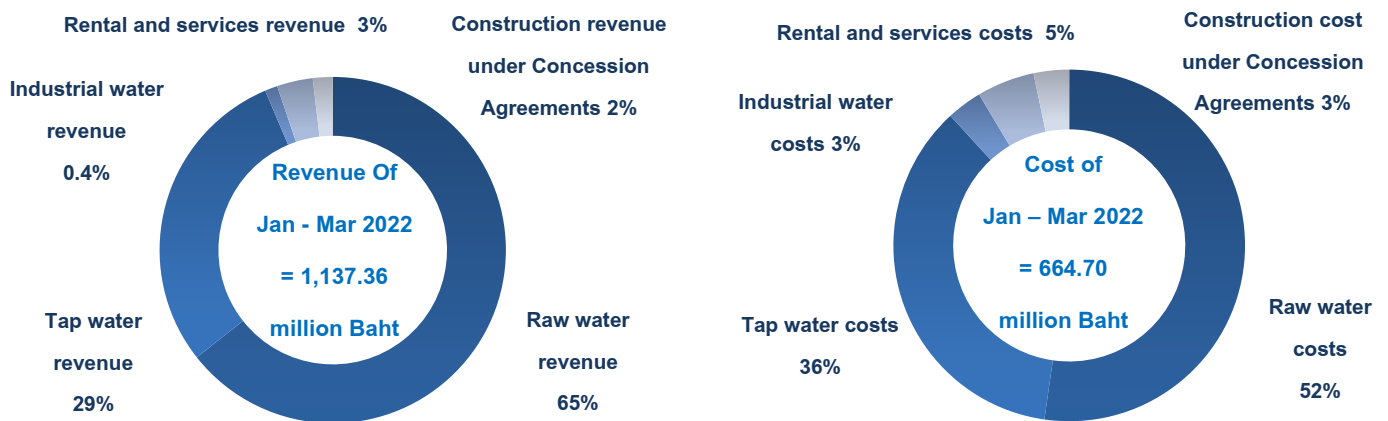


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

1. ANALYSIS OF FINANCIAL PERFORMANCE

For the first quarter of 2022, East Water Group had total consolidated sales and services income of 1,137.46 million Baht, decreased by 93.46 million Baht or -7.59%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 644.70 million Baht, increased by 12.70 million Baht or +2.01% compared to Q1 of 2021. In 2022, East Water Group generated a net profit of 253.46 million Baht, with net profit attributable to equity holders of the parent company of 251.98 million Baht, decreased by 118.70 million Baht or -32.02%.

Proportion of revenues and cost



Income statement (Million Baht)	For the 1 st quarter			
	2022	2020	YOY	%
Total Sales and Services revenue	1,137.46	1,230.92	(93.46)	(7.59%)
Raw water revenue	732.18	794.58	(62.40)	(7.85%)
Tap water revenue	332.72	361.77	(29.05)	(8.03%)
Industrial water revenue	13.39	4.46	8.93	200.47%
Rental and services revenue	38.17	42.04	(3.87)	(9.19%)
Construction revenue under Concession Agreements	21.00	28.08	(7.08)	(25.21%)
Costs of Sales and Services	644.70	632.00	12.70	2.01%
Raw water cost	336.90	337.27	(0.37)	(0.11%)
Tap water cost	231.63	229.79	1.83	0.80%
Industrial water cost	20.94	6.76	14.18	209.75%
Rental and services cost	34.23	30.10	4.14	13.74%
Construction cost under Concession Agreements	21.00	28.08	(7.08)	(25.21%)
Gross profit	492.76	598.92	(106.16)	(17.73%)
Other income	6.31	6.72	(0.41)	(6.11%)
Sells and administrative expenses	129.63	104.32	25.31	24.26%
Operating profit	369.44	501.32	(131.89)	(26.31%)
Finance cost	55.33	42.29	13.04	30.84%
Income tax expenses	60.65	85.22	(24.57)	(28.83%)
Net profit	253.46	373.82	(120.36)	(32.20%)
Net profit attributable to shareholders of the parent company	252.02	370.68	(118.65)	(32.01%)
Earnings per share (EPS)	0.15	0.22	(0.07)	(32.01%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

EBITDA (Million Baht)	For the 1 st quarter			
	2022	2021	YOY	%
Operating profit	369.44	501.32	(131.89)	(26.31%)
Depreciation	168.26	145.70	22.56	15.48%
Amortization	86.52	84.48	8.69	10.29%
EBITDA	624.22	731.51	(107.29)	(14.67%)

Note: Depreciation does not include depreciation from recognizing the rights to use assets in accordance with the lease financial standards (TFRS16)

2. ECONOMIC SITUATION

For Q1/2022, the Thai economy improved from the previous quarter following increases in exports from increased demands of overseas trading partners. The number of foreign tourists increased after the easing of overseas travel restrictions. Also, consumption and private investment indicators are increasing, even though they are somewhat hampered by the spread of the Omicron variant of the COVID-19 and the increase in production costs and cost of living. Government spending, excluding transfers, increased over the same period last year in from investment in the economic stability. The headline inflation increased following the increased costs of fuel and fresh food. Similarly, core inflation increased from the higher cost of processed food. The labor market has improves somewhat, but remains fragile. The current account deficit is near the same level as the previous quarter.

3. WATER SITUATION

As of 9 May 2022, the water supply situation in Chonburi and Rayong were in the higher-than-normal range. Water supply in several main reservoirs were higher than the 8-year average, due to the significant rainfall increase in the latter half of 2021 from several tropical storms that passed through Thailand causing the water volume in the reservoirs to significantly increase. The Thai Meteorological Department predicts that the total rainfall in the Eastern Seaboard in the May – July 2022 period will be about 5% higher than normal. The water in the reservoirs in Chonburi and Rayong were 78.20% and 77.43% of total capacity, respectively.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

3. WATER SITUATION (CONT.)

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	90.10	18.14	69.22	118.59	25.32	197.38
Percentage of total capacity	77%	85%	97%	72%	63%	67%
Average (2013-2021)	57.61	10.54	47.27	114.24	27.00	217.60
Above/(below) average (2013-2021)	+32.51	+7.61	+21.95	+4.35	-1.68	-19.52

4. SIGNIFICANT EVENTS

Dividend Payment: On 29 April 2022, the Annual General Shareholders Meeting (AGM) approved the 2021 dividend payout to shareholders of 0.42 Baht per share, comprising of an interim dividend payout of 0.18 Baht per share, which the shareholders received on 28 September 2021 and dividend payout for the second 6-months of 2021 of 0.24 Baht per share, with the list of shareholders entitled to the dividend payment cut-off date of 10 May 2022 and dividend payment on 27 May 2022.

TRIS Rating: On 25 February 2022, TRIS RATING announced the company rating on Eastern Water Resources Development and Management PLC (EASTW)'s credit and the ratings on its outstanding senior unsecured debentures at "A+", which reflect the Company's strength as a key raw water provider with a comprehensive pipeline network in the Eastern Seaboard area, with projected continued growing water demands from the development of the Eastern Economic Corridor - EEC, its reliable cashflow, and strong profitability. Nevertheless, the rating outlook was reduced from "Stable Outlook" to "Negative Outlook". The Negative Outlook reflects the risk that the Company may not be able to renew the lease for the pipelines from the Treasury Department, which are scheduled to end at the end of December 2023. Conversely, the outlook may be reevaluated as "Stable" if the Company is able to retain the lease for the pipelines or the demonstrate the capability to continuously maintain its operational performance and strong financial status.

On 8 April 2022, TRIS RATING announced the Company credit rating and the ratings on its outstanding senior unsecured debentures at "A+" with "Negative" for the new senior unsecured debentures of 2,800 million Baht that the Company plans on issuing in May 2022.

Progress on lawsuits filed with the Central Administrative Court concerning lease of the Treasury Department's pipelines: On 30 July 2021, the Company participated in the bid process to selection of a private entity to operate and manage the main pipe system in the Eastern Region which comprises 1) the Dokkrai pipeline, 2) the Nongplalai-Nongkho pipeline and 3) Nongkho – Laemchabang (Phase 2) pipeline in accordance with the governmental agency's application of Ratchaphatsadu Land Act, B.E. 2562 (2019) and the Ministerial Regulations on Ratchaphatsadu, B.E. 2564 (2021). The Company submitted a proposal on 9 August 2021. On 26 August 2021, the government agency sent a letter announcing the annulment of the bidding process and invited the Company to resubmit a proposal for a revised bid, dated 10 September 2021. The Company submitted the proposal for the new bid on 28 September 2021.

However, the Company considers the aforementioned annulment of the bid may cause damage to the Company. Thus, on 23 September 2021, the Company filed a lawsuit with the Central Administrative Court (Court) against the Private Entity to Operate and Manage Pipe System Selection Committee (Committee) and the Treasury Department, petitioning the Court to order the revocation the Committee's resolution or its order to annul the bid and to revoke the Committee's announcement and Request for Proposal for the second bid, as well as file a petition for a temporary measure while the Court deliberates. The Court dismissed the temporary measure petition, although the Court's decision also stated that even after the contract for the project in dispute is signed, but the selection process of the private company is subsequently found to not be in compliance with the law, the Court will still have the authority to revoke the proceedings, and that if the Company determines that it has incurred damages, then it has the right to file a suit for damages.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

4. SIGNIFICANT EVENTS (CONT.)

Nevertheless, this Court's dismissal of the temporary measure is not related to the main suit, in which the Company has requested the Court to revoke the resolution or order to cancel the first selection of the Private Company, and to revoke the implementation of the announcement together with the new request for proposal. Currently, the case is still under the Court's deliberation. Once the Court has a ruling on the main case, the case may be continually appealed to the Supreme Administrative Court. Additionally, the water grid that the Company uses to manage water distribution in Rayong, Chon Buri and Chachoengsao Province area has a total length of 512 kilometers, 135.90 kilometers of which are pipes that leased to manage from the Treasury Department, and the other 376.10 kilometers invested by the Company, including several pumping stations connecting the main water resources in the Eastern area, which are not part of current dispute. Therefore, the Company is still able operate its business as usual. The Company is also in the process of developing the water grid including the construction of additional pumping stations to accommodate the increasing demand for water both in present and future especially in the Eastern Economic Corridor (ECC).

Extension of concessions of tap water contract that ended: The Lan Island Waterworks contract ended on 30 September 2021. The contracted government agency has approved a 3-year extension to the contract and is following the steps in the renewal process. Currently, the draft contract is in the being reviewed, with contract signature to follow as the next step.

5. RAW WATER BUSINESS

Raw water revenue for Q1/2022 was 732.18 million Baht, decreased by 62.40 million Baht or -7.85% compared to Q1/2021, mainly from raw water sales volume decrease of 6.31 million Cu.M or -8.82% (excluding internal usage of the Group of Companies of 8.02 million Cu.M.) caused by the large volume of rainfall in the second half of 2021, leading customers, especially the household sector to switch to use more water from natural sources than in the same period of last year, combined with the still severe COVID situation impacting tourism and demands in Chonburi.

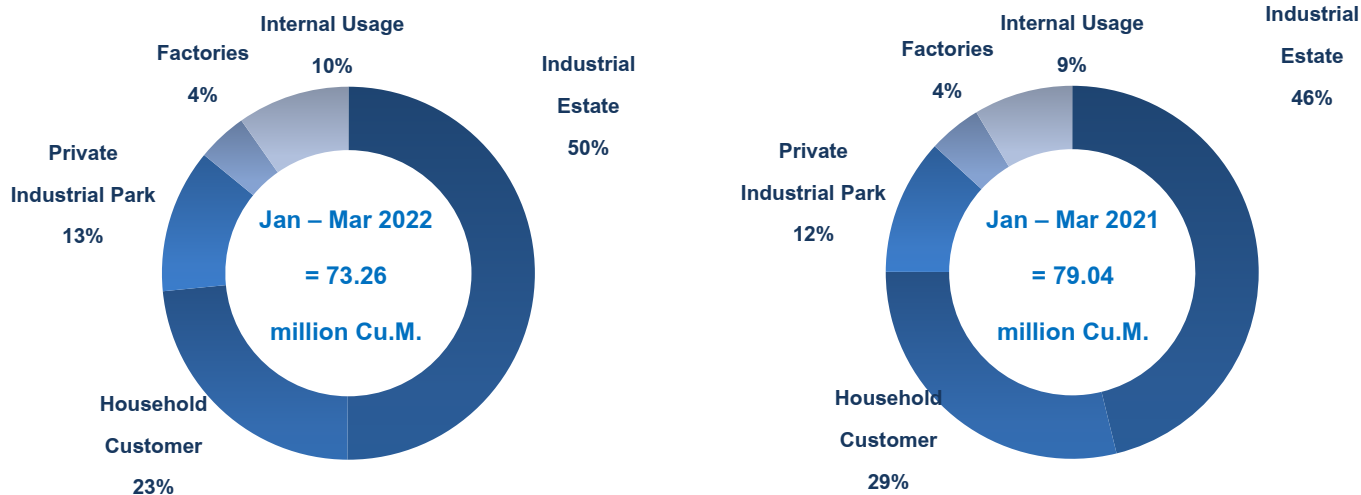
The average raw water sales price was 11.22 Baht per Cu.M., increased by 0.12 Baht per Cu.M. or +1.06% compared to the same period of 2021.

Raw Water Volume (Million Cu.M)	For the 1 st quarter			
	2022	2021	YoY	%
Total distribution volume	73.26	79.04	(5.78)	(7.31%)
(deduct) Internal usage for tap water	8.02	7.49	0.53	7.08%
Net raw water sales volume	65.24	71.55	(6.31)	(8.82%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
 MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

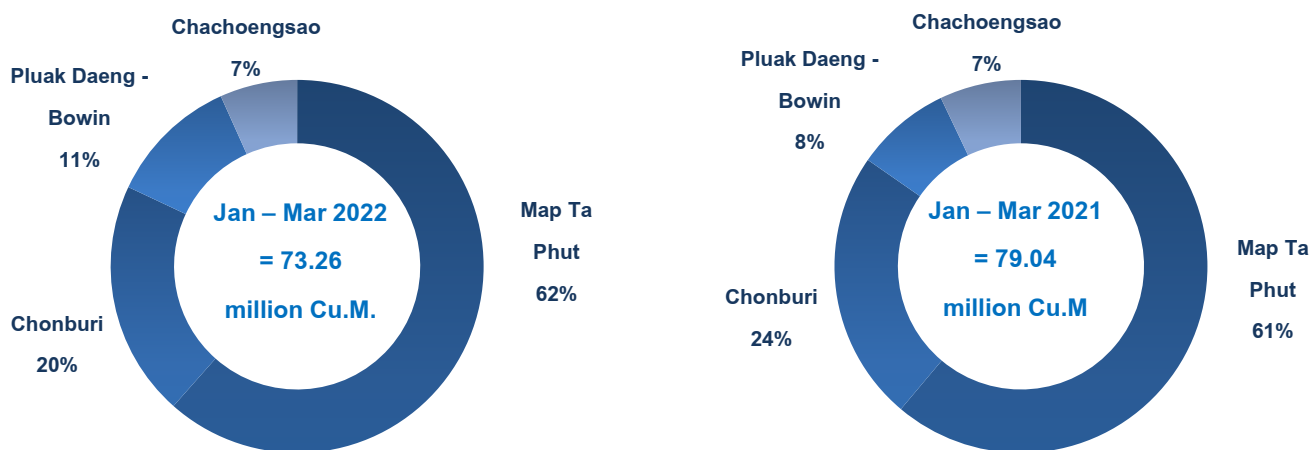
5. RAW WATER BUSINESS (CONT.)

Raw Water Distribution by Customer Group (Internal usage for tap water production is included)



Considering the direction and trend industries, there is substantial raw water business growth potential from the expansion of industries, as well as, the government policy promoting Rayong, Chonburi and Chachoensao provinces to be the production hub of high-tech industries and increasing competitiveness with the Eastern Economic Corridor (EEC). The Company’s raw water capabilities are considered highly ready to support the EEC; from investments, stability of water resources and water distribution network.

Raw Water Distribution by Area (Internal usage for tap water production is included)



EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

5. RAW WATER BUSINESS (CONT.)

Gross Profit of Raw Water Business for Q1/2022 was 395.28 million Baht, decreased by 62.03 million Baht or -13.56% compared to the same period of 2021. The details are as follow:

- 1) Raw water revenue decreased 62.40 million Baht or -7.85% from decreased customer demands, mainly from the household sector due to the large volume of rainfall in the second half of 2021, leading customers to switch to use more water from natural sources than in the same period of last year, combined with the still severe COVID situation impacting tourism and demands in Chonburi higher raw water demands from various customers, especially in the household sector and higher average water sales price.
- 2) Costs of sales decreased 0.37 million Baht or -0.11%, generally following the same trend as the decreased raw water sales volume, nevertheless the rate of decrease is less than the decrease in raw water sales from:
 - o Depreciation increased 13.36 million Baht or +12.28% from booking fixed assets from investment projects that were completed, such as the Tubma Reservoir which was completed in Q3/2021
 - o Other expenses increased 5.03 million Baht or 11.99% from personnel expenses and temporary wages which increased annually at normal rates

As a result, the gross profit margin of raw water business for Q1/2022 decreased to 53.99% from 57.55% YoY.

Major costs of raw water business (Million Baht)	For the 1 st quarter			
	2022	2021	YoY	%
Raw Water Revenue	732.18	794.58	(62.40)	(7.85%)
Costs of Raw Water	336.90	337.27	(0.37)	(0.11%)
Raw Water	52.15	51.59	0.56	1.08%
Electricity	97.46	109.36	(11.89)	(10.88%)
Maintenance	122.14	108.78	13.36	12.28%
Depreciation	18.15	25.58	(7.43)	(29.04%)
Others	47.00	41.97	5.03	11.99%
Gross Profit	395.28	457.31	(62.03)	(13.56%)
Gross Profit Margin	53.99%	57.55%		

6. TAP WATER BUSINESS

Tap water revenue for Q1/2022 was 332.72million Baht, decreased 29.05 million Baht or -8.03% compared to the same period of 2021, following the tap water sales decrease of 2.32 million Cu.M. or -9.37% compared to the same period 2021.

Tap water sales volume (Million Cu.M)	For the 1 st quarter			
	2022	2021	YoY	%
Tap water sales volume	5.02	5.33	(0.31)	(5.82%)
Tap water sales volume of subsidiaries	17.42	19.43	(2.01)	(10.34%)
Total tap water sales volume	22.44	24.76	(2.32)	(9.37%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

6. TAP WATER BUSINESS (CONT.)

Gross Profit of Tap Water Business for Q1/2022 was 101.09 million Baht, decreased by 30.88 million Baht or -23.40% compared to the same period of 2021, following tap water sales decline while sales expenses, such as personnel and maintenance expenses, and other costs, such as property tax and insurance, could not decrease. The gross profit margin was 30.38%, decreased from 36.48% during the same period of 2021.

Major Costs of Tap Water Business (Million Baht)	For the 1 st quarter			
	2022	2021	YoY	%
Tap Water Revenue	332.72	361.77	(29.05)	(8.03%)
Costs of Tap Water	231.63	229.79	1.83	0.80%
Raw Water	46.47	47.47	(1.00)	(2.10%)
Electricity	32.74	32.83	(0.09)	(0.28%)
Chemical	9.29	9.51	(0.23)	(2.40%)
Payroll, Outsource Expenses & Maintenance	47.99	45.63	2.36	5.17%
Depreciation	85.03	87.56	(2.53)	(2.89%)
Others	10.10	6.78	3.32	48.95%
Gross Profit	101.09	131.98	(30.88)	(23.40%)
Gross Profit Margin	30.38%	36.48%		

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for Q1/2022 was 13.39 million Baht increased 8.93 million Baht or +200.47% compared to the same period in 2021, as industrial water sales volume gradually increase to match customer demands

Gross Profit of Industrial Water Business for Q1/2022 was still negative at -7.55 million Baht, mainly due to recognizing depreciation of assets of completed construction using the straight-line method, while customer demands will gradually increase in annual steps. Nevertheless, Amata City Rayong Industrial Estate has started to purchase water with the contracted minimum guarantee from 2022 onward, whilst the Gulf PD powerplant is currently in the testing period after construction and its sales volume is expected to gradually increase to match demands. The Company expects to start generating gross profit from 2023 onwards.

Major Costs of Industrial Water Business (Million Baht)	For the 1 st quarter			
	2022	2021	YoY	%
Industrial Water Sale Volume	0.89	0.30	0.59	196.67%
Industrial Water Revenue	13.39	4.46	8.93	200.47%
Costs of Industrial Water	20.94	6.76	14.18	209.75%
Raw Water	0.78	0.18	0.60	333.33%
Electricity	1.46	1.70	(0.24)	-14.12%
Chemical	11.25	4.46	6.79	152.22%
Depreciation	7.45	0.42	7.03	1673.81%
Gross Profit	(7.55)	(2.31)	(5.25)	227.68%
Gross Profit Margin	(56.42%)	(51.74%)		

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

8. FINANCIAL POSITION ANALYSIS

Financial Position (MB)	As of 31 Mar 2022	As of 31 Dec 2021	Increased (Decreased)	%
Total Assets	23,793.81	23,688.87	104.94	0.44%
Total Liabilities	12,114.24	12,261.91	(147.67)	(1.20%)
Equity	11,679.57	11,426.96	252.61	2.21%
- Equity attributable to owners of the parent company	11,517.99	11,266.86	251.13	2.23%

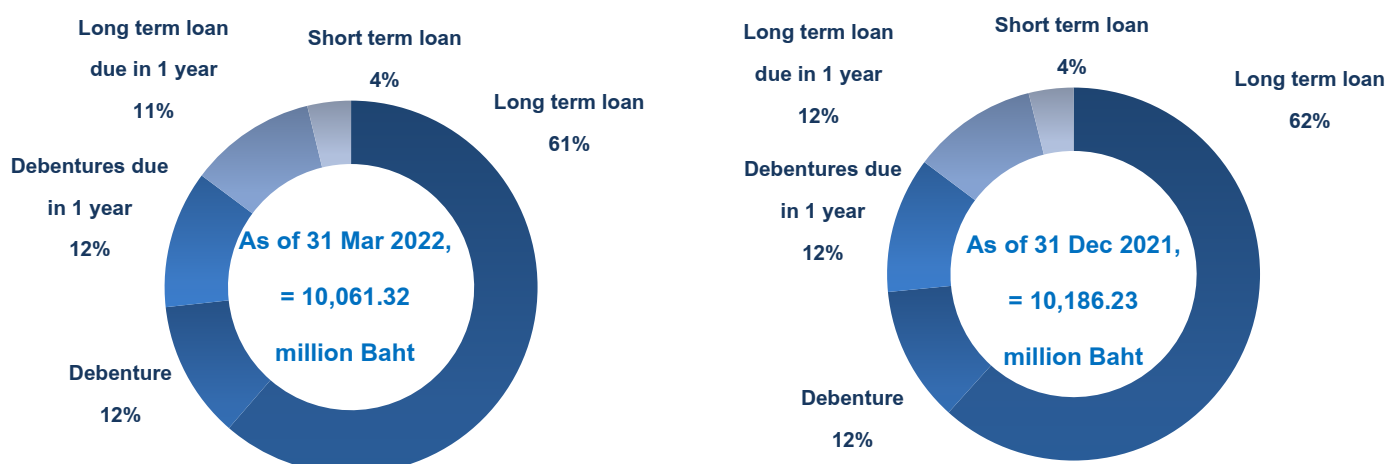
1) Assets As 31 March 2022, total assets were 23,793.21 million Baht, increased by 104.94 million Baht or +0.44% from 31 December 2021 due to the changes in the following items:

- Land, buildings and equipment (net) were 17,765.96 million Baht, increased by 66.27 million Baht from 31 December 2021, mainly from progress of construction, such as, industrial water and total water solution projects, and Klong Luang Reservoir Pipeline project.

2) Liabilities At the end of 31 March 2022, total liabilities were 12,114.24 million Baht, decreased 147.67 million Baht or -1.20% from 31 December 2021, mainly due to changes in the following items:

- Long-term loans from financial institutions totaled 7,282.00 million Baht, decreased by 110.00 million Baht from 31 December 2021 from gradual repayment of long-term loans
- Debtors from the purchase of fixed assets decreased 26.51 million Baht from the payment for the construction various construction projects that are gradually completed following construction progress.

Proportion of Interest-Bearing Debt



Note: According to the debentures and long-term loan agreements, the company was required to maintain its D/E ratio of not higher than 2.00.

3) Shareholder's Equity At the end of 31 March 2022, Shareholders' equity attributable to owners of the parent company was 11,517.99 million Baht, increased by 252.61million Baht or +2.21% from 31 December 2021.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For 2022, the company had carried over cash and cash equivalents of 293.43 million Baht, whereby during the financial period, net cash increased 9.75 million Baht. This comprised of the following items:

1) Net cash received from Operating Activities totaling 524.82 million Baht from net income and the changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to 348.59 million Baht. This was mainly due to cash purchase of fixed assets, advance payment for construction of 217.01 million Baht and purchase of financial assets of 30.58 million Baht.

3) Net cash received from Financing Activities amounted to 166.47 million Baht, mainly for net repayment of long-term loans totaling 110.00 million Baht and drawdown of short-term loan of 15.00 million Baht.

10. KEY FINANCIAL RATIOS

Key Financial Ratios	Q1/2022	Q1/2021
Liquidity Ratio		
Current ratio (times)	0.46	0.84
Average A/R collection days (days) ¹⁾	41.59	43.59
Profitability Ratio ²⁾		
Gross profit / total sales and services revenue (%)	44.14%	49.79%
Net profit / total sales and services revenue (%)	22.70%	31.08%
Performance Ratio		
Return on Equity (ROE) (%)	8.28%	7.32%
Return on Assets (ROA) (%)	3.89%	3.51%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.05	1.17
Debt Service Coverage ratio (DSCR) (time)	1.72	1.77

Note:

- 1) Average A/R collection days is the average of billed and unbilled debtors
- 2) Gross profit and Net profit do not include construction revenue under concession agreement and other income.
- 3) Debt to Equity ratio is calculated only for the equity holders of the parent company
- 4) DSCR does not include the debenture that are due in 1 year as the Company already has secured loan from bank to cover

In Q1/2022, East Water Group reported an decrease in net profit and profit margin compared to the same period of 2021, mainly from decreased raw water sales, whilst water sales expenses did not decrease as much combined with increased costs of sales and administration. Consequently, gross profit margin and net profit margin decreased to 44.14% and 22.70%, respectively, while in Q1/2021 the gross profit margin was 49.79% and net profit margin was 31.08%.

Return on Equity (ROE) and Return on Asset (ROA) increased to 8.28% and 3.89%, respectively compared to the same period in 2021, when the ROE was 7.32% and ROA was 3.51%, due to the higher net profit for the prior 12-month period YoY (Q2/2020–Q3/2020 were in drought period with water distribution volume controls, leading to low net profit)

As for the liquidity at the end of Q1/2022, the Liquidity Ratio was 0.46 times, decreased from Q1/2021's 0.84 times from long-term loan drawdown in previous year causing cash-in-hand at end of period to be higher. Debt to Equity ratio was 1.05 times, decreased from 1.17 times in Q1/2021, due to the Company booking decreased debtors of permanent assets compared to the same period last year. This follows the completion construction projects, mainly the Tubma Reservoir project. The Debt Service Coverage Ratio (DSCR) remained strong at 1.72 times, a slight decreased from Q1/2021's 1.77 times due to decreased EBITDA.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2022

11. CREDIT TERM POLICY

The Company has set credit terms for raw water customers, tap water customers and tenants at approximately 30 days. For trading partners, the Company will negotiate credit terms to be approximately 30 days as well. The Group of Companies has appropriate policies and procedures to control credit risk from transactions with customers. As the majority of the group’s customers are either governmental agencies or large private companies, Management assessed credit risk as “low”.

12. CAPITAL EXPENDITURE COMMITMENT

Capital expenditure commitments that have not yet been recognized in the financial statement are as follows:

Capital Expenditure (MB)	31 March 2022	31 December 2021
Land, buildings and equipment	799.83	925.79
Intangible assets	190.09	147.63
Total	989.92	1,073.42

Capital expenditure commitment in land, buildings and equipment stem from ongoing construction projects, such as the industrial water supply projects for Gulf PD and Carabao Dang, the Klong Luang – Chonburi raw water pipeline construction project and total water service for U-Tapao International Airport project.

13. RELATED PARTIES TRANSACTIONS

The Company has related transactions with entities that might experience conflict of interests, as identified by the Auditor as follow:

- 1) The Provincial Waterworks Authority (PWA), which the largest shareholder, with 40.20% of the Company’s issued shares and has representatives appointed to the Company’s Board of Directors
- 2) The Industrial Estate Authority of Thailand (IEAT), which holds 4.57% of the Company’s issued shares and has a representative appointed to the Company’s Board of Directors

The details of related transactions are sorted by type of transactions and included in the note to financial statement no. 15.1 of the financial statement relating to related transactions with individuals or businesses.