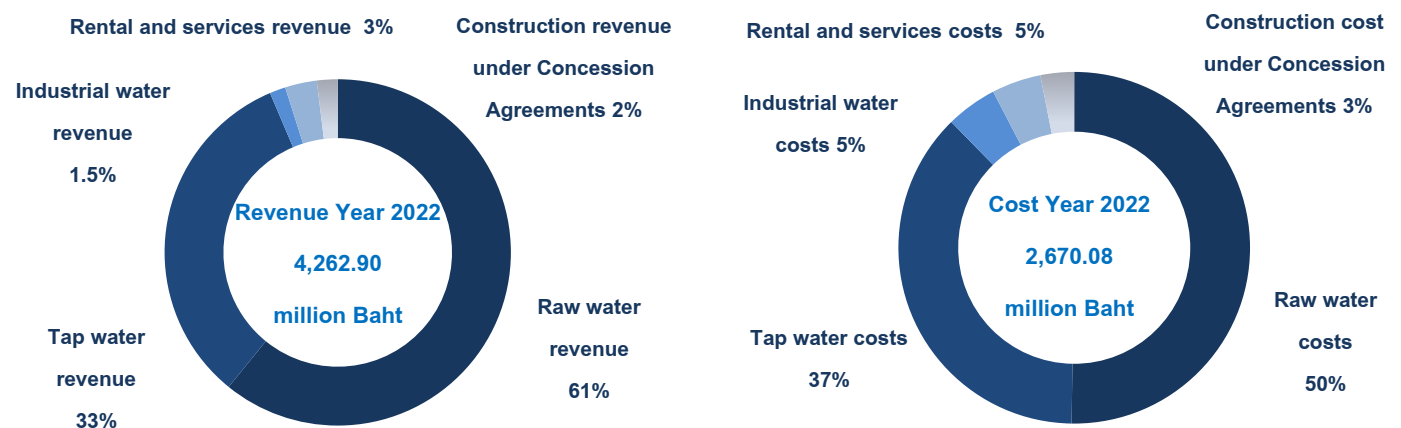


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR YEAR 2022

1. ANALYSIS OF FINANCIAL PERFORMANCE

For 2022, East Water Group had total consolidated sales and services revenue of 4,262.90 million Baht, a decrease of 367.60 million Baht or -7.94%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 2,670.08 million Baht, a decrease of 24.49 million Baht or -0.91% compared same period of 2021. The East Water Group generated a net profit of 712.81 million Baht, of which the net profit attributable to equity holders of the parent company totaled 704.61 million Baht, decreased by 357.00 million Baht or -33.63%.

Proportion of revenues and cost



Income statement (Million Baht)	Q4 (3-month period)				For the Year (12 months cumulative)			
	Q4/2022	Q4/2021	YoY	%	2022	2021	YoY	%
Total Sales and Services revenue	950.31	1,077.61	(127.30)	(11.81%)	4,262.90	4,630.50	(367.60)	(7.94%)
Raw water revenue	537.56	664.10	(126.54)	(19.05%)	2,593.62	2,941.71	(348.08)	(11.83%)
Tap water revenue	352.69	344.03	8.66	2.52%	1,396.77	1,430.06	(33.29)	(2.33%)
Industrial water revenue	18.19	3.87	14.32	370.04%	63.38	17.90	45.48	254.06%
Rental and services revenue	29.90	31.19	(1.29)	(4.15%)	126.60	131.17	(4.57)	(3.48%)
Construction revenue under Concession Agreements	11.97	34.42	(22.45)	(65.22%)	82.54	109.67	(27.13)	(24.73%)
Costs of Sales and Services	682.74	705.54	(22.80)	(3.23%)	2,670.08	2,694.57	(24.49)	(0.91%)
Raw water cost	324.86	379.78	(54.92)	(14.46%)	1,341.41	1,458.20	(116.79)	(8.01%)
Tap water cost	266.98	249.31	17.67	7.09%	999.61	972.79	26.82	2.76%
Industrial water cost	38.00	15.79	22.21	140.67%	125.50	49.25	76.24	154.79%
Rental and services cost	40.94	26.24	14.70	56.00%	121.03	104.66	16.37	15.64%
Construction cost under Concession Agreements	11.97	34.42	(22.45)	(65.22%)	82.54	109.67	(27.13)	(24.73%)
Gross profit	267.57	372.07	(104.50)	(28.09%)	1,592.82	1,935.93	(343.11)	(17.72%)
Other income	32.65	75.85	(43.21)	(56.96%)	103.73	96.23	7.50	7.80%
Sells and administrative expenses	154.52	166.63	(12.11)	(7.27%)	561.66	523.15	38.52	7.36%
Operating profit	145.70	281.30	(135.59)	(48.20%)	1,134.89	1,509.01	(374.13)	(24.79%)
Finance cost	57.84	47.19	10.65	22.57%	242.08	172.95	69.14	39.98%
Income tax expenses	10.29	47.70	(37.40)	(78.42%)	179.99	263.03	(83.03)	(31.57%)
Net profit	77.57	186.41	(108.84)	(58.39%)	712.81	1,073.04	(360.23)	(33.57%)
Net profit attributable to shareholders of the parent company	75.37	183.82	(108.45)	(59.00%)	704.61	1,061.60	(357.00)	(33.63%)
Earnings per share (EPS)	0.05	0.11	(0.07)	(59.00%)	0.42	0.64	(0.22)	(33.63%)

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

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

EBITDA (Million Baht)	Q4 (3-month period)				For the Year (12 months cumulative)			
	2022	2021	YoY	%	2022	2021	YoY	%
Operating profit	145.70	281.30	(135.59)	(48.20%)	1,134.89	1,509.01	(374.13)	(24.79%)
Depreciation	177.88	168.02	9.86	5.87%	718.44	635.02	83.41	13.14%
Amortization	93.11	88.08	5.03	5.71%	359.04	347.93	11.11	3.19%
EBITDA	416.70	537.40	(120.70)	(22.46%)	2,212.37	2,491.97	(279.60)	(11.22%)

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 Q4/2022, overall, the Thai economy expanded compared to last year, as well as compared to the previous quarter in almost all business sectors following the gradual economic recovery and the increasing number of foreign tourists during the tourist season, which benefits to the tourist and services industries, as well as the commerce sector. The manufacturing sector expanded slightly from domestic-oriented business, however overall export-oriented business contracted due to trading partners' economic slowdown. The majority of businesses are affected by high production costs from rising costs of raw materials, minimum wage and energy, but are unable to pass all the increased cost to customers, as purchasing power remains weak, causing decreased business profits, even though businesses manage costs by increasing efficiency. Investment and hiring in the service and commerce sectors increased slightly to support tourists, while manufacturing sector is stable due to the uncertainty in the global economy.

For the Q1/2023 business outlook, the economy is projected gradually grow compared the previous quarter and the same period of 2022. The service and tourist sector is projected to continue to expand from the increasing number of foreign tourists, is especially from China as the country reopens, and the government's economic stimulus packages. However, manufacturing is still expected contract from the slowdown of overseas orders, especially for luxury products. Also, business are still under pressure from higher raw material and energy costs, the global economic slowdown and domestic purchasing power remaining still weak.

3. WATER SITUATION

As of 10 February 2023, the water supply situation in Chonburi and Rayong were in the relatively "high" range. Water supply in the majority of main reservoirs were higher than the 8-year average, due to the significant rainfall increase in 2022 from several tropical storms that passed through Thailand causing the water volume in the reservoirs to substantially increase. The Thai Meteorological Department predicts that the total rainfall in the Eastern Seaboard in the February-May 2023 period will be close to average, with generally hot weather, nevertheless during the March – April period occasional rains would likely somewhat relieve the heat. The water reserves in the reservoirs in Chonburi and Rayong were 82.04% and 85.32% of capacity, respectively.

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	94.33	19.21	69.87	141.64	29.19	245.84
Percentage of total capacity	81.00%	90.00%	98.00%	86.00%	73.00%	83.30%
Average (2013-2022)	61.70	11.50	49.30	117.20	27.90	189.00
Above/(below) average (2013-2022)	32.63	7.71	20.57	24.44	1.29	56.84

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

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 temporary measure.

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.

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

4. SIGNIFICANT EVENTS (CONT.)

The transition process of the handover of the assets to the new operator needs to have clear plans and operating procedures, that are agreed to by all parties. The Company must prepare the assets that are to be transferred and separate the operations from the management of the system so that both the water users along the Treasury Department’s pipelines and the Company’s own pipelines are not affected by the handover. Presently, the Company is reserving the right to take legal action.

Presently, the Company is operating its business normally. 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 region, which are not part of current dispute. Therefore, the Company is still able operate its business as usual and has implemented plans to continue to do so. The Company is currently in the process of further developing the Water Grid including the construction of approximately 120 kilometers of pipelines with 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 progressing according to plans, and is set to be ready to supply water to customer by December 2023.

Extension of tap water concessions: The Lan Island Waterworks contract ended on 30 September 2021, however the Company and the City of Pattaya have signed an agreement to extend the operations of the Lan Island Waterworks for another 3 years, from the original date of 30 September 2021 to 30 September 2024.

Acquisition of the Company’s Assets: The Board of Directors Meeting 13/2022 on 9 November 2022 approved the Maptaphut – Sattahip Pipeline Construction Project, which is part of the water resources and main pipeline network in the Eastern Region development masterplan, which aims to maintain the customer base and enhance the operating reliability of the main pipeline network in the Eastern Region and increase the competitiveness of the Company in the efficient distribution of water in the Eastern Region. The Maptaphut – Sattahip Pipeline Project comprise of 1.) construction of the Maptaphut – Sattahip pipeline (1,089,000,000 Baht) and 2.) procurement of land for the Maptaphut – Sattahip Pipeline Construction Project (62,834,111.40 Baht). The total value of the project assets is approximately 1,151,834,111.40 Baht, with the acquired assets: empty plot of land of 11 rai 1 ngan and 65.1 square wah (approx. 1.826 hectares), booster pump station, pipes with diameters from 500 – 1,000 mm with total length of 25.90 kilometers, 6 sets of pumps with 0.32 cubic meter per second (m³/s) capacity, electrical and SCADA systems, water hammer protection system, cathodic protection system, guard house, fencing, signage, roads and other applicable assets.

5. RAW WATER BUSINESS

Raw water revenue for 2022 was 2,593.62 million Baht, decreased by 348.08 million Baht or -11.83% compared to the same period of 2021, mainly from raw water sales volume decrease of 34.42 million Cu.M or -13.02% (excluding internal usage for tap water production of 33.85 million Cu.M.) due to the significant increase in rainfall compared with the previous year, causing the customers, especially in the household sector, to be able to use more water from natural sources than during the same period of the previous year.

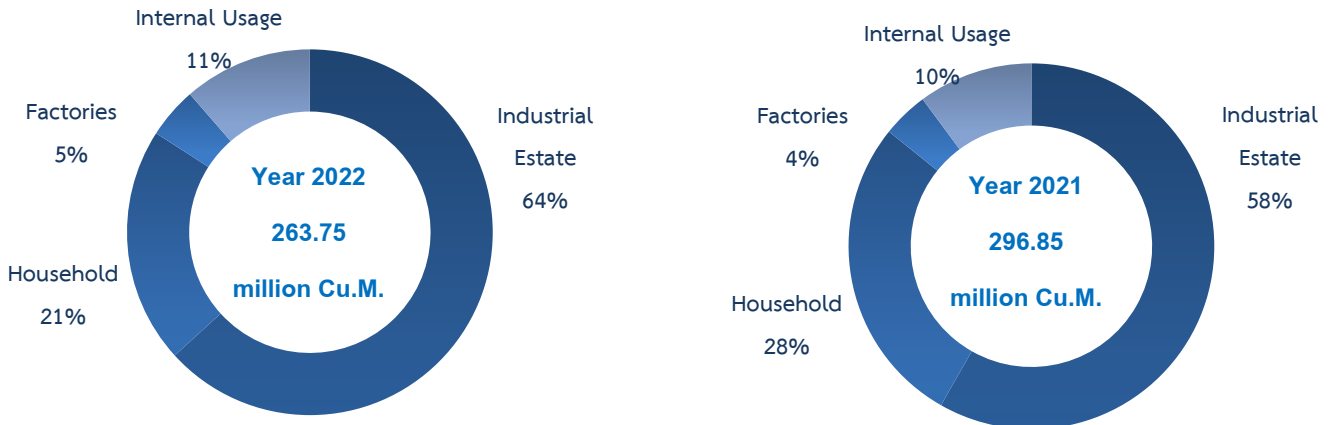
The average raw water sales price was 11.28 Baht per Cu.M., increased by 0.15 Baht per Cu.M. or 1.37% compared to the same period of 2021.

Raw Water Volume (Million Cu.M)	Q4 (3-month period)				For the Year (12 months cumulative)			
	Q4/2022	Q4/2021	YoY	%	2022	2021	YoY	%
Total distribution volume	56.11	67.37	(11.25)	(16.71%)	263.75	296.85	(33.11)	(11.15%)
(deduct) Internal usage	8.72	8.10	0.63	7.77%	33.85	32.54	1.31	4.03%
Net raw water sales volume	47.39	59.27	(11.88)	(20.05%)	229.90	264.31	(34.42)	(13.02%)

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

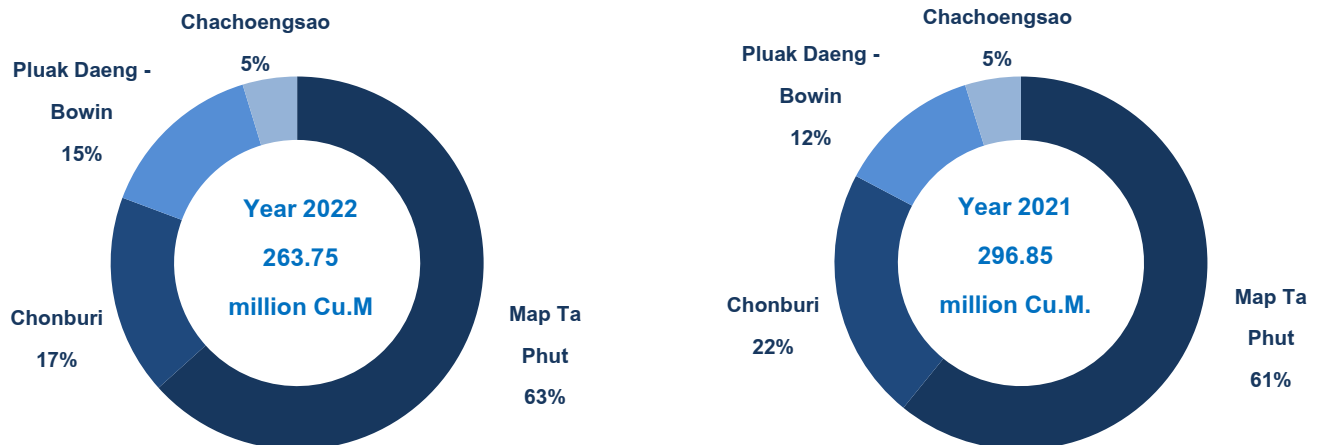
5. RAW WATER BUSINESS (CONT.)

Raw Water Distribution by Customer Group (Internal usage 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 enhancing competitiveness with the Eastern Economic Corridor (EEC). The Company's raw water capabilities are considered highly ready to support the EEC; from investments, the stability of water resources and water distribution network.

Raw Water Distribution by Service Area (Internal usage is included)



Gross Profit of Raw Water Business for 2022 was 1,252.21 million Baht, decreased by 231.30 million Baht or -15.59% compared to the same period of 2021. The details are as follow:

1) Raw water revenue decreased 348.08 million Baht or -11.83% from the customers, especially in the household sector, reducing water usage due the significantly higher than average rainfall in 2022, thus the customers to be able to use more water from natural sources than during the same period of the previous year.

2) Costs of raw water sales decreased 116.79 million Baht or -8.01%, which is in line with the decreased raw water sales volume, nevertheless the rate of decrease was less than the raw water sales volume decrease due to:

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

5. RAW WATER BUSINESS (CONT.)

- Electricity costs, as the government adjusted the Float Time (FT) rate of electricity upwards significantly near the end of the year, causing the electricity cost decrease rate to be less than the raw water sales decrease rate. Electricity costs for 2022 accounted for 29.08% of the cost of raw water compared to 31.30% in 2021.
- Depreciation costs increased 6.59 million Baht or 1.38% from recognizing progress of investments projects to increase water pumping capacity, mainly from the completion of the Tubma Raw Water Reservoir in Q3/2021.

As a result, the gross profit margin of raw water business for 2022 decreased to 48.28% from 50.43% in 2021.

Raw Water Business (Million Baht)	Q4 (3-month period)				For the Year (12 months cumulative)			
	Q4/2022	Q4/2021	YoY	%	2022	2021	YoY	%
Raw Water Revenue	537.56	664.10	(126.54)	(19.05%)	2,593.62	2,941.71	(348.08)	(11.83%)
Costs of Raw Water	324.86	379.78	(54.92)	(14.46%)	1,341.41	1,458.20	(116.79)	(8.01%)
Raw Water	26.97	28.19	(1.22)	(4.33%)	143.00	156.81	(13.82)	(8.81%)
Electricity	88.47	90.14	(1.66)	(1.84%)	390.05	456.42	(66.37)	(14.54%)
Maintenance	115.65	130.68	(15.03)	(11.50%)	484.29	477.69	6.59	1.38%
Depreciation	58.45	70.76	(12.31)	(17.40%)	146.50	168.67	(22.17)	(13.14%)
Others	35.31	60.01	(24.70)	(41.15%)	177.59	198.61	(21.02)	(10.58%)
Gross Profit	212.70	284.32	(71.62)	(25.19%)	1,252.21	1,483.51	(231.30)	(15.59%)
Gross Profit Margin	39.57%	42.81%			48.28%	50.43%		

6. TAP WATER BUSINESS

Tap water revenue for 2022 was 1,396.77 million Baht, decreased by 33.29 million Baht or -2.33% compared to the same period of 2021, while tap water sales decreased 3.58 million Cu.M. or -3.69% compared to the same period 2021.

Tap water sales volume (Million Cu.M)	Q4 (3-month period)				For the Year (12 months cumulative)			
	Q4/2022	Q4/2021	YoY	%	2022	2021	YoY	%
Tap water sales volume of Company	5.25	5.00	0.25	5.06%	21.04	21.55	(0.51)	(2.36%)
Tap water sales volume of subsidiaries	18.15	18.04	0.10	0.56%	72.45	75.52	(3.07)	(4.07%)
Total tap water sales volume	23.40	23.04	0.35	1.54%	93.49	97.07	(3.58)	(3.69%)

Gross Profit of Tap Water Business for 2022 was 397.16 million Baht, decreased by 60.11 million Baht or -13.15% compared to the same period of 2021, following tap water revenue, while some costs could not be decreased, such as electricity, chemicals, and other miscellaneous costs (insurance premium etc.). The gross profit margin was 28.43% compared to 31.98% in 2021.

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

6. TAP WATER BUSINESS (CONT.)

Tap Water Business (Million Baht)	Q4 (3-month period)				For the Year (12 months cumulative)			
	Q4/2022	Q4/2021	YoY	%	2022	2021	YoY	%
Tap Water Revenue	352.69	344.03	8.66	2.52%	1,396.77	1,430.06	(33.29)	(2.33%)
Costs of Tap Water	266.98	249.31	17.67	7.09%	999.61	972.79	26.82	2.76%
Raw Water	77.82	54.89	22.93	41.77%	226.61	208.24	18.36	8.82%
Electricity	43.22	32.35	10.87	33.61%	151.12	131.88	19.24	14.59%
Chemical	12.31	10.49	1.82	17.38%	45.16	40.79	4.37	10.71%
Payroll, Outsource Expenses & Maintenance	50.62	53.80	(3.18)	(5.92%)	193.61	203.42	(9.81)	(4.82%)
Depreciation	105.19	87.16	18.02	20.68%	346.12	350.78	(4.65)	(1.33%)
Others	(22.17)	10.62	(32.79)	(308.68%)	36.99	37.68	(0.70)	(1.85%)
Gross Profit	85.71	94.72	(9.00)	(9.51%)	397.16	457.27	(60.11)	(13.15%)
Gross Profit Margin	24.30%	27.53%			28.43%	31.98%		

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for 2022 was 63.38 million Baht, an increase of 45.48 million Baht or 254.06% compared to 2021, as industrial water sale volume gradually increase following customers' demands.

Gross Profit of Industrial Water Business for 2022, the industrial water business still generated a net loss of 62.12 million Baht, mainly due recording depreciation (using the straight-line method) for the assets of the 2 projects that have been constructed: 1.) Industrial Water Supply Service for Amata City Industrial Estate and 2.) Industrial Water Supply Service for Gulf PD (power plant); while the customers' demands are projected to gradually increase in annual steps. Amata City Industrial Estate has started purchasing industrial water, with a minimum guarantee, from the Company since January 2021 and Gulf PD started purchasing industrial water from the Company in April 2022 (demands will gradually increase in step with the powerplant's electricity production). Additionally, the Company has signed contracts to provide industrial water service to Carabao Group, Thai-Medical Gloves Co., Ltd. and Rojana Pluak Daeng Industrial Estate, as well has being in the contracting process with several other customers. The Company forecasts that the industrial water business will start generating gross profit from 2023 onwards.

Industrial Water Revenue (Million Baht)	Q4 (3-month period)				For the Year (12 months cumulative)			
	Q4/2022	Q4/2021	YoY	%	2022	2021	YoY	%
Costs of Industrial Water	1.02	0.26	0.76	294.75%	4.08	1.19	2.88	241.39%
Industrial Water Sale Volume	18.19	3.87	14.32	370.01%	63.38	17.90	45.48	254.06%
Industrial Water Revenue	38.00	15.79	22.21	140.67%	125.50	49.25	76.24	154.79%
Raw Water	7.58	(1.25)	8.83	(705.71%)	18.69	7.21	11.47	158.99%
Direct Production Costs (e.g. electricity, chemical, O&M)	9.15	0.38	8.77	2298.95%	32.54	7.53	25.01	332.07%
Depreciation	21.26	16.53	4.73	28.58%	74.26	32.22	42.04	130.47%
Other costs	-	0.12	(0.12)	(100.00%)	0.01	2.29	(2.28)	(99.59%)
Gross Profit	(19.80)	(11.92)	(7.89)	(66.17%)	(62.12)	(31.35)	(30.77)	(98.12%)
Gross Profit Margin	(108.84%)	(307.86%)			(98.02%)	(175.17%)		

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

8. FINANCIAL POSITION ANALYSIS

Financial Position (MB)	As of 31 Dec 2022	As of 31 Dec 2021	Increased (Decreased)	%
Total Assets	25,097.79	23,688.87	1,408.92	5.95%
Total Liabilities	13,530.13	12,261.91	1,268.22	10.34%
Equity	11,567.66	11,426.96	140.70	1.23%
- Equity attributable to owners of the parent company	11,414.42	11,266.86	147.56	1.31%

1) Assets: As 31 December 2022, the Company possessed total assets of 25,097.79 million Baht, increased by 1,408.92 million Baht or 5.95% from the end of the 2021 due to the changes in the following items:

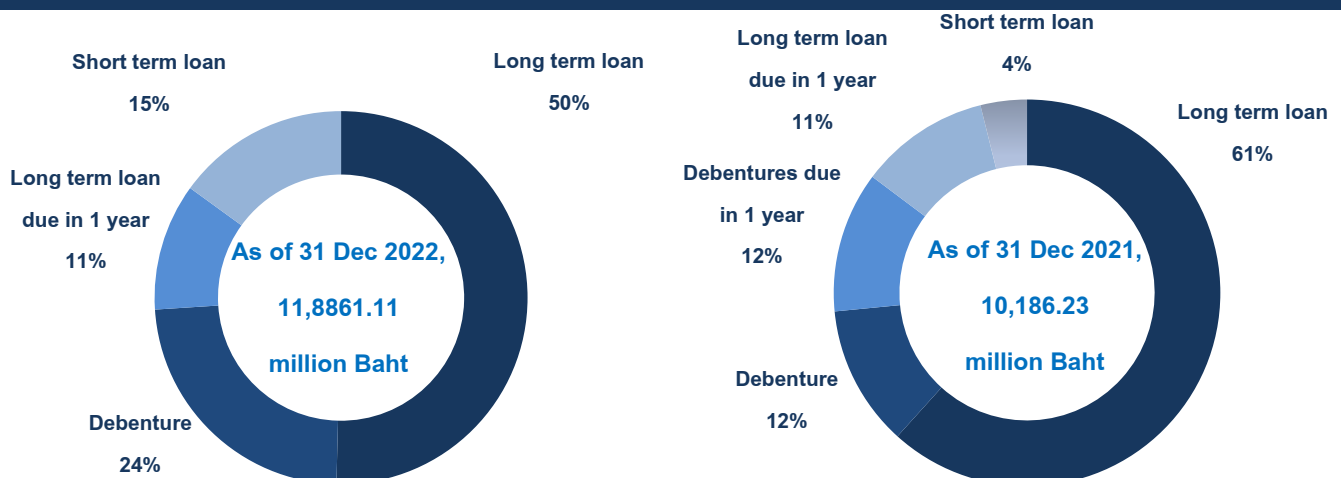
- Non-current assets of 848.53 million Baht, increased by 306.40 million Baht, from construction advance payment of 444.97 million Baht mainly for the ongoing construction of the Nongplalai – Nongkho – Laemchabang project

- Land, buildings and equipment (net) were 19,299.04 million Baht, increased by 1,599.35 million Baht from end of 2021, mainly from progress of construction, such as, industrial water and total water solution projects, and the Klong Luang Reservoir Pipeline project.

2) Liabilities: At the end of 31 December 2022, total liabilities were 13,530.13 million Baht, increased by 1,268.22 million Baht or 10.34% from the end of 2021, mainly due to changes in the following items:

- Debentures increased from 2,400 million Baht to 2,800 million Baht, following the Company's issuance of new debentures of 850 million Baht (5-year tenor) and 750 million Baht (10-year tenor) to refinance long term loans, and redeeming debenture of 1,200 million Baht that reached maturity on 16 June 2022. Thus, the net debenture total increase was 400 million Baht.

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.

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

8. FINANCIAL POSITION ANALYSIS (CONT.)

3) Shareholder's Equity At the end of 31 December 2022, Shareholders' equity attributable to owners of the parent company was 11,424.42 million Baht, increased by 147.56 million Baht or 1.31% from the end of the year 2021.

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 decreased 202.50 million Baht, which is comprised of the following items:

1) Net cash received from Operating Activities totaling 1,912.14 million Baht from net income and changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to (2,919.48) million Baht. This was mainly due to cash purchase of fixed assets and advance payment for construction of (2,618.73) million.

3) Net cash received from Financing Activities amounted to 804.83 million Baht, mainly from repayment of long-term loans of (108.00) million Baht, net off with drawdown of short-term loans of 1,385.00 million Baht

10. KEY FINANCIAL RATIOS

Key Financial Ratios	2022	2021
Liquidity Ratio		
Current ratio (times)	0.38	0.42
Average A/R collection days (days) ¹⁾	37.43	36.85
Average A/P collection days (days)	26.40	26.10
Profitability Ratio ²⁾		
Gross profit / total sales and services revenue (%)	38.10%	42.82%
Net profit / total sales and services revenue (%)	17.05%	23.74%
Performance Ratio		
Return on Equity (ROE) (%)	6.29%	9.58%
Return on Assets (ROA) (%)	2.92%	4.56%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.19	1.09
Debt Service Coverage ratio (DSCR) (time)	1.38	1.82

Note: 1) Average A/R collection days excludes unbilled (invoices not yet issued) debtors.

2) Gross profit and Net profit exclude construction revenue under concession agreement and other income.

In 2022, the 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 revenue, whilst raw water sales costs decreased at a lower rate than raw water sales volume. Concurrently, the rising selling and administrative expenses, contributing decrease the Company's gross profit and profit margin to 38.10% and 17.05%, respectively, compared to 42.82% and 23.74% in 2021.

Return on Equity (ROE) and Return on Asset (ROA) followed the same trend and decreased to 6.29% and 2.92%, respectively, compared to 9.58% and 4.56% in 2021.

As for the liquidity at the end of 2022, the Liquidity Ratio was 0.38 times, a decrease from 0.42 at the end of 2021 mainly due increased current liabilities from short-term loans from financial institutes. Debt to Equity ratio increased to 1.19 times, compared to 1.09 times in 2021, mainly due to an increase in non-current liabilities from debentures issuing 2,400 million Baht to 2,800 million baht, caused the debentures' total value increased by 1,597.76 million baht. The Debt Service Coverage Ratio

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(DSCR) was 1.38 times, decreased from 1.82 times in 2021, mainly due to long-term loans that are due in 1 year and the cost of financing increased while EBITDA decreased.

11. CREDIT TERM POLICY

The Company has set credit terms and credit management policy to maintain competitiveness by considering average overall payable and receivable credit period to be suitable and without adverse impact to cashflow. The credit term for raw water customers, tap water customers and tenants is 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 December 2022	31 December 2021
Land, buildings and equipment	2,232.40	925.79
Intangible assets	123.06	147.63
Total	2,355.46	1,073.42

Land, buildings and equipment capital expenditure commitment are from construction projects that are in progress, mainly from the Klong Luang Reservoir – Chonburi Raw Water Transmission System Project and the U-Tapao Airport Total Water Solution 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. 40 relating to related transactions with individuals or businesses.