

Ref. AC 22/043

November 14, 2022

Re: Management Discussion and Analysis of the Operating Performance for the 3rd Quarter 2022

To: President

The Stock Exchange of Thailand

Amata Corporation Public Company Limited ("AMATA" or "The Company") would like to report the operating performance results of the company for 3rd Quarter 2022 as follows:

Economic and Industry Situation

World economy showed sign of slowdown. According to the report from SCB Economic Intelligence Center, it had lower global economic forecasted down from 3.2 percent to 3.0 percent in 2022 and to 2.7 percent in 2023. Recession might occur in many countries due to a faster monetary policy tightening, an intensified energy crisis in EU and a sharp deceleration in China's economy. On the other hand, inflation likely to slow down at the end of the year since it already passed the peak period, but many central banks still maintain a monetary tightening policy to continue lower the inflation rate. In addition, International Monetary Fund (IMF) has forecasted the inflation rate for 2022, 2023 and 2024 to be 8.8 percent, 6.5 percent and 4.1 percent respectively.

Thailand's economy in quarter 3 was continuously improve compared to the previous quarter. Press release on the economic and monetary condition from the Bank of Thailand stated that there was improvement from both consumption and service sectors as the situation on production part shortage was better and increase number of foreign tourists help increase spending. Although there were some concerns from rising oil price, high cost of living, economic slowdown from the political conflict and rising interest rates from several central banks, Thailand consumer confidence index still picked up for both current and the next six months. In addition, SCB Economic Intelligence Center revised forecasted Thailand economic growth in 2022 and 2023 to 3 percent and 3.7 percent respectively.

Industrial Estate sector was going better since many countries could adapted and efficiently manage on covid-19 pandemic. Referring to the Industrial Estate Authority of Thailand (IEAT) forecasted that there are several positive factors that will enhance private investment such as the main infrastructure in EEC area which the location is considered as the attractive one, as a result, this year IEAT expected to be able to sell the land as target, 1,770 Rais. Moreover, according to the statistic from Thailand Board of Investment there were 1,247 applications already filed for investment promotion on the first 9 months of 2022 increase 8.5 percent from the same period last year. Total foreign direct Investment (FDI) was 275,624 million Baht majoring from China 45,024 million Baht, Taiwan 39,256 million Baht, and Japanese 37,591 million Baht. Most investment from China and Taiwan were electronic vehicle (EV), electrical appliance and electronic and these sectors seem to

continue growing. On the other hand, for EEC area there were 376 projects already requested for the investment promotion and total investment amount was 246,655 million Baht and most of them located in Chonburi and Rayong.

Business Overview

Amata Corporation PCL., established in 1989, the world's leading private developer and operator of industrial real estate sites, or "industrial cities". The company specialize in the planning, developing, managing, and marketing these industrial estates as well as entire related businesses. Furthermore, the company also strictly on environmental protection and strives to create "A Perfect City" to improve quality of life of the people working in the industrial estates and people in surrounding communities, so that they can work and live happily.

As of 30 September 2022, Amata has developed industrial estates in four countries which are Thailand, Vietnam, Myanmar and Laos. The total areas were approximately 88,663 Rais.

Sustainability Goals and Guidelines

Amata gives priority to climate change issues and committed to take part in reducing the climate change effects. The company announced intention to reduce greenhouse gas emissions and had formulated the policies and the management approaches to tackle the climate change problem as follow:

- Target to be a Carbon Neutral City in 2040 with a business development plan to build Amata Smart City projects that focus on energy efficiency through the support of technology and low carbon energy sources as well as application of the principles of circular economy to the work process
- Mitigate the impact of climate change effects. The Company has considered the sustainable management of all types of water as a very significant issue, i.e. raw water, consumption water, wastewater and flood by continuously developing the water management project for each type of water including the provision of raw water reserves to be at least 150%

Sustainability Performance

- **Greenhouse Gas Emission and Energy Management**

The Company recognizes the importance of reducing greenhouse gas emissions, especially from indirect activities from the use of electricity. Therefore, the company encourage and support the use of renewable energy while reduce fossil fuel consumption as well as promoted energy saving in office and common areas.

- **Circular Water Management**

The Company realized the importance of efficient water management prevention and correction by established the Water Management Committee to be responsible for water management. The company also built reservoirs within the industrial estate and secured water reserve from outside suppliers which now there were total 19 reservoirs with a total storage capacity of 61.4 million cubic meters that can stored surface water for more than 150 percent of the total demand. Furthermore, from 100% of treated wastewaters, 57% was reproduced to high quality water through water reclamation system. Therefore, in case of a severe drought crisis, Amata can be able to have water for production and consumption up to 18 months.

- **Solid and Industrial Waste Management**

Over 1,000 industrial plants are in AMATA Industrial Estates in Thailand together with more than 300,000 employees, these can generate a large amount of solid waste and industrial waste each year. The company is aware of the responsibility for waste management and had setup a Waste Management Policy to minimize the environmental impacts as well as to comply with the laws. The Company has set the target to reduce solid waste to landfill as much as possible by using circular economy concept. All wastes will be sorted and classify for recycling and Refuse-derived fuel (RDF) production before disposed by landfill method. Currently, there was only 0.06% wastes that still required to be disposed by the landfill method.

Significant Events

Amata Smart and Eco City Namor

On 25 August 2022, Amata signed a concession agreement with the government of Lao PDR to commence developments of AMATA smart and eco city Namor located in Oudomxay province, the total area for the first phase was 3,150 hectares or 19,687 Rais. The purpose of the investment was to develop a new smart industrial estate with environmental sustainability. Furthermore, Laos has strategic location that close access to four neighboring countries together with the developments of rail and highway infrastructure to connect major cities, air and seaports beyond country borders, these could attract FDI to the country.

Operating Performance Summary 3rd quarter of 2022, ended 30 September 2022

3rd Quarter of 2022 versus 3rd Quarter of 2021:

- Total revenues reported at Baht 1,946.7 million, increased by 86.9% year on year
- Share of profit (loss) from investments in associates and JV at Baht 81.5 million, decreased by 237.3%
- Net profit posted Baht 353.4 million, up 54.5%

	3-Quarter	3-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Total revenues	1,946.7	1,041.4	905.3	86.9
Total expenses	1,131.2	618.4	512.7	82.9
Share profit from investments in associates and joint venture	(81.5)	59.4	(140.9)	(237.3)
Profit for the period	353.4	228.7	124.7	54.5
Basic earnings per share (THB/share)	0.31	0.20		

● **Operating Performance Analysis of Core Businesses**

	3-Quarter	3-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Revenue from real estate sales	558.4	181	377.4	208.5
Gross profit margin	60%	71%		
Revenue from utility services	829.2	493.7	335.5	68.0
Gross profit margin	23%	33%		
Revenue from rental	196.2	239.4	(43.2)	(18.0)
Gross profit margin	79%	76%		

Industrial Estate Development Business

During the 3rd Quarter 2022 (3Q/2022), AMATA reported revenue from real estate sales at Baht 558.4 million, increased by Baht 377.4 million or 208.5% from the same period last year (3Q/2021). The Company transferred and recognized 132-rai of land (Thailand 132 Rais) in 3rd Quarter of 2022 (3Q/2022), had increase compared to the 3rd Quarter of 2021 (3Q/2021) at 20-rai of land (Thailand 20 rai). While the gross profit margins of the revenue from real estate sales slightly decreased from 71% in 3rd Quarter 2021 (3Q/2021) to 60% in 3rd Quarter 2022 (3Q/2022) mainly because majority of the land transferred this year (Q3/2022) were from Amata City Rayong while lands transferred last year (Q3/2021) majority were from Amata City Chonburi, the area that can generate higher profit margin compared to other locations.

Utility Services Business

The revenue from utility services was reported Baht 829.2 million on 3rd Quarter 2022 (3Q/2022) which increased Baht 335.5 million from the 3rd Quarter 2021 (3Q/2021) or 68%. The change is due to higher customer's consumption both in Thailand and Vietnam. However, the gross profit margin slightly decreased from 33% to 23% since this year we had more utility facilities investment in Vietnam.

Rental Business

The revenue from rental business contributed Baht 196.2 million in the 3rd Quarter 2022 (3Q/2022), decreased by Baht 43.2 million or lower 18% compared to the same period of 2021 (3Q/2021) which reported at Baht 239.4 million because we have sold some ready built factory in Vietnam out. However,

the gross profit margin from rental business increased from 76% to 79% in the 3rd Quarter of 2022 (3Q/2022).

- **Other Income**

	3-Quarter	3-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Finance income	31.0	11.7	19.3	165.0
Gains on sales of investment properties	279.6	-	279.6	-
Gains on exchange	43.8	109.8	(65.9)	(60.1)
Other income	39.4	17.6	21.9	124.4

The Company received finance income at Baht 31 million in the 3rd Quarter 2022 (3Q/2022), increased by Baht 19.3 million or 165% compared to the same period last year (3Q/2021). There was a gain on sales of investment properties amount Baht 279.6 million in the 3rd Quarter 2022 from 6 ready built factories sold in Vietnam. Gain on exchange amount Baht 43.8 million decreased Baht 65.9 million or 60.1% because Baht depreciation against to Vietnamese Dong while other income increased Baht 21.9 million or 124.4% from Baht 17.6 million in 3rd Quarter 2021 (3Q/2021) to Baht 39.4 in 3rd Quarter 2022 (3Q/2022).

- **Expense**

	3-Quarter	3-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Selling and distribution expenses	40.6	25.2	15.5	61.5
Administrative expenses	184.6	151.2	33.4	22.1
Finance cost	120.9	97.8	23.1	23.7
Income tax expense	80.5	80.5	0.0	0.0

For the selling and distribution expenses, increased by Baht 15.5 million or 61.5% compared to the same period last year, from Baht 25.2 million (3Q/2021) to Baht 40.6 million (3Q/2022) from the larger amount of the land transferred fees to customers. Administrative expenses reported at Baht 184.6 million for the 3rd Quarter 2022 (3Q/2022), rose by Baht 33.4 million or 22.1% from Vietnam project extension. Finance cost increased by Baht 23.1 million or 23.7% to Baht 120.9 million in the 3rd Quarter 2022 (3Q/2022) since we need to issue a new loan for land purchasing. However, income tax expense stayed at the same amount as last year.

- **Share of Profit (loss) from Investments in Associates and Joint Venture**

The Company had a share of profit (loss) from investment in associates and joint venture in the 3rd Quarter 2022 (3Q/2022) of Baht 81.5 million, decrease Baht 140.9 million or 237.3% from last year (3Q/2021) due to higher cost of natural gas on power plant group and natural gas supply business.

● **Net Profit**

In the 3rd Quarter 2022 (3Q/2022), The Company has a net profit for the period of Baht 563.6 million, increased by Baht 247.8 million or 78.5% compared to the same period last year which mostly came from higher revenue from real estate sales and gain on sale of investment properties.

Operating Performance Summary first nine months of 2022, ended 30 September 2022

First nine months of 2022 versus the first nine months of 2021

- Total revenues reported at Baht 5,804.5 million, increased by 100% year on year
- Share of profit from investments in associates and JV at Baht 102.5 million, down 69.7%
- Net profit posted at Baht 1,555.7 million, rose 135.2%

	9-Months	9-Months	Increase/(Decrease)	
	2022	2021	Million Baht	%
Total revenues	5,804.5	2,902.3	2,902.2	100.0
Total expenses	2,991.2	1,862.1	1,129.1	60.6
Share profit from investments in associates and joint venture	102.5	338.5	(236.1)	(69.7)
Profit for the period	1,555.7	661.5	894.2	135.2
Basic earnings per share (THB/share)	1.35	0.58		

● **Operating Performance Analysis of Core Businesses**

	9-Months	9-Months	Increase/(Decrease)	
	2022	2021	Million Baht	%
Revenue from real estate sales	1,578.7	442.5	1,136.2	256.8
Gross profit margin	57%	64%		
Revenue from utility services	2,006.0	1,482.0	524.0	35.4
Gross profit margin	26%	33%		
Revenue from rental	629.6	676.9	(47.4)	(7.0)
Gross profit margin	79%	74%		

Industrial Estate Development Business

For the first nine months of 2022 (9M/2022), AMATA reported revenue from real estate sales at Baht 1,578.7 million, rose Baht 1,136.2 million or 256.8% from the same period last year (9M/2021). The Company transferred and recognized 385 Rais of land (Thailand 340 Rais and Vietnam 45 Rais) in nine months of 2022 (9M/2022) increased from the same period of previous year (9M/2021) at 88 Rais of land (Thailand 88 Rais). The gross profit margin of the first nine months of 2022 (9M/2022) was 57%, down from the same period last year (9M/2021) which was 64% because in 2021 there was more lands

transferred from Amata City Chonburi, the area that generate very high gross profit margin and in 2022 there was some land transferred from Vietnam which generate lower gross profit margin compared to Thailand.

Utility Services Business

AMATA achieved utility services revenue of Baht 2,006 million for the first nine months of 2022 (9M/2022), increased Baht 524 million or 35.4% year on year. However, the gross profit margin decreased from 33% in the first nine months of 2021 (9M/2021) to 26% in the first nine months of 2022 (9M/2022) from utility facilities investment in Vietnam.

Rental Business

Amata reported rental income of Baht 629.6 million for the first nine months of 2022 (9M/2022), down by Baht 47.4 million or 7% compared to the same period of the previous year of 2021 (9M/2021) since there were some Ready Built Factories sold out in Vietnam. However, the gross profit margin increased from 74% in the first nine months of 2021 (9M/2021) to 79% in the first nine months of 2022 (9M/2022).

● Other Income

	9-Months	9-Months	Increase/(Decrease)	
	2022	2021	Million Baht	%
Finance income	69.5	31.0	38.5	124.0
Gains on sales of investment properties	1,362.7	-	1,362.7	-
Gains on exchange	121.0	225.9	(104.9)	(46.4)
Other income	106.5	75.0	31.5	42.1

The Company reported finance income at Baht 69.5 million on the first nine months of 2022 (9M/2022), increased by Baht 38.5 million or 124% compared to the same period last year (9M/2021). There was a gain on sales of investment properties amount Baht 1,362.7 million from 24 ready built factories sold in Vietnam. Gain on exchange amount Baht 121 million on the first nine months of 2022 (9M/2022) decreased 46.4 % or Baht 104.9 million compared to the same period last year (9M/2021) due to Baht depreciation against to Vietnamese Dong while other income was Baht 106.5 million for the first nine months of 2022 (9M/2022) increased Baht 31.5 million or 42.1% from the same period last year (9M/2021).

● Expense

	9-Months	9-Months	Increase/(Decrease)	
	2022	2021	Million Baht	%
Selling and distribution expenses	114.7	56.5	58.2	102.9
Administrative expenses	589.1	481.6	107.5	22.3
Finance cost	351.3	345.8	5.4	1.6
Income tax expenses	325.4	149.2	176.2	118.0

Selling and distribution expenses for the first nine months of 2022 (9M/2022) was recorded at Baht 114.7 million, increased by Baht 58.2 million or 102.9% compared to the same period of 2021 (9M/2021) from the larger amount of the land transferred fees to customers. Administrative expenses for the first nine months of 2022 (9M/2022) were Baht 589.1 million increased Baht 107.5 million or 22.3% compared to the first nine months of 2021 (9M/2021) from Vietnam project expansion. Finance cost in the first nine months of 2022 (9M/2022) was at Baht 351.3 million increased Baht 5.4 million or 1.6% compared to the first nine months of 2021 (9M/2021). Income tax expenses for the first nine months of 2022 (9M/2022) was Baht 325.4 million increased by Baht 176.2 million or 118%.

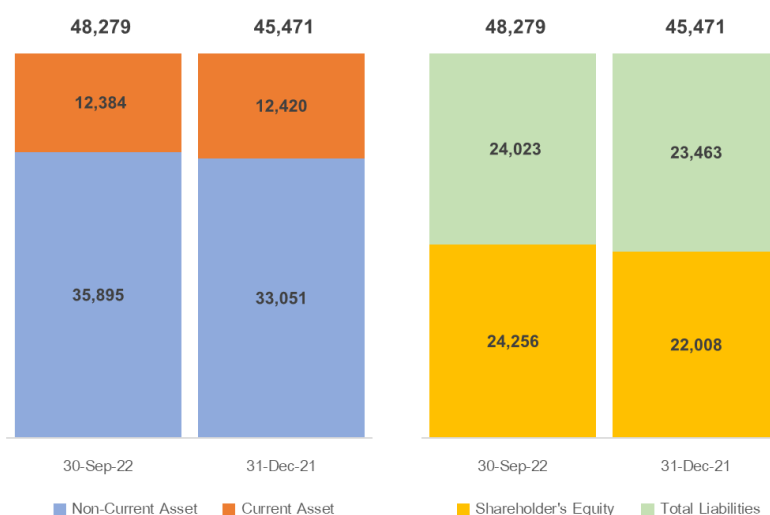
- **Share of Profit from Investments in Associates and Joint Venture**

The Company reported share of profit from investments in associates and joint venture in the first nine months of 2022 (9M/2022) of Baht 102.5 million, decrease by Baht 236.1 million or 69.7% from the same period of last year (9M/2021). The main declining reason was from higher cost of natural gas on both power plant group and natural gas supply business.

- **Net Profit**

The net profit for the first nine months of 2022 (9M/2022) achieved Baht 2,308.6 million, increased by Baht 1,393.8 million or 152.4% from the same period of 2021 (9M/2021). Increase of the net profit mainly came from higher revenue from real estate sales and gain on sale of investment properties.

Financial Position



- **Assets**

As of 30 September 2022, the Company had total assets of Baht 48,279 million increased Baht 2,808 million or 6.18 percent from 31 December 2021, from non-current assets in terms of land preparation for sale and asset increased from an industrial estate in Vietnam.

- **Liabilities**

As of 30 September 2022, the Company had total liabilities of Baht 24,023 million increased Baht 560 million or 2.39 percent from 31 December 2021, mainly from short-term loans from financial institutions for lands purchasing.

- **Shareholder's Equity**

As of September 30, 2022, the Company's shareholders' equity was Baht 24,256 million, increased Baht 2,248 million or 10.21 percent from 31 December 2021, mainly due to an increase in retained earnings from higher net profit.

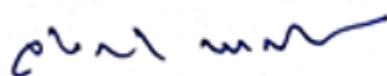
Financial Ratio

Ratio	9M-22	9M-21
Current Ratio (time)	1.27	2.15
Return on Asset (%)	9.60	4.91
Return on Equity (%)	12.70	6.75
Debt to Equity (Time)	1.25	1.29
Gross Profit Margin (Core Business) (%)	45.72	49.11

For your information.

Yours sincerely,

AMATA CORPORATION PUBLIC COMPANY LIMITED



(Mr. Chackchai Panichapat)

DIRECTOR