



Management Discussion and Analysis

For the Financial Result of Quarter 2 Year 2020

Ended June 30, 2020

Note: This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange Commission (SEC).

An English version of the MD&A has been prepared from the Thai version. In the event of a conflict or a difference in interpretation between the two languages, the Thai version shall prevail.

The objective of this MD&A is to present the information and the explanation of financial status and operating results as of the date hereof. However, the information provided in this MD&A may vary if any factors or situation are changed in the future; the investors are, therefore, required to have their own discretion regarding the usage of this information for any purpose. For further detail, please contact Investor Relations Division of the Electricity Generating Public Company Limited (EGCO) at Tel: 662-998-5150-3 or Email: ir@egco.com

Management Discussion and Analysis

1. Significant events in the Second Quarter of 2020

● The progress in construction projects

- **Gangdong Fuel Cell Project (Gangdong)**, a project of **Paju Energy Services Co.,Ltd. (Paju ES)** (EGCO holds a 49.00% ownership interest), located in Gangdong-gu, Seoul, South Korea with a capacity of 19.80 MW. Gangdong will sell electricity to Korea Electric Power Corporation (KEPCO), the sole off-taker of wholesale power generation in South Korea, through the Korea Power Exchange (KPX). Gangdong also sells thermal energy, and receive renewable credits in the form of Renewable Energy Certificates (REC) concerning its electricity generation output. The construction of the project has progressed 97.99% (The construction plan was 97.46%). The commercial operation date is scheduled in the fourth quarter of 2020.

- **Yunlin Project (The project)**, a project of **Yunlin Holding GmbH (Yunlin)** (EGCO holds a 25% ownership interest), is an offshore wind farm power plant project which located in the Taiwan Strait approximately 8 km west of the coast of Yunlin Country in Taiwan. The project has entered into the Power Purchase Agreement (PPA) with Taiwan Power Company (Taipower) pursuant to a fixed 20-year feed-in tariff PPA, for the sale of electricity by the project with the contracted capacity of 640 MW. Commissioning will occur in phase, with phase 1 comprising 352 MW and phase 2 comprising 288 MW from the date of commercial operation. The construction of the project has progressed 48.20% (The construction plan was 58.08%). The commercial operation date is scheduled in the fourth quarter of 2020 and the third quarter of 2021, respectively.

- **The extension of the petroleum pipeline system to the northeastern region project (The project)** is a project of **Thai Pipeline Network Company Limited (TPN)** (EGCO holds a 44.60% ownership interest). The project connects the Thai Petroleum Pipeline Co., Ltd (Thappline) Terminal in Saraburi to TPN's owned terminal with storage capacity of 142 million liters in Khon Kaen, through a newly constructed 342.80 kilometers undergrounded pipeline which has an annual transport capacity of approximately 5,443 million liters. The capacity of the project shall potentially increase to 7,338 million liters in the future. The construction of the project has progressed 43.42% (The construction plan was 48.38%). The commercial operation date is scheduled in the fourth quarter of 2021.

- **NT1PC Project**, a project of **Nam Theun 1 Power Company Limited** (EGCO holds a 25% ownership interest), is a hydro power plant project. The project is located on the Nam Kading River in Bolikhamxay Province of Lao PDR. The project has entered into the PPA with EGAT with the contracted capacity of 514 MW and Electricite Du Laos (EDL) with the contracted capacity of 130 MW for 27 years. The construction of the project has progressed 73.92% (The construction plan was 82.73%). The commercial operation date is scheduled in the second quarter of 2022.

2. Business overview

EGCO Group have invested in the Power Producer (PP), Independent Power Producer (IPP), Small Power Producer (SPP), Very Small Power Producer (VSPP), Coal Mining, Oil Transportation Service with pipeline transportation system (Oil Transportation Service), Operating and Maintenance (O&M), Management and Administrative Services (Management Services). Details of each plant are as follows:

(1) Subsidiaries which can be categorized into 2 businesses:

1. Power Generation

1.1 Local power generation

| | |
|---|-------------|
| Khanom Electricity Generating Co., Ltd. (KEGCO) | IPP |
| EGCO Cogeneration Co., Ltd. (EGCO Cogen) | SPP |
| Roi-Et Green Co., Ltd. (RG) | SPP |
| Banpong Utilities Co., Ltd. (BPU) | SPP |
| Klongluang Utilities Co., Ltd. (KLU) | SPP |
| Chaiyaphum Wind Farm Co., Ltd. (CWF) | SPP |
| SPP Two Co., Ltd. (SPP 2) | VSPP |
| SPP Three Co., Ltd. (SPP 3) | VSPP |
| SPP Four Co., Ltd. (SPP 4) | VSPP |
| SPP Five Co., Ltd. (SPP 5) | VSPP |
| Yanhee EGCO Holding Co., Ltd. (Yanhee EGCO) | Holding Co. |
| ● Solarco Company Limited (Solarco) | VSPP |
| Theppana Wind Farm Co., Ltd. (TWF) | VSPP |
| EGCO Plus Co., Ltd. (EGCO Plus) | Holding Co. |

1.2 Overseas Power Generation

| | |
|---|----|
| Quezon Power (Philippines) Limited Co. (Quezon) | PP |
| Boco Rock Wind Farm Pty Ltd. (BRWF) | PP |

2. Other businesses

2.1 Local Other Businesses

| | |
|---|-----|
| EGCO Engineering and Service Co., Ltd. (ESCO) | O&M |
|---|-----|

2.2 Overseas Other Businesses

| | |
|---|---------------------|
| Pearl Energy Philippines Operating Inc. (PEPOI) | O&M |
| Quezon Management Service Inc. (QMS) | Management Services |

(2) Associated in overseas power generation business

| | |
|---|----|
| Star Energy Geothermal Pte. Ltd. (SEG) | PP |
| Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD) | PP |
| Xayaburi Power Company Limited (XPCL) | PP |

(3) Joint Ventures which can be categorized into 2 businesses:

1. Power Generation

1.1 Local power generation

| | |
|---|-------------|
| Gulf Electric Public Company Limited (GEC) | Holding Co. |
| ● Gulf Cogeneration Co., Ltd. (GCC) | SPP |
| ● Nong Khae Cogeneration Co., Ltd. (NKCC) | SPP |
| ● Samutprakarn Cogeneration Co., Ltd. (SCC) | SPP |
| ● Gulf Yala Green Co., Ltd. (GYG) | SPP |
| ● Gulf Power Generation Co., Ltd (GPG) | IPP |
| BLCP Power Limited (BLCP) | IPP |
| Natural Energy Development Co., Ltd. (NED) | SPP & VSPP |
| G-Power Source Co., Ltd. (GPS) | VSPP |

1.2 Overseas power generation

| | |
|---|----|
| Nam Theun 2 Power Co., Ltd. (NTPC) | PP |
| San Buenaventura Power Ltd. Co. (SBPL) | PP |
| Nam Theun 1 Power Co., Ltd. (NT1PC) | PP |
| Paju Energy Services Co.,Ltd. (Paju ES) | PP |
| Yunlin Holding GmbH Co.,Ltd. (Yunlin) | PP |

2. Other businesses

2.1 Local Other Businesses

| | |
|---|-------------------------------|
| Thai Pipeline Network Company Limited (TPN) | Oil Transportation Service |
|---|-------------------------------|

2.2 Overseas Other Businesses

| | |
|---|-------------|
| PT Manambang Muara Enim Co., Ltd. (MME) | Coal Mining |
| E&E Engineering and Service Company Limited (E&E) | O&M |

As of June 30, 2020, EGCO Group's portfolio consists of 28 operating power plants, with a total contracted capacity of 5,475 MW equity and 3 power plant construction projects, with a total contracted capacity of 331 MW equity.

3. Report and Analysis of the Operating Results

EGCO would like to present analysis of the operation result as follows:

Summary of operating results for Q2/2020, Ended of June 30, 2020

Unit : Million Baht

| | Power Generation | | Others | | Total | | Change Increase (Decrease) | |
|---|------------------|--------------|-------------|-------------|--------------|--------------|-------------------------------|-------------|
| | Quarter 2 | | Quarter 2 | | Quarter 2 | | Quarter 2 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Amount | % |
| Total Revenues | 10,446 | 11,017 | 118 | 158 | 10,564 | 11,175 | (611) | (5%) |
| Total Expenses | (9,529) | (10,050) | (143) | (174) | (9,672) | (10,224) | (552) | (5%) |
| Share of Profit (Loss) | 1,549 | 1,652 | 4 | (9) | 1,553 | 1,643 | (90) | (5%) |
| Operating profit (loss)* | 2,466 | 2,619 | (21) | (25) | 2,445 | 2,594 | (149) | (6%) |
| Impact of financial instruments | 433 | - | - | - | 433 | - | 433 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 2,899 | 2,619 | (21) | (25) | 2,878 | 2,594 | 284 | 11% |
| Deferred income (expense) tax | 88 | 163 | 1 | 6 | 89 | 169 | (80) | (47%) |
| Profit (Loss) before the effects of foreign exchange and lease income | 2,987 | 2,782 | (20) | (19) | 2,967 | 2,763 | 204 | 7% |
| Profit (Loss) from foreign exchange | 2,017 | 1,194 | (1) | 1 | 2,016 | 1,195 | 821 | 69% |
| Net Profit (Loss) before the impact of lease income | 5,004 | 3,976 | (21) | (18) | 4,983 | 3,958 | 1,025 | 26% |
| Impact of lease income | 92 | (10) | - | - | 92 | (10) | 102 | 1,020% |
| Net Profit (Loss) | 5,096 | 3,966 | (21) | (18) | 5,075 | 3,948 | 1,127 | 29% |

*Operating profit (loss) : Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment, financial instruments and lease income.

For focusing on the operating performance, the impact of lease income and the impact of financial instruments (IFRS 9) were excluded from the analysis of the company's operating results.

The operating profit of EGCO Group for Q2/2020 was Baht 2,445 million, decreasing by Baht 149 million compared to Q2/2019, which came from a decrease in power generation business of Baht 153 million and an increase in other business of Baht 4 million. See more details in 3.1 and 3.2 as follows;

3.1 The Analysis of the Operating Results in Power Generation business

The operating profit (loss) for Q2/2020 of power generation business decreased by Baht 153 million, comparing to Q2/2019, mainly due to a decrease in the operating results of EGCO Plus, Paju ES, BLCP, XPCL and KEGCO. On the other hand, those of EGCO, SBPL, NTPC, Quezon and GPG were increased as follows:

EGCO Plus (Include North Pole):

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|--------------|-----------------------------------|--------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | - | - | - | - |
| <i>Other income</i> | 38 | 109 | (71) | (65%) |
| Total revenues | 38 | 109 | (71) | (65%) |
| <i>Cost of sale</i> | - | - | - | - |
| <i>Other expenses</i> | (694) | (493) | 201 | 41% |
| Total expenses | (694) | (493) | 201 | 41% |
| Operating profit (loss) | (656) | (384) | (272) | (71%) |

- **EGCO Plus** : The operating result was decreased by Baht 272 million mainly due to a decrease in interest incomes and interest expenses on loan from EGCO were increased. Meanwhile, in Q2/2019, there were withholding tax expenses from dividends of Paju ES.

Paju ES:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|----------------|-----------------------------------|---------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 2,239 | 3,705 | (1,466) | (40%) |
| <i>Other income</i> | 95 | 91 | 4 | 4% |
| Total revenues | 2,334 | 3,796 | (1,462) | (39%) |
| <i>Cost of sale</i> | (2,305) | (3,492) | (1,187) | (34%) |
| <i>Other expenses</i> | (94) | (152) | (58) | (38%) |
| Total expenses | (2,399) | (3,644) | (1,245) | (34%) |
| Operating profit (loss) | (65) | 152 | (217) | (143%) |

- **Paju ES** : The operating result was decreased by Baht 217 million mainly due to a decrease in electricity profit, caused by a scheduled maintenance. Additionally, lower electricity demand affected to lower electricity sales unit price, comparing to the same period of the previous year.

BLCP:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|----------------|-----------------------------------|--------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - Availability Payment (AP) | 533 | 769 | (236) | (31%) |
| - Energy Payment (EP) | 1,410 | 1,444 | (34) | (2%) |
| <i>Other income</i> | 70 | 41 | 29 | 71% |
| Total revenues | 2,013 | 2,254 | (241) | (11%) |
| <i>Cost of sale</i> | (1,680) | (1,721) | (41) | (2%) |
| <i>Other expenses</i> | (113) | (202) | (89) | (44%) |
| Total expenses | (1,793) | (1,923) | (130) | (7%) |
| Operating profit (loss) | 220 | 331 | (111) | (34%) |

- **BLCP** : The operating result was decreased by Baht 111 million mainly due to a decrease in Availability Payment (AP) according to the PPA and interest expenses were increased. Meanwhile, corporate income tax expenses were decreased.

XPCL:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|-------------|-----------------------------------|---------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 316 | - | 316 | 100% |
| <i>Other income</i> | - | - | - | - |
| Total revenues | 316 | - | 316 | 100% |
| <i>Cost of sale</i> | (157) | - | 157 | 100% |
| <i>Other expenses</i> | (185) | - | 185 | 100% |
| Total expenses | (342) | - | 342 | 100% |
| Operating profit (loss) | (26) | - | (26) | (100%) |

- **XPCL** : The operating result was lost by Baht 26 million due to low electricity revenue, caused by the low amount of water. The commencement of XPCL on October 29, 2019.

KEGCO:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|----------------|-----------------------------------|--------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - Availability Payment (AP) | 1,077 | 1,127 | (50) | (4%) |
| - Energy Payment (EP) | 2,683 | 3,129 | (446) | (14%) |
| Other income | 8 | 38 | (30) | (79%) |
| Total revenues | 3,768 | 4,294 | (526) | (12%) |
| <i>Cost of sale</i> | (3,085) | (3,534) | (449) | (13%) |
| <i>Other expenses</i> | (224) | (292) | (68) | (23%) |
| Total expenses | (3,309) | (3,826) | (517) | (14%) |
| Operating profit (loss) | 459 | 468 | (9) | (2%) |

- **KEGCO** : The operating result was decreased by Baht 9 million mainly due to a decrease in Availability Payment (AP) according to the PPA and other income was decreased because in Q2/2019, there was compensation for non-compliance of the EPC Contractor's contract. Meanwhile, interest expenses were decreased.

EGCO:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|--------------|-----------------------------------|-------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | - | - | - | - |
| <i>Other income</i> | 693 | 329 | 364 | 111% |
| Total revenues | 693 | 329 | 364 | 111% |
| <i>Cost of sale</i> | - | - | - | - |
| <i>Other expenses</i> | (1,061) | (963) | 98 | 10% |
| Total expenses | (1,061) | (963) | 98 | 10% |
| Operating profit (loss) | (368) | (634) | 266 | 42% |

- **EGCO** : The operating result was increased by Baht 266 million mainly due to interest income from loan to EGCO Plus. Meanwhile, administrative expenses were increased due to investment consulting fee.

SBPL:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|--------------|-----------------------------------|---------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 983 | 122 | 861 | 706% |
| <i>Other income</i> | - | - | - | - |
| Total revenues | 983 | 122 | 861 | 706% |
| <i>Cost of sale</i> | (570) | (121) | 449 | 371% |
| <i>Other expenses</i> | (218) | (8) | 210 | 2,625% |
| Total expenses | (788) | (129) | 659 | 511% |
| Operating profit (loss) | 195 | (7) | 202 | 2,886% |

- **SBPL** : The operating result was increased by Baht 202 million. This was resulted from the commencement of SBPL on September 26, 2019.

NTPC:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|--------------|-----------------------------------|-------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 799 | 734 | 65 | 9% |
| <i>Other income</i> | 2 | 4 | (2) | (50%) |
| Total revenues | 801 | 738 | 63 | 9% |
| <i>Cost of sale</i> | (228) | (222) | 6 | 3% |
| <i>Other expenses</i> | (96) | (134) | (38) | (28%) |
| Total expenses | (324) | (356) | (32) | (9%) |
| Operating profit (loss) | 477 | 382 | 95 | 25% |

- **NTPC** : The operating result was increased by Baht 95 million mainly due to increase in electricity revenue, caused by the higher amount of water, comparing to the same period of the previous year, leading to higher electricity generation. Additionally, interest expenses were decreased.

Quezon (Include PEPOI and QMS):

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|--------------------------------|------------------|----------------|-----------------------------------|--------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 2,783 | 3,009 | (226) | (8%) |
| <i>Other income</i> | 1 | 4 | (3) | (75%) |
| Total revenues | 2,784 | 3,013 | (229) | (8%) |
| <i>Cost of sale</i> | (1,452) | (1,676) | (224) | (13%) |
| <i>Other expenses</i> | (358) | (377) | (19) | (5%) |
| Total expenses | (1,810) | (2,053) | (243) | (12%) |
| Operating profit (loss) | 974 | 960 | 14 | 1% |

- **Quezon** : The operating result was increased by Baht 14 million mainly due to corporate income tax expenses and interest expenses were decreased.

GPG:

Unit : Million Baht

| | <u>Quarter 2</u> | | <u>Change Increase (Decrease)</u> | |
|------------------------------------|------------------|--------------|-----------------------------------|--------------|
| | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - <i>Availability Payment (AP)</i> | 569 | 554 | 15 | 3% |
| - <i>Energy Payment (EP)</i> | 235 | 438 | (203) | (46%) |
| <i>Other income</i> | 1 | 5 | (4) | (80%) |
| Total revenues | 805 | 997 | (192) | (19%) |
| <i>Cost of sale</i> | (391) | (584) | (193) | (33%) |
| <i>Other expenses</i> | (99) | (109) | (10) | (9%) |
| Total expenses | (490) | (693) | (203) | (29%) |
| Operating profit (loss) | 315 | 304 | 11 | 4% |

- **GPG** : The operating result was increased by Baht 11 million mainly due to an increase in Availability Payment (AP) resulting from higher electricity sales unit price according to the PPA, comparing to the same period of the previous year.

Other Subsidiaries in Power Generation business:

Unit : Million Baht

| | BPU | | KLU | | EGCO COGEN | | RG | |
|--------------------------------|------------------|----------------|------------------|--------------|-------------------|--------------|------------------|-------------|
| | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Electricity revenue | 1,176 | 1,216 | 602 | 635 | 397 | 387 | 53 | 56 |
| Other income | 2 | 2 | 1 | 2 | 1 | 1 | - | - |
| Total revenues | 1,178 | 1,218 | 603 | 637 | 398 | 388 | 53 | 56 |
| Cost of sale | (1,001) | (1,039) | (507) | (536) | (377) | (352) | (45) | (43) |
| Other expenses | (97) | (104) | (62) | (62) | (18) | (14) | (4) | (4) |
| Total expenses | (1,098) | (1,143) | (569) | (598) | (395) | (366) | (49) | (47) |
| Operating profit (loss) | 80 | 75 | 34 | 39 | 3 | 22 | 4 | 9 |

Other Subsidiaries in Power Generation business (continue):

Unit : Million Baht

| | SPP 2 | | SPP 3 | | SPP 4 | | SPP 5 | |
|--------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
| | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Electricity revenue | 46 | 48 | 44 | 47 | 30 | 34 | 46 | 48 |
| Other income | - | - | - | - | - | - | - | - |
| Total revenues | 46 | 48 | 44 | 47 | 30 | 34 | 46 | 48 |
| Cost of sale | (13) | (13) | (13) | (13) | (10) | (10) | (12) | (12) |
| Other expenses | (9) | (9) | (8) | (8) | (6) | (6) | (8) | (9) |
| Total expenses | (22) | (22) | (21) | (21) | (16) | (16) | (20) | (21) |
| Operating profit (loss) | 24 | 26 | 23 | 26 | 14 | 18 | 26 | 27 |

Other Subsidiaries in Power Generation business (continue):

Unit : Million Baht

| | YEH EGCO | | BRWF | | CWF | | TWF | | Total | | Change Increase (Decrease) | |
|--------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|-------------|------------------|----------------|-----------------------------------|-------------|
| | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>Amount</u> | <u>%</u> |
| Electricity revenue | 334 | 343 | 243 | 225 | 170 | 205 | 12 | 14 | 3,153 | 3,258 | (105) | (3%) |
| Other income | 2 | 3 | 2 | 4 | 2 | 2 | - | - | 10 | 14 | (4) | (29%) |
| Total revenues | 336 | 346 | 245 | 229 | 172 | 207 | 12 | 14 | 3,163 | 3,272 | (109) | (3%) |
| Cost of sale | (79) | (77) | (110) | (108) | (81) | (81) | (7) | (7) | (2,255) | (2,291) | (36) | (2%) |
| Other expenses | (71) | (74) | (68) | (79) | (46) | (51) | (3) | (4) | (400) | (424) | (24) | (6%) |
| Total expenses | (150) | (151) | (178) | (187) | (127) | (132) | (10) | (11) | (2,655) | (2,715) | (60) | (2%) |
| Operating profit (loss) | 186 | 195 | 67 | 42 | 45 | 75 | 2 | 3 | 508 | 557 | (49) | (9%) |

Other Joint Ventures and Associated in Power Generation business

Unit : Million Baht

| | SEG (ASSO) | | SEGSD (ASSO) | | NED (JV) | | GEC* (JV) | |
|--------------------------------|---------------------|--------------|-----------------|--------------|-------------|-------------|--------------|--------------|
| | Quarter 2 | | Quarter 2 | | Quarter 2 | | Quarter 2 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | Electricity revenue | 508 | 475 | 324 | 298 | 246 | 249 | 672 |
| Other income | - | - | - | - | 1 | 3 | 8 | 13 |
| Total revenues | 508 | 475 | 324 | 298 | 247 | 252 | 680 | 1,024 |
| Cost of sale | (104) | (108) | (63) | (68) | (58) | (59) | (597) | (891) |
| Other expenses | (281) | (236) | (169) | (152) | (34) | (25) | (43) | (55) |
| Total expenses | (385) | (344) | (232) | (220) | (92) | (84) | (640) | (946) |
| Operating profit (loss) | 123 | 131 | 92 | 78 | 155 | 168 | 40 | 78 |

* GEC : GCC of the GEC group stopped its operation and electricity sales to EGAT on September 3, 2019.

Other Joint Ventures and Associated in Power Generation business (continue):

Unit : Million Baht

| | GPS (JV) | | Other* (JV) | | Total | | Change Increase (Decrease) | |
|--------------------------------|---------------------|-------------|----------------|------------|----------------|----------------|----------------------------------|--------------|
| | Quarter 2 | | Quarter 2 | | Quarter 2 | | Quarter 2 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Amount | % |
| | Electricity revenue | 74 | 70 | - | - | 1,824 | 2,103 | (279) |
| Other income | - | - | - | - | 9 | 16 | (7) | (44%) |
| Total revenues | 74 | 70 | - | - | 1,833 | 2,119 | (286) | (13%) |
| Cost of sale | (28) | (23) | - | - | (850) | (1,149) | (299) | (26%) |
| Other expenses | (9) | (8) | (14) | (4) | (550) | (480) | 70 | 15% |
| Total expenses | (37) | (31) | (14) | (4) | (1,400) | (1,629) | (229) | (14%) |
| Operating profit (loss) | 37 | 39 | (14) | (4) | 433 | 490 | (57) | (12%) |

* NT1PC and Yunlin is under construction.

3.2 The Analysis of the Operating Results in Other businesses

Operating profit (loss) for Q2/2020 in other businesses increasing by Baht 4 million compared to Q2/2019 as follows:

Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

| | <i>ESCO (Sub)</i> | | <i>MME (JV)</i> | | <i>Total*</i> | | <i>Change Increase (Decrease)</i> | |
|--------------------------------|-----------------------|--------------|---------------------|-------------|------------------|--------------|---|------------|
| | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | | <u>Quarter 2</u> | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <i>Amount</i> | <i>%</i> |
| <i>Revenue</i> | - | - | 175 | 84 | 175 | 84 | 91 | 108% |
| <i>Service income</i> | 115 | 155 | - | - | 115 | 155 | (40) | (26%) |
| <i>Other income</i> | 3 | 3 | 1 | 1 | 4 | 4 | - | - |
| Total revenues | 118 | 158 | 176 | 85 | 294 | 243 | 51 | 21% |
| <i>Cost of sale</i> | (121) | (153) | (160) | (81) | (281) | (234) | 47 | 20% |
| <i>Other expenses</i> | (22) | (21) | (12) | (13) | (34) | (34) | - | - |
| Total expenses | (143) | (174) | (172) | (94) | (315) | (268) | 47 | 18% |
| Operating profit (loss) | (25) | (16) | 4 | (9) | (21) | (25) | 4 | 16% |

* Including the operating result of TPN and E&E.

Summary of operating results for 6M/2020, Ended of June 30, 2020

Unit : Million Baht

| | <i>Power Generation</i> | | <i>Others</i> | | <i>Total</i> | | <i>Change Increase (Decrease)</i> | |
|---|-------------------------|--------------|---------------|-------------|--------------|--------------|--|-----------------|
| | <i>2020</i> | <i>2019</i> | <i>2020</i> | <i>2019</i> | <i>2020</i> | <i>2019</i> | <i>Amount</i> | <i>%</i> |
| Total Revenues | 20,588 | 21,276 | 288 | 333 | 20,876 | 21,609 | (733) | (3%) |
| Total Expenses | (19,327) | (19,555) | (312) | (347) | (19,639) | (19,902) | (263) | (1%) |
| Share of Profit (Loss) | 3,552 | 3,807 | 13 | (5) | 3,565 | 3,802 | (237) | (6%) |
| Operating profit (loss)* | 4,813 | 5,528 | (11) | (19) | 4,802 | 5,509 | (707) | (13%) |
| Impact of financial instruments | 790 | - | - | - | 790 | - | 790 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 5,603 | 5,528 | (11) | (19) | 5,592 | 5,509 | 83 | 2% |
| Deferred income (expense) tax | (218) | 209 | - | 6 | (218) | 215 | (433) | (201%) |
| Profit (Loss) before the effects of foreign exchange and lease income | 5,385 | 5,737 | (11) | (13) | 5,374 | 5,724 | (350) | (6%) |
| Profit (Loss) from foreign exchange | (1,087) | 1,907 | 5 | - | (1,082) | 1,907 | (2,989) | (157%) |
| Net profit (Loss) before the impact of lease income | 4,298 | 7,644 | (6) | (13) | 4,292 | 7,631 | (3,339) | (44%) |
| Impact of lease income | 370 | 66 | - | - | 370 | 66 | 304 | 461% |
| Net Profit (Loss) | 4,668 | 7,710 | (6) | (13) | 4,662 | 7,697 | (3,035) | (39%) |

*Operating profit (loss) : Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment, financial instruments and lease income.

The operating profit of EGCO Group for 6M/2020 were Baht 4,802 million, decreasing by Baht 707 million comparing to 6M/2019, mainly due to Availability Payment (AP) decreased of BLCP, the maintenance as scheduled of Paju ES, the low volume of water for electricity generation of XPCL and longer maintenance period of Quezon. Meanwhile, SBPL has recognized the operating result because the commencement on September 26, 2019 and NTPC has higher electricity sales to EDL, comparing to the same previous year.

Summary of operating results for Q1 and Q2 of 2020, Ended of June 30, 2020

Unit : Million Baht

| | <u>2020</u> | | <u>2019</u> | | <u>Change</u> <u>Increase/(Decrease)</u> | |
|---|------------------|------------------|------------------|------------------|---|------------------|
| | <u>Quarter 1</u> | <u>Quarter 2</u> | <u>Quarter 1</u> | <u>Quarter 2</u> | <u>Quarter 1</u> | <u>Quarter 2</u> |
| Total Revenues | 10,312 | 10,564 | 10,434 | 11,175 | (122) | (611) |
| Total Expenses | (9,967) | (9,672) | (9,678) | (10,224) | 289 | (552) |
| Share of Profit (Loss) | 2,012 | 1,553 | 2,159 | 1,643 | (147) | (90) |
| Operating profit (loss)* | 2,357 | 2,445 | 2,915 | 2,594 | (558) | (149) |
| Impact of financial instruments | 357 | 433 | - | - | 357 | 433 |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 2,714 | 2,878 | 2,915 | 2,594 | (201) | 284 |
| Deferred income (expense) tax | (307) | 89 | 46 | 169 | (353) | (80) |
| Profit (Loss) before the effects of foreign exchange and lease income | 2,407 | 2,967 | 2,961 | 2,763 | (554) | 204 |
| Profit (Loss) from foreign exchange | (3,098) | 2,016 | 712 | 1,195 | (3,810) | 821 |
| Net profit (Loss) before the impact of lease income | (691) | 4,983 | 3,673 | 3,958 | (4,364) | 1,025 |
| Impact of lease income | 278 | 92 | 76 | (10) | 202 | 102 |
| Net Profit (Loss) | (413) | 5,075 | 3,749 | 3,948 | (4,162) | 1,127 |

*Operating profit (loss) : Profit (Loss) before the effects of foreign exchange, deferred income tax, impairment, financial instruments and lease income.

4. Cash Flow Analysis

As of June 30, 2020 cash and cash equivalents were Baht 17,220 million, decreasing by Baht 3,268 million comparing to December 31, 2019. The details are as follows:

| | Unit: Million Baht |
|--|--------------------|
| Net cash <u>received from</u> operating activities | 5,453 |
| Net cash <u>payment for</u> investing activities | (10,294) |
| Net cash <u>received from</u> financing activities | 1,078 |
| Gain from the effect of foreign exchange rate | 495 |
| Net increase in cash | <u>(3,268)</u> |

- **Net cash received from operating activities** was Baht 5,453 million from operating of EGCO and its subsidiaries.

- **Net cash payment for investing activities** was Baht 10,294 million. Cash payments for short-term investments and investments used as short-term and long-term collateral were Baht 2,366 million. Cash payments for equipment and construction in progress were Baht 50 million. Additionally, cash payments for investments. Meanwhile, the dividend receives from the joint ventures and other companies were Baht 4,214 million and cash receipts from interest income was Baht 130 million.

- **Net cash received from financing activities** was Baht 1,078 million, resulted from the drawn down of short-term and long-term loans totalling Baht 12,185 million. Meanwhile, the repayment of short-term and long-term loans was Baht 7,414 million, interest payment of loans and financing fees totalling Baht 1,963 million and dividend payments to shareholders amounting to Baht 1,730 million.

5. Financial Ratios

Profitability Ratios

| | <u>Quarter 2</u> | | <u>Change</u> |
|--------------------------------------|------------------|-------------|----------------------------|
| | <u>2020</u> | <u>2019</u> | <u>Increase/(Decrease)</u> |
| Gross Profit Ratio (%) | 29.62 | 27.24 | 2.38 |
| Operating Profit Ratio before FX (%) | 28.63 | 24.74 | 3.89 |
| Profit Ratio before FX (%) | 14.96 | 12.99 | 1.97 |
| Profit before FX per share (Baht) | 5.64 | 5.25 | 0.39 |

Leverage Ratio and Liquidity Ratio

| | <u>Quarter 2</u> | <u>Quarter 1</u> | <u>Change</u> |
|---------------------------------------|------------------|------------------|----------------------------|
| | <u>2020</u> | <u>2020</u> | <u>Increase/(Decrease)</u> |
| <i>Debt to equity ratio (Time)</i> | | | |
| - Consolidated | 1.19 | 1.16 | 0.03 |
| - Company | 0.67 | 0.71 | (0.04) |
| <i>Book value per share (Baht)</i> | | | |
| - Consolidated | 186.06 | 185.09 | 0.97 |
| - Company | 123.71 | 121.56 | 2.15 |
| <i>Current ratio (Time)</i> | | | |
| - Consolidated | 2.53 | 3.08 | (0.55) |
| - Company | 2.38 | 4.22 | (1.84) |
| <i>Interest Coverage Ratio (Time)</i> | | | |
| - Company | 6.04 | 3.43 | 2.61 |