts (IBD)	23,672	16,779	6,894	41.09
Net Interest Bearing Debts (Net IBD) *	19,253	13,642	5,611	41.13
Total Liabilities	26,566	19,015	7,551	39.71

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

As at December 31, 2023, Interest Bearing Debts (IBD) of the Company and its subsidiaries' was Baht 23,672 million as compared with Baht 16,779 million as at December 31, 2022, an increase of 41.09% or increased by Baht 6,894 million, whilst Net Interest Bearing Debts (Net IBD) as at December 31, 2023 were Baht 19,253 million as compared with Baht 13,642 million as at December 31, 2022, an increase of 41.13% or increased by Baht 5,611 million.

Equity

The Company and its subsidiaries' total equity as at December 31, 2023 was Baht 33,202 million, an increase of Baht 1,637 million, from Baht 31,564 million as at December 31, 2022, or increased by 5.19%. Details of the major accounting change are as follows:-

Unit : Million Baht

	As at 31 Dec. 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Retained earnings - unappropriated	9,381	7,744	1,637	21.14
Total equity	33,202	31,564	1,637	5.19
Book value per share (Baht)	3.95	3.76	0.19	5.19

As at December 31, 2023, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity ratio) equated 0.71 times and Net IBD to Equity ratio equated 0.58 times.

Profit (Loss)

In 2023, the Company and its subsidiaries registered profit for the year of Baht 3,653 million, an increase of Baht 840 million, from Baht 2,813 million in 2022, or increased by 29.88%.

Unit : Million Baht

	2023	2022	Increase (Decrease)	%
Revenue from sale of power and goods	8,260	6,588	1,672	25.38
Revenue from adders	2,729	3,612	(883)	(24.43)
Total Revenue from sales	10,990	10,200	790	7.74
Cost of sales of power and goods	6,978	7,185	(206)	(2.87)
Gross profit	4,011	3,015	996	33.03
Investment income and other income	298	419	(121)	(28.86)
Distribution costs and administrative expenses	537	524	14	2.60
Finance cost	148	90	58	63.78
Tax expense	17	14	3	20.61
Net foreign exchange gain (loss)	43	7	36	535.55
Total profit for the period	3,653	2,813	840	29.88
Earnings before interest, taxes, depreciation and amortization (EBITDA)	4,835	3,914	921	23.53

The Company and its subsidiaries' earnings before interest, taxes, depreciation and amortization (EBITDA) for the year 2023 was Baht 4,835 million. IBD to EBITDA ratio equated 4.90 times and net IBD/ EBITDA ratio equated 3.98 times respectively.

ESG Performance in 2023-TPIPP

The Company has implemented sustainable development in Environmental, Social and Governance (ESG) dimensions for business operations. ESG performance in 2023 is summarized as follows:-

Environmental Management

1. The Company used a total of 2.77 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 reduced greenhouse gas emissions (carbon reduction) by approximately 6.43 million tons of emission of carbon dioxide equivalent or CO₂e (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).

In 2023, the Company obtained carbon credit registration from Thailand Greenhouse Gas Management Organization (Public Organization), totaling 1,559,229 tons of CO₂e, 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 1,448,191.774 RECs (1 REC represents 1 MWh of electricity generated from renewable energy).

2. The Company was able to reduce greenhouse gas emissions per unit of power generation from 1.2646 tons of CO₂e/MWh in 2022 to 1.1756 tons of CO₂ equivalent/MWh in 2023 or a decrease of 7.04% compared with 2022.
3. The Company has invested for the purchase of 4 EV wheel loaders trucks for waste fuel scooping, which helps reduce transportation costs while reducing greenhouse gas emissions and PM 2.5 dust emissions.
4. The Company was able to reuse the effluents from the electricity generation process to re-filter of 383,461 cubic meters, representing 4.49% of the total water consumption of 8,545,911 cubic meters.
5. The Company utilized industrial waste from the production process to be used as renewable fuel, renewable materials and recycled for total of 13,190.44 tons, representing 100% total quantity of industrial wastes generated, to comply with the "Zero Waste" policy
6. 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 2023, totaling approximately Baht 43.34 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 has implemented human rights for stakeholders throughout the value chain with respect to human rights of employees, suppliers, customers, and local communities. In 2023, there were no complaints of human rights violations.
3. The Company organizes training courses to develop potential, skills and promotes the progress of the Company's personnel continuously. The average number of training hours for all courses was 33.88 hours per person per year, higher than the target of an average of at least 20 hours per person per year.
4. The Company evaluated the level of job satisfaction and employee engagement towards the organization for the year 2023, which showed an average score of 83.20%, higher than the Company's target set at 75%.
5. The Company provides equal opportunities for employment without discrimination in favor or against any person. In 2023, 68 additional new employees were employed, which comprises 62 general staff, 3 seniors and 3 employees with disabilities.
6. The Company disposed of contaminated waste infected with COVID-19 of 1,638 tons and 12,092.65 tons of non-hazardous industrial wastes were disposed of as fuel in the electricity production process.

In Compliance with Good Corporate Governance Policy

With the Company's success to adopt the value of sustainability to continuously drive its business operations, in 2023, the Company has received awards and certifications from recognized organizations for promoting sustainable development as follows:-

International Awards

1. 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.
2. On July 9, 2023, the Company has been awarded "The International Diamond Prize for Excellence in Quality 2023" from European Society for Quality Research (ESQR), Switzerland, to esteem 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.
3. The Company was awarded "Best Green Renewable Energy Power Plant in Thailand 2023" (Best Green Renewable Energy Power Plant Group in Thailand) by World Business Outlook, a printing and online magazine that provides analysis of the financial industry, comprehensive coverage of international business and the global economy.

4. The Company has been awarded “Best ESG Energy Efficiency Initiative Company Thailand 2023” as the leading ESG Energy Efficiency Innovation manufacturer in Thailand for the year 2023 for the third consecutive year from International Finance Magazine (IFM) of the United Kingdom.
5. The Company has been awarded “The Best Innovations in Renewable Energy Industry in Thailand 2023” by The Global Economics, a leading financial magazine in the United Kingdom.

National Awards

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 been certified as a Green Industry Level 3, Green System for Systematic Environmental Management from the Ministry of Industry. The results are monitored, evaluated and reviewed for continuous improvement for TG4 (30MW), TG5 (60MW), TG6 (70MW) and TG8 (150MW) power plants, effective for the period August 21, 2023 to August 20, 2026 and TG 7 (40MW) power plants effective for the period September 7, 2023 to September 6, 2026.

In addition, TG1-3 power plant (60MW) has been certified as Green Culture Level 4, Green Culture from the Ministry of Industry, effective for the period August 26, 2021 to August 25, 2024. All employees in the organization cooperatively work with environmental friendliness in all aspects of business operations until it becomes part of the corporate culture.

3. On September 13, 2023, the Company received the honorary CSR-DIW Continuous Award 2023 from the Department of Industrial Works, Ministry of Industry for the 8th consecutive year since 2016.
4. On September 29, 2023, the Company received the Circular Economy Certificate for waste-to-energy power plant and waste fuel plant from the Department of Primary Industries and Mines, Ministry of Industry, based on the evaluation of the effectiveness of the application of circular economy principles in the organization under the project to develop and upgrade industrial enterprises to apply circular economy principles in the organization.
5. On October 31, 2023, the Company has achieved "Excellent CG Scoring, a 5-star corporate governance assessment" in Corporate Governance Report of Thai Listed Companies (CGR) for the year 2023, operated by Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC).
6. On November 6, 2023, the Company has received “2023 SET ESG Ratings : AA” Corporate Sustainability Assessment from the Stock Exchange of Thailand, reflecting the Company’s business operations to continuously develop towards corporate sustainability with full responsibilities to stakeholders by taking into account of Environmental, Social and Governance criteria (ESG).

7. On December 21, 2023, the Company received the Sustainability Disclosure Award for the second consecutive year for the disclosure of sustainability information for the year 2023 from Thaipat Institute.

Please be informed accordingly.

Sincerely Yours,



Mrs. Orapin Leophairatana
Vice Chairman