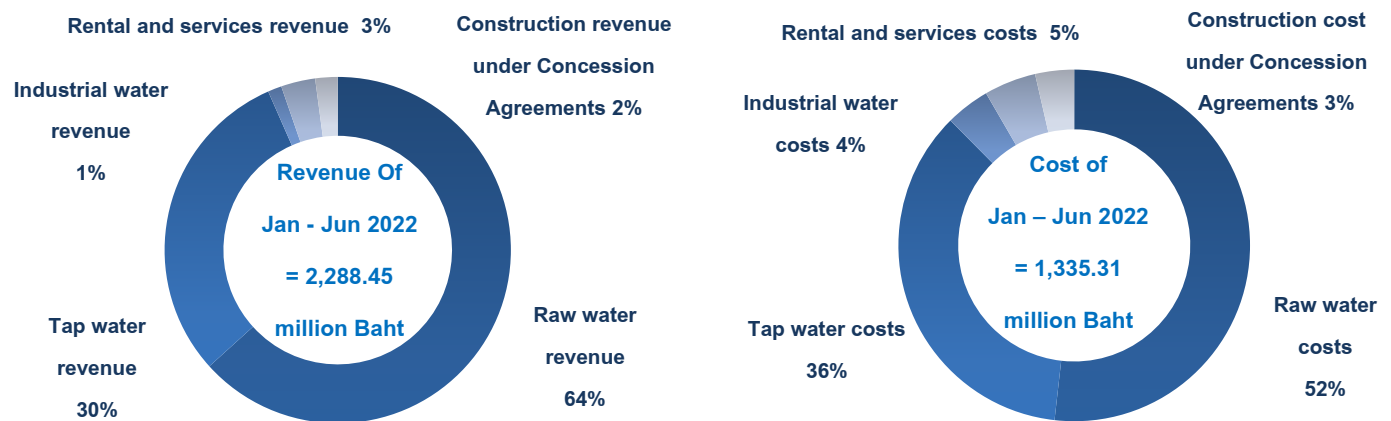


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

1. ANALYSIS OF FINANCIAL PERFORMANCE

For the second quarter of 2022, East Water Group had total consolidated sales and services income of 2,288.45 million Baht, decreased by 148.41 million Baht or -6.09%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 1,335.31 million Baht, increased by 10.31 million Baht or +0.78% compared to Q2 of 2021. In 2022, East Water Group generated a net profit of 509.18 million Baht, with net profit attributable to equity holders of the parent company of 505.61 million Baht, decreased by 143.22 million Baht or -22.07%.

Proportion of revenues and cost



Income statement (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Total Sales and Services revenue	1,150.99	1,205.95	(54.96)	(4.56%)	2,288.45	2,436.87	(148.41)	(6.09%)
Raw water revenue	716.25	783.99	(67.75)	(8.64%)	1,448.43	1,578.57	(130.14)	(8.24%)
Tap water revenue	356.83	364.07	(7.24)	(1.99%)	689.55	725.84	(36.29)	(5.00%)
Industrial water revenue	16.09	5.18	10.91	210.44%	29.48	9.64	19.84	205.83%
Rental and services revenue	35.06	32.78	2.28	6.97%	73.23	74.81	(1.58)	(2.11%)
Construction revenue under Concession Agreements	26.76	19.93	6.84	34.31%	47.76	48.00	(0.24)	(0.50%)
Costs of Sales and Services	690.61	693.00	(2.40)	(0.35%)	1,335.31	1,325.00	10.31	0.78%
Raw water cost	354.62	378.67	(24.05)	(6.35%)	691.52	715.94	(24.41)	(3.41%)
Tap water cost	246.14	248.87	(2.73)	(1.10%)	477.76	478.66	(0.90)	(0.19%)
Industrial water cost	33.41	19.38	14.04	72.44%	54.35	26.14	28.22	107.95%
Rental and services cost	29.68	26.17	3.51	13.41%	63.91	56.27	7.64	13.58%
Construction cost under Concession Agreements	26.76	19.93	6.84	34.31%	47.76	48.00	(0.24)	(0.50%)
Gross profit	460.38	512.95	(52.56)	(10.25%)	953.14	1,111.87	(158.72)	(14.28%)
Other income	53.70	5.68	48.01	844.84%	60.01	12.41	47.60	383.66%
Sells and administrative expenses	138.50	127.25	11.24	8.83%	268.13	231.57	36.56	15.79%
Operating profit	375.58	391.38	(15.79)	(4.03%)	745.02	892.70	(147.68)	(16.54%)
Finance cost	64.82	50.78	14.03	27.64%	120.15	93.07	27.08	29.09%
Income tax expenses	55.04	59.55	(4.51)	(7.57%)	115.70	144.78	(29.08)	(20.09%)
Net profit	255.72	281.04	(25.32)	(9.01%)	509.18	654.86	(145.67)	(22.25%)
Net profit attributable to shareholders of the parent company	253.64	278.15	(24.52)	(8.81%)	505.61	648.83	(143.22)	(22.07%)
Earnings per share (EPS)	0.15	0.17	(0.02)	(8.81%)	0.30	0.39	(0.09)	(22.07%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

EBITDA (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Operating profit	375.58	391.38	(15.79)	(4.03%)	745.02	892.70	(147.68)	(16.54%)
Depreciation	179.72	148.49	31.22	21.03%	347.98	294.19	53.78	18.28%
Amortization	88.77	86.44	2.34	2.70%	175.29	170.92	4.37	2.56%
EBITDA	644.08	626.31	17.77	2.84%	1,268.29	1,357.81	(89.52)	(6.59%)

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 Q2/2022, the Thai economy improved from the previous quarter following increased private consumption, especially in the service sector as the number of foreign tourists increased from the relaxation of pandemic restrictions, both locally and for international travel. This helped the recovery of the commercial and service sector. Private investment also improved following the general economic recovery. Exports increased from the sustained demand growth from trading partners. Simultaneously, public spending expanded from current expenditures and transfer payment. Nevertheless, manufacturing production declined from production material shortages.

Headline inflation increased considerably from energy sector inflation increase from rising retail petroleum prices, following the global crude oil price. Core inflation also increased from the increase in prepared food and food ingredients prices. Labor market gradually improved as the economy recovers. The current account recorded higher deficit due to lower trade balance surplus, as well as higher deficit in the net service, income and transfers balance. Foreign currency exchange between Thai Baht versus the U.S. Dollar shows continued softening, in line with other regional currencies, from appreciation of the U.S. Dollar from the robust financial policy of the U.S. Federal Reserve System.

3. WATER SITUATION

As of 22 July 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 and first half of 2022 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 August-October 2022 period will be about 5% higher than normal. The water in the reservoirs in Chonburi and Rayong were 68.48% and 73.84% of total capacity, respectively.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

3. WATER SITUATION (CONT.)

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	76.84	17.94	51.65	120.58	31.01	195.00
Percentage of total capacity	66%	84%	72%	74%	77%	66%
Average (2013-2021)	40.62	7.72	36.24	94.09	23.73	140.72
Above/(below) average (2013-2021)	+36.22	+10.22	+15.40	+26.50	+7.28	+54.28

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.

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.

On 29 June 2022, TRIS RATING lowered the rating of the Company's credit and the ratings on its outstanding senior unsecured debentures to "A" with "Stable Outlook" from "A+" with "Negative Outlook." This lowered rating reflects the high possibility that the Company would be unable to renew the lease for the pipelines from the Treasury Department. The lease will expire at the end of December 2023. The "Stable Outlook" reflects TRIS Rating's expectation that the Company's business operations is sufficiently flexible and able to continually generate secure cashflow from customers.

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

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

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

4. SIGNIFICANT EVENTS (CONT.)

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.

On 1 August 2022, the Company filed a petition for a temporary measure with the Central Administrative Court to postpone the signature of the lease contract for the management and operation of the major water distribution pipelines in the Eastern Seaboard area between the Treasury Department and the private company that acquired the lease scheduled for 3 August 2022. On 2 August 2022, the Central Administrative Court issued a court order granting the temporary measure before the court's final deliberation to suspend the implementation of the announcement and Request for Proposal for the management and operation of the major water distribution pipelines in the Eastern Seaboard area dated 10 September 2021. This results in the temporary postponement of the signature of the above-mentioned contract until the Court issues its ruling or other order.

Currently, 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 120 kilometers of pipelines capacity of 350,000 cubic meter per day (CMD) connecting the Water Grid and enhancing water security to maintain the customer base and support demand growth stemming from the expansion of the industrial sector following the government's EEC policy. This development is currently in progress according to plans, and is set to be ready to supply water to customer by December 2023.

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.

Issuance of EASTW no. 1/2022 Debentures: On 31 May 2022, the Company issued unsubordinated and unsecured with bond representative debentures No. 1/2022 for a total amount of 1,600 million Baht to institutional investors and/or high net worth investors, which was approved by the Securities and Exchange Commission of Thailand. The debentures are divided into 2 tranches. Tranche 1 totals 850 million Baht with a tenor of 5 years and interest rate of 3.53%. Tranche 2 totals 750 million Baht with a tenor of 10 years and interest rate of 4.52%. Both tranches have semi-annual interest payment over the tenor period. The Bank of Ayudhya Public Company Limited was appointed as the arranger, bond representative and registrar of debentures.

5. RAW WATER BUSINESS

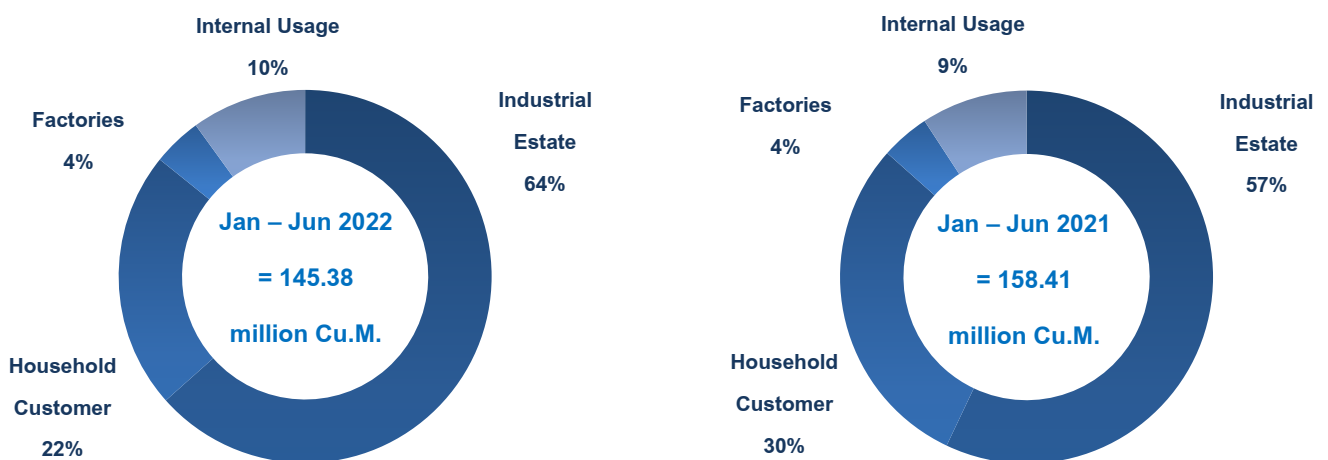
Raw water revenue for Q2/2022 was 1,448.43 million Baht, decreased by 130.14 million Baht or -8.24% compared to Q2/2021, mainly from raw water sales volume decrease of 13.34 million Cu.M or -9.38% (excluding internal usage of the Group of Companies of 16.49 million Cu.M.) caused by the large volume of rainfall in the second half of 2021 and first half of 2022, 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 11.24 Baht per Cu.M., increased by 0.14 Baht per Cu.M. or +1.25% compared to the same period of 2021.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

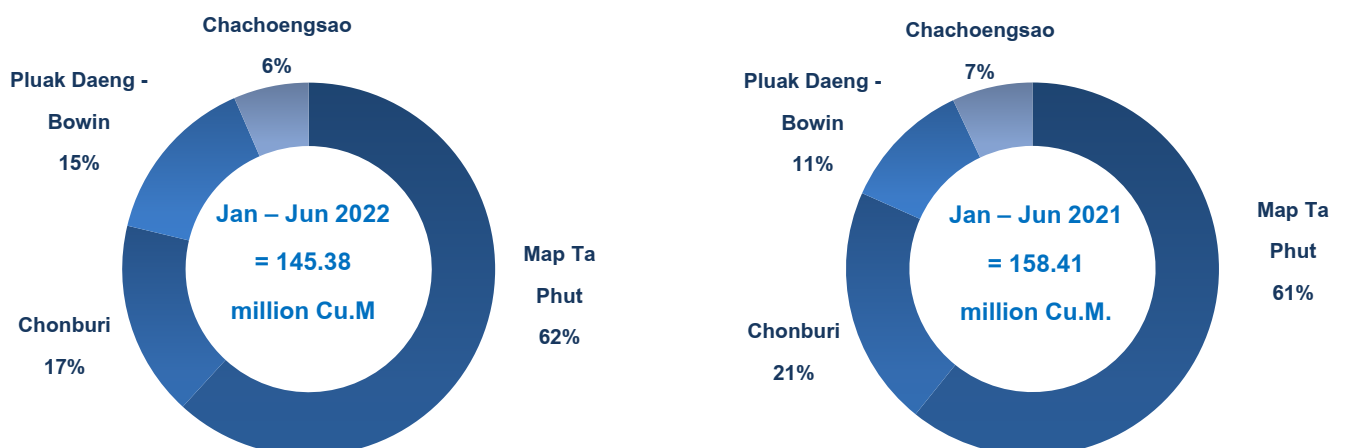
Raw Water Volume (Million Cu.M)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Total distribution volume	72.12	79.37	(7.25)	(9.13%)	145.38	158.41	(13.03)	(8.23%)
(deduct) Internal usage for tap water	8.47	8.69	(0.22)	(2.53%)	16.49	16.18	0.31	1.92%
Net raw water sales volume	63.65	70.68	(7.03)	(9.95%)	128.89	142.23	(13.34)	(9.38%)

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 Chachoengsao 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 Q2/2022

5. RAW WATER BUSINESS (CONT.)

Gross Profit of Raw Water Business for Q2/2022 was 756.91 million Baht, decreased by 105.73 million Baht or -12.26% compared to the same period of 2021. The details are as follow:

- 1) Raw water revenue decreased 130.14 million Baht or -8.24% 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.
- 2) Costs of sales decreased 24.41 million Baht or -3.41%, 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 27.35 million Baht or +12.54% 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 6.47 million Baht or 7.19% from personnel expenses and temporary wages which increased annually at normal rates

As a result, the gross profit margin of raw water business for Q2/2022 decreased to 52.26% from 54.65% YoY.

Major costs of raw water business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Raw Water Revenue	716.25	783.99	(67.75)	(8.64%)	1,448.43	1,578.57	(130.14)	(8.24%)
Costs of Raw Water	354.62	378.66	(24.05)	(6.35%)	691.52	715.94	(24.41)	(3.41%)
Raw Water	35.25	46.16	(10.91)	(23.63%)	87.40	97.75	(10.35)	(10.59%)
Electricity	113.59	145.48	(31.89)	(21.92%)	211.05	254.83	(43.78)	(17.18%)
Maintenance	123.26	109.27	13.99	12.80%	245.40	218.05	27.35	12.54%
Depreciation	33.01	29.69	3.32	11.19%	51.16	55.27	(4.11)	(7.43%)
Others	49.51	48.07	1.44	2.99%	96.51	90.04	6.47	7.19%
Gross Profit	361.63	405.33	(43.70)	(10.78%)	756.91	862.64	(105.73)	(12.26%)
Gross Profit Margin	50.49%	51.70%			52.26%	54.65%		

6. TAP WATER BUSINESS

Tap water revenue for the first half of 2022 was 689.55 million Baht, decreased 36.29 million Baht or -5.00% compared to the same period of 2021, following the tap water sales decrease of 3.08 million Cu.M. or -6.23% compared to the same period of 2021.

Tap water sales volume (Million Cu.M)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Tap water sales volume of Company	5.42	5.66	(0.24)	(4.23%)	10.44	10.99	(0.55)	(5.00%)
Tap water sales volume of subsidiaries	18.55	19.07	(0.52)	(2.74%)	35.97	38.50	(2.53)	(6.58%)
Total tap water sales volume	23.97	24.73	(0.76)	(3.08%)	46.41	49.49	(3.08)	(6.23%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

6. TAP WATER BUSINESS (CONT.)

Gross Profit of Tap Water Business for the first half of 2022 was 211.79 million Baht, decreased by 35.39 million Baht or -14.32% 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 30.71%, decreased from 34.05% during the same period of 2021.

Major Costs of Tap Water Business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Tap Water Revenue	356.83	364.07	(7.24)	(1.99%)	689.55	725.84	(36.29)	(5.00%)
Costs of Tap Water	246.14	248.87	(2.73)	(1.10%)	477.76	478.66	(0.90)	(0.19%)
Raw Water	49.05	52.12	(3.07)	(5.89%)	95.52	99.59	(4.06)	(4.08%)
Electricity	37.20	33.12	4.08	12.31%	69.94	65.96	3.99	6.04%
Chemical	11.76	11.00	0.76	6.89%	21.05	20.52	0.53	2.58%
Payroll, Outsource Expenses & Maintenance	48.91	55.62	(6.71)	(12.07%)	96.90	101.25	(4.35)	(4.30%)
Depreciation	87.09	87.72	(0.63)	(0.72%)	172.12	175.28	(3.16)	(1.80%)
Others	12.12	9.28	2.85	30.69%	22.23	16.06	6.17	38.40%
Gross Profit	110.69	115.20	(4.51)	(3.91%)	211.79	247.18	(35.39)	(14.32%)
Gross Profit Margin	31.02%	31.64%			30.71%	34.05%		

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for the first half of 2022 was 29.48 million Baht, increased 19.84 million Baht or +205.83% 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 the first half of 2022 was still negative at -24.87 million Baht, mainly due to recognizing depreciation of assets of completed construction, such as the Industrial Water Supply Projects to Amata City Rayong and Gulf PD, 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 has started purchasing water since April 2022, with demands projected to increase in step with Gulf PD's electricity production. Additionally, the Company has signed contracts with new customers such as: Carabao Group, Thai Medical Gloves Co. Ltd., Rojana Pluakdaeng Industrial Estate, as well as several other customers in the contracting process. The Company expects to start generating gross profit from 2023 onwards.

Industrial Water Sale Volume Industrial Water Revenue	Q2 (3-month period)				Q2 (6 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Costs of Industrial Water	1.07	0.34	0.73	214.71%	1.96	0.64	1.32	206.25%
Industrial Water Sale Volume	16.09	5.18	10.91	210.44%	29.48	9.64	19.84	205.83%
Industrial Water Revenue	33.41	19.38	14.03	72.40%	54.35	26.14	28.21	107.92%
Raw Water	6.20	8.30	(2.10)	(25.30%)	11.16	8.48	2.68	31.60%
Direct cost (electricity, chemicals, O&M)	7.72	5.79	1.93	33.33%	14.20	7.90	6.30	79.75%
Depreciation	19.44	4.83	14.61	302.48%	28.93	9.29	19.64	211.41%
Other costs	0.05	0.46	(0.41)	(88.84%)	0.06	0.47	(0.41)	(87.23%)
Gross Profit	(17.32)	(14.20)	(3.12)	(22.00%)	(24.87)	(16.50)	(8.37)	(50.73%)
Gross Profit Margin	(107.65%)	(273.91%)			(84.39%)	(171.22%)		

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

8. FINANCIAL POSITION ANALYSIS

Financial Position (MB)	As of 30 Jun 2022	As of 31 Dec 2021	Increased (Decreased)	%
Total Assets	23,477.13	23,688.87	(211.74)	(0.89%)
Total Liabilities	11,948.70	12,261.91	(313.21)	(2.55%)
Equity	11,528.43	11,426.96	101.47	0.89%
- Equity attributable to owners of the parent company	11,371.95	11,266.86	105.09	0.93%

1) Assets As 30 June 2022, total assets were 23,477.13 million Baht, decreased by 211.74 million Baht or -0.89% from 31 December 2021 due to the changes in the following items:

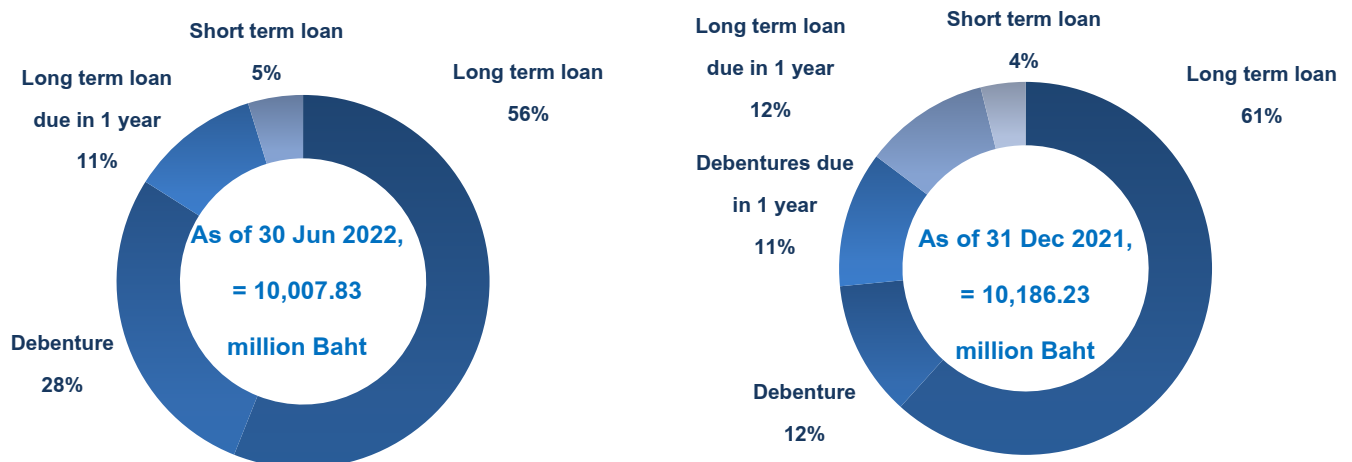
- Cash and cash equivalent were 119.87 million Baht, decreased by 173.56 million Baht from end of 2021, from the gradual drawdown of long-term loans to pay for the investment projects as they progress
- Land, buildings and equipment (net) were 17,768.51 million Baht, increased by 68.82 million Baht from end of 2021, mainly from progress of construction, such as, industrial water and total water solution projects, and Klong Luang Reservoir Pipeline project.

2) Liabilities As of 30 June 2022, total liabilities were 11,948.70 million Baht, decreased 313.21 million Baht or -2.55% from 31 December 2021, mainly due to changes in the following items:

- Long-term loans from financial institutions totaled 6,734.00 million Baht, decreased by 658.00 million Baht from 31 December 2021 from 2,148.00 million Baht repayment of long-term loans. Net off with 1,490 million Baht drawdown of long-term loans for various investment projects and repayment of debentures that reached maturity.

- Debentures increased from 2,400 million Baht to 2,800 million Baht as the Company issued new debentures of 850 million Baht.(5-year) and 750 million Baht (10-year) to refinance long term loans, and redeemed the debentures that reached maturity on 16 June 2022, amounting to 1,200 million Baht. Thus, the net increase of 400 million Baht of debentures.

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 As of 30 June 2022, Shareholders' equity attributable to owners of the parent company was 11,371.95 million Baht, increased by 105.09 million Baht or +0.93% from 31 December 2021.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For the first half of 2022, the company had carried over cash and cash equivalents of 293.43 million Baht, whereby during the financial period, net cash decreased 173.56 million Baht. This comprised of the following items:

1) Net cash received from Operating Activities totaling 946.13 million Baht from net income and the changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to 407.92 million Baht. This was mainly due to cash purchase of fixed assets and advance payment for construction of 415.13 million Baht.

3) Net cash used in Financing Activities amounted to 711.78 million Baht, mainly for net repayment of long-term loans totaling 658.00 million Baht.

10. KEY FINANCIAL RATIOS

Key Financial Ratios	Q2/2022	Q2/2021
Liquidity Ratio		
Current ratio (times)	0.56	0.45
Average A/R collection days (days) ¹⁾	27.77	25.64
Profitability Ratio ²⁾		
Gross profit / total sales and services revenue (%)	42.54%	46.54%
Net profit / total sales and services revenue (%)	22.72%	27.41%
Performance Ratio		
Return on Equity (ROE) (%)	8.24%	8.61%
Return on Assets (ROA) (%)	3.89%	4.06%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.05	1.16
Debt Service Coverage ratio (DSCR) (time)	1.73	1.89

Note: 1) Average A/R collection days excludes unbilled debtors

2) Gross profit and Net profit do not include construction revenue under concession agreement and other income.

For the first half of 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 42.54% and 22.72%, respectively, while in the first half of 2021 the gross profit margin was 46.54% and net profit margin was 27.41%.

Return on Equity (ROE) and Return on Asset (ROA) decreased to 8.24% and 3.89%, respectively, compared to the same period in 2021, when the ROE was 8.61% and ROA was 4.06%, due to lower net profit.

As for the liquidity at the end of the first half of 2022, the Liquidity Ratio was 0.56 times, increased from Q2/2021's 0.45 times from the recognition of debt from the purchase of permanent assets. Debt to Equity ratio was 1.05 times, compared to 1.16 times in Q2/2021, 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 1.73 times, a slight decreased from Q2/2021's 1.89 times due to increased long-term loan that must be repaid within 1 year.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2022

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)	30 June 2022	31 December 2021
Land, buildings and equipment	815.84	925.79
Intangible assets	103.98	147.63
Total	919.82	1,073.42

Capital expenditure commitment in land, buildings and equipment stem from ongoing construction projects, such as 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. 16 of the financial statement relating to related transactions with individuals or businesses.