

– Translation –



**Gulf Energy Development Public Company Limited**

# MANAGEMENT DISCUSSION AND ANALYSIS OF THE COMPANY'S PERFORMANCE

For the Quarter Ended June 30, 2022

The Management Discussion and Analysis of the Company's Performance (the "MD&A") is intended to present and analyze the Company's results of operations and financial position at the end of the accounting period. Such information may change in the future. The MD&A is primarily prepared in Thai. In cases where the content in the translation contains any conflict or is interpreted differently from the Thai version, the Thai version shall prevail.

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# EXECUTIVE SUMMARY

## KEY EVENTS IN Q2'22

### Projects that commenced commercial operation

**DIPWP power project in Oman** ramped up an additional of 12 MW operating capacity in April 2022, resulting in the project to have an operating power generation capacity which has already commenced electricity sales at a total of 52 MW as of present. DIPWP is a gas-fired captive power plant project with total installed power generation capacity of approximately 326 MW, of which the rest of the phases are scheduled to gradually commence commercial operation between 2022 - 2023.

### Investment in Thailand and in other countries

#### Investment in digital businesses by participating in Binance ecosystem

- **Establishment of Gulf Binance Company Limited (“Gulf Binance”) to develop and operate digital asset exchange in Thailand** on May 17, 2022, with Gulf Innova and Binance Capital Management hold 51% and 49% equity stakes, respectively. Gulf Binance is currently applying for a digital asset exchange license, a digital asset broker license, and other licenses with relevant agencies.
- **Investment in Binance Labs Investment Fund**, a new venture capital fund issued by Binance Labs to invest in digital assets, digital infrastructure and blockchain technology, with Gulf HK invested in the fund in the amount of USD 10 million.

**Execution of the Joint Venture Agreement to develop renewable energy business with GUNKUL.** On May 25, 2022, the Company's Board of Directors has approved the execution of the Joint Venture Agreement between Gulf Renewable Energy and GUNKUL, with the purpose to study opportunities in renewable energy businesses, and establish a joint venture to operate renewable energy-related businesses. Further, on July 27, 2022, Gulf Renewable Energy acquired 50% of newly issued common shares in Gulf Gunkul Corporation with a total investment amount of THB 5,000 million. The remaining 50% is held by GUNKUL. At present, Gulf Gunkul Corporation holds 100% stake in 3 wind farm projects located in Nakhon Ratchasima province with a total installed power generation capacity of 170 megawatts. All 3 projects commenced commercial operation between 2016 and 2018, and have 25-year power purchase agreements with EGAT.

#### Establishment of joint ventures under the Company's subsidiary, GULF1, to engage in the production and sale of solar energy from rooftops in Thailand.

- **Establishment of SG Solar Company Limited** which GULF1 and SCG Cleanergy holds 50% stake equally, with the target customers group being industrial users which are companies under SCC's Group who are customers of the Company's SPP power plants. Further, SG Solar plans to expand its customer base to industrial and commercial customers within the network of both company groups.
- **Establishment of Greengen Energy Company Limited** which GULF1 and CRC TWD holds 50% stake equally, with the target customers group being customers under Central Group and/or other customers in the commercial and industrial sectors within the vicinity. The JV will start the operation of its pilot projects located at 5 branches of Thai Watsadu stores in the Bangkok Metropolitan Area and nearby provinces, with plans to expand its businesses to other branches

### Contracts and agreements signing

**Execution of the Tariff Memorandum of Understanding for Pak Beng hydroelectric power project** on May 25, 2022, between the Company, China Datang Overseas Investment Co., Ltd., and EGAT. Pak Beng is a run-of-the-river hydroelectric power plant located in Pak Beng district, Oudomxay province, Lao PDR, with the installed capacity of 912 megawatts and the Scheduled Commercial Operation Date (SCOD) on January 1, 2033. EGAT will be the off-taker for the Project, with the average tariff rate of 2.7129 Thai Baht / kilowatt-hour. The Project is the second hydroelectric power project which the Company has entered into a Tariff MOU, following the Pak Lay hydroelectric power project that was announced on January 24, 2022.

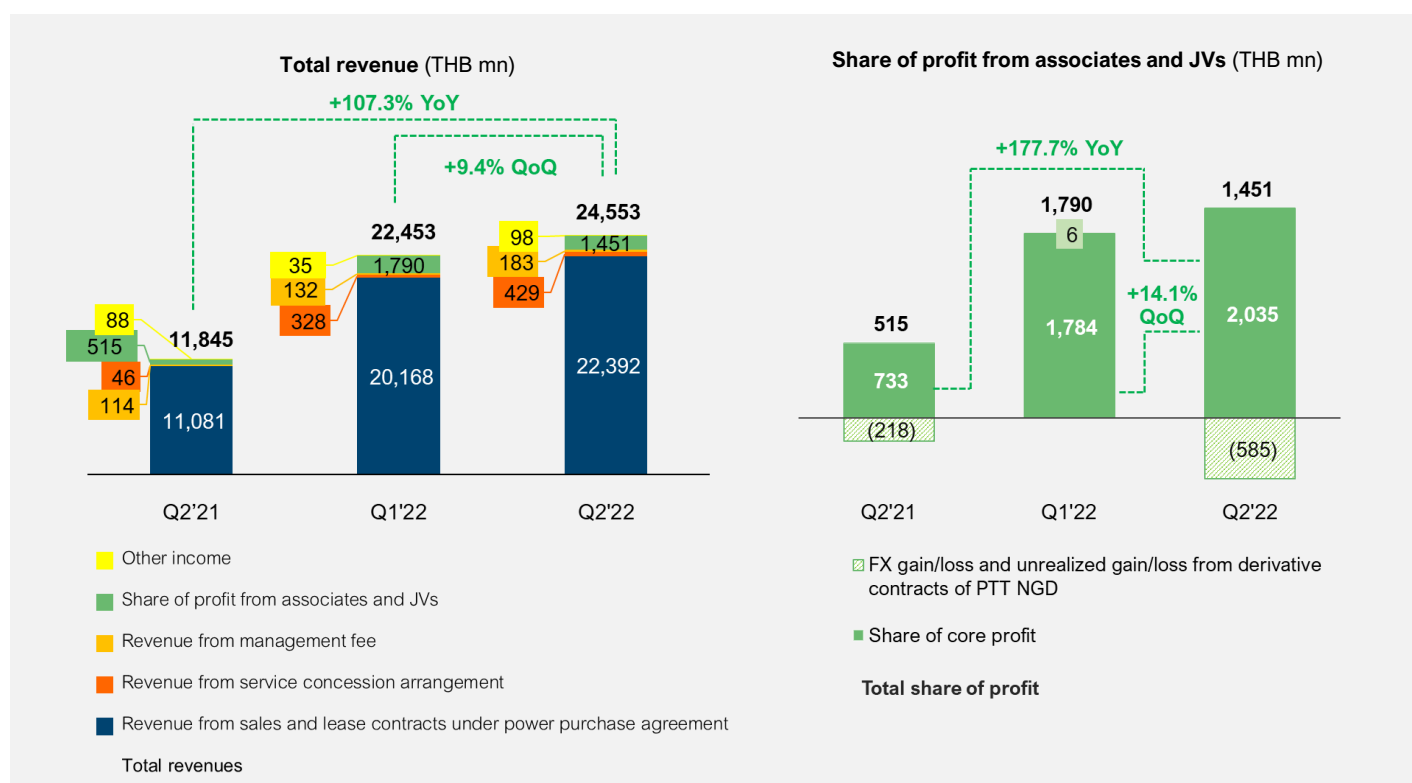
## FINANCIAL PERFORMANCE OVERVIEW

	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Revenue from sales, lease contracts under power purchase agreement, management fee, and service concession arrangement	11,242	20,628	23,004	11.5%	104.6%	20,277	43,632	115.2%
Share of profit (loss) from associates and JVs	515	1,790	1,451	-19.0%	181.7%	774	3,241	318.7%
Other income	88	35	98	183.0%	11.2%	784	133	-83.1%
<b>Total revenues</b>	<b>11,845</b>	<b>22,453</b>	<b>24,553</b>	<b>9.4%</b>	<b>107.3%</b>	<b>21,835</b>	<b>47,006</b>	<b>115.3%</b>
<b>EBITDA <sup>(1)</sup></b>	<b>4,250</b>	<b>7,075</b>	<b>7,174</b>	<b>1.4%</b>	<b>68.8%</b>	<b>9,412</b>	<b>14,249</b>	<b>51.4%</b>
<b>Profit for the period</b>	<b>1,833</b>	<b>4,095</b>	<b>1,710</b>	<b>-58.2%</b>	<b>-6.7%</b>	<b>3,624</b>	<b>5,805</b>	<b>60.2%</b>
<b>Profit attributable to owners of the parent</b>	<b>1,407</b>	<b>3,395</b>	<b>1,531</b>	<b>-54.9%</b>	<b>8.8%</b>	<b>3,039</b>	<b>4,925</b>	<b>62.1%</b>
Less: gain (loss) on exchange rate attributable to owners of the parent	2	160	(1,581)	-1089.4%	n.a.	(702)	(1,421)	-102.3%
Less: unrealized gain (loss) on derivatives of PTT NGD	4	(22)	30	237.9%	654.4%	(50)	8	116.6%
<b>Core Profit <sup>(2)</sup></b>	<b>1,401</b>	<b>3,257</b>	<b>3,081</b>	<b>-5.4%</b>	<b>119.9%</b>	<b>3,790</b>	<b>6,338</b>	<b>67.2%</b>
Share of Core Profit from associates and JVs <sup>(3)</sup>	733	1,784	2,035	14.1%	177.7%	1,475	3,819	158.9%
<b>Basic earnings per share (THB)</b>	<b>0.12</b>	<b>0.29</b>	<b>0.13</b>	<b>-55.1%</b>	<b>9.3%</b>	<b>0.26</b>	<b>0.42</b>	<b>61.9%</b>

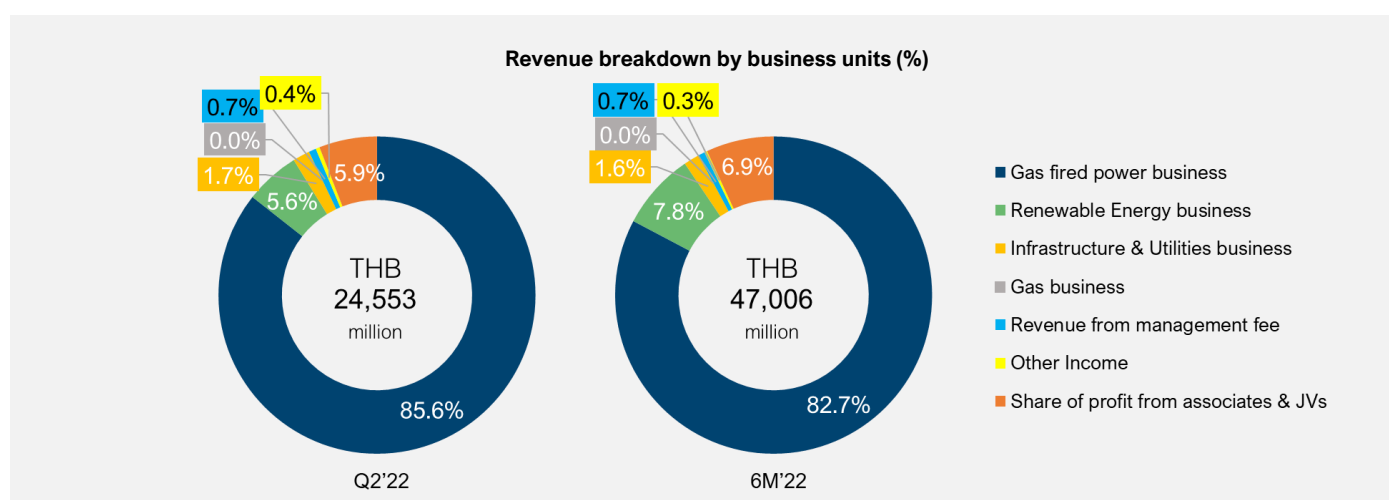
<sup>(1)</sup> EBITDA = Earnings before Interest, Taxes, Depreciation, and Amortization, gain (loss) on exchange rate of the Company and of GJP and INTUCH, and unrealized gain (loss) on derivatives of PTT NGD

<sup>(2)</sup> Core Profit = profit attributable to owners of the parent before gain (loss) on exchange rate and unrealized gain (loss) on derivatives of PTT NGD

<sup>(3)</sup> Share of Core Profit from associates and JVs = share of profit (loss) from associates and JVs before gain (loss) on exchange rate of GJP and INTUCH and unrealized gain (loss) on derivatives of PTT NGD



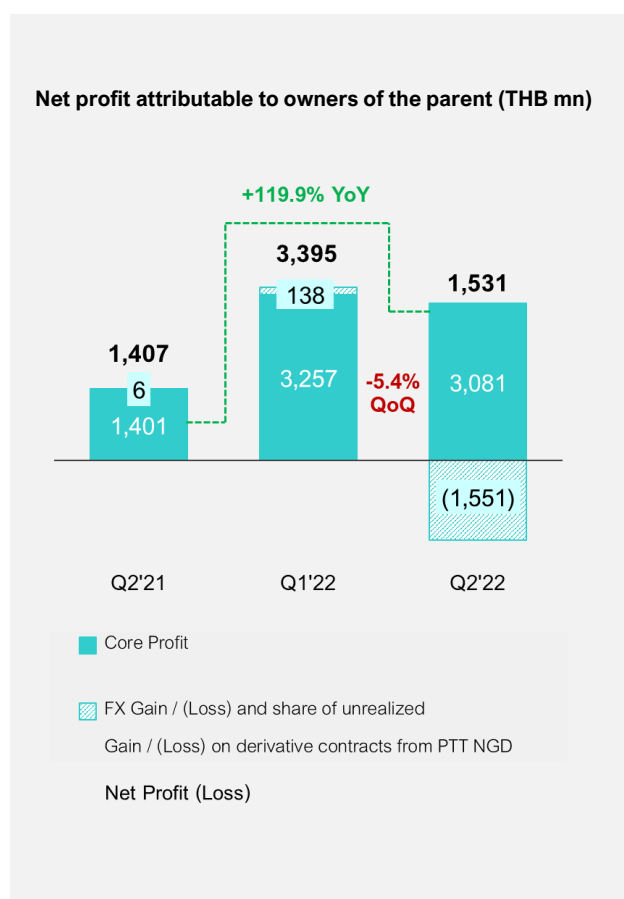
Revenue breakdown by Business Unit	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Gas fired power business	9,926	17,863	21,019	17.7%	111.8%	16,881	38,883	130.3%
Renewable Energy business	1,155	2,305	1,372	-40.5%	18.8%	3,082	3,678	19.3%
Infrastructure & Utilities business	46	328	429	30.8%	825.5%	91	756	733.0%
Gas business	0	0	0	n.a.	n.a.	0	0	n.a.
Revenue from management fee	114	132	183	39.1%	60.9%	224	315	40.9%
Other income	88	35	98	183.0%	11.2%	784	133	-83.1%
Share of profit from associates and JVs	515	1,790	1,451	-19.0%	181.7%	774	3,241	318.7%
<b>Total Revenue</b>	<b>11,845</b>	<b>22,453</b>	<b>24,553</b>	<b>9.4%</b>	<b>107.3%</b>	<b>21,835</b>	<b>47,006</b>	<b>115.3%</b>



Total revenue in Q2'22 was recorded at THB 24,553 million, an increase of 107.3% YoY, and 9.4% QoQ, and in 6M'22, total revenue was at THB 47,006 million, an increase of 115.3%, with the main factors as follows:

- 1) Revenue from Gas-Fired Power business in Q2'22 was at THB 21,019 million, increased by 111.8% YoY and 17.7% QoQ, and in 6M'22 was at THB 38,883 million, accounting for 82.7% of total revenues, and increased 130.3% YoY, mainly from the revenue recognition of GSRC units 2-3 since their commercial operation dates on October 1, 2021 and March 31, 2022. Moreover, average electricity selling price per unit also increased in line with higher natural gas cost.
- 2) Revenue from Renewable Energy business was THB 1,372 million, increased 18.8% YoY primarily due to the BKR2 offshore wind power project in Germany which recorded superior performance from the higher wind speed in the area, but decreased 40.5% QoQ from the BKR2 project which entered low season in Q2-Q3. However, for 6M'22, revenue from Renewable Energy business was THB 3,678 million, accounting for 7.8% of total revenues, an increase of 19.3% YoY, due to BKR2 project experiencing better wind speed than the same period of last year, coupled with the GTN1 and GTN2 solar projects in Vietnam which experienced significantly less curtailment. Furthermore, GCG biomass project also recorded higher revenue which grew in tandem with the higher Ft price.
- 3) Revenue from Infrastructure & Utilities business was THB 429 million in Q2'22, and in 6M'22 was at THB 756 million, accounting for 1.6% of total revenues, increased from the construction progress for the land reclamation work of MTP3 industrial port development project, which is recorded as service concession arrangement revenue, and scheduled to be completed in 2024.
- 4) Revenue from Management Fee was THB 183 million, increased by 60.9% YoY and 39.1% QoQ, and in 6M'22 was at THB 315 million, accounting for 0.7% of total revenues, and increased by 40.9% YoY, from the management services provided by the Company to its joint ventures GPC, HKP, BGSR 6 and BGSR 81, GJP1, as well as power plants under GEC group.

- 5) **Other income was THB 98 million, increased by 11.2% YoY and 183.0% QoQ**, mainly increased from the higher interest income from the service concession arrangement of MTP3 industrial port development project. Moreover, there was a dividend income received from SPCG, EDL Gen and CIVIL in Q2'22. **However, for 6M'22, other income was recorded at THB 133 million, decreased by 83.1% YoY**, a result of the absence of dividend income from INTUCH as the Company started to realize share of profit from INTUCH as an associate company instead of dividend income from Q4'21 onwards.
- 6) **Share of profit from associates and JVs was THB 1,451 million, increased by 181.7% YoY**, mainly from the share of profit from INTUCH at THB 1,166 million (recognized for the first time in Q4'21), although the Company recorded share of FX loss and an unrealized gain on derivatives of PTT NGD in Q2'22 at a net loss of THB 585 million, while these items resulted in a net loss of THB 218 million in Q2'21. However, **when compared with Q1'22, share of profit decreased by 19.0% QoQ**, mainly a result of the FX loss, as in Q1'22, there was a share of FX gain and an unrealized loss on derivatives of PTT NGD recorded at a net gain of THB 6 million. Moreover, share of Core Profit from GJP soften in tandem with the electricity sales to EGAT which declined in accordance with EGAT's management for Thailand aggregate electricity supply. Nevertheless, share of profit from INTUCH remained at a similar level to the previous quarter. **For 6M'22, share of profit from associates and JVs was THB 3,241 million, increased by 318.7% YoY**, mainly from the share of profit from INTUCH, and the lower FX loss when compared to 6M'21.



- **Core Profit in Q2'22 was recorded at THB 3,081 million, increased by 119.9% YoY, and in 6M'22 was THB 6,338 million, an increase of 67.2% YoY**, primarily from the performance of GSRC units 2-3 which gradually commenced commercial operation, the higher performance of BKR2 offshore wind project, and realized share of profit from INTUCH. However, **when compared to Q1'22, Core Profit softened by 5.4% QoQ**, from the better performance of BKR2 project which entered low season, and the share of profit from the GJP group which declined in accordance with the lower EGAT electricity dispatch.
- **Net profit attributable to owners of the parent in Q2'22 was recorded at THB 1,531 million, increased by 8.8% YoY but decreased by 54.9% QoQ, and in 6M'22 was at THB 4,925 million, increased 62.1% YoY.** Net profit changed in the same direction as the Core Profit; however, in Q2'22 and 6M'22, the Company recorded FX loss attributable to owners of the parent and unrealized gain on derivatives of PTT NGD net of THB 1,551 million loss and THB 1,413 million loss, respectively, compared to THB 6 million gain and THB 138 million gain from the items in Q2'21 and Q1'22, respectively. While in 6M'22, the Company recorded a net loss from the items at THB 752 million.

## SUMMARY OF THE COMPANY'S FINANCIAL POSITION ENDED JUNE 30, 2022

- **Total assets as of June 30, 2022 were equal to THB 388,249 million, an increase of 7.1%** from December 31, 2021, mainly attributable to the finance lease receivable under power purchase agreement which increased from the commercial operation of GSRC power plant unit 3 in March 2022, trade accounts receivable which increased in line with the revenue from power plants under the Company's group, construction progress of GPD power plant, and additional investment in INTUCH.
- **Total liabilities as of June 30, 2022 were equal to THB 269,918 million, an increase of 5.8%** from December 31, 2021, mainly from the issuance of the Company's 1/2022 debentures which was used as working capital for business expansion, and the higher value of trade account payable which grew in tandem with the higher natural gas price. However, other non-current liabilities increased from the higher fair value of the Company's interest rate swap derivatives which was measured as required under TFRS 9.
- **Total equity as of June 30, 2022 was THB 118,330 million, an increase of 10.1%** from December 31, 2021, from the Company's operating performance, and fair value of interest rate swap derivatives, which was measured as required under TFRS 9 and recorded within other components of shareholders' equity and non-controlling interests.
- **As of June 30, 2022, the Group recorded a net interest-bearing debt (including lease liabilities) to equity ratio at 1.89 times**, which is lower than the Company's bond covenant of 3.50 times.

# OPERATING RESULTS BY BUSINESS UNITS

## Gas-Fired Power Business Performance

Gas-Fired Power Business	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Revenue from electricity sold to EGAT	7,635	14,783	17,351	17.4%	127.3%	12,656	32,134	153.9%
Revenue from electricity sold to industrial users	1,760	2,109	2,182	3.5%	24.0%	3,548	4,291	20.9%
Revenue from steam sold to industrial users	161	229	279	21.8%	73.1%	302	508	68.1%
Revenue from lease contracts under power purchase agreement	370	742	1,207	62.7%	226.6%	374	1,949	421.5%
<b>Total Revenue from Gas-Fired Power Business</b>	<b>9,926</b>	<b>17,863</b>	<b>21,019</b>	<b>17.7%</b>	<b>111.8%</b>	<b>16,881</b>	<b>38,883</b>	<b>130.3%</b>

## Revenue from Sales (Gas-Fired Power business)

In Q2'22, Gas-Fired Power Generation business recorded revenue from sales and lease contracts under power purchase agreement at THB 21,019 million, an increase of 111.8% YoY when compared to Q2'21 mainly due to the recognition of revenue from electricity sales to EGAT and revenue from lease contracts under power purchase agreement according to TFRS 16 from GSRC unit 2-3 projects, after their commercial operation commencement on October 1, 2021 and March 31, 2022. In addition, average electricity selling price per unit also increased in tandem with the higher natural gas price (gas cost for SPP power plants rose from 238.56 THB/mmbtu in Q2'21 to 422.71 THB/mmbtu in Q2'22 (+77.2% YoY)), and Ft price which increased from -0.1532 THB / kWh in Q2'21 to 0.1698 THB / kWh in Q2'22. The aforementioned factors were able to offset the effect of the 12 SPPs under GMP group which has a higher number of power plants underwent maintenance when compared to the same period of last year.

Compared to Q1'22, Gas-Fired Power Generation business recorded 17.7% QoQ higher revenue from sales and lease contracts under power purchase agreement, partly due to the higher electricity sales volume as GSRC unit 3 project reached COD on March 31, 2022, coupled with the Ft price which increased from 0.0139 THB / kWh in Q1'22 to 0.1698 THB / kWh in Q2'22. However, average electricity selling price per unit softened following the lower natural gas price (the cost of natural gas of SPPs decreased from 441.56 THB/mmbtu in Q1'22 to 422.71 THB/mmbtu in Q2'22 (-4.4% QoQ)).

For 6M'22, Gas-Fired Power Generation business recorded revenue from sales and lease contracts under power purchase agreement at THB 38,883 million, an increase of 130.3% YoY, a result of the electricity sales volume which grew in tandem with the commercial operation commencement of GSRC unit 2-3 projects, as well as the higher electricity selling price per unit and the Ft price which increased together with the natural gas cost. Further, the 12 SPPs under GMP group were still able to continuously expand the electricity sales to Industrial Users.

## Revenue drivers for Gas-Fired Power Generation business

Sales volume	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			%YoY
<b>Power projects under GMP</b>								
Electricity sold to EGAT (GWh)	1,945	1,812	1,847	1.9%	-5.0%	3,728	3,659	-1.8%
Electricity sold to IUs (GWh)	541	607	595	-1.9%	10.0%	1,078	1,202	11.5%
Steam sold (tons)	190,225	194,804	183,118	-6.0%	-3.7%	367,205	377,923	2.9%
<b>Power projects under IPD</b>								
Electricity sold to EGAT (GWh)	1,208	1,747	2,788	59.5%	130.87%	1,212	4,535	274.2%



Average selling price per unit	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			%YoY
<b>Power projects under GMP</b>								
Electricity sold to EGAT (THB/kWh)	2.93	4.61	4.41	-4.2%	50.8%	2.87	4.51	57.2%
Electricity sold to IUs (THB/kWh)	3.17	3.35	3.49	4.3%	10.2%	3.18	3.42	7.7%
Steam sold (THB/ton)	836.9	1,148.9	1,431.9	24.6%	71.1%	809.9	1,290.4	59.3%
<b>Power projects under IPD</b>								
Electricity sold to EGAT (THB/kWh)	1.97	4.19	3.79	-9.5%	92.6%	1.98	3.95	99.9%

## Renewable Energy Business Performance

Renewable Energy Business	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Revenue from electricity sold to EGAT and PEA	163	186	177	-4.9%	8.5%	342	364	6.3%
Revenue from electricity sold to IUs	-	1.5	2.7	73.2%	n.a.	-	4	n.a.
Revenue from electricity sold to EVN	129	142	151	6.4%	16.9%	248	293	17.9%
Revenue from electricity sold to Ørsted Energy	863	1,970	1,033	-47.6%	19.8%	2,491	3,004	20.6%
Revenue from others	-	5	8	70.6%	n.a.	-	13	n.a.
<b>Total Revenue from Renewable Energy Business</b>	<b>1,155</b>	<b>2,305</b>	<b>1,372</b>	<b>-40.5%</b>	<b>18.8%</b>	<b>3,082</b>	<b>3,678</b>	<b>19.3%</b>

### Revenue from Sales (Renewable Energy business)

In Q2'22, the Renewable Energy business recorded revenue from sales at THB 1,372 million, an increase of 18.8% YoY compared to Q2'21, mainly due to the revenue of BKR2 offshore wind power project in Germany which increased from the higher wind speed around the project area (capacity factor in Q2'21 was recorded at 20.6%, compared to 24.4% in Q2'22). Nevertheless, the BKR2 project received full compensation for the total amount of electricity that was affected by the curtailment.

For GTN1 & GTN2 solar power projects in Vietnam, revenue from electricity sold to EVN increased by 16.9% YoY from the alleviation of the curtailment situation, combined with the higher solar irradiation in the area.

In Thailand, revenue from the GCG biomass power project in Thailand grew 8.5% YoY, as the Energy Payment Revenue increased following the higher wholesale Ft price. Furthermore, the Company started to recognize revenue contribution from the electricity sales from solar rooftop projects under the Company's subsidiary, GULF1, as well as the revenue from waste management of CMWTE project.

Compared to Q1'22, revenue from sales of Renewable Energy business decreased by 40.5% QoQ mainly due to the performance of BKR2 offshore wind project which softened as the project entered low season in Q2 and Q3 (capacity factor in Q1'22 was recorded at 39.2%, compared to 24.4% in Q2'22).

Electricity sales revenue of the GTN1 & GTN2 solar power plant projects in Vietnam increased by 6.4% QoQ with lower impacts from the curtailment when compared to the previous quarter, coupled with the clearer sky in the projects' areas.

GCG biomass project recorded 4.9% QoQ lower revenue from electricity sales, a result of the project's 10 days annual maintenance which took place in April 2022.

For 6M'22, Renewable Energy business recorded revenue from sales at THB 3,678 million, an increase of 19.3% YoY, primarily a result of the BKR2 offshore wind project which recorded a higher electricity sales volume following the superior wind speed when compared to 6M'21, GTN1 & GTN2 solar power projects which experienced less curtailment, GCG biomass power project which recorded higher revenue from the higher Ft price, revenue contribution from solar rooftop projects under GULF1 and revenue from waste management of CMWTE project.



## Revenue drivers for Renewable Energy business

Sales volume	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			
<b>GCG biomass power project</b>								
Electricity sold to EGAT (GWh)	41	44	40	-9.5%	-1.4%	85	84	-1.0%
<b>GTN1 &amp; GTN2 solar power projects in Vietnam</b>								
Electricity sold to EVN (GWh)	44	44	45	2.4%	3.3%	86	90	4.6%
<b>BKR2 offshore wind power project</b>								
Electricity sold (GWh)	208	404	241	-40.3%	16.2%	614	645	5.0%
Compensation (GWh)	36	173	67	-61.2%	84.3%	115	240	108.5%

Average selling price per unit	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			
<b>GCG biomass power project</b>								
Electricity sold to EGAT (THB/kWh)	4.00	4.25	4.40	3.6%	10.0%	4.00	4.32	8.2%
<b>GTN1 &amp; GTN2 solar power projects in Vietnam</b>								
Electricity sold to EVN (THB/kWh)	2.95	3.14	3.21	2.3%	9.0%	2.90	3.18	9.5%
<b>BKR2 offshore wind power project</b>								
Electricity sold (THB/kWh)	6.95	6.83	6.74	-1.2%	-3.0%	6.79	6.80	0.1%

## Infrastructures & Utilities Business Performance

Infrastructures & Utilities Business	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			
	<i>THB mn</i>	<i>THB mn</i>	<i>THB mn</i>			<i>THB mn</i>	<i>THB mn</i>	
Revenue from service concession arrangement	46	328	429	30.8%	825.5%	91	756	733.0%

In Q2'22, the Infrastructures & Utilities Business recorded revenue from service concession arrangement of THB 429 million, a revenue from service concession arrangement for the land reclamation work of MTP3 industrial port development project, which is scheduled to be completed in 2024, and recorded in accordance with the Thai Financial Reporting Standards (TFRIC) 12. The increment in revenue was in line with the project's development progress.

## REVENUE FROM MANAGEMENT FEE

Revenue from Management Fee	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			
	<i>THB mn</i>	<i>THB mn</i>	<i>THB mn</i>			<i>THB mn</i>	<i>THB mn</i>	
Revenue from Management Fee	114	132	183	39.1%	60.9%	224	315	40.9%

Revenue from Management Fee was THB 183 million, increased by 60.9% YoY, and for 6M'22 was THB 315 million, increased by 40.9% YoY, from the management services provided by the Company to its joint ventures GPC, BGSR 6 and BGSR 81, HKP, GULF1, as well as power plants under GEC group. When compared to the previous quarter, Revenue from Management Fee increased 39.1% QoQ from the management services provided to joint ventures GPC and HKP, as well as power plants under GEC group.

## OTHER INCOME

Other Income	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Dividend income	62	0	52	n.a.	-15.8%	745	52	-93.0%
Interest income	25	29	38	30.4%	55.8%	36	68	86.9%
Other income	2	5	8	46.4%	316.0%	3	13	326.7%
<b>Total Other Income</b>	<b>88</b>	<b>35</b>	<b>98</b>	<b>183.0%</b>	<b>11.2%</b>	<b>784</b>	<b>133</b>	<b>-83.1%</b>

In Q2'22, other income was recorded at THB 98 million, an increase of 11.2% YoY and 183.0% QoQ, primarily increased from interest income from the service concession arrangement of MTP3 industrial port development project. Moreover, in Q2'22, the Company also recorded dividend income received from SPCG, EDL Gen and CIVIL, while the dividend income was absent in Q1'22. For 6M'22, other income was recorded at THB 133 million, a decrease of 83.1% YoY, mainly due to the absence of dividend income from INTUCH as the Company started to recognize share of profit from INTUCH as an associate company instead of recording dividend income from Q4'21 onwards.

## COST AND EXPENSE STRUCTURE

Cost of sales structure	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
<b>Cost of sales</b>	<b>8,424</b>	<b>15,716</b>	<b>18,089</b>	<b>15.1%</b>	<b>114.7%</b>	<b>14,364</b>	<b>33,805</b>	<b>135.4%</b>
<i>Fuel cost</i>	6,349	13,577	15,831	16.6%	149.3%	10,306	29,408	185.3%
<i>Operations and maintenance cost</i>	513	521	565	8.5%	10.2%	1,005	1,086	8.0%
<i>Depreciation</i>	1,206	1,204	1,200	-0.3%	-0.6%	2,370	2,403	1.4%
<i>Others</i>	356	414	494	19.2%	38.7%	683	908	32.9%
<b>Cost of service concession arrangement</b>	<b>43</b>	<b>291</b>	<b>397</b>	<b>36.5%</b>	<b>825.5%</b>	<b>84</b>	<b>688</b>	<b>718.0%</b>
<b>Cost of service</b>	<b>58</b>	<b>59</b>	<b>80</b>	<b>36.6%</b>	<b>37.9%</b>	<b>106</b>	<b>139</b>	<b>31.0%</b>
<b>Total cost of sales and service</b>	<b>8,525</b>	<b>16,065</b>	<b>18,567</b>	<b>15.6%</b>	<b>117.8%</b>	<b>14,554</b>	<b>34,632</b>	<b>138.0%</b>
Selling and administrative expenses	532	551	639	15.9%	20.0%	1,016	1,190	17.2%
<b>Total operating costs and administrative expenses</b>	<b>9,058</b>	<b>16,617</b>	<b>19,206</b>	<b>15.6%</b>	<b>112.0%</b>	<b>15,570</b>	<b>35,822</b>	<b>130.1%</b>

### Cost of sales

Cost of sales in Q2'22 was THB 18,089 million, an increase of 114.7% YoY, mainly from the higher natural gas cost as well as the higher fuel consumption volume (the average cost of natural gas for SPP power plants rose 77.2% YoY). At the same time, the commercial operation commencement of GSRC unit 2-3 projects on October 1, 2021 and March 31, 2022 also resulted in the higher fuel cost, operations and maintenance cost, and depreciation cost recognized into the Company's consolidated financial statement.

Compared to Q1'22, cost of sales increased by 15.1% QoQ. The fuel cost escalated from higher fuel consumption, as well as operations and maintenance cost, and depreciation cost which grew together with the higher electricity sales volume of the Company's group and the commercial operation commencement of the power plants under the Company's group, despite the decrease in average fuel cost per unit which moved in the same direction as the natural gas price (the average cost of natural gas for SPP and IPP power plants under the Company's group decreased 4.3% YoY and 4.4% QoQ, respectively).

For 6M'22, cost of sales was THB 33,805 million, an increase of 135.4% YoY, primarily from the higher electricity sales volume following the commercial operation commencement of the power plants under the Company's group, combined with the higher fuel cost per unit which increased in tandem with the higher natural gas price (the average cost of natural gas for SPP and IPP power plants under the Company's group rose 83.5% YoY and 88.4% YoY, respectively).

## Cost drivers

Consumption and average cost per unit	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			
<b>Natural gas (SPP under GMP)</b>								
Consumption (thousand mmbtu)	18,793	18,163	18,396	1.3%	-2.1%	36,338	36,560	0.6%
Average cost per unit (THB/mmbtu)	238.56	441.56	422.71	-4.3%	77.2%	229.37	432.13	88.4%
<b>Natural gas (IPP under GSRC)</b>								
Natural gas consumption (thousand mmbtu)	7,601	9,870	16,274	64.9%	114.1%	7,628	26,145	242.8%
Natural gas average cost per unit (THB/mmbtu)	229.24	432.23	413.38	-4.4%	80.3%	229.17	420.50	83.5%
<b>Biomass (Wood)</b>								
Consumption (ton)	66,173	77,827	73,753	-5.2%	11.5%	139,235	151,581	8.9%
Average cost per unit (THB/ton)	1,148	1,120	1,051	-6.2%	-8.5%	1,162	1,086	-6.5%

## Cost of construction fee under concession arrangement

**Cost of construction fee under service concession arrangement** is a cost incurred from the construction of MTP3 industrial port development project (infrastructure part) which is recorded in accordance with TFRIC 12 standard at **THB 397 million in Q2'22, and THB 688 million in 6M'22**, increased in tandem with the progress of project development.

## Cost of service

Cost of service is a cost incurred from the Company providing management services to its associate GJP, to HKP, SPPs under GEC Group, joint ventures GPC, BGSR 6 and BGSR 81. **In Q2'22, cost of service was THB 80 million, an increase of 37.9% YoY and 36.6% QoQ, and in 6M'22, cost of service was THB 139 million, an increase of 31.0% YoY**, mainly from a higher personnel related cost, and realized the costs from services provided to GPC for the first time in Q1'22.

## Administrative expenses

**In Q2'22, administrative expenses were THB 639 million, an increase of 20.0% YoY and 15.9% QoQ, and for 6M'22, administrative expenses were THB 1,190 million, an increase of 17.2% YoY** from the recognition of administrative expenses which increased in line with the growing number of power plants under the Group.

## FINANCE COSTS

Finance costs	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			
	<i>THB mn</i>	<i>THB mn</i>	<i>THB mn</i>			<i>THB mn</i>	<i>THB mn</i>	
Interest expense	1,113	1,586	1,795	13.2%	61.3%	2,072	3,381	63.2%
Guarantee fee	9	9	9	2.8%	0.1%	19	19	0.3%
Arrangement fee	16	31	32	5.2%	100.5%	29	63	117.2%
Commitment fee	26	18	16	-9.6%	-38.3%	54	34	-37.3%
Other costs	25	(171)	11	106.5%	23.5%	(68)	(160)	-135.8%
<b>Total finance costs</b>	<b>1,174</b>	<b>1,473</b>	<b>1,864</b>	<b>26.6%</b>	<b>58.8%</b>	<b>2,105</b>	<b>3,337</b>	<b>58.5%</b>

**Finance costs in Q2'22 were THB 1,864 million, an increase of 58.8% YoY and 26.6% QoQ, and for 6M'22, finance costs were THB 3,337 million, an increase of 58.5% YoY**, mainly from the higher interest expense and fees related to the long-term loans from financial institutions which were used for the Company's additional investment in INTUCH. Furthermore, there were interest expenses added from the Company's recent debenture issuance, and the finance cost of the GSRC unit 2-3 projects which were booked after the projects' commercial operation commencement.

## SHARE OF PROFIT FROM ASSOCIATES & JOINT VENTURES

Share of profit from associates and JVs	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Share of profit from INTUCH	-	1,090	1,166	7.0%	n.a.	-	2,255	n.a.
Share of profit from GJP	441	658	(60)	-109.1%	-113.6%	660	598	-9.4%
Share of profit from PTTNGD	67	(26)	303	1268.5%	351.3%	65	277	323.8%
Share of profit from companies under GULF1	-	(1)	1	220.3%	n.a.	-	0	n.a.
Share of profit from a project in Oman	9	50	35	-29.3%	307.3%	11	85	681.6%
Share of profit from other associates and JVs	(2)	20	6	-69.8%	-446.3%	38	26	-30.7%
<b>Total share of profit from associates and JVs</b>	<b>515</b>	<b>1,790</b>	<b>1,451</b>	<b>-19.0%</b>	<b>181.7%</b>	<b>774</b>	<b>3,241</b>	<b>318.7%</b>
<i>Less: Gain (loss) on FX from INTUCH's share of profit</i>	-	(10)	(6)	38.9%	n.a.	-	(16)	n.a.
<b>INTUCH's share of Core Profit</b>	<b>-</b>	<b>1,100</b>	<b>1,172</b>	<b>6.5%</b>	<b>n.a.</b>	<b>-</b>	<b>2,272</b>	<b>n.a.</b>
<i>Less: Gain (loss) on FX from GJP's share of profit</i>	(222)	38	(608)	-1686.1%	-174.1%	(652)	(570)	12.6%
<b>GJP's share of Core Profit</b>	<b>663</b>	<b>619</b>	<b>548</b>	<b>-11.5%</b>	<b>-17.3%</b>	<b>1,311</b>	<b>1,168</b>	<b>-11.0%</b>
<i>Less: Unrealized gain (loss) on derivatives of PTT NGD</i>	4	(22)	30	237.9%	654.4%	(50)	8	116.6%
<b>PTT NGD's share of Core Profit</b>	<b>63</b>	<b>(4)</b>	<b>273</b>	<b>6493.2%</b>	<b>332.4%</b>	<b>115</b>	<b>269</b>	<b>134.0%</b>
<b>Total share of Core Profit from associates and JVs</b>	<b>733</b>	<b>1,784</b>	<b>2,035</b>	<b>14.1%</b>	<b>177.7%</b>	<b>1,475</b>	<b>3,819</b>	<b>158.9%</b>

### Share of profit from an associate GJP

**Share of profit from an associate GJP before gain (loss) on exchange rate (Core Profit) in Q2'22 was THB 548 million (-17.3% YoY)**, from the 7SPPs under GJP group which recorded a softened performance affected by the natural gas price which increased at a higher rate than the electricity selling price, as the natural gas cost rose by 77.2% YoY, while the average electricity selling price to EGAT and industrial users increased by 52.0% and 10.2%, respectively. Moreover, electricity sales to EGAT from both the 7 SPPs and 2 IPPs also declined in accordance with EGAT's Thailand electricity supply management. In Q2'22, there were 3 SPPs under GJP group underwent unplanned shutdown; however, these 3 SPPs have already resumed normal operation and have received insurance compensation in full. Nevertheless, electricity sales volume to Industrial Users remained at a similar level to Q2'21.

**Compared to Q1'22, share of Core Profit from an associate GJP decreased by 11.5% QoQ**, mainly from the sales volume to EGAT from both the 7 SPPs and 2 IPPs which reduced as a result of EGAT's electricity supply management, coupled with the unplanned shutdown maintenance of the SPPs under GJP group as previously mentioned. Moreover, the 2 IPPs recorded a softened performance after experienced a higher-than-normal profitability in Q1'22, resulted from the change of fuel from natural gas to diesel in some period according to EGAT's orders during the situation where gas price significantly rose. Nevertheless, the volume of electricity and steam sold from the 7SPPs slightly increased from the previous quarter.

**For 6M'22, share of Core Profit from an associate GJP decreased by 11.0% QoQ**, primarily a result of the natural gas cost which significantly rose, while the electricity price per unit increased in a lower rate (for 7 SPPs under GJP group, average natural gas cost rose by 88.4% YoY, while the average electricity selling price to EGAT and industrial users increased by 58.3% and 7.7%, respectively). Moreover, electricity sales volume to EGAT decreased as per EGAT's electricity supply management, and the 2 IPPs received lower Availability Payment in accordance with the Power Purchase Agreement.

## Volume of electricity, steam and chilled water sold by power projects under GJP

Sales volume	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
				%QoQ	%YoY			%YoY
<b>2 IPPs</b>								
Electricity sold to EGAT (GWh)	2,507	1,175	700	-40.4%	-72.1%	4,521	1,874	-58.5%
<b>7 SPPs</b>								
Electricity sold to EGAT (GWh)	1,094	1,039	910	-12.5%	-16.9%	2,152	1,949	-9.4%
Electricity sold to industrial users (GWh)	300	293	298	1.7%	-0.4%	592	592	0.0%
Steam sold (tons)	86,631	92,363	94,944	2.8%	9.6%	171,889	187,307	9.0%
Chilled water sold (million refrigeration tons)	7	5	5	-8.0%	-29.2%	14	10	-23.8%

## Share of profit from an associate PTT NGD

**Share of Core Profit from an associate PTT NGD in Q2'22 was recorded at a loss of THB 273 million, and for 6M'22 was at THB 269 million**, significantly improved from the higher gross margin per unit which rose by 57.9% YoY and 71.1% QoQ, due to the higher selling price which increased in tandem with fuel oil price, while the cost which linked to natural gas price increased in a lower rate. Nevertheless, the sales volume in Q2'22 was at 7.7 million mmbtu (-2.5% YoY and -4.9% QoQ), and for 6M'22, sales volume was recorded at 15.7 million mmbtu, a level similar to 6M'21. Nonetheless, in Q2'22 and 6M'22, PTT NGD recorded unrealized gain on derivative contracts which was entered to hedge against fluctuations of the selling price, at THB 30 million and THB 8 million, respectively, a result of the fuel oil price that was at a lower level than the contracted rate.

## Share of profit from an associate INTUCH

**Share of Core Profit from an associate INTUCH in Q2'22 was recorded at THB 1,172 million, and for 6M'22 was at THB 2,272 million**, as the Company started realizing share of profit from INTUCH from Q4'21 onwards, and the share of profit increased in accordance with the Company's shareholding.

## GAIN / LOSS FROM EXCHANGE RATE

At the end of Q2'22, Thai Baht depreciated against USD by 2.0085 THB/USD, and appreciated against EUR by 0.3212 THB/EUR compared to Q1'22, resulting in the Group to record unrealized loss on exchange rate on USD denominated loan and unrealized loss on EUR denominated loan that the Company granted to GIH and on the fair value of Cross Currency Swap (CCS) contracts. Nonetheless, USD appreciated against EUR by 0.0711 USD/EUR compared to Q1'22, resulting in GIH to record a net unrealized gain on the exchange rate difference between EUR denominated debtors and loan payable, resulting in the Group to record a net loss on exchange rate in Q2'22 of THB 1,627 million, and **a total unrealized loss on exchange rate attributable to the owners of the parent was recorded at THB 1,581 million**, comprised of THB 614 million loss on exchange rate from the associate GJP and INTUCH, and THB 966 million loss on exchange rate from the Company and its subsidiaries.

Gain (loss) on exchange rate	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Gain (loss) on exchange rate	26	180	(1,627)	-1005.3%	<i>n.a.</i>	(587)	(1,447)	-146.5%
<b>Less:</b> Gain (loss) on exchange rate attributable to non-controlling interests	(197)	48	(661)	-1474.2%	-235.3%	(537)	(613)	-14.2%
Gain (loss) on exchange rate attributable to the owners of the parent	223	132	(966)	-834.0%	-532.3%	(51)	(835)	-
<b>Add:</b> Gain (loss) on exchange rate attributable to share of profit from an associate	(222)	28	(614)	-2284.6%	-176.9%	(652)	(586)	10.0%
<b>Total gain (loss) from exchange rate attributable to owners of the parent</b>	<b>2</b>	<b>160</b>	<b>(1,581)</b>	<b>-1089.4%</b>	<b><i>n.a.</i></b>	<b>(702)</b>	<b>(1,421)</b>	<b>-102.3%</b>

#### FX Rate at End of Period

	(THB / USD)	(THB / EUR)	(USD / EUR)*
Q1'21	31.5052	36.3346	1.1706
Q2'21	32.2219	37.7588	1.1902
Q3'21	34.0908	38.9765	1.1604
Q4'21	33.5929	37.5083	1.1315
Q1'22	33.4553	36.8184	1.1163
Q2'22	35.4638	36.4972	1.0452

\*Based on the exchange rate in Singapore.

## PROFIT

Profit for the period	Q2'21	Q1'22	Q2'22	Change		6M'21	6M'22	Change
	THB mn	THB mn	THB mn	%QoQ	%YoY	THB mn	THB mn	%YoY
Gross profit	2,716	4,562	4,437	-2.7%	63.4%	5,723	9,000	57.3%
Gross profit from sales and lease contracts under PPA	2,657	4,453	4,303	-3.4%	61.9%	5,599	8,755	56.4%
Gross profit from service from concession arrangement	3	37	32	-14.0%	824.5%	7	69	921.1%
Gross profit from management services	56	73	103	41.1%	85.1%	117	176	49.8%
<b>EBITDA<sup>(1)</sup></b>	<b>4,250</b>	<b>7,075</b>	<b>7,174</b>	<b>1.4%</b>	<b>68.8%</b>	<b>9,412</b>	<b>14,249</b>	<b>51.4%</b>
Profit for the period	1,833	4,095	1,710	-58.2%	-6.7%	3,624	5,805	60.2%
<b>Profit attributable to owners of the parent</b>	<b>1,407</b>	<b>3,395</b>	<b>1,531</b>	<b>-54.9%</b>	<b>8.8%</b>	<b>3,039</b>	<b>4,925</b>	<b>62.1%</b>
Less: Gain (loss) on FX attributable to owners of the parent	2	160	(1,581)	n.a.	n.a.	(702)	(1,421)	102.3%
Less: unrealized gain (loss) on derivatives of PTT NGD	4	(22)	30	237.9%	654.4%	(50)	8	116.6%
<b>Core Profit<sup>(2)</sup></b>	<b>1,401</b>	<b>3,257</b>	<b>3,081</b>	<b>-5.4%</b>	<b>119.9%</b>	<b>3,790</b>	<b>6,338</b>	<b>67.2%</b>
Gross profit margin (sales)	24.0%	22.1%	19.2%	-2.9%	-4.8%	28.0%	20.6%	-7.5%
Gross profit margin (services)	48.8%	55.3%	56.1%	0.8%	7.3%	52.4%	55.8%	3.3%
EBITDA margin	35.9%	31.5%	29.2%	-2.3%	-6.7%	43.1%	30.3%	-12.8%
Net profit margin <sup>(3)</sup>	11.9%	15.1%	6.2%	-8.9%	-5.6%	13.9%	10.5%	-3.4%
Net profit for the period / Total revenue (excl. share of profit from associates and JVs)	16.2%	19.8%	7.4%	-12.4%	-8.8%	17.2%	13.3%	-3.9%
Core Profit margin	11.8%	14.5%	12.6%	-2.0%	0.7%	17.4%	13.5%	-3.9%

<sup>(1)</sup> EBITDA = Earnings before Interest, Taxes, Depreciation, and Amortization, gain (loss) on exchange rate of the Company and of GJP and INTUCH, and unrealized gain (loss) on derivatives of PTT NGD

<sup>(2)</sup> Core Profit = profit attributable to owners of the parent before gain (loss) on exchange rate and unrealized gain (loss) on derivatives of PTT NGD

<sup>(3)</sup> Net profit margin = profit attributable to owners of the parent / Total Revenue

## Gross profit

Gross profit in Q2'22 was THB 4,437 million, an increase of 63.4% YoY compared to Q2'21, mainly increased from the gross profit from sales and lease contracts under power purchase agreement, from the profit recognition of GSRC unit 2-3 projects after its commercial operation date on October 1, 2021 and March 31, 2022, and the gross profit from the BKR2 offshore wind project which improved from the higher wind speed in the project's area.

However, gross profit margin from sales decreased by 4.8% YoY in Q2'22, an effect of the natural gas cost which increased at a higher rate than the electricity selling price (in Q2'22, natural gas cost for SPP power plants rose by 77.2% YoY, while the average electricity selling price per unit to EGAT and industrial users increased 50.8% YoY and 10.2% YoY, respectively). However, as 87% of the Company's electricity is sold to EGAT with the natural gas cost being entirely passed through in the selling price



to EGAT, and only 13% of the electricity is being sold to industrial users, the impact of the higher natural gas price to the Company's performance is limited.

Nonetheless, gross profit from service from concession arrangement grew from the MTP3 project's construction progress, while gross profit from management services increased from the services provided to GPC, HKP, BGSR6, BGSR81, GJP1 and power plants under GEC group.

**Compared to Q1'22, gross profit grew by 2.7% QoQ.** Gross profit from sales and lease contracts softened from the performance of BKR2 offshore wind project which decreased as the project entered low season, resulted in the gross profit margin from sales to also reduce, despite the higher gross profit from the Gas-Fired Power business which benefitted from the lower natural gas price (natural gas cost for SPP power plants declined by 4.3% QoQ, while the average electricity selling price per unit to industrial users increased 4.3% QoQ following the increase in Ft price.

Gross profit from concession arrangement which is recorded in accordance with MTP3 project's construction progress reduced by 14.0% QoQ, as in Q1'22, there was a one-time guarantee fee received from a subsidiary GMTP, while the gross profit from management services grew from the increase in services provided to projects under the Company's group.

**For 6M'22, gross profit was THB 9,000 million, an increase of 57.3% YoY,** mainly from the higher gross profit from sales and lease contracts under power purchase agreement, from the commercial operation commencement of GSRC unit 2-3 projects, combined by the superior performance of the BKR2 project when compared to the same period of last year. Moreover, the Company also recorded higher gross profit from service from concession arrangement as the project construction progressed, and higher gross profit from management services, resulting in a significant increase in gross profit for the period, although the gross profit margin from sales reduced from the effect of the natural gas cost which rose in a higher rate than the electricity selling price.

## EBITDA

**EBITDA in Q2'22 was THB 7,174 million, increased by 68.8% YoY and 1.4% QoQ, and for 6M'22, EBITDA was THB 14,249 million, an increase of 51.4%,** which moved in tandem with Core Profit.

## Core Profit

**Core Profit was recorded at THB 3,081 million in Q2'22, an increase of 119.9% YoY from Q2'21,** mainly from:

- 1) Profit contribution from GSRC power plant units 2-3 which commenced commercial operation on October 1, 2021 and March 31, 2022.
- 2) Higher performance contribution from BKR2 offshore wind project following the higher wind speed.
- 3) Recognized share of profit from INTUCH of THB 1,172 million (realized for the first time in Q4'21), and share of profit from PTT NGD which significantly improved from the same period of last year.

**When compared with Q1'22, Core Profit decreased by 5.4% QoQ,** mainly from:

- 1) Performance from BKR2 offshore wind project softened as the project entered low season and experienced a lower wind speed compared to the previous quarter.
- 2) Share of Core Profit from GJP decreased from the lower electricity dispatch from EGAT resulting from EGAT's electricity supply management, coupled with some SPPs underwent unplanned shutdown maintenance in Q2'22.

**For 6M'22, Core Profit was recorded at THB 6,338 million in Q2'22, an increase of 67.2% YoY,** mainly from:

- 1) Profit contribution from GSRC power plant units 2-3 which gradually commenced commercial operation on October 1, 2021 and March 31, 2022.
- 2) Higher performance contribution from BKR2 offshore wind project following the higher wind speed.
- 3) Recognized share of profit from INTUCH of THB 2,272 million, and recognized a higher share of profit from PTT NGD
- 4) The aforementioned factors can entirely offset the profit from gas-fired power plants under GMP and GJP group which decreased from the effect of the natural gas cost which increased at a higher rate than the electricity selling price.

## Net profit attributable to the owners of the parent

**Net profit attributable to the owners of the parent in Q2'22 was THB 1,531 million, an increase of 8.8% YoY**, mainly grew from the commercial operation commencement of GSRC unit 2-3 projects, better performance contribution from BKR2 offshore wind project, and received share of profit from INTUCH. Net profit attributable to the owners of the parent was able to grow despite recording a loss on exchange rate attributable to the owners of the parent and unrealized gain on derivatives of PTT NGD totaling at a net loss of THB 1,551 million in Q2'22, compared to Q2'21 which record a net gain from the items at THB 6 million.

**When compared to Q1'22, net profit attributable to the owners of the parent decreased by 54.9% QoQ although Core Profit declined by only 5.4% QoQ**, primarily from the softened performance of BKR2 offshore wind project and power plants under GJP group. However, net profit attributable to the owners of the parent decreased at a higher rate than the Core Profit, as the Company recorded a loss from exchange rate attributable to the owners of the parent and on derivatives of PTT NGD at a bigger loss when compared to Q1'22 which recorded a net loss from the items totaling at THB 138 million.

**For 6M'22, net profit attributable to the owners of the parent was THB 4,925 million, an increase of 62.1% YoY**. Net profit was able to grow despite the loss from exchange rate attributable to the owners of the parent and unrealized gain on derivatives of PTT NGD totaling at a net loss of THB 1,413 million, compared to 6M'21 which record a loss from the items totaling of THB 725 million.

# FINANCIAL POSITION AS OF June 30, 2022

Financial position	December 31, 2021	June 30, 2022	Change
	<i>THB mn</i>	<i>THB mn</i>	<i>%</i>
Cash, cash equivalents, short-term deposits at financial institutions used as collateral	23,953	20,719	-13.5%
Trade accounts receivable	9,569	15,484	61.8%
Investments in associates and joint ventures	135,573	143,614	5.9%
Advance payments for land and power plant construction	3,017	3,200	6.1%
Property, plant and equipment, net	130,128	126,958	-2.4%
Non-current assets	3,340	9,289	178.1%
Finance lease receivable under power purchase agreement	20,931	29,989	43.3%
Other assets	36,162	38,995	7.8%
<b>Total assets</b>	<b>362,674</b>	<b>388,249</b>	<b>7.1%</b>
Short-term loans from financial institutions	9,927	9,416	-5.1%
Accounts payable for power plant construction	8,155	8,214	0.7%
Trade accounts payable	3,080	6,171	100.3%
Long-term loans from financial institutions	141,765	140,431	-0.9%
Debentures	71,058	89,402	25.8%
Other liabilities	21,178	16,285	-23.1%
<b>Total liabilities</b>	<b>255,165</b>	<b>269,918</b>	<b>5.8%</b>
Issued and paid-up capital	11,733	11,733	0.0%
Share premium	51,822	51,822	0.0%
Unappropriated retained earnings	35,980	35,596	-1.1%
Other components of equity	(5,064)	2,183	143.1%
Other equity	2,125	2,272	6.9%
<b>Total equity attributable to owners</b>	<b>96,596</b>	<b>103,605</b>	<b>7.3%</b>
Non-controlling interests	10,913	14,725	34.9%
<b>Total equity</b>	<b>107,509</b>	<b>118,330</b>	<b>10.1%</b>
<b>Total equity excluding other components of equity</b>	<b>112,573</b>	<b>116,148</b>	<b>3.2%</b>

## TOTAL ASSETS

**Total assets as of June 30, 2022 was THB 388,249 million, an increase of THB 25,575 million (+7.1%) from December 31, 2021.** The increase was attributable to the following factors:

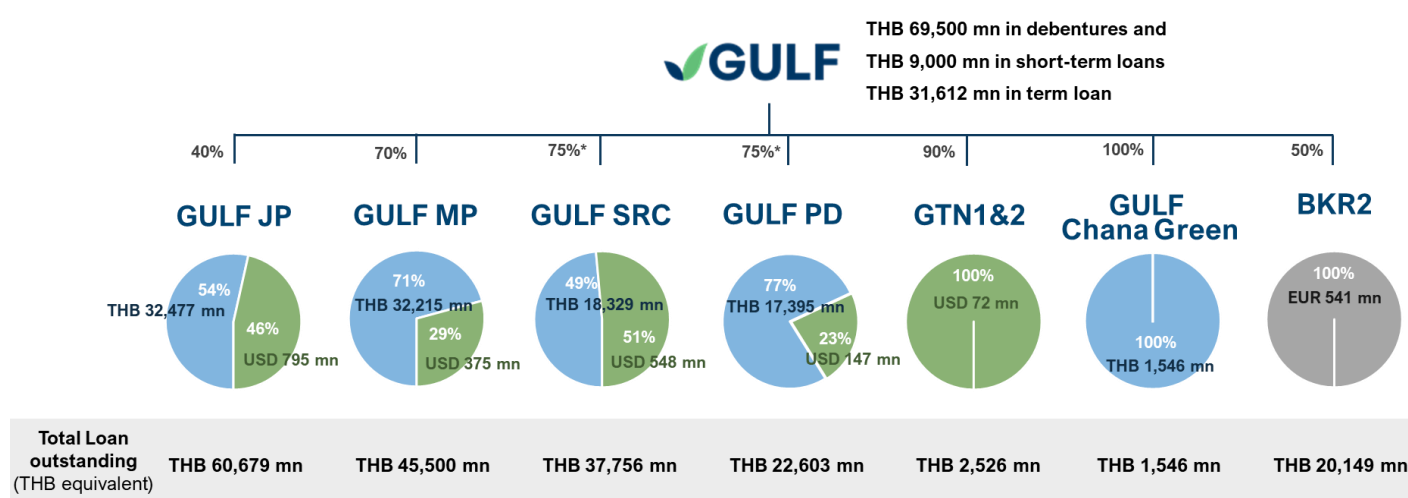
- 1) Finance lease receivable under power purchase agreement increased by 43.3% or THB 9,058 million, but property, plant and equipment net decreased by 2.4% or THB 3,170 million, a result of the commercial operation of GSRC power plant unit 3 which was booked in accordance with the TFRS 16 accounting standards.
- 2) Trade accounts receivable increased by 61.8% or THB 5,915 million, in line with the increase in revenue from power plants under the Company's group.
- 3) Investment in associates increased by 5.9% or THB 8,041 million from the performance contribution from GJP, INTUCH, and PTT NGD, as well as from additional investment in INTUCH.
- 4) Other non-current financial assets increased by 178.1% or THB 2,604 million, from the increase in fair value of interest rate swap derivative contracts which was measured as required under TFRS 9, and investment in Series Seed Preferred Stock of Binance.US, and investment in Binance Labs Investment Fund.

## TOTAL LIABILITIES

Total liabilities as of June 30, 2022 was THB 269,918 million, an increase of THB 14,754 million (+5.8%) from December 31, 2021. The increase was attributable to the following factors:

- 1) Debentures increased by 25.8% or THB 18,343 million, mainly increased from the issuance of the Company's 1/2022 debentures, value of THB 24,000 million, which was used for the Company's working capital for future investments, and debenture repayments.
- 2) Trade accounts payable increased by 100.3% or THB 3,090 million from the cost of sales which increased in line with the higher natural gas cost.
- 3) Other liabilities reduced by 23.1% or THB 4,893 million, mainly due to the decrease of non-current financial liabilities by THB 7,308 million following the increment in fair value of interest rate swap derivative contracts measured as required under TFRS 9, which also resulted in deferred tax liabilities to increase by THB 1,220 million as well.

### Total debt outstanding of the Company and its subsidiaries as of June 30, 2022



\* Based on % profit sharing received from GSRC & GPD

## TOTAL EQUITY

Total equity as of June 30, 2022 was THB 118,330 million, an increase of THB 10,821 million (+10.1%) from December 31, 2021 due to following factors:

- 1) Other components of equity increased by THB 7,247 million, and non-controlling interests increased by THB 3,812 million, due to the Company's performance, and the increase in fair value of interest rate swap derivative contracts which was measured as required under TFRS 9. However, such accounting record does not affect the Company's operating performance.
- 2) Unappropriated retained earnings decreased by THB 384 million from net profit attributable to the parent company of THB 4,925 million, reserve according to legal requirement THB 146 million, and dividend payment of THB 5,162 million.

## CAPITAL STRUCTURE

As of June 30, 2022, the Group recorded a debt to equity ratio of 2.28 times. However, when consider the covenant of the Company's debenture, net interest-bearing debt (including lease liabilities) to equity was recorded at 1.89 times.

# STATEMENT OF CASH FLOWS

Statement of cash flows	For the period ended June 30, 2022
	<i>THB mn</i>
Net cash generated from (used in) operating activities	6,726
Net cash used in investing activities	(15,989)
Net cash generated from (used in) financing activities	6,226
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,037)</b>
Gain (loss) adjustment from foreign exchange translation of cash and cash equivalents	9
Cash and cash equivalents as of January 1, 2022	19,847
<b>Cash and cash equivalents as of June 30, 2022</b>	<b>16,819</b>

**As of June 30, 2022, the Company and its subsidiaries recorded cash and cash equivalents of THB 16,819 million** attributable to the following factors:

**Net cash received from operating activities of THB 6,726 million** mainly from:

- Cash received from operating profit of THB 10,058 million
- Net cash paid for operating assets and liabilities THB 3,332 million

**Net cash used in investing activities of THB 15,989 million** mainly from:

- Payments for property, plant and equipment of THB 7,357 million, primarily for projects under GSRC and GPD, as well as Mekong project and CMWTE project
- Payments for investment in associates and JVs of THB 6,259 million, primarily from the Company's additional investment in INTUCH, Hin Kong power project, and solar rooftop projects under GULF1

**Net cash received from financing activities of THB 6,226 million** mainly from:

- Net cash received from debentures of THB 18,911 million, comprised of the Company's 1/2022 debenture issuance in the amount of THB 24,000 million, deduct with BKR2 project's debenture repayment in the amount of THB 5,089 million
- Net cash payment for short-term and long-term loans of THB 4,161 million
- Dividend payment of THB 5,162 million
- Payments for interest expense and finance costs of THB 3,500 million

# KEY FINANCIAL RATIOS

Financial ratios	Q2'21	Q1'22	Q2'22	6M'21	6M'22
Basic earnings per share (THB)	0.12	0.29	0.13	0.26	0.42
Gross profit margin from sales (%)	24.0%	22.1%	19.2%	28.0%	20.6%
EBITDA margin	35.9%	31.5%	29.2%	43.1%	30.3%
Net profit margin <sup>1</sup> (%)	11.9%	15.1%	6.2%	13.9%	10.5%
Core Profit margin <sup>1,2</sup> (%)	11.8%	14.5%	12.6%	17.4%	13.5%
Net profit for the period / Total revenue (excl. share of profit from associates and JVs)	16.2%	19.8%	7.4%	17.2%	13.3%
Return on equity (%)	13.8%	11.7%	11.5%	13.8%	11.5%
Return on assets <sup>3</sup> (%)	3.6%	3.6%	3.5%	3.6%	3.5%

	Jun 30, 2021	Mar 31, 2022	Jun 30, 2022
Book value per share (THB)	5.89	8.83	8.83
Current ratio (times)	0.71	1.08	0.84
Quick ratio (times)	0.63	0.87	0.70
Debt to equity (times)	2.41	2.28	2.28
Net interest-bearing debt (including lease liabilities) to equity <sup>4</sup> (times)	1.75	1.79	1.89

<sup>1</sup> Total revenues = revenues from sales and management fee + other income + interest income + dividend income + share of profit from associates and joint ventures

<sup>2</sup> Core Profit = profit attributable to owners of the parent before gain (loss) on exchange rate and unrealized gain (loss) on derivatives of PTT NGD

<sup>3</sup> ROA calculated using net profit (annualized) / average total assets

<sup>4</sup> Net debt to equity ratio that must be maintained in accordance with the terms and conditions (times) = Net debt to equity ratio that must be maintained in accordance with the terms and conditions is calculated by finding the difference of (a) total interest-bearing debt, (b) cash and cash equivalents and (c) deposits at financial institutions used as collateral, and divided by the issuer's equity which excludes other components of equity as shown in the consolidated financial statements audited by the issuer's auditor



# PROGRESS OF PROJECTS UNDER CONSTRUCTION AND DEVELOPMENT

## POWER GENERATION AND RENEWABLE ENERGY BUSINESS



### Gulf SRC (Thailand)

<b>Fuel Type</b>	Gas-fired	
<b>Capacity</b>	2,650 MW (4 units, 662.5 MW each)	
<b>SCOD</b>	Unit 1: 31 March 2021 Unit 2: 1 October 2021	Unit 3: 31 March 2022 Unit 4: 1 October 2022
<b>Status</b>	Unit 1-3: Achieved commercial operation Unit 4: Under commissioning: 99.9% completed	



### Gulf PD (Thailand)

<b>Fuel Type</b>	Gas-fired	
<b>Capacity</b>	2,650 MW (4 units, 662.5 MW each)	
<b>SCOD</b>	Unit 1: 31 March 2023 Unit 2: 1 October 2023	Unit 3: 31 March 2024 Unit 4: 1 October 2024
<b>Status</b>	Under construction with the progress as follows: Unit 1: 90.9%      Unit 3: 54.9% Unit 2: 85.5%      Unit 4: 43.4%	



### Hin Kong Power (Thailand)

<b>Fuel Type</b>	Gas-fired	
<b>Capacity</b>	1,540 MW (2 units, 770 MW each)	
<b>SCOD</b>	Unit 1: March 2024 Unit 2: January 2025	
<b>Status</b>	Under construction with the progress as follows: Unit 1: 45.9%      Unit 2: 36.5%	



### Burapa Power (Thailand)

<b>Fuel Type</b>	Gas-fired	
<b>Capacity</b>	600 MW	
<b>SCOD</b>	November 2027	
<b>Status</b>	<ul style="list-style-type: none"> <li>EIA approval obtained</li> <li>Expected to start construction by 2025</li> </ul>	



### DIPWP (Oman)

<b>Fuel Type</b>	Gas-fired
<b>Capacity</b>	Power: approx. 326 MW Water: approx. 1,667 m <sup>3</sup> /hour
<b>SCOD</b>	Phase 1 (40 MW): 2021 The rest: 2022 - 2023
<b>Status</b>	Achieved commercial operation 52 MW The rest: Under construction: 96.2% completed



### Mekong Wind Power Project (Vietnam)

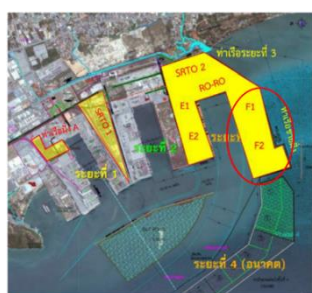
<b>Fuel Type</b>	Offshore Wind
<b>Capacity</b>	128 MW
<b>SCOD</b>	within Q3'22
<b>Status</b>	Phase 1: Achieved commercial operation partially (4.2 megawatts) with the rest under construction: 99.9% completed

## INFRASTRUCTURE & UTILITIES BUSINESS



### Map Ta Phut Industrial Port Development Phase 3 (Thailand)

<b>Scope</b>	Infrastructure: Land reclamation Superstructure: LNG terminal
<b>Capacity</b>	Land reclamation: 1,000 rais LNG terminal: up to 10.8 MTPA
<b>Construction Period</b>	Land reclamation: 2021 - 2024 LNG terminal: 2024 – 2026* *subject to LNG demand
<b>Status</b>	Under construction: 9.9% completed



### Laem Chabang Port Development Phase 3 (Thailand)

<b>Scope</b>	Container berths (F1 & F2 terminals)
<b>Capacity</b>	At least 4 million TEU/year (operation period 35 years)
<b>SCOD</b>	F1 = [2025] F2 = [2029]
<b>Status</b>	Currently in the process of terminal design and expected to start construction within 2023

### M6 & M81 Intercity Motorways (Thailand)



<b>Scope</b>	Operation and Maintenance of toll collection system, traffic management and control system, and other infrastructures
<b>Capacity</b>	M6: 196 km M81: 96 km
<b>SCOD</b>	[2024]
<b>Status</b>	Under construction: 4.5 – 5.3% completed

### ONE BANGKOK



### One Bangkok Project (Thailand)

<b>Scope</b>	Electricity Distribution System (Power) District Chilled Water Distribution System (DCS)
<b>Capacity</b>	Power: 240 MW DCS: 36,000 RT
<b>SCOD</b>	Phase 1 – 2022 (Power) Phase 1 – 4 2023 – 2026 (Power and DCS)
<b>Status</b>	<ul style="list-style-type: none"> <li>Electricity Distribution System (Power) - Under development: 53.2% completed</li> <li>District Chilled Water Distribution System (DCS) - Under development: 69.0% completed</li> </ul>

# DEFINITIONS

Company	Gulf Energy Development Public Company Limited
Group	The Company, its subsidiaries, its associates and its joint ventures
<b>ADVANC</b>	Advanced Info Service Plc.
<b>GEC group</b>	Gulf Electric Public Company Limited and its subsidiaries
<b>EGAT</b>	The Electricity Generating Authority of Thailand
<b>PEA</b>	Provincial Electricity Authority
<b>7SPPs</b>	7 SPPs under GJP consisting of GKP1, GKP2, GTLC, GCRN, GNNK, GNLL and GNK2
<b>12SPPs</b>	12 SPPs under GMP consisting of GVTP, GTS1, GTS2, GTS3, GTS4, GNC, GBL, GBP, GNLL2, GNPM, GNRV1 and GNRV2
<b>BGSR 6</b>	BGSR 6 Co., Ltd., a JV in which the Company has a 40% stake
<b>BGSR 81</b>	BGSR 81 Co., Ltd., a JV in which the Company has a 40% stake
<b>Binance.US</b>	BAM Trading Services Inc., the operator of a regulated digital asset exchange in the United States of America under the name Binance.US.
<b>BKR2</b>	Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG, an offshore wind farm operator in Germany
<b>BPG</b>	Burapa Power Generation Co., Ltd., a power project operator under BPH
<b>BSE</b>	Bangkok Smart Energy Co., Ltd., a JV in which the Company has a 33.3% stake
<b>BPH</b>	Burapa Power Holding Co., Ltd., a JV in which the Company has a 35.0% stake
<b>DIPWP</b>	Duqm Integrated Power and Water Project, a power project operator in Oman
<b>EPC</b>	Engineering, procurement and construction
<b>EVN</b>	Vietnam Electricity
<b>GBL</b>	Gulf BL Co., Ltd., a power project operator under the subsidiary of GMP
<b>GBP</b>	Gulf BP Co., Ltd., a power project operator under the subsidiary of GMP
<b>GCG</b>	Gulf Chana Green Co., Ltd., a biomass project operator in which the Company has a 100% stake
<b>GCRN</b>	Gulf JP CRN Co., Ltd., a power project operator under the associate GJP
<b>GJP</b>	Gulf JP Company Limited, an associate in which the Company has a 40.0% stake
<b>GJP1</b>	Gulf JP1 Company Limited, an operator of solar rooftop projects under a subsidiary GULF1
<b>GKP1</b>	Gulf JP KP1 Co., Ltd., a power project operator under the associate GJP
<b>GKP2</b>	Gulf JP KP2 Co., Ltd., a power project operator under the associate GJP
<b>GMP</b>	Gulf MP Co., Ltd., a subsidiary in which the Company has a 70.0% stake
<b>GMTP</b>	Gulf MTP LNG Terminal Co., Ltd., a subsidiary in which the Company has a 70% stake
<b>GNC</b>	Gulf NC Co., Ltd., a power project operator under the subsidiary GMP
<b>GNK2</b>	Gulf JP NK2 Co., Ltd., a power project operator under the associate GJP
<b>GNLL</b>	Gulf NLL Co., Ltd., a power project operator under the associate GJP
<b>GNLL2</b>	Gulf NLL2 Co., Ltd., a power project operator under the subsidiary GMP
<b>GNNK</b>	Gulf JP NNK Co., Ltd., a power project operator under the associate GJP
<b>GNPM</b>	Gulf NPM Co., Ltd., a power project operator under the subsidiary GMP
<b>GNRV1</b>	Gulf NRV1 Co., Ltd., a power project operator under the subsidiary GMP
<b>GNRV2</b>	Gulf NRV2 Co., Ltd., a power project operator under the subsidiary GMP
<b>GNS</b>	Gulf JP NS Co., Ltd., a power project operator under the associate GJP
<b>GPC</b>	GPC International Terminal Co., Ltd., a JV in which the Company has a 40% stake
<b>GPD</b>	Gulf PD Co., Ltd., a power project operator under the subsidiary of IPD

<b>GSRC</b>	Gulf SRC Co., Ltd., a power project operator under the subsidiary of IPD
<b>GTLC</b>	Gulf JP TLC Co., Ltd., a power project operator under the associate GJP
<b>GTN1</b>	Gulf Tay Ninh 1 Joint Stock Company, a solar farm operator in Vietnam
<b>GTN2</b>	Gulf Tay Ninh 2 Joint Stock Company, a solar farm operator in Vietnam
<b>GTS1</b>	Gulf TS1 Co., Ltd., a power project operator under the subsidiary GMP
<b>GTS2</b>	Gulf TS2 Co., Ltd., a power project operator under the subsidiary GMP
<b>GTS3</b>	Gulf TS3 Co., Ltd., a power project operator under the subsidiary GMP
<b>GTS4</b>	Gulf TS4 Co., Ltd., a power project operator under the subsidiary GMP
<b>GULF1</b>	Gulf1 Company Limited, a subsidiary in which the Company has a 100.0% stake
<b>Gulf Gunkul Corporation</b>	Gulf Gunkul Corporation Company Limited, a JV in which the Company has a 50.0% stake
<b>Gulf HK</b>	Gulf International Investment (Hong Kong) Limited a subsidiary in which the Company has a 100.0% stake
<b>Gulf Renewable Energy</b>	Gulf Renewable Energy Company Limited, a subsidiary in which the Company has a 100.0% stake
<b>Gulf WHA MT</b>	Gulf WHA MT Natural Gas Distribution Company Limited, a JV in which the Company has a 35.0% stake
<b>GUNKUL</b>	Gunkul Engineering Plc.
<b>GUT</b>	Gulf JP UT Co., Ltd., a power project operator under the associate GJP
<b>GVTP</b>	Gulf VTP Co., Ltd., a power project operator under the subsidiary GMP
<b>HKH</b>	Hin Kong Power Holding Co., Ltd., a JV in which the Company has a 49.0% stake
<b>HKP</b>	Hin Kong Power Co., Ltd., a power project operator under HKH
<b>INTUCH</b>	Intouch Holdings Plc.
<b>IPD</b>	Independent Power Development Company Limited, a subsidiary in which the Company has a 70.0% stake
<b>IPP</b>	Independent Power Producer in which capacity sold to EGAT is more than 90 MW
<b>Marafiq</b>	Centralised Utilities Company L.L.C., a JV in which the Company has a 49% stake
<b>Mekong</b>	Mekong Wind Power Joint Stock Company
<b>MTP3</b>	Map Ta Phut Industrial Port Development Phase 3
<b>PEA</b>	The Provincial Electricity Authority
<b>PTT NGD</b>	PTT Natural Gas Distribution Company Limited
<b>Singtel</b>	Singapore Telecommunications Limited
<b>SPP</b>	Small Power Producer in which capacity sold to EGAT is more than 10 MW but not more than 90 MW
<b>TFRIC 4</b>	Revenue recognition standard applied for the IPPs to record revenue from availability payment as income from financial lease
<b>TFRIC 12</b>	Thai Financial Reporting Standard applied for Service Concession Arrangements
<b>TFRS 9</b>	Thai Financial Reporting Standard applied for Financial Instruments
<b>TFRS 16</b>	Thai Financial Reporting Standard applied for Leases
<b>THCOM</b>	Thaicom Plc.