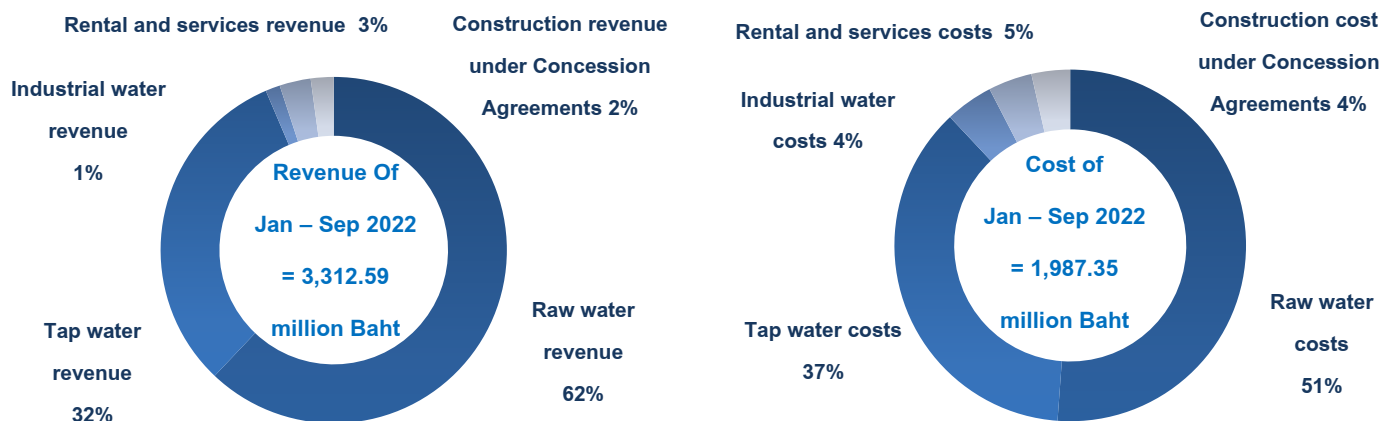


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

1. ANALYSIS OF FINANCIAL PERFORMANCE

For the third quarter of 2022, East Water Group had total consolidated sales and services income of 3,312.59 million Baht, decreased by 240.30 million Baht or -6.76%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 1,987.35 million Baht, decreased by 1.68 million Baht or -0.08% compared to Q3 of 2021. In 2022, East Water Group generated a net profit of 635.24 million Baht, with net profit attributable to equity holders of the parent company of 629.23 million Baht, decreased by 248.55 million Baht or -28.32%.

Proportion of revenues and cost



Income statement (Million Baht)	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Total Sales and Services revenue	1,024.14	1,116.02	(91.88)	(8.23%)	3,312.59	3,552.89	(240.30)	(6.76%)
Raw water revenue	607.63	699.03	(91.40)	(13.08%)	2,056.06	2,277.61	(221.54)	(9.73%)
Tap water revenue	354.53	360.19	(5.67)	(1.57%)	1,044.08	1,086.03	(41.95)	(3.86%)
Industrial water revenue	15.71	4.39	11.32	257.69%	45.18	14.03	31.15	222.06%
Rental and services revenue	23.47	25.16	(1.69)	(6.72%)	96.70	99.98	(3.27)	(3.27%)
Construction revenue under Concession Agreements	22.81	27.25	(4.44)	(16.28%)	70.57	75.25	(4.68)	(6.22%)
Costs of Sales and Services	652.04	664.03	(11.99)	(1.81%)	1,987.35	1,989.03	(1.68)	(0.08%)
Raw water cost	325.03	362.48	(37.45)	(10.33%)	1,016.55	1,078.42	(61.87)	(5.74%)
Tap water cost	254.87	244.82	10.05	4.10%	732.63	723.48	9.15	1.26%
Industrial water cost	33.15	7.33	25.82	352.22%	87.50	33.47	54.03	161.45%
Rental and services cost	16.18	22.15	(5.97)	(26.94%)	80.09	78.42	1.67	2.13%
Construction cost under Concession Agreements	22.81	27.25	(4.44)	(16.28%)	70.57	75.25	(4.68)	(6.22%)
Gross profit	372.10	451.99	(79.89)	(17.68%)	1,325.25	1,563.86	(238.61)	(15.26%)
Other income	11.08	7.97	3.11	39.00%	71.09	20.38	50.71	248.85%
Sells and administrative expenses	139.02	124.94	14.08	11.27%	407.15	356.52	50.63	14.20%
Operating profit	244.16	335.02	(90.86)	(27.12%)	989.18	1,227.72	(238.54)	(19.43%)
Finance cost	64.10	32.69	31.41	96.08%	184.25	125.76	58.49	46.51%
Income tax expenses	54.00	70.55	(16.55)	(23.46%)	169.70	215.33	(45.63)	(21.19%)
Net profit	126.06	231.78	(105.72)	(45.61%)	635.24	886.63	(251.39)	(28.35%)
Net profit attributable to shareholders of the parent company	123.62	228.96	(105.33)	(46.01%)	629.23	877.78	(248.55)	(28.32%)
Earnings per share (EPS)	0.07	0.14	(0.07)	(46.01%)	0.38	0.53	(0.15)	(28.32%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

EBITDA (Million Baht)	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Operating profit	244.16	335.02	(90.86)	(27.12%)	989.18	1,227.72	(238.54)	(19.43%)
Depreciation	192.58	148.49	44.09	29.69%	540.56	467.01	73.55	15.75%
Amortization	90.64	86.44	4.20	4.86%	265.93	259.85	6.08	2.34%
EBITDA	527.38	569.95	(42.57)	(7.47%)	1,795.67	1,954.57	(158.90)	(8.13%)

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 Q3/2022, the Thai economy improved across all business sectors from the same period last year as a result of the country's full reopening, recovery further encouraged by return to normalcy. Compared to the previous quarter, business remains relatively stable as several sectors are still faced with increased costs of transportation, power and raw materials, while the ability to pass the increased costs to customers is limited due to the national purchasing power remaining weak and increased competition. Furthermore, the slowdown of trading partner countries' economies and supply disruption limited the expansion of exports. Some parts of the commerce and service sectors suffer from labor scarcity in some locations. Overall hiring and investments increased, but still at below pre-Covid levels.

For Q4/2022, the Thai economy is predicted to expand compared to the same period last year and the previous quarter, following the expected increased number of foreign tourists in the peak tourism season. Nevertheless, negative factors would still hamper the recovery, such as (1) limited purchasing power recovery due to increased cost of living, (2) projected slowdown of trading partners' economies, (3) uncertainty of raw material and energy costs, (4) upward trend of interest rates and (5) variability of foreign exchange rates. The impact of flooding in September is expected to be limited to only certain sectors, such as some agricultural areas, while manufacturing would not be affected.

3. WATER SITUATION

As of 21 October 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 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 99.48% and 101.49% of total capacity, respectively.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

3. WATER SITUATION (CONT.)

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	114.83	22.85	80.37	182.13	40.63	275.61
Percentage of total capacity	98.00%	107.00%	113.00%	111.00%	101.00%	93.40%
Average (2013-2021)	62.93	10.67	51.31	120.48	25.04	192.70
Above/(below) average (2013-2021)	51.90	12.18	29.06	61.65	15.59	82.91

4. SIGNIFICANT EVENTS

Dividend Payment: The Board of Directors' Meeting on 29 August 2022 approved the interim dividend payment, for the period of 1 January 2022 to 30 June 2022, of 0.12 Baht per share, with the list of shareholders entitled to the dividend payment cut-off date of 12 September 2022 and dividend payment on 27 September 2022. The interim dividend payout totaled 200 million Baht.

TRIS Rating: 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 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.

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. On 21 September 2022, the Supreme Administrative Court ruled against the Central Administrative Court's decision, thus reversing the Central Administrative Court's decision and dismissing the petition.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

4. SIGNIFICANT EVENTS (CONT.)

Nonetheless, the Supreme Administrative Court's ruling only affected the petition for a temporary measure to postpone the signature of the contract, and is in no way a ruling on the main case. The specifics of the main case are still being deliberated by the Central Administrative Court, the results are still uncertain. Once the Central Administrative Court issues an order or renders judgement on the main case, the Company may file an appeal with and enter the Supreme Administrative Court's deliberation process. If the Company determines that it has incurred damages, then it has the right to file a suit for damages

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.

5. RAW WATER BUSINESS

Raw water revenue for Q3/2022 was 2,056.06 million Baht, decreased by 221.54 million Baht or -9.73% compared to Q3/2021, mainly from raw water sales volume decrease of 21.85 million Cu.M or -9.52% (excluding internal usage of the Group of Companies of 25.12 million Cu.M.) caused by the large volume of rainfall compared to the previous year leading customers, especially the household sector to switch to use more water from natural sources than in the same period of last year.

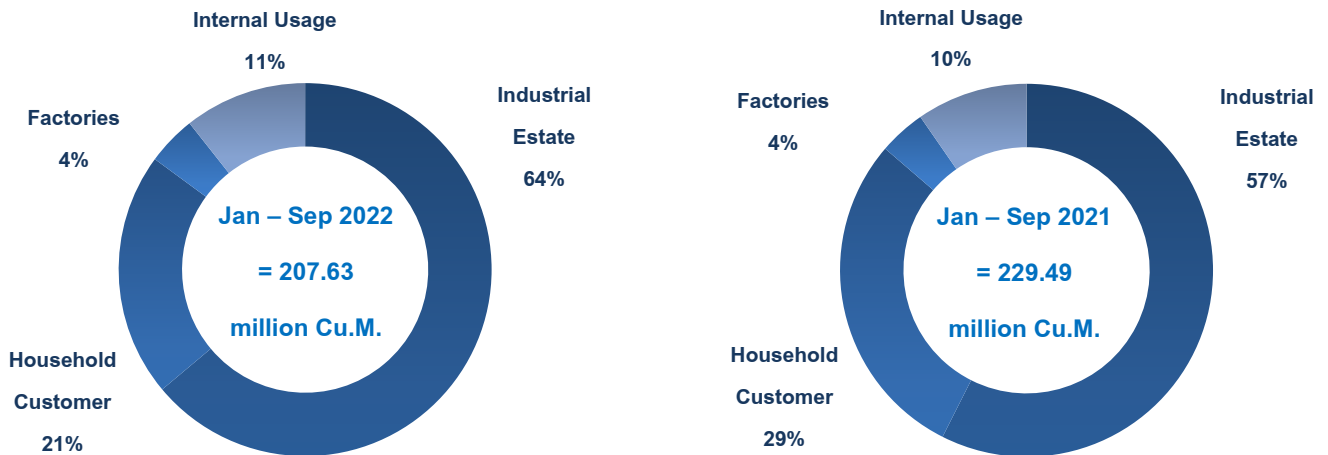
The average raw water sales price was 11.27 Baht per Cu.M., increased by 0.16 Baht per Cu.M. or +1.42% compared to the same period of 2021.

Raw Water Volume (Million Cu.M)	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Total distribution volume	62.25	71.08	(8.83)	(12.42%)	207.63	229.49	(21.85)	(9.52%)
(deduct) Internal usage for tap water	8.63	8.26	0.37	4.49%	25.12	24.44	0.68	2.79%
Net raw water sales volume	53.62	62.82	(9.20)	(14.64%)	182.51	205.04	(22.53)	(10.99%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

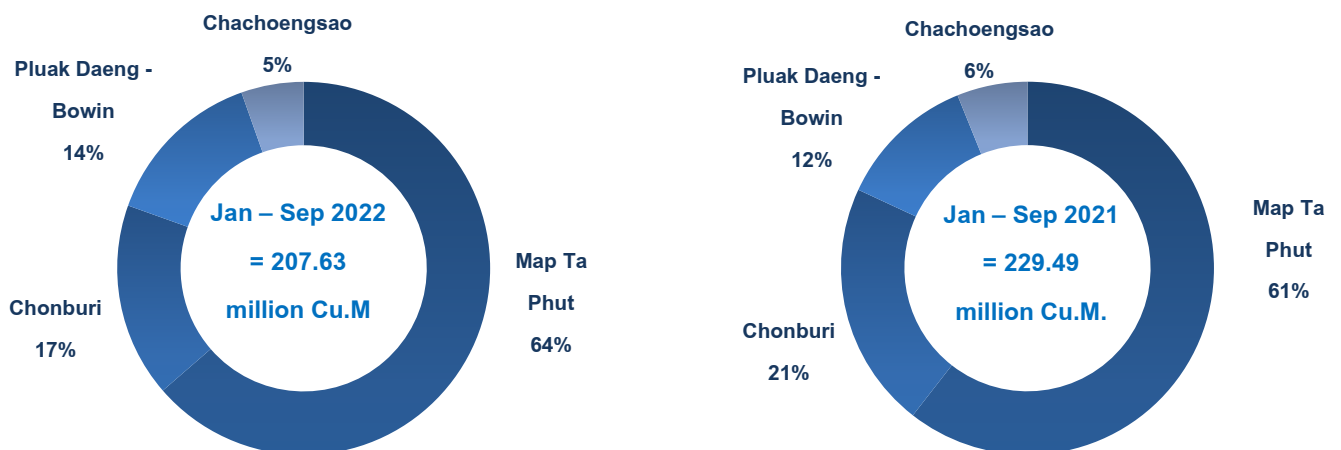
5. RAW WATER BUSINESS (CONT.)

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)



Gross Profit of Raw Water Business for Q3/2022 was 1,039.51 million Baht, decreased by 159.68 million Baht or -13.32% compared to the same period of 2021. The details are as follow:

- 1) Raw water revenue decreased 221.54 million Baht or -9.73% from decreased customer demands, mainly from the household sector due to the large volume of rainfall in the second half of 2021 to the middle of 2022, leading customers to switch to use more water from natural sources than in the same period of last year.
- 2) Costs of sales decreased 61.87 million Baht or -5.74%, 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:

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

5. RAW WATER BUSINESS (CONT.)

- Depreciation increased 21.63 million Baht or +6.23% from booking fixed assets from investment projects that were completed, such as the Tubma Reservoir which was completed in Q3/2021
- Other expenses increased 3.67 million Baht or +2.65% from other expenses and personnel expenses (wages and benefits) which increased annually at normal rates

As a result, the gross profit margin of raw water business for Q3/2022 decreased to 50.56% from 52.65% YoY.

Major costs of raw water business (Million Baht)	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Raw Water Revenue	607.63	699.03	(91.40)	(13.08%)	2,056.06	2,277.61	(221.54)	(9.73%)
Costs of Raw Water	325.03	362.48	(37.45)	(10.33%)	1,016.55	1,078.42	(61.87)	(5.74%)
Raw Water	28.62	30.87	(2.25)	(7.29%)	116.02	128.62	(12.60)	(9.79%)
Electricity	90.52	111.45	(20.93)	(18.78%)	301.57	366.28	(64.71)	(17.67%)
Maintenance	123.24	128.96	(5.73)	(4.44%)	368.64	347.01	21.63	6.23%
Depreciation	36.89	42.64	(5.75)	(13.49%)	88.05	97.91	(9.86)	(10.07%)
Others	45.76	48.56	(2.80)	(5.76%)	142.27	138.60	3.67	2.65%
Gross Profit	282.60	336.55	(53.95)	(16.03%)	1,039.51	1,199.19	(159.68)	(13.32%)
Gross Profit Margin	46.51%	48.15%			50.56%	52.65%		

6. TAP WATER BUSINESS

Tap water revenue for Q3/2022 was 1,044.08 million Baht, decreased 41.95 million Baht or -3.86% compared to the same period of 2021, following the tap water sales decrease of 3.94 million Cu.M. or -5.32% compared to the same period of 2021.

Tap water sales volume (Million Cu.M)	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Tap water sales volume of Company	5.35	5.56	(0.21)	(3.82%)	15.79	16.55	(0.76)	(4.60%)
Tap water sales volume of subsidiaries	18.33	18.97	(0.64)	(3.37%)	54.30	57.47	(3.17)	(5.52%)
Total tap water sales volume	23.68	24.53	(0.85)	(3.48%)	70.09	74.02	(3.94)	(5.32%)

Gross Profit of Tap Water Business for the Q3/2022 was 311.45 million Baht, decreased by 51.10 million Baht or -14.10% compared to the same period of 2021, following tap water sales decline while sales expenses, such as electricity, chemicals and other costs, such as property tax and insurance, could not decrease. The gross profit margin was 29.83%, decreased from 33.38% during the same period of 2021.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

6. TAP WATER BUSINESS (CONT.)

Major Costs of Tap Water Business (Million Baht)	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Tap Water Revenue	354.53	360.19	(5.67)	(1.57%)	1,044.08	1,086.03	(41.95)	(3.86%)
Costs of Tap Water	254.87	244.82	10.05	4.10%	732.63	723.48	9.15	1.26%
Raw Water	53.27	53.77	(0.50)	(0.93%)	148.79	153.36	(4.56)	(2.98%)
Electricity	37.95	33.57	4.38	13.05%	107.90	99.53	8.37	8.41%
Chemical	11.81	9.79	2.02	20.61%	32.85	30.31	2.55	8.40%
Payroll, Outsource Expenses & Maintenance	46.09	48.36	(2.27)	(4.69%)	142.99	149.61	(6.62)	(4.43%)
Depreciation	68.82	88.33	(19.52)	(22.09%)	240.94	263.61	(22.68)	(8.60%)
Others	36.93	11.00	25.93	235.80%	59.16	27.06	32.10	118.63%
Gross Profit	99.66	115.37	(15.71)	(13.62%)	311.45	362.55	(51.10)	(14.10%)
Gross Profit Margin	28.11%	32.03%			29.83%	33.38%		

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for Q3/ 2022 was 45.18 million Baht, increased 31.15 million Baht or +222.07% 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 Q3/2022 was still negative at -42.32 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	Q3 (3-month period)				Q3 (9 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Costs of Industrial Water	1.09	0.29	0.80	272.97%	3.06	0.92	2.14	232.04%
Industrial Water Sale Volume	15.71	4.39	11.31	257.67%	45.18	14.03	31.15	222.07%
Industrial Water Revenue	33.15	7.33	25.82	352.24%	87.50	33.47	54.03	161.45%
Raw Water	3.73	(0.01)	3.74	34,682.04%	11.11	1.81	9.29	513.15%
Direct cost (electricity, chemicals, O&M)	9.19	(0.75)	9.94	1,324.03%	23.39	4.31	19.07	442.52%
Depreciation	20.23	6.40	13.84	216.28%	53.00	18.04	34.96	193.74%
Other costs	-	1.69	(1.69)	(100.00%)	0.01	9.30	(9.29)	(99.90%)
Gross Profit	(17.44)	(2.94)	(14.50)	(493.54%)	(42.32)	(19.44)	(22.88)	(117.71%)
Gross Profit Margin	(111.05%)	(66.92%)			(93.66%)	(138.56%)		

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

8. FINANCIAL POSITION ANALYSIS

Financial Position (MB)	As of 30 Sep 2022	As of 31 Dec 2021	Increased (Decreased)	%
Total Assets	24,213.93	23,688.87	525.05	2.22%
Total Liabilities	12,762.86	12,261.91	500.94	4.09%
Equity	11,451.07	11,426.96	24.11	0.21%
- Equity attributable to owners of the parent company	11,295.93	11,266.86	29.07	0.26%

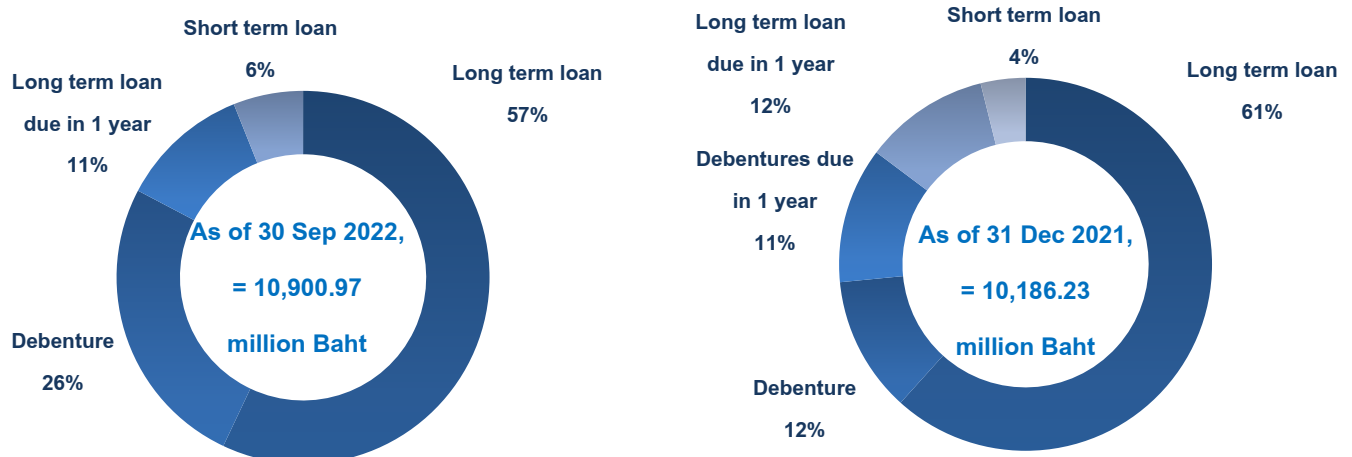
1) Assets As 30 September 2022, total assets were 24,213.93 million Baht, increased by 525.05 million Baht or +2.22% from 31 December 2021 due to the changes in the following items:

- Other non-current assets of 971.85 million Baht, increased 429.72 million Baht since end of 2021, with from advanced payment of 571.98 million Baht mainly for the Nongplalai – Nongkho – Laemchabang project that is under construction.
- Land, buildings and equipment (net) were 17,965.08 million Baht, increased by 265.40 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 September 2022, total liabilities were 12,762.86 million Baht, increased 500.94 million Baht or 4.09% from 31 December 2021, mainly due to changes in the following items:

- 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 September 2022, Shareholders' equity attributable to owners of the parent company was 11,451.07 million Baht, increased by 24.11 million Baht or +0.21% from 31 December 2021.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q3/2022

9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For Q3/2022, the company had carried over cash and cash equivalents of 285.31 million Baht, whereby during the financial period, net cash decreased 8.13 million Baht. This comprised of the following items:

1) Net cash received from Operating Activities totaling 1,450.74 million Baht from net income and changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to 1,393.75 million Baht. This was mainly due to cash purchase of fixed assets and advance payment for construction of 1,217.50 million Baht.

3) Net cash used in Financing Activities amounted to 65.12 million Baht, mainly for net repayment of long-term loans totaling 950.63 million Baht.

10. KEY FINANCIAL RATIOS

Key Financial Ratios	Q3/2022	Q3/2021
Liquidity Ratio		
Current ratio (times)	0.58	0.43
Average A/R collection days (days) ¹⁾	36.41	37.18
Profitability Ratio ²⁾		
Gross profit / total sales and services revenue (%)	39.17%	44.97%
Net profit / total sales and services revenue (%)	17.96%	25.50%
Performance Ratio		
Return on Equity (ROE) (%)	7.34%	9.49%
Return on Assets (ROA) (%)	3.44%	4.51%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.13	1.11
Debt Service Coverage ratio (DSCR) (time)	1.54	2.00

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 Q3/2022, East Water Group reported a decrease in net profit and profit margin compared to the same period of 2021, mainly from decreased raw water and tap 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 39.17% and 17.96%, respectively, while Q3/2021 the gross profit margin was 44.97% and net profit margin was 25.50%.

Return on Equity (ROE) and Return on Asset (ROA) decreased to 7.34% and 3.44%, respectively, compared to the same period in 2021, when the ROE was 9.49% and ROA was 4.51%, due to lower net profit.

As for the liquidity at the end of Q3/2022, the Liquidity Ratio was 0.58 times, increased from Q2/2021's 0.43 times from the recognition of debt from the purchase of permanent assets. Debt to Equity ratio increased slightly to 1.13 times, compared to 1.11 times in Q2/2021, due to increased non-current assets from the net increased in debentures of 400 million Baht (from 2,400 million Baht to 2,800 million Baht). The Debt Service Coverage Ratio (DSCR) remained strong at 1.54 times, a decreased from Q3/2021's 2.00 times due to increased long-term loan that must be repaid within 1 year and increased cost of financing, while EBITDA decreased.

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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 September 2022	31 December 2021
Land, buildings and equipment	882.58	925.79
Intangible assets	101.70	147.63
Total	984.29	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.