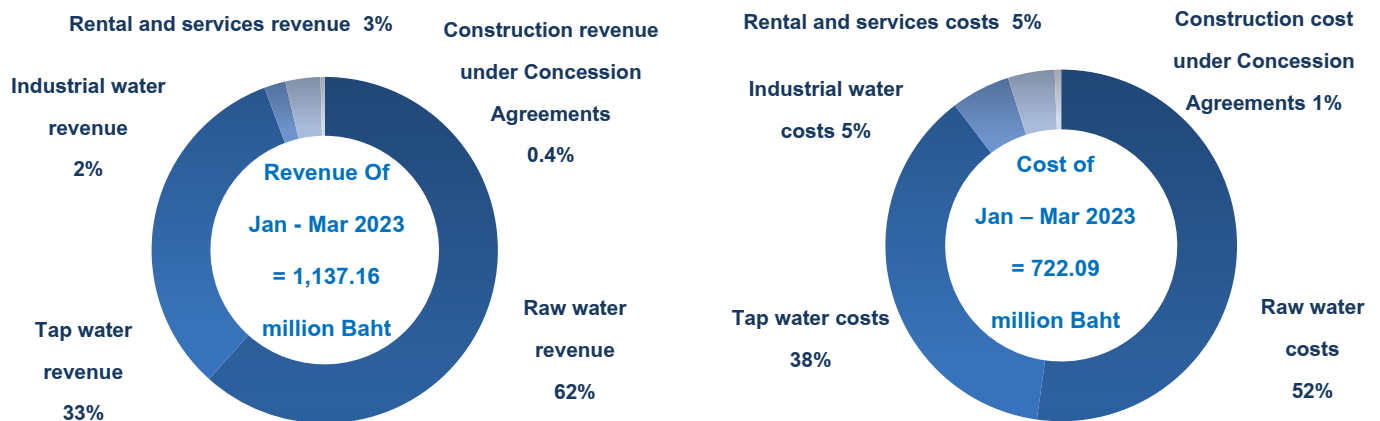


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

1. ANALYSIS OF FINANCIAL PERFORMANCE

For the first quarter of 2023, East Water Group had total consolidated sales and services income of 1,113.16 million Baht, decreased by 24.31 million Baht or -2.14%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 722.09 million Baht, increased by 77.39 million Baht or +12.00% compared to Q1 of 2022. In 2023, East Water Group generated a net profit of 151.77 million Baht, with net profit attributable to equity holders of the parent company of 149.11 million Baht, decreased by 101.68 million Baht or -40.12%.

Proportion of revenues and cost



Income statement (Million Baht)	For the 1 st quarter			
	2023	2022	YOY	%
Total Sales and Services revenue	1,113.16	1,137.46	(24.31)	(2.14%)
Raw water revenue	686.15	732.18	(46.04)	(6.29%)
Tap water revenue	363.99	332.72	31.26	9.40%
Industrial water revenue	22.18	13.39	8.80	65.71%
Rental and services revenue	36.50	38.17	(1.67)	(4.37%)
Construction revenue under Concession Agreements	4.34	21.00	(16.66)	(79.35%)
Costs of Sales and Services	722.09	644.70	77.39	12.00%
Raw water cost	377.07	336.90	40.17	11.92%
Tap water cost	270.41	231.63	38.78	16.74%
Industrial water cost	39.26	20.94	18.32	87.51%
Rental and services cost	31.02	34.23	(3.22)	(9.40%)
Construction cost under Concession Agreements	4.34	21.00	(16.66)	(79.35%)
Gross profit	391.06	492.76	(101.70)	(20.64%)
Other income	11.75	6.31	5.44	86.17%
Sells and administrative expenses	146.35	129.63	16.71	12.89%
Operating profit	256.47	369.44	(112.97)	(30.58%)
Finance cost	73.14	55.33	17.81	32.19%
Income tax expenses	31.56	60.65	(29.10)	(47.97%)
Net profit	151.77	253.46	(101.68)	(40.12%)
Net profit attributable to shareholders of the parent company	149.11	251.97	(102.87)	(40.82%)
Earnings per share (EPS)	0.09	0.15	(0.06)	(40.82%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

EBITDA (Million Baht)	For the 1 st quarter			
	2023	2022	YOY	%
Operating profit	256.47	369.44	(112.97)	(30.58%)
Depreciation	177.39	168.26	9.13	5.43%
Amortization	90.85	86.52	4.33	5.01%
EBITDA	524.71	624.22	(99.50)	(15.94%)

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 Q1/2023, overall businesses expanded from the same period last year and last quarter in almost all sectors, following the ongoing gradual economic recovery and increasing number of foreign tourists which benefits the service, hospitality and trade sectors. The manufacturing and export sectors remain stable. Nevertheless, most businesses are However, most of businesses were still dealing with high production costs, from cost of raw material, minimum wage, electricity cost escalation, while there were certain limitations on raising selling prices. Consequently, businesses adopted alternative strategies instead of price hike as demand purchasing power is still fragile. Investment deferred due to Covid are resuming according to the original investment plan, albeit with lower capital. Labor market is stable, although some businesses report shortage of skilled labor, such as engineer, automobile mechanics, hospitality workers and airline staff.

For Q2/2023 the economy is projected to expand compared to the same period of last year and last quarter, following the upward trend in the number of foreign tourists which benefits the service, hospitality and trade sectors especial for businesses in the city and near touristic attractions. The semiconductor shortage for the electronics manufacturing sector is project to be alleviated as microchip manufacturing in China recovers. Nevertheless, businesses will still face adversity, such as the global economic uncertainty and the purchase power is still fragile which makes it difficult to pass on the increase cost through price hikes.

3. WATER SITUATION

As of 5 May 2022, the water supply situation in Chonburi and Rayong were in the higher-than-normal range. Water supply in several main reservoirs were higher than the 10-year average, due to the significant rainfall increase in the latter half of 2022 from several tropical storms that passed through Thailand causing the water volume in the reservoirs to significantly increase. The Thai Meteorological Department predicts that the total rainfall in the Eastern Seaboard in the May – July 2023 period, which will start to transition from the hot to rainy season, will be about 5% lower than normal with temperatures near the average for the period. The water in the reservoirs in Chonburi and Rayong were 58.57% and 56.58% of total capacity, respectively.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

3. WATER SITUATION (CONT.)

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	64.72	16.34	48.06	92.52	15.15	203.07
Percentage of total capacity	55%	76%	67%	56%	38%	69%
Average (2013-2022)	53.02	9.39	37.81	97.10	18.97	152.25
Above/(below) average (2013-2022)	11.70	6.95	10.25	(4.58)	(3.82)	50.82

4. SIGNIFICANT EVENTS

Dividend Payment: On 20 April 2022, the Annual General Shareholders Meeting (AGM) approved the 2022 dividend payout to shareholders of 0.21 Baht per share, comprising of an interim dividend payout of 0.12 Baht per share, totaling 199 million Baht, which the shareholders received 27 September 2022 and dividend payout for the second 6-months of 2022 of 0.09 Baht per share, totaling 150 million Baht, with the list of shareholders entitled to the dividend payment cut-off date of 27 April 2023 and dividend payment on 19 May 2023.

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 10 March 2023, the government agency issued a lease/management termination notice for two water pipeline projects: Nong Pla Lai-Nong Kho and Nong Kho-Laem Chabang (Phase 2). The notice requested the Company to demolish its buildings and structures on the site, remove the assets and personnel, and completely deliver the area and assets of the two projects to the government agency by 11 April 2023. On 22 March 2023, the Company disputed the notice's accuracy and explained the potential impacts on water users if the property was handed over to the government agency on the specified date. The Company is still awaiting the Central Administrative Court's order results regarding the lawsuits it filed. Despite the ongoing legal dispute, the government agency insisted that the Company deliver the assets by the 11 April 2023 deadline. As a result, the Company delivered the projects' assets to the government agency on that date.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

4. SIGNIFICANT EVENTS (CONT.)

However, for the handover of assets the Company has reserved the right to object and the right of use and manage the main water distribution pipeline in the Eastern Region as per the legal relations between the Company and the government agency, including the right to file any additional lawsuit with the Administrative Court or any other court against the Private Entity to Operate and Manage Pipe System Selection Committee until the lawsuit is concluded, as well as take any required legal action, including the right to file a suit for all damages that occur or may occur.

The period of the handover of assets to the new operator must have clear plans and actionable steps, agreed upon by all stakeholders, and the Company must prepare the assets to be transferred and separate the operations and management of said assets to ensure minimal impact to the customers along both the Treasury Department's pipelines and the Company's pipelines.

The Company is still able operate its business as usual. Additionally, the water grid that the Company uses to manage water distribution in Rayong, Chon Buri and Chachoengsao Province area has a total length of 523 kilometers, of which, 135.90 kilometers of which are pipes that leased to manage from the Treasury Department (after 11 April 2023 handover, only 77.40 kilometers remain). The rest of the water grid that the Company invested is operating normally. Moreover, the Company is implementing the Water Resources and Main Pipe System in the Eastern Region Development Masterplan which includes the construction of an additional 139.08 kilometers of pipeline to replace, expand and connect the Water Grid, as well as improve the water security in the region to support the increasing future water demands from the expansion of the EEC. These constructions are scheduled to be completed in time to be able to supply water to customers in December 2023.

Extension of concessions of tap water contract that ended: 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.

5. RAW WATER BUSINESS

Raw water revenue for Q1/2023 was 686.15 million Baht, decreased by 46.04 million Baht or -6.29% compared to Q1/2022, mainly from raw water sales volume decrease of 4.03 million Cu.M or -6.18% (excluding internal usage of the Group of Companies of 9.41 million Cu.M.) caused by the large volume of rainfall in the second half of 2022, leading customers, especially the household sector to switch to use more water from natural sources than in the same period of last year..

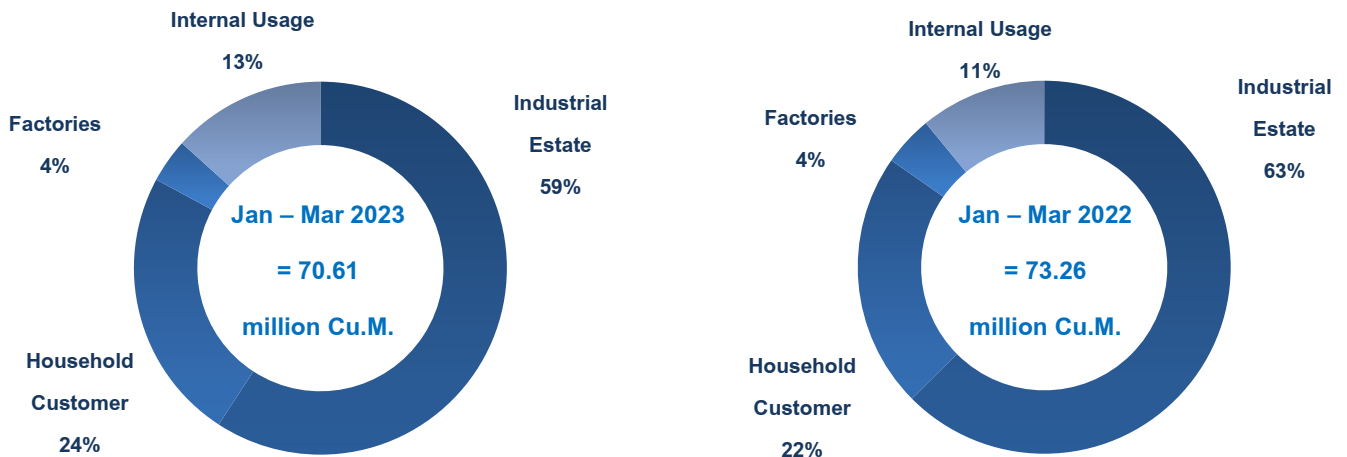
The average raw water sales price was 11.21 Baht per Cu.M., increased by 0.01 Baht per Cu.M. or +0.12% compared to the same period of 2022.

Raw Water Volume (Million Cu.M)	For the 1 st quarter			
	2023	2022	YoY	%
Total distribution volume	70.61	73.26	(2.64)	(3.61%)
(deduct) Internal usage for tap water	9.41	8.02	1.39	17.30%
Net raw water sales volume	61.21	65.24	(4.03)	(6.18%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

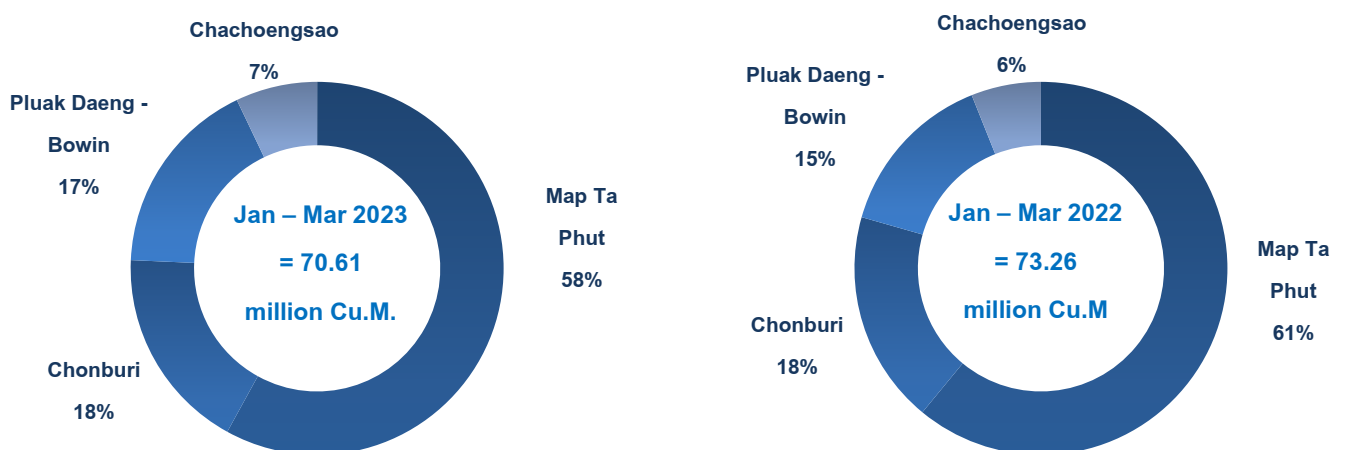
5. RAW WATER BUSINESS (CONT.)

Raw Water Distribution by Customer Group (Internal usage for tap water production is included)



Considering the direction and trend industries, there is substantial raw water business growth potential from the expansion of industries, as well as, the government policy promoting Rayong, Chonburi and Chachoensao provinces to be the production hub of high-tech industries and increasing competitiveness with the Eastern Economic Corridor (EEC). The Company's raw water capabilities are considered highly ready to support the EEC; from investments, stability of water resources and water distribution network.

Raw Water Distribution by Area (Internal usage for tap water production is included)



EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

5. RAW WATER BUSINESS (CONT.)

Gross Profit of Raw Water Business for Q1/2023 was 309.08 million Baht, decreased by 86.20 million Baht or -21.81% compared to the same period of 2022. The details are as follow:

- 1) Raw water revenue decreased 46.04 million Baht or -6.29% from decreased customer demands, mainly from the household sector and industrial estate group due to the large volume of rainfall in the second half of 2022, leading customers to switch to use more water from natural sources than in the same period of last year.
- 2) Costs of sales increased 40.17million Baht or +11.92%, mainly from the government escalation of the FT rate at the end of 2022, causing the electricity cost for pumping operations to increase significantly from 28.93% (in 2022) to 38.06% of raw water costs.

As a result, the gross profit margin of raw water business for Q1/2023 decreased to 45.05% from 53.99% YoY.

Major costs of raw water business (Million Baht)	For the 1 st quarter			
	2023	2022	YoY	%
Raw Water Revenue	686.15	732.18	(46.04)	(6.29%)
Costs of Raw Water	377.07	336.90	40.17	11.92%
Raw Water	45.86	52.15	(6.29)	(12.05%)
Electricity	143.50	97.46	46.04	47.24%
Maintenance	116.94	122.14	(5.20)	(4.26%)
Depreciation	22.93	18.15	4.78	26.33%
Others	47.84	47.00	0.84	1.78%
Gross Profit	309.08	395.28	(86.20)	(21.81%)
Gross Profit Margin	45.05%	53.99%		

6. TAP WATER BUSINESS

Tap water revenue for Q1/2023 was 363.99 million Baht, increased 31.26 million Baht or 9.40% compared to the same period of 2022, following the tap water sales increase of 1.50 million Cu.M. or +6.69% compared to the same period 2022.

Tap water sales volume (Million Cu.M)	For the 1 st quarter			
	2023	2022	YoY	%
Tap water sales volume	5.56	5.02	0.54	10.71%
Tap water sales volume of subsidiaries	18.38	17.42	0.96	5.54%
Total tap water sales volume	23.94	22.44	1.50	6.69%

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

6. TAP WATER BUSINESS (CONT.)

Gross Profit of Tap Water Business for Q1/2023 was 93.58 million Baht, decreased by 7.52 million Baht or -7.43% compared to the same period of 2022, similarly to the raw water business, mainly from the government escalation of the FT rate at the end of 2022, while sales expenses, such as cost of chemical and other costs, such as property tax and insurance, could not decrease. The gross profit margin was 25.71%, decreased from 30.38% during the same period of 2022.

Major Costs of Tap Water Business (Million Baht)	For the 1 st quarter			
	2023	2022	YoY	%
Tap Water Revenue	363.99	332.72	31.26	9.40%
Costs of Tap Water	270.41	231.63	38.78	16.74%
Raw Water	59.06	46.47	12.58	27.07%
Electricity	49.96	32.74	17.22	52.60%
Chemical	10.41	9.29	1.12	12.08%
Payroll, Outsource Expenses & Maintenance	50.64	47.99	2.65	5.52%
Depreciation	74.22	85.03	(10.82)	(12.72%)
Others	55.59	10.10	45.49	450.17%
Gross Profit	93.58	101.09	(7.52)	(7.43%)
Gross Profit Margin	25.71%	30.38%		

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for Q1/2023 was 22.18 million Baht increased 8.80 million Baht or +65.71% compared to the same period in 2022, as industrial water sales volume gradually increase to match customer demands

Gross Profit of Industrial Water Business for Q1/2023 was still negative at -17.08 million Baht, mainly due to recognizing depreciation of assets of completed construction using the straight-line method, while customer demands will gradually increase in annual steps. Nevertheless, Amata City Rayong Industrial Estate has started to purchase water with the contracted minimum guarantee from 2022 onward, whilst the Gulf PD powerplant finished construction and started purchasing water in April 2023. Gulf's sales volume is expected to gradually increase to match demands. Additionally, the Company has signed contracts with several new customers such as the Carabao Group and Rojana Industrial Estates – Pluak Daeng. The Company is also in the contracting process with several to the new customers. The Company expects to start generating gross profit from 2023 onwards.

Major Costs of Industrial Water Business (Million Baht)	For the 1 st quarter			
	2023	2022	YoY	%
Industrial Water Sale Volume	1.52	0.89	0.63	70.63%
Industrial Water Revenue	22.18	13.39	8.80	65.71%
Costs of Industrial Water	39.26	20.94	18.32	87.51%
Raw Water	6.69	0.78	5.91	757.62%
Electricity	5.93	1.46	4.47	306.30%
Chemical	25.88	11.25	14.64	130.10%
Depreciation	0.76	7.45	(6.69)	(89.83%)
Gross Profit	(17.08)	(7.55)	(9.53)	(126.15%)
Gross Profit Margin	(77.00%)	(56.42%)		

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

8. FINANCIAL POSITION ANALYSIS

Financial Position (MB)	As of 31 Mar 2023	As of 31 Dec 2022	Increased (Decreased)	%
Total Assets	25,925.63	25,097.79	827.84	3.30%
Total Liabilities	14,206.19	13,530.13	676.06	5.00%
Equity	11,719.44	11,567.66	151.77	1.31%
- Equity attributable to owners of the parent company	11,563.53	11,414.42	149.11	1.31%

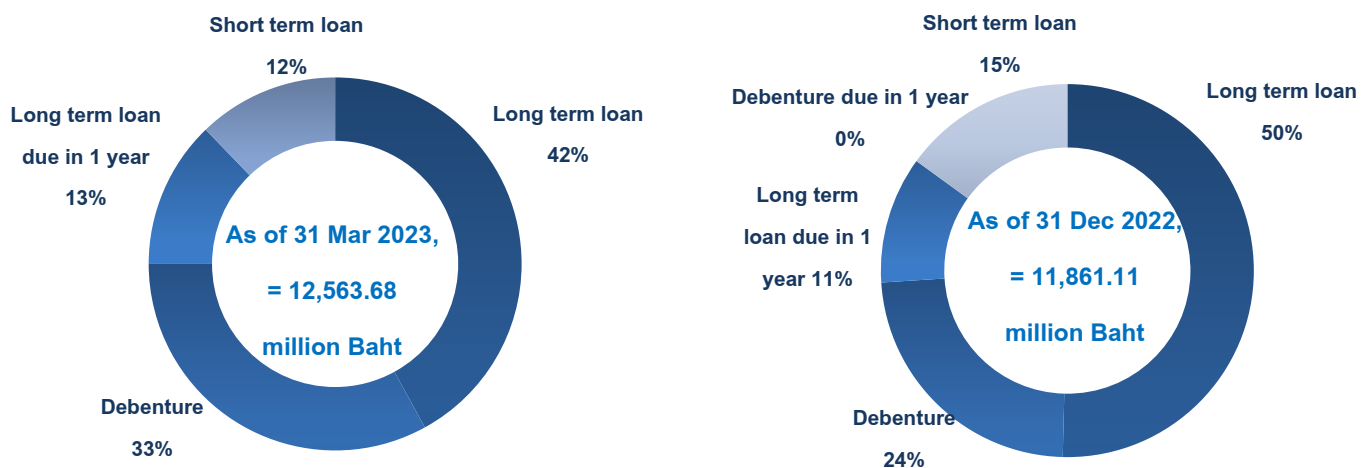
1) Assets As 31 March 2023, total assets were 25,925.63 million Baht, increased by 827.84 million Baht or +3.30% from 31 December 2022 due to the changes in the following items:

- Cash and cash equivalents totaled 297.71 million Baht, increased by 206.78 million Baht from the issuance of debentures 1/2023 in 2 tranches, totaling 1,350 million Baht.
- Land, buildings and equipment (net) were 19,796.89 million Baht, increased by 497.85 million Baht from 31 December 2022, mainly from progress of construction, such as, industrial water and total water solution projects, and Klong Luang Reservoir Pipeline project.

2) Liabilities At the end of 31 March 2023, total liabilities were 14,206.19 million Baht, increased 676.06 million Baht or +5.00% from 31 December 2022, mainly due to changes in the following items:

- Debentures increased 2,800.00 million Baht to a total of 4,145.00 million Baht from the issuance of debentures of 1,000 million Baht (10-year tenor) and 350 million Baht (3-year tenor) to support the Company's continued investment projects

Proportion of Interest-Bearing Debt



Note: According to the debentures and long-term loan agreements, the company was required to maintain its D/E ratio of not higher than 2.00.

3) Shareholder's Equity At the end of 31 March 2023, Shareholders' equity attributable to owners of the parent company was 11,563.53 million Baht, increased by 149.11 million Baht or +1.13% from 31 December 2022.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For 2023, the company had carried over cash and cash equivalents of 90.93 million Baht, whereby during the financial period, net cash increased 206.78 million Baht. This comprised of the following items:

1) Net cash received from Operating Activities totaling 382.36 million Baht from net income and the changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to -810.98 million Baht. This was mainly due to cash purchase of fixed assets, advance payment for construction of -701.63 million Baht.

3) Net cash received from Financing Activities amounted to 635.40 million Baht, the issuance of debentures totaling 1,350 million Baht.

10. KEY FINANCIAL RATIOS

Key Financial Ratios	Q1/2023	Q1/2022
Liquidity Ratio		
Current ratio (times)	0.50	0.46
Average A/R collection days (days) ¹⁾	44.87	41.59
	21.68	22.14
Profitability Ratio ²⁾		
Gross profit / total sales and services revenue (%)	35.27%	44.14%
Net profit / total sales and services revenue (%)	13.69%	22.70%
Performance Ratio		
Return on Equity (ROE) (%)	5.30%	8.28%
Return on Assets (ROA) (%)	2.42%	3.89%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.23	1.05
Debt Service Coverage ratio (DSCR) (time)	1.10	1.72

Note: 1) Average A/R collection days is the average of billed (excludes unbilled debtors)

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

In Q1/2023, East Water Group reported a decrease in net profit and profit margin compared to the same period of 2022, mainly from generating similar revenue from sales and services, whilst raw water and tap water sales expenses increased significantly, mainly from the government escalation of the FT rate at the end of 2022 and the increase in the cost of finance. Consequently, gross profit margin and net profit margin decreased to 35.27% and 13.69%, respectively, while in Q1/2022 the gross profit margin was 44.14% and net profit margin was 22.70%.

Return on Equity (ROE) and Return on Asset (ROA) decreased to 5.30% and 2.42%, respectively compared to the same period in 2022, when the ROE was 8.28% and ROA was 3.89%, mainly from decreased net profit.

As for the liquidity at the end of Q1/2023, the Liquidity Ratio was 0.50 times, increased from Q1/2022's 0.46 times. Debt to Equity ratio was 1.23 times, increased from 1.05 times in Q1/2022, due to the issuance of debentures totaling 1,350 million Baht in the Q1/2023 budget. The Debt Service Coverage Ratio (DSCR) decreased to 1.10 times, from 1.72 times in Q1/2022 due to long term loans due in 1 year whilst EBITDA decreased. Nevertheless, the Company is able to manage liquidity and repay various debts normally, with financial restructuring plans revised annually and at intervals as necessary and prudent.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q1/2023

11. CREDIT TERM POLICY

The Company has set credit terms for raw water customers, tap water customers and tenants at approximately 30 days. For trading partners, the Company will negotiate credit terms to be approximately 30 days as well. The Group of Companies has appropriate policies and procedures to control credit risk from transactions with customers. As the majority of the group's customers are either governmental agencies or large private companies, Management assessed credit risk as "low".

12. CAPITAL EXPENDITURE COMMITMENT

Capital expenditure commitments that have not yet been recognized in the financial statement are as follows:

Capital Expenditure (MB)	31 March 2023	31 December 2022
Land, buildings and equipment	1,729.61	2,232.40
Intangible assets	119.65	123.06
Total	1,849.26	2,355.46

Capital expenditure commitment in land, buildings and equipment stem from ongoing construction projects, such as the Klong Luang – Chonburi raw water pipeline construction project and total water service for U-Tapao International Airport project.

13. RELATED PARTIES TRANSACTIONS

The Company has related transactions with entities that might experience conflict of interests, as identified by the Auditor as follow:

- 1) The Provincial Waterworks Authority (PWA), which the largest shareholder, with 40.20% of the Company's issued shares and has representatives appointed to the Company's Board of Directors
- 2) The Industrial Estate Authority of Thailand (IEAT), which holds 4.57% of the Company's issued shares and has a representative appointed to the Company's Board of Directors

The details of related transactions are sorted by type of transactions and included in the note to financial statement no. 15.1 of the financial statement relating to related transactions with individuals or businesses.