

23 February 2023

Re: To clarify the financial statements as of 31 December 2022

To: President  
The Stock Exchange of Thailand

WHA Corporation Public Company Limited (the “Company”) submitted its separate financial statement and its consolidated financial statement for the year of 2022 ended on 31 December 2022 which were audited by the auditor. The Company hereby clarifies the performance as follows:

### **Thai Economic Performance**

On 30<sup>th</sup> November 2022, the Monetary Policy Committee (MPC) expected that The Thai economy is projected to continue growing at 3.2 percent in 2022, 3.7 percent in 2023, and 3.9 percent in 2024. The tourism sector continues to strengthen as the number of foreign tourists continues to rise. Additionally, private consumption is supported by improving economic activities, as well as a more broad-based recovery in employment and labor income. The trajectory of Thai economic growth remains largely unchanged in 2023 and 2024 as the strength of the tourism sector and private consumption will help lessen the impact of the global slowdown on the Thai export sector. Nonetheless, the MPC will monitor the downside risks to the highly uncertain global economic outlook as well as the momentum of the tourism sector.

Business Economic Research Center (EIC), Siam Commercial Bank revised up the Thai economic growth forecast to 3.2% (from the previous 3.0%) in 2022. An upward revision was attributed to a buoyant rebound in tourism and private consumption, following improvements in tourism and related service sector as well as labor income. However, the 2023 growth forecast is revised down to 3.4% (from 3.7%) since the signs of global economic slowdown became more apparent amidst rising uncertainties. Some major economies will soon enter a recession, and this would weigh down on Thai exports and investment ahead. Nonetheless, a solid rebound in tourism—thanks to the return of foreign arrivals—would provide significant support to Thailand's economy in 2023. EIC anticipated the return of 28.3 million tourist arrivals next year, considering high travel demand and China's easing of the Zero-Covid policy. Domestic tourism also regained its pre-pandemic pace, thus adding impetus to tourism revenue, related service sectors, and domestic consumption. Despite the upbeat outlook, Thailand would still witness an uneven rebound as some households and businesses remain fragile. Regarding the inflation outlook, headline inflation would gradually decline and lie above the target at 6.1% and 3.2% in 2022 and 2023, respectively. Inflationary pressures still remain high due to high energy and food prices that are somehow embedded in core inflation. Likewise, Kasikorn Research has upwardly revised our growth forecast for the Thai economy in 2023 to 3.7 percent, against the 3.2 percent projected before, thanks to the positive effects of China's early reopening towards Thai tourism and exports. In 2023, we expect that the

number of Chinese tourist arrivals in Thailand will reach approximately 4.65 million, helping bolster the number of international tourist arrivals to 25.5 million, or within a range of 24-26 million. Meanwhile, the overall Thai exports may shrink at only 0.5 percent as Thai shipments to China, particularly consumer products, are projected to record substantial growth despite the sluggish global economy.

For Vietnam's Economy, the General Statistics Office (GSO) revealed that GDP growth quickened to 8.02% in 2022, which was considered the fastest annual pace since 1997, backed by strong domestic retail sales and exports, but is facing headwinds from a global slowdown. The growth was higher than an official growth target of 6.0%-6.5% and last year's growth of just 2.58%. In 2022, Vietnam attracted a total of 27.72 billion USD in foreign direct investment (FDI) as of December 20, equal to 89 percent of the figure of the same period last year, according to the Ministry of Planning and Investment. Despite rapid growth, the slowdown of global demand would still be one of the challenging issues of Vietnam's economy, posing an impact on its export. In 2023, Vietnam's GDP growth is estimated to be 6.8%, and the inflation rate is at 4.5%.

#### **Investment and Foreign Direct Investment Applications**

According to the Thailand Board of Investment, local and foreign investors filed a total of 2,119 applications for investment promotion, worth a combined 664.6 billion baht, up 39% from a revised 478.9 billion baht the previous year. The applications for investment promotion in 2022 reached 664.6 billion baht, an increase of 39% from the previous year's adjusted number, boosted by large foreign direct investments (FDI) in key sectors, including electronics, the electric vehicles (EV) supply chain and data centers, confirming the recovery from Covid-19.

The second largest sector in terms of the combined value of applications was the automotive sector. Applications for investments in the EV supply chain alone, including pure EV, Plug-In Hybrid Electric Vehicle (PHEV), Hybrid Electric Vehicle (HEV), and batteries, amounted to almost 54 billion baht and the investments in data centers amounted to 42.5 billion baht.

Meanwhile, FDI projects increased 36% from the previous year to 433.971 billion baht. Investments from China topped the FDI value rankings with 158 projects worth a combined 77.4 billion baht, followed by Japan with 50.8 billion baht for 293 projects, the U.S. with 50.3 billion baht for 33 projects, Taiwan with 45.2 billion baht for 68 projects, and Singapore with 44.3 billion baht for 178 projects. Regarding investment in the Eastern Economic Corridor (EEC), Thailand's prime industrial area comprising Chonburi, Chachoengsao, and Rayong provinces, topped the regional ranking attracting 358.8-billion-baht worth of investment, an increase of 84% from 2021.

For Vietnam, as of December 20, 2022, the total newly registered capital, adjusted capital, and capital contribution, and share purchase of foreign investors stood at 27.72 billion USD, as much as 89% over the same period in 2021. The adjusted capital continued to increase while newly registered capital decreased over the same period last year. Of which (1) Newly registered capital: there were 2,036 new projects were granted investment registration certificates (a year-on-year increase of 17.1%), with total registered capital of 12.45

billion USD (a year-on-year decline of 18.4%) (2) Adjusted capital: there were 1,107 projects registering for capital adjustment (a year-on-year increase of 12.4%). The total additional registered capital reached approximately 10.12 billion USD (a year-on-year increase of 12.2%). (3) Capital contribution and share purchase: there were 3,566 capital contributions and share purchases by foreign investors (a year-on-year decline of 6.1%), with the total value of contributed capital reaching over 5.15 billion USD (a year-on-year decrease of 25.5%). The total value of realized capital was worth USD 22.4 billion, an increase of 13.5% compared with the same period in 2021.

### Key developments in 2022

**Logistics Business:** In 2022, WHA Logistics achieved outstanding performance due to the country's reopening, which led to economic recovery and resumption of investment activities. At the end of the year, WHA Logistics signed lease agreements for Built-to-Suit and Ready-Built Factories and Warehouses totaling 136,332 sq. m. and entered into short-term contracts with high returns totaling 135,012 sq. m. This contributed to the Group's ownership and management of a total of 2,718,231 sq. m. The trend of renting high-quality warehouses has been continuously growing, as seen by the overall occupancy rate of 92%.

Furthermore, in 2022, the company achieved a significant milestone with the successful launch of the WHA Mega Logistics Center located in Theparak KM. 21 with total area of 400 rai, while 68% of Phase I (130,000 sq. m.) has already been occupied by several large e-commerce players, third-party logistics providers, and other key tenants in the consumer goods sector.

The company is committed to expanding its logistics business to meet the evolving needs of both domestic and international customers, especially Vietnam, a country with high growth potential. The company is also dedicated on providing value-added services to its customers by leveraging on innovations and digital technologies such as Quantum Computing, the Internet of Things (IoT), and data analytics etc. Currently, WHA Logistics is conducting studies on intelligent warehouses and exploring the application of quantum computing on transportation services to improve route efficiency under the concept of green logistics. Additionally, the company is proactively seeking partnerships with promising startups to improve the overall customer experience.

For the Office Solutions business, WHA Logistics continues to expand several office building projects in prime locations in Bangkok. Most recently, the WHA KW S25 project is expected to be completed in July 2023 and is prepared to launch soon. Currently, WHA Logistics has 6 office building projects in Bangkok and Samut Prakan with a total area of over 100,000 square meters and complete facilities and superior design.

In 2023, new projects and contracts from 3PL, consumer goods and retail sectors are expected to deliver collectively total 200,000 sq. m., including 165,000 sq. m. in Thailand and 35,000 sq. m. in Vietnam. Total assets under ownership and management are projected to reach 2,900,000 sq. m. WHA Logistics also targets to divest assets of 142,000 sq. m. to WHART, worth THB 3,250 million.

**Industrial Estate Business**, at the end of 2022, total land sales reached 1,899 rai (1,793 rai in Thailand and 106 rai in Vietnam). The company also signed Memorandums of Understanding (MOUs) for an additional 899 rai (469 rai in Thailand and 430 rai in Vietnam), with 468 rai of outstanding backlog in Thailand to be transferred. Apart from overall economic recovery and increased investment in Thailand, WHA Industrial Estate has also benefited from the relocation, as many investors from countries such as China, Japan, and the United States moved their production bases to Thailand to mitigate the impact of the Sino-US trade war, the unrest between Ukraine and Russia, and Chinese political reforms that forced many industries to adopt a diversification strategy. This trend underscores investors' confidence in Thailand's potential as a strategic production and investment hub of the region. Thailand's resilient supply chain and well-developed infrastructure will support investments in new industries, particularly the targeted S-Curve sectors such as electric vehicles, smart electronics, and digital technologies.

WHA Group is one of the leading industrial estate developer in Thailand and internationally, with a total area of 71,000 rai. It currently has 4,000 rai of land available for sale and is actively negotiating the sale of large land areas, with potential total sale of over 3,000-4,000 rai. The company caters to a wide range of industries, including automobile, consumer products, electronics, and many more.

WHA Group has 12 industrial estates under operation in Thailand, including WHA Rayong 36 Industrial Estate (1,280) fully completed in 2022. There are 2 upcoming industrial estates. WHA Industrial Estate Rayong – Phase 1 (1,100 rai) started construction last October, while WHA Saraburi Industrial Land 2 (2,400 rai) is expected to start construction in 2026. There are also 2 expansion projects, specifically WHA Eastern Seaboard Industrial Estate 4 Expansion (570 rai) and another 400-rai expansion of WHA Rayong 36 Industrial Estate.

WHA Industrial Estate is accelerating its business in Vietnam, in response to the country's strong economic growth and attraction of foreign investment. As of the end of 2022, the company had already sold 106 rai of land and signed MOUs for an additional 430 rai. Currently, the company operates 1 existing industrial zone and 2 upcoming projects representing a total of 20,950 rai. These projects are part of the company's long-term investment strategy in Vietnam.

The confidence that investors have in the company will led to a sales target for 2023 of 1,750 rai in Thailand and Vietnam combined, which is nearly equal to the previous year and represents a growth rate double that of 2021.

WHA Industrial Zone 1 - Nghe An phase 1 (900 rai), is completed and well-equipped with the highest quality infrastructure, utilities and environmental care. Seventy-seven percent of Phase 1 is leased to customers whose activities span across sectors such as automotive parts, consumer products, materials, and electronics. With sustained high demand for industrial land, the company is accelerating the development of subsequent phases with construction of Phase 2 (2,215 rai) underway.

In addition, WHA Group has signed Memorandums of Understanding (MOUs) with local authorities in Vietnam for the development of two additional industrial zones. The first is 'WHA Smart Technology Industrial Zone -



Thanh Hoa,' covering 5,320 rai in Thanh Hoa province. Construction is scheduled to commence in 2024 or early 2025. The second is the 'WHA Smart Eco Industrial Zone - Quang Nam,' covering 2,500 rai, located in the central region between Danang and Quang Ngai Provinces. License approvals are expected in 2026 or 2027, construction activity can start immediately thereafter.

Regarding BIG WHA Industrial Gas Co., Ltd (BIG WHA), a joint venture with Bangkok Industrial Gas Co., Ltd (BIG), the company plans to expand its product range to include higher-value products and services, such as the supply of nitrogen gas, which will be extended to other industrial estates beyond the Eastern Seaboard Industrial Estate (Rayong), as well as to other types of industrial gas.

In 2023, WHA will expand its services by offering underground fiber optic service (FTTx) to telecom operators including AWN, True, and Dtac in 11 WHA Industrial Estates in Thailand. The company will also rent out spaces on telecom towers to install necessary devices for receiving and broadcasting network frequencies like 5G in 3 industrial estates, with plans to expand to other industrial estates throughout the year.

**Utilities Business**, in 2022, WHA's utilities business showed stronger performance compared to the previous year. The company's total volumes of utilities sales and management both domestic and overseas in Q4/2022 and the full year 2022 reached 33.6 million cubic meters and 145.3 million cubic meters, respectively.

In Q4/2022, domestic water sales slightly decreased with 25.9 million cubic meters compared to the same period last year, due to lower sales in industrial water and lower volume of wastewater treatment. However, the sale of value-added products has significantly increased following the commercialized operations (COD) of WHAUP AIE in October 2022. Additionally, increasing water demand from customers in the power sector also contributed to sales growth, resulting in an overall full-year 2022 domestic sales of water supply and water management reaching 116.8 million cubic meters, an overall improvement from the previous year. This growth reflects the company's commitment to delivering the complete utilities solutions of value-added products, raw water, and wastewater treatment.

In Q4/2022 and throughout 2022, the total water sales in Vietnam, according to shareholding, amounted to 7.7 million cubic meters and 28.4 million cubic meters, respectively, which marks a significant improvement from the previous year. This growth was largely driven by an increase in water sales volume from the Duong River, which benefited from Vietnam's economic recovery following the country's reopening. Additionally, the company was able to expand its customer base and increase water supply coverage to new areas.

In response to the growing demand for water usage, the company has recently opened a new water production and treatment facility with a total capacity of 3.3 million cubic meters per year, located within the WHA Rayong 36 Industrial Estate. Additionally, the company will start construction of a new water treatment plant and wastewater facility in WHA Industrial Estate Rayong (WHA IER), with a total capacity of 5.8 million cubic meters per year. With regard to alternative raw water strategy that the company targets to increase the sources of supply of water, there are two identified projects, with total water capacity of 10 million cubic meters per year. The first raw water project that will support WHA Rayong 36 Industrial Estate and WHA Rayong Industrial Land

has already been commissioned, whereas the second project at WHA Eastern Seaboard Industrial Estate 4 will start construction during 1Q/2023.

Looking forward to 2023, the company has set a target of reaching total sale of 168 million cubic meters for both water supply and wastewater management. This figure will be divided between domestic water sales and water management, with a target of 135 million cubic meters, and the sale of water for utilities business in Vietnam, where the company currently has 3 operational projects, with a target of 33 million cubic meters.

**Power Business** continues to expand its power portfolio, especially in renewable energy segment. In 2022, the company signed an additional 31 solar rooftop contracts comprised of 26 Private PPA, with cumulative power capacity of 41 MW, and 5 EPC service projects, with cumulative power capacity of 9 MW. As a result, the company had a cumulative signed PPA of 133 MW at the end of 2022. Moreover, the company was able to commercialize an additional 37 MW of solar power to customers. This has brought the company's solar power cumulative commercialized capacity to a total of 94 MW.

In 2022, The company signed a contract with Ford Motor Company for the installation of a solar carpark with capacity of 7.7 MW on total area of 32,200 sq. m. The project is located at WHA Eastern Seaboard Industrial Estate 1 and has become the largest solar carpark in Thailand. This landmark project has pushed the company's cumulative signed PPA to reach 683 MW of installed equity MW at the end of 2022.

As part of its long-term strategy to focus on smart and innovative solutions, the company has co-developed, with PTT and Sertis, the Renewable Energy Exchange ("RENEX"), a Peer-to-Peer Energy Trading platform based on Blockchain technology. RENEX has been offered to customers and industrial users within WHA industrial estates. Currently, 54 leading customers from three WHA industrial estates – WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1), WHA Eastern Seaboard Industrial Estate 2 (WHA ESIE 2), and Eastern Seaboard Industrial Estate (Rayong) – are using the platform. The company is also conducting studies and developing a carbon credit trading feature to incorporate into the platform. Initially, this will involve registering solar projects in the Thailand Voluntary Emission Reduction Program (T-VER) and International Renewable Energy Certificate (I-REC).

The company aims to enlarge its portfolio in Thailand, to expand in Vietnam and to explore new market overseas. It will adhere to innovative and sustainable practices while seeking new opportunities with new S-curve businesses such as Battery Energy Storage Systems (BESS), Hydrogen, Carbon Trading and Carbon Capture Utilization and Storage (CCUS). We also aim to adopt new technologies and innovations into our business practices continuously.

WHA's target cumulative signed Power Purchase Agreements (PPAs) based on equity MW for 2023 is 847 MW, up from 683 MW in 2022. Its portfolio will include 547 MW for conventional power, 133 MW for solar energy and 3 MW for industrial waste to energy. Renewable energy projects will be further developed, with a target of cumulative signed PPAs at 300 MW by the end of 2023.

**Digital Business:** WHA Group is committed to leading digital transformation and aims to become a tech company by 2024. The journey will include the restructuring of its organization, new strategies, upskilled human capital, innovative corporate culture, and business process improvement to gain competitive advantages and to thrive in the digital era. It will incorporate various technologies to improve its capabilities in reaching out to customers, as well as creating new value-added products to enhance customer satisfaction.

In addition, WHA is actively promoting digital transformation initiatives within WHA Group, by empowering business operations to enhance productivity, efficiency, accessibility, and digital security. Spearheaded by WHA Digital, collaborative projects across business units have been initiated such as corporate dashboard for solar monitoring, big data and analytical tools, automated systems, IoTs and smart devices which are currently being explored and developed.

WHAbit and META W are among the first products branded under WHA Digital. Launched in 2022 to promote digital healthcare and corporate wellness, the second version of WHAbit will be released in Q2/2023 with improved data visualization and personalized care. WHA Digital also aims to launch META W, the first Industrial metaverse designed to enhance customers' experience, create new opportunities, and strengthen its businesses in the digital era. Under the concept of digital twin, META W will be able to offer virtual tour of WHA Group, create new business models, as well as to provide immersive monitoring experiences. Going forward, WHA Digital plans to expand its products and services to be offered to customers both inside and outside WHA Group's ecosystem.

WHA Group has recently announced 2023 business goals under a new corporate branding "The Ultimate Solution for Sustainable Growth". In line with this strategy, the company plans to invest a total of THB 68.5 billion over the next 5 years, from 2023 to 2027. The investment budget will be allocated to WHA Logistics, WHAID, WHAUP, and WHA Digital, amounts to THB 17 billion, THB 29 billion, THB 1.85 billion, and THB 4 billion, respectively. The goal is for WHA to achieve normalized revenue and share of profits of THB 100 billion over the 5-year period (2023 – 2027).

## FINANCIAL ANALYSIS

During 2022, the Company had total revenue and share of profit and net profit of THB 15,567.6 mm and THB 4,045.9 mm, respectively. If excluding FX impact and extraordinary items, the Company had the normalized total revenue and share of profit and normalized net profit of THB 15,566.4 mm and THB 4,064.5 mm, respectively. The details are as follows:

## FINANCIAL PERFORMANCE OF 4Q2022 AND FY2022

| Consolidated Financial Statement             | 4Q 2021        | 4Q 2022        | YoY          | 2021            | 2022            | YoY          |
|--|----------------|----------------|--------------|-----------------|-----------------|--------------|
|  | THB mm         | THB mm         | %            | THB mm          | THB mm          | %            |
| <b>Total Revenue and Share of Profit</b>     | 7,239.2        | 8,997.6        | 24.3%        | 11,963.9        | 15,567.6        | 30.1%        |
| Total Cost                                   | 3,703.3        | 4,643.9        | 25.4%        | 5,663.0         | 7,592.4         | 34.1%        |
| Gross Profit and Share of Profit             | 3,290.4        | 4,535.9        | 37.9%        | 5,079.2         | 6,721.9         | 32.3%        |
| <b>Net Profit</b>                            | 2,034.8        | 2,841.6        | 39.6%        | 2,590.1         | 4,045.9         | 56.2%        |
| <b>Normalized Total Revenue <sup>†</sup></b> | <b>7,218.7</b> | <b>8,924.0</b> | <b>23.6%</b> | <b>12,077.9</b> | <b>15,566.4</b> | <b>28.9%</b> |
| <b>Normalized Net Profit <sup>†</sup></b>    | <b>2,014.8</b> | <b>2,754.9</b> | <b>36.7%</b> | <b>2,709.6</b>  | <b>4,064.5</b>  | <b>50.0%</b> |

<sup>†</sup> Normalized Total Revenue and Share of Profit = Total Revenue excluding FX impact, extraordinary items and deferred revenue items

## KEY HIGHLIGHTS

- Total Revenue and Share of Profit and Net Profit for 2022 were THB 15,567.6 mm and THB 4,045.9 mm, respectively. This statutory figure consists of the normal business operation and FX impacts, which was mainly unrealized gain/loss. In addition, the Company's Normalized Total Revenue and Share of Profit and Normalized Net Profit for 2022 were THB 15,566.4 mm and THB 4,064.5 mm, respectively.
- Rental and Service Revenue during 2022 was THB 1,044.1 mm which decreased by 10.1%, compared to the same period of previous year and mainly due to lower occupied area, resulting from asset monetization to REITs.
- Revenue from sale of investment properties during 2022 was THB 2,985.1 mm decreased by 39.5% due to lower sale proceeds from asset monetization to REITs and lower proportion of owned asset, compared to 2021. However, the Company had share of profit from JV's asset monetization to REITs of THB 356.9 mm in 2022 (which JV companies have recognized the revenue from asset monetization of THB 2,078.9 mm)
- Revenue from Land Business for 2022 was THB 6,787.4 mm which increased by 292.4%, compared to the same period of previous year mainly due to a higher number of domestic land transfer.
- During 2022, Utilities Income was THB 2,548.5 mm which increased by 8.3%, compared to the same period of previous year due to higher domestic water demand and increase in revenue from excessive charge.
- Normalized Revenue and Share of Profit from Investment in Power Associates and Joint Ventures for 2022 was THB 804.7 mm which decreased by 32.6%, compared to the same period of previous year mainly due to lower performance of SPPs business from higher natural gas price, lower performance of Gheco-1



from unplanned shutdown maintenance and higher coal cost. However, there was a higher revenue from solar business, resulting from increase in revenue recognition from solar panel installation service (EPC) and COD in additional solar project.

- Finance Cost for 2022 was THB 1,126.2 mm which decreased by 1.7%, compared to the same period of previous year due to lower weighted average outstanding interest-bearing debt amount. However, the Company had weighted average cost of fund increased by 0.14% p.a. from 2.77% p.a. at the end of 2021 to 2.91% p.a. at the end of 2022 due to increase in interest policy rate by the monetary policy committee under the Bank of Thailand.
- The Company had Net Profit and Normalized Net Profit during 2022 were THB 4,045.9 mm and THB 4,064.5 mm which increased by 56.2% and 50.0%, respectively, compared to the same period of previous year. The main reasons were from higher contribution from land business, utilities business and the gain from 2-data center divestment.

## **PERFORMANCE BY BUSINESS**

### **Rental Properties Business**

|  | 4Q 2021 | 4Q 2022 | YoY     | 2021    | 2022    | YoY     |
|--|---------|---------|---------|---------|---------|---------|
|  | THB mm  | THB mm  | %       | THB mm  | THB mm  | %       |
| Rental and Service Revenue                                     | 298.1   | 266.4   | (10.6%) | 1,161.1 | 1,044.1 | (10.1%) |
| Gross Profit   | 191.9   | 150.1   | (21.8%) | 813.0   | 618.3   | (23.9%) |
| Gross Profit Margin  | 64.4%   | 56.3%   |         | 70.0%   | 59.2%   |         |
| GPM before adjustment with PPA <sup>1</sup>                    | 64.4%   | 56.4%   |         | 70.1%   | 59.3%   |         |
| Revenue and Share of Profit from Sale of Investment Properties | 4,922.3 | 2,906.2 | (41.0%) | 4,934.5 | 2,985.1 | (39.5%) |
| Gross Profit   | 2,147.9 | 1,290.8 | (39.9%) | 2,148.5 | 1,299.4 | (39.5%) |
| Gross Profit Margin  | 43.6%   | 44.4%   |         | 43.5%   | 43.5%   |         |
| GPM before adjustment with PPA <sup>1</sup>                    | 43.6%   | 43.7%   |         | 43.5%   | 42.8%   |         |
| Share of Profit from JV's Asset Monetization                   | -       | 356.9   |         | -       | 356.9   |         |

<sup>1</sup> Excluding accounting impact of Purchase Price Allocation (PPA)

### **1. Rental and Service Income**

- **Rental and service income from warehouses, distribution centers, factories, and structural work** during the fourth quarter of 2022 was THB 266.4 mm which decreased by 10.6%. For the year of 2022 was THB 1,044.1 mm which decreased by 10.1%, compared to the previous year because of lower occupied area, resulting from asset monetization to REITs.
- **Gross profit margin from rental and service from warehouses, distribution centers, factories, and structural work** during the fourth quarter of 2022 was 56.3% and the year of 2022 was 59.2% which decreased from the same period of pervious year due to increase in land and building tax expenses in 2022.

## 2. Sale of Investment Properties

- **Revenue from sale of investment properties** during 2022 was THB 2,985.1 mm, decreased by 39.5%, compared to the same period of previous year due to lower sale proceeds from asset monetization to REITs and lower proportion of owned asset. However, the Company had share of profit from JV's asset monetization to REITs of THB 356.9 mm in 2022 (which JV companies have recognized the revenue from asset monetization of THB 2,078.9 mm)

### Industrial Development Business

|   | 4Q 2021 | 4Q 2022 | YoY    | 2021    | 2022    | YoY    |
|---|---------|---------|--------|---------|---------|--------|
|   | THB mm  | THB mm  | %      | THB mm  | THB mm  | %      |
| Revenue from Land Sales                     | 902.9   | 4,428.2 | 390.4% | 1,729.7 | 6,787.4 | 292.4% |
| Gross Profit                                | 501.8   | 2,039.3 | 306.4% | 911.0   | 3,110.9 | 241.5% |
| Gross Profit Margin                         | 55.6%   | 46.1%   |        | 52.7%   | 45.8%   |        |
| GPM before adjustment with PPA <sup>1</sup> | 63.6%   | 48.0%   |        | 59.2%   | 48.1%   |        |

<sup>1</sup> Excluding accounting impact from Purchase Price Allocation (PPA)

**Revenue from land business and sale of properties** during the fourth quarter of 2022 was THB 4,428.2 mm, increased by 390.4% and the year of 2022 was THB 6,787.4 mm, increased by 292.4%, compared to the previous year, due to higher number of domestic land transfer.

**Gross profit margin from land business and sale of properties** during the fourth quarter of 2022 was 46.1% and the year of 2022 was 45.8% which decreased from the same period of previous year.

### Utilities & Power Business

#### 1. Utilities Business

|  | 4Q 2021 | 4Q 2022 | YoY     | 2021    | 2022    | YoY   |
|--|---------|---------|---------|---------|---------|-------|
|  | THB mm  | THB mm  | %       | THB mm  | THB mm  | %     |
| Sales and Service Revenue from Utilities Business        | 581.0   | 604.5   | 4.0%    | 2,352.3 | 2,548.5 | 8.3%  |
| Gross Profit   | 202.0   | 205.8   | 1.9%    | 911.3   | 1,002.2 | 10.0% |
| Gross Profit Margin                                      | 34.8%   | 34.0%   |         | 38.8%   | 39.3%   |       |
| GPM before adjustment with PPA <sup>1</sup>              | 37.8%   | 36.9%   |         | 41.7%   | 42.0%   |       |
| Share of Profit from Investments in Utilities Associates | (97.2)  | (85.6)  | (11.9%) | (204.1) | (210.6) | 3.2%  |

<sup>1</sup> Excluding accounting impact of Purchase Price Allocation (PPA)

**Utilities income** for the fourth quarter of 2022 was THB 604.5 mm which increased by 4.0% and the year of 2022 was THB 2,548.5 mm which increased by 8.3%, compared to the previous year, The main reason was from higher domestic water demand and increase in revenue from excessive charge.

**Gross profit margin from utilities income** for the fourth quarter and the year of 2022 were 34.0% and 39.3%, respectively. This gross margin had accounted for the fair value adjustment of the acquired business according to the accounting standards under WHA level. However, the genuine gross margin in the fourth quarter and the year of 2022 were 36.9% and 42.0%, respectively. Increase in gross profit margin was mainly from increase in excessive charge.

**Share of Profit from Investments in Associates from Utility Business** for the fourth quarter and the year of 2022 were THB (85.6) mm and THB (210.6) mm, respectively, which was mainly due to increase in share of loss from SDWTP.

## 2. Power Business

|  | 4Q 2021      | 4Q 2022     | YoY            | 2021         | 2022         | YoY            |
|--|--------------|-------------|----------------|--------------|--------------|----------------|
|  | THB          | THB         |                | THB          | THB          |                |
|  | mm           | mm          | %              | mm           | mm           | %              |
| Revenue from Solar Business  | 40.0         | 153.7       | 283.8%         | 251.8        | 331.6        | 31.7%          |
| Gross Profit   | 16.5         | 33.6        | 104.0%         | 67.4         | 102.6        | 52.3%          |
| Gross Profit Margin  | 40.3%        | 21.9%       |                | 26.5%        | 31.0%        |                |
| Share of Profit from Investments in Power Associates                                 | 313.4        | 478.3       | 52.6%          | 505.4        | 353.8        | (30.0%)        |
| <b>- Normalized Share of Profit from Investments in Power Associates<sup>1</sup></b> | <b>250.8</b> | <b>77.5</b> | <b>(69.1%)</b> | <b>941.3</b> | <b>473.1</b> | <b>(49.7%)</b> |
| - FX Gain (Loss)   | 62.6         | 400.9       | 540.6%         | (434.9)      | (119.3)      | (72.6%)        |

<sup>1</sup> Excluding Gain (Loss) from FX and extraordinary items

**Normalized Revenue and Share of Profit from Investment in Power Associates and Joint Ventures** for the fourth quarter of 2022 was THB 231.2, decreased by 19.5%, compared to the same period of previous year. For the year of 2022 was THB 804.7 mm, decreased by 32.6%, compared to last year, due to lower performance of SPPs business from higher natural gas price, lower performance of Gheco-1 from unplanned shutdown maintenance and higher coal cost.

**Revenue from Solar Business** for the fourth quarter of 2022 was THB 153.7 mm which increased by 283.8% and for the year of 2022 was THB 331.6 mm which increased by 31.7%, compared to previous year because of increase in revenue recognition from solar panel installation service (EPC) and COD in additional solar project.

**Gross profit margin from Solar Business** for the fourth quarter was 21.9% which decreased from the same period of previous year, due to higher revenue recognition from solar panel installation service (EPC) having generated lower margin, compared to electricity sale from solar business. For the year 2022 was 31.0% which increased from previous year due to higher revenue recognition of electricity sale from solar business.

**Normalized Share of Profit from Investment in Associates from Power Business and Joint Ventures** during the fourth quarter and the year of 2022 were THB 77.5 mm which decreased by 69.1% and THB 473.1 mm which decreased by 49.7%, compared to the same period of previous year. If including the FX impact, most of which are unrealized gain/loss, the share of profit from power associates and joint ventures during the fourth quarter and the year of 2022 were THB 478.3 mm which increased by 52.6% and THB 353.8 mm which decreased by 30.0%. The decrease in normalized share of profit from investment in power associates was mainly due to lower performance of SPPs business due to increase in natural gas price and unplanned shutdown maintenance of Gheco-1.

### Other Income

|  | 4Q 2021      | 4Q 2022      | YoY            | 2021         | 2022           | YoY          |
|--|--------------|--------------|----------------|--------------|----------------|--------------|
|  | THB          | THB          |                | THB          | THB            |              |
|  | mm           | mm           | %              | mm           | mm             | %            |
| <b>Dividend income and management income</b>     | <b>212.4</b> | <b>213.3</b> | <b>0.4%</b>    | <b>630.1</b> | <b>659.8</b>   | <b>4.7%</b>  |
| Others   | 33.1         | (395.4)      | (1,295.4%)     | 466.6        | 553.5          | 18.6%        |
| Total other income                               | 245.5        | (182.2)      | (174.2%)       | 1,096.8      | 1,213.3        | 10.6%        |
| Normalized others <sup>1</sup>                   | 75.2         | (68.2)       | (190.6%)       | 145.8        | 433.1          | 197.1%       |
| <b>Normalized total other income<sup>1</sup></b> | <b>287.6</b> | <b>145.1</b> | <b>(49.5%)</b> | <b>775.9</b> | <b>1,092.9</b> | <b>40.9%</b> |

<sup>1</sup> Excluding FX impact

**Normalized other income** for the fourth quarter and the year of 2022 were THB 145.1 mm which decreased by 49.5% and THB 1,092.9 mm which increased by 40.9%, compared to the same period of previous year, which was mainly from:

- **Dividend and management income** during the fourth quarter and the year of 2022 were THB 213.3 mm which increased by 0.4% and THB 659.8 mm, increased by 4.7%, compared to the same period of previous year, resulting from higher dividend income from increase in REIT size.
- **Normalized other income** comprised interest income, gain from revaluation of short-term and long-term investment and other income during the fourth quarter and the year of 2022 were THB (68.2) mm which decreased by 190.6% and THB 433.1 mm which increased by 197.1%, from the same period of previous year because the Company has recognized gain from 2-data center monetization.

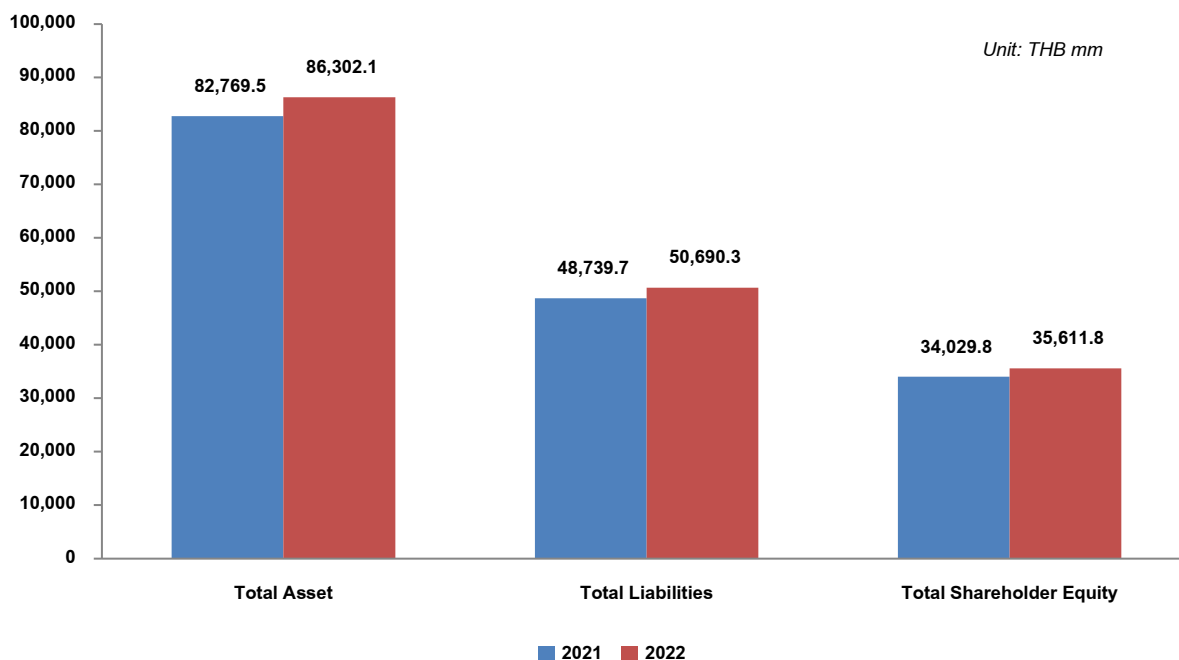
### Expense Analysis

|                        | 4Q 2021      | 4Q 2022        | YoY          | 2021           | 2022           | YoY          |
|------------------------|--------------|----------------|--------------|----------------|----------------|--------------|
|                        | THB          | THB            |              | THB            | THB            |              |
|                        | mm           | mm             | %            | mm             | mm             | %            |
| Selling expense        | 67.1         | 243.7          | 262.9%       | 122.1          | 406.6          | 233.1%       |
| Administrative expense | 538.0        | 622.7          | 15.8%        | 1,481.8        | 1,575.3        | 6.3%         |
| Finance cost           | 277.1        | 275.3          | (0.7%)       | 1,145.5        | 1,126.2        | (1.7%)       |
| <b>Total expense</b>   | <b>882.2</b> | <b>1,141.7</b> | <b>29.4%</b> | <b>2,749.5</b> | <b>3,108.1</b> | <b>13.0%</b> |

- **Selling expense** during the fourth quarter of 2022 was THB 243.7 mm and the year of 2022 was THB 406.6 mm which increased by 262.9% and 233.1%, respectively, compared to the same period of previous year. The main reason was from higher number of domestic industrial land transfer.
- **Administrative expense** during the fourth quarter of 2022 was THB 622.7 mm and the year of 2022 was THB 1,575.3 mm which increased by 15.8% and 6.3%, respectively, compared to the same period of previous year.
- **Finance cost** during the fourth quarter of 2022 was THB 275.3 mm and the year of 2022 was THB 1,126.2 mm which decreased by 0.7% and 1.7%, respectively, compared to the same period of previous year due to lower weighted average outstanding interest-bearing debt amount. However, the Company's

weighted average cost of fund increased by 0.14% p.a. from 2.77% p.a. at the end of 2021 to 2.91% p.a. at the end of 2022.

### FINANCIAL STATUS



The change in Consolidated Balance Sheet as of 31 December 2022 are summarized as follows.

#### **Assets**

As of 31 December 2022, the Company had total asset of THB 86,302.1 mm, increased by THB 3,532.6 mm from THB 82,769.5 mm as of 31 December 2021. The main reasons are as follows:

1. Increased in cash and cash equivalents of THB 3,575.3 mm because of cash received from asset monetization to REITs and a huge number of land transfer during the end of 2022.
2. Increase in property plant and equipment (net) of THB 1,169.1 mm mainly from the expansion in solar business.
3. Increase in investment properties (net) of THB 505.8 mm because the Company has developed the new warehouse.
4. Decrease in cost of real estate developments (net) of THB 1,945.1 mm, due to a huge number of land transfer as mentioned above.

#### **Liabilities**

As of 31 December 2022, the Company had total liabilities of THB 50,690.3 mm which increased by THB 1,950.6 mm from THB 48,739.7 mm as of 31 December 2021. The increase was from bond issuance to support business expansion. If considering the interest-bearing debt, the short-term and long-term loan (net) decreased by THB 3,767.5 mm and the debentures (net) increased by THB 5,544.1 mm. As a result, the Company's



interest-bearing debt increased by THB 1,776.5 mm from THB 38,415.0 mm as of 31 December 2021 to THB 40,191.5 mm as of 31 December 2022. However, the Company's weighted average cost of fund increased by 0.14% p.a. from 2.77% p.a. as of the end of the year 2021 to 2.91% p.a. as of the end of the year 2022 due to increase in interest policy rate by the monetary policy committee under the Bank of Thailand.

### Shareholder's Equity

As of 31 December 2022, the Company had total shareholder's equity of THB 35,611.8 mm, increased by THB 1,582.0 mm from THB 34,029.8 mm as of 31 December 2021, mainly from increase in retained earnings from increase in the Company's performance. Although, the Company had the annual dividend payment and interim dividend payment during this period.

### KEY FINANCIAL RATIOS

|                               | 2021  | 2022  |
|-------------------------------|-------|-------|
| Gross Profit Margin (%)       | 45.6% | 44.7% |
| Net Profit Margin (%)         | 21.6% | 26.0% |
| D/E Ratio (times)             | 1.4   | 1.4   |
| Net IBD to Equity (times)     | 1.1   | 1.1   |
| Collection Period (days)      | 14.1  | 12.1  |
| Average Payment Period (days) | 164.8 | 126.9 |
| Effective Tax Rate (%)        | 19.1% | 11.2% |

### Credit Terms

**Collection period** during 2022 was 12.1 days which was decreased from 14.1 days, compared to the same period of previous year. This figure was in line with a credit term that the Company has provided to clients at 0-45 days depending on type of business. The decrease was mainly from efficiency in collection management.

**Average payment period** during 2022 was 126.9 days which decreased from 164.8 days for the year of 2021. Besides, the credit term of each supplier depends on their type of services/products. Normally, the credit term is around 30-60 days which the Company has payment guidelines for its' suppliers in order to ensure that there will have no delay payment. From the covid-19 situation, the Company had not have significant impact and also had the ability to manage cash efficiency. As a result, the Company had not encountered any problems from our suppliers' payment as well as the ability to meet the specified credit term according to the Company's policy. However, the average payment period above is higher than the Company's credit terms because of accounting record of account payable which includes non-related payments to suppliers such as deposit, retention, accrued interest expense, etc.

**Effective Tax Rate**

During 2022, the Company had earnings before tax (EBT) of THB 4,867.2 mm and corporate income tax (CIT) of THB 545.7 mm which was equivalent to the effective tax rate at 11.2%.

Please be informed accordingly.

Sincerely yours,

WHA Corporation Public Company Limited

(Mr. Natthapatt Tanboon-ek)

Chief Financial Officer