



August 13, 2020

THE PHILIPPINE STOCK EXCHANGE, INC.

The Philippine Stock Exchange, Inc.

6th Floor PSE Tower

28th corner 5th Avenue

Bonifacio Global City

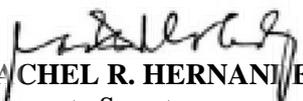
Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

Please find attached the company's press statement pertaining to the financial results of First Gen Corporation for the 1st half of 2020. Thank you.

Very truly yours,


RACHEL R. HERNANDEZ
Corporate Secretary

First Gen's 1H20 recurring earnings down by 15% to Php6.7 billion

First Gen Corporation (First Gen), the Lopez Group's power generation company, reported a recurring net income attributable to equity holders of Php6.7 billion (US\$133 million) in the first semester of 2020 from the operations of its 3,492 MW clean, low-carbon, and renewable portfolio. This was a 15%, or Php1.4 billion (US\$23 million), fall from its Php8.2 billion (US\$156 million) in earnings from the same period in 2019.

"The full brunt of the 2nd quarter lockdown saw demand for electricity drop significantly with the abrupt economic slowdown. First Gen was not spared, which explains our lower income for the period. 2020 will prove to be a challenging year for all. This pandemic and its disastrous effect on the economy will give us painful lessons that we must humbly learn from," First Gen President and COO Francis Giles B. Puno stated.

First Gen's natural gas-fired power plants delivered a 16% decrease in recurring earnings for the period. The gas plants continued to suffer from lower electricity sales in the second quarter due to the lockdowns. From a recurring attributable net income to parent of Php5.5 billion (US\$105 million) in the first half of 2019, the gas platform generated Php4.5 billion (US\$88 million) for the same period in 2020.

Energy Development Corporation (EDC) contributed slightly lower recurring earnings from its geothermal, wind, and solar platform of Php2.4 billion (US\$48 million) in the first six months of 2020, almost unchanged in comparison to the Php2.6 billion (US\$49 million) it earned in the same period last year. The company reported lower revenues coming from lower electricity prices throughout its geothermal portfolio, offset by lower operating expenses, lower interest expenses, and stable demand from its customers.

The hydro platform's recurring earnings contribution dropped by 68% or Php0.5 billion (US\$9 million) at Php0.2 billion (US\$4 million) for the first half of 2020 from Php0.7 billion (US\$13 million) in 2019 mainly due to lower prices at the Wholesale Electricity Spot Market (WESM), though partially offset by higher ancillary service sales.

First Gen's net income attributable to equity holders in 1H20 was Php6.7 billion (US\$133 million). This was Php1.9 billion (US\$33 million) or 20% less than the 2019 earnings of Php8.7 billion (US\$166 million) due mainly to lower electricity sales across all platforms, though partially offset by lower interest expenses.

First Gen's consolidated revenues from the sale of electricity in the first semester of 2020 declined by Php10.4 billion (US\$170 million) or 15% to Php47.7 billion (US\$939 million), compared to Php58.1 billion (US\$1,109 million) in 2019. The natural gas portfolio accounted for 61% of First Gen's total consolidated revenues. Their revenues were 17% lower in the first six months of 2020 mainly due to lower average natural gas prices coupled with a decline in the plants' dispatch.

EDC's geothermal, wind, and solar revenues accounted for Php17.2 billion (US\$340 million), or 36% of First Gen's total consolidated revenues in the first half of 2020. From Php19.6 billion (US\$374 million) in 2019, EDC's revenues were Php2.4 billion (US\$34 million) less mainly due to the lower prices at the WESM.

First Gen Hydro Power Corporation, owner of the 132-MW Pantabangan-Masiway hydroelectric power plants, generated weaker revenues by Php0.8 billion (US\$15 million) or 47% less than the Php1.7 billion (US\$33 million) it generated in the first six months of 2019, to Php0.9 billion (US\$17

million) in 2020, due to poor WESM sales in terms of volume and price. The hydro plants account for 2% of First Gen's total consolidated revenues.

"Consistent with our mission to seek collaborative pathways to a decarbonized and regenerative future, a vital part of the transition is the development of the FGEN Batangas LNG Terminal Project. The LNG Project will play a critical role in ensuring the energy security of the Philippines and the Luzon grid. The entry of LNG will assure First Gen of reliable supply of gas for its power plants and encourage both industrial and transport industries to consider gas as a cleaner replacement to more costly and polluting fuels," Puno added.

**U.S. Dollar balances were translated to Philippine Peso using the weighted average rate of US\$1.00:Php50.756 for the period ended June 30, 2020 and US\$1.00:Php52.367 for the period ended June 30, 2019.*

About First Gen

First Gen is a leading independent power producer in the Philippines that primarily utilizes clean and indigenous fuels such as natural gas, geothermal energy from steam, hydro-electric, wind, and solar power. The Company has 3,492MW of installed capacity in its portfolio which accounts for 21% of the country's gross generation. First Gen is a subsidiary of First Philippine Holdings Corporation, one of the most established conglomerates in the Philippines, and has over 20 years of experience in power development. It is part of the Lopez Group of Companies.