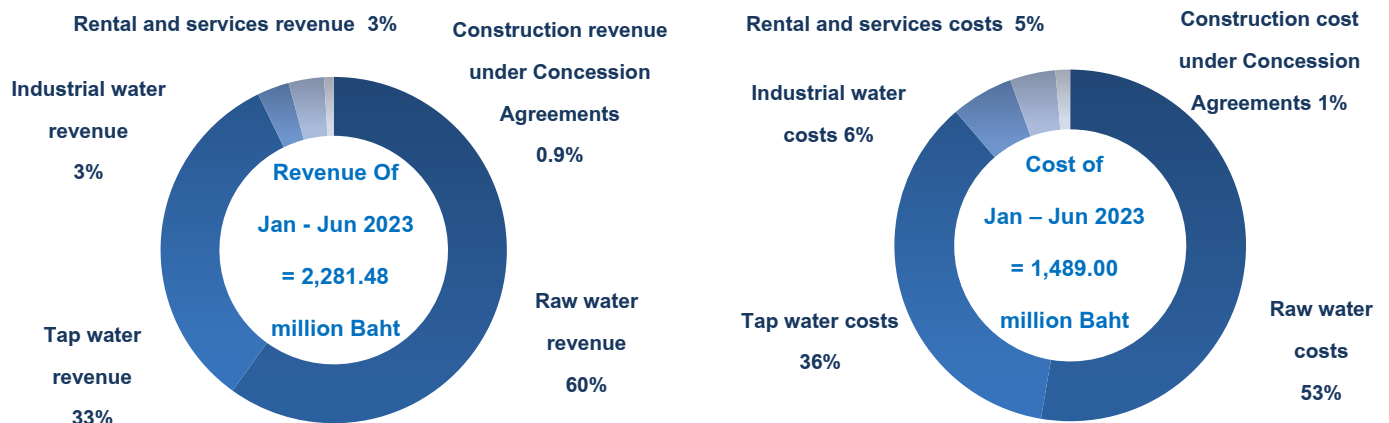


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

1. ANALYSIS OF FINANCIAL PERFORMANCE

For the first half of 2023, East Water Group had total consolidated sales and services income of 2,281.48 million Baht, decreased slightly by 6.98 million Baht or -0.30%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 1,489.00 million Baht, increased by 153.69 million Baht or +11.51% compared to Q2/2022. East Water Group generated a net profit of 240.73 million Baht, with net profit attributable to equity holders of the parent company of 235.34 million Baht, decreased by 270.28 million Baht or -53.46%.

Proportion of revenues and cost



| Income statement (Million Baht) | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|---|---------------------|-----------------|-----------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Total Sales and Services revenue | 1,168.32 | 1,150.99 | 17.33 | 1.51% | 2,281.48 | 2,288.45 | (6.98) | (0.30%) |
| Raw water revenue | 681.27 | 716.25 | (34.98) | (4.88%) | 1,367.42 | 1,448.43 | (81.01) | (5.59%) |
| Tap water revenue | 386.01 | 356.83 | 29.18 | 8.18% | 749.99 | 689.55 | 60.44 | 8.77% |
| Industrial water revenue | 45.96 | 16.09 | 29.87 | 185.62% | 68.14 | 29.48 | 38.66 | 131.17% |
| Rental and services revenue | 39.28 | 35.06 | 4.21 | 12.02% | 75.78 | 73.23 | 2.54 | 3.48% |
| Construction revenue under Concession Agreements | 15.81 | 26.76 | (10.95) | (40.92%) | 20.15 | 47.76 | (27.61) | (57.81%) |
| Costs of Sales and Services | 766.91 | 690.61 | 76.30 | 11.05% | 1,489.00 | 1,335.31 | 153.69 | 11.51% |
| Raw water cost | 407.08 | 354.62 | 52.46 | 14.79% | 784.15 | 691.52 | 92.62 | 13.39% |
| Tap water cost | 266.69 | 246.14 | 20.56 | 8.35% | 537.10 | 477.76 | 59.33 | 12.42% |
| Industrial water cost | 45.94 | 33.41 | 12.52 | 37.48% | 85.20 | 54.35 | 30.85 | 56.75% |
| Rental and services cost | 31.39 | 29.68 | 1.72 | 5.78% | 62.41 | 63.91 | (1.50) | (2.35%) |
| Construction cost under Concession Agreements | 15.81 | 26.76 | (10.95) | (40.92%) | 20.15 | 47.76 | (27.61) | (57.81%) |
| Gross profit | 401.41 | 460.38 | (58.97) | (12.81%) | 792.48 | 953.14 | (160.67) | (16.86%) |
| Other income | 12.53 | 53.70 | (41.16) | (76.66%) | 24.29 | 60.01 | (35.72) | (59.53%) |
| Sells and administrative expenses | 213.36 | 138.50 | 74.87 | 54.06% | 359.71 | 268.13 | 91.58 | 34.15% |
| Operating profit | 200.59 | 375.58 | (175.00) | (46.59%) | 457.06 | 745.02 | (287.97) | (38.65%) |
| Finance cost | 77.55 | 64.82 | 12.73 | 19.64% | 150.69 | 120.15 | 30.54 | 25.42% |
| Income tax expenses | 34.08 | 55.04 | (20.96) | (38.08%) | 65.64 | 115.70 | (50.06) | (43.27%) |
| Net profit | 88.96 | 255.73 | (166.77) | (65.21%) | 240.73 | 509.18 | (268.45) | (52.72%) |
| Net profit attributable to shareholders of the parent company | 86.23 | 253.64 | (167.41) | (66.00%) | 235.34 | 505.61 | (270.28) | (53.46%) |
| Earnings per share (EPS) | 0.05 | 0.15 | (0.10) | (66.00%) | 0.14 | 0.30 | (0.16) | (53.46%) |

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

| EBITDA (Million Baht) | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|-----------------------|---------------------|---------------|-----------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Operating profit | 200.59 | 375.58 | (175.00) | (46.59%) | 457.06 | 745.02 | (287.97) | (38.65%) |
| Depreciation | 180.51 | 179.72 | 0.79 | 0.44% | 357.90 | 347.98 | 9.92 | 2.85% |
| Amortization | 91.61 | 88.77 | 2.84 | 3.20% | 182.46 | 175.29 | 7.17 | 4.09% |
| EBITDA | 472.70 | 644.08 | (171.37) | (26.61%) | 997.42 | 1,268.29 | (270.87) | (21.36%) |

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 Q2/2023, overall businesses expanded slightly 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 expanded slightly from the automotive manufacturing sector recovering from the gradually easing semiconductor shortage. The increased housing demands for foreign individuals and the government's construction projects lead to an expansion to the real estate and construction sector. On the other hand, the petrochemical sector is in a slowdown cycle compared to the same period last year from the maintenance shutdown of petrochemical plants and decreased demand for plastic for export, especially for basic petrochemicals, such as ethylene and propylene, from the upward price adjustment following the global crude oil price hike due to the Ukraine – Russia war, which hindered production in several countries. Overall, Thailand's trade sector stable. Nevertheless, most businesses were still dealing with sustained high production costs, while there were certain limitations on raising selling prices from the still fragile purchasing power and high competition. Investment and labor sectors are stable.

For Q3/2023, 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 and hospitality sectors, and the clearer political situation regarding the formation of the new government, which would improve consumer and operator's confidence. For the manufacturing section, foreign orders are expected to recover and continue to expand, especially the United States which is a major trade partner for electrical goods, motorcycles and animal feed. Nevertheless, businesses are still concerned with the domestic purchasing power, which have been impacted by heightened cost of living which makes it difficult to pass on the increase cost through price hikes.

3. WATER SITUATION

As of 28 July 2023, the water supply situation in Chonburi and Rayong were in the higher-than-normal range. The water supply in several main reservoirs were higher than the 10-year average. Nevertheless, rainfall in the June to July period across the majority of Thailand was approximately 5% lower than normal from the intermittent rainfall, with significantly lowered volume and dispersion, which may cause water shortages for the agricultural sector in several regions. The Thai Meteorological Department predicts that the total rainfall in the Eastern Seaboard in the August-October 2023 rainy season will be about 5% lower than normal and the temperature will be approximately 0.5-1.0 degrees Celsius higher than average 32-34 degrees Celsius.

The water in the reservoirs in Chonburi and Rayong were 42.07% and 60.24% of total capacity, respectively.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

3. WATER SITUATION (CONT.)

| Water Volume (Million Cu.M) | Chonburi | | Rayong | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Bangphra | Nongkho | Dokkrai | Nongplalai | Klongyai | Prasae |
| Water reserve | 44.99 | 13.23 | 38.89 | 97.63 | 29.28 | 185.93 |
| Percentage of total capacity | 38.00% | 62.00% | 54.00% | 60.00% | 73.00% | 63.00% |
| Average (2013-2022) | 53.02 | 9.39 | 37.81 | 97.10 | 18.97 | 152.25 |
| Above/(below) average (2013-2022) | (8.03) | 3.84 | 1.08 | 0.53 | 10.31 | 33.68 |

4. SIGNIFICANT EVENTS

Dividend Payment: On 20 April 2023, 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 2022 and dividend payment on 19 May 2023.

TRIS Rating: On 30 June 2023, TRIS RATING maintained the rating of the Company's credit and the ratings on its outstanding senior unsecured debentures at "A" with "Stable Outlook". The ratings reflects the strength of the Company as a major raw water supplier with a comprehensive pipeline network in the Eastern Economic Corridor (EEC), its reliable services and lengthy track record, and it's strong profitability.

Progress on lawsuits filed with the Central Administrative Court concerning lease of the Treasury Department's pipelines: On 30 July 2021, the Company participated in the bid process to selection of a private entity to operate and manage the main pipe system in the Eastern Region which comprises 1) the Dokkrai pipeline, 2) the Nongplalai-Nongkho pipeline and 3) Nongkho – Laemchabang (Phase 2) pipeline in accordance with the governmental agency's application of Ratchaphatsadu Land Act, B.E. 2562 (2019) and the Ministerial Regulations on Ratchaphatsadu, B.E. 2564 (2021). The Company submitted a proposal on 9 August 2021. On 26 August 2021, the government agency sent a letter announcing the annulment of the bidding process and invited the Company to resubmit a proposal for a revised bid, dated 10 September 2021. The Company submitted the proposal for the new bid on 28 September 2021.

However, the Company considers the aforementioned annulment of the bid may cause damage to the Company. Thus, on 23 September 2021, the Company filed a lawsuit with the Central Administrative Court (Court) against the Private Entity to Operate and Manage Pipe System Selection Committee (Committee) and the Treasury Department, petitioning the Court to order the revocation the Committee's resolution or its order to annul the bid and to revoke the Committee's announcement and Request for Proposal for the second bid, as well as file a petition for a temporary measure while the Court deliberates. The Court dismissed the temporary measure petition, although the Court's decision also stated that even after the contract for the project in dispute is signed, but the selection process of the private company is subsequently found to not be in compliance with the law, the Court will still have the authority to revoke the proceedings, and that if the Company determines that it has incurred damages, then it has the right to file a suit for damages.

On 1 August 2022, the Company filed a petition for a temporary measure with the Central Administrative Court to postpone the signature of the lease contract for the management and operation of the major water distribution pipelines in the Eastern Seaboard area between the Treasury Department and the private company that acquired the lease scheduled for 3 August 2022. On 2 August 2022, the Central Administrative Court issued a court order granting the temporary measure before the court's final deliberation to suspend the implementation of the announcement and Request for Proposal for the management and operation of the major water distribution pipelines in the Eastern Seaboard area dated 10 September 2021. This results in the temporary postponement of the signature of the above-mentioned contract until the Court issues its ruling or other order. On 21 September 2022, the Supreme Administrative Court ruled against the Central Administrative Court's decision, thus reversing the Central Administrative Court's decision and dismissing the petition.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

4. SIGNIFICANT EVENTS (CONT.)

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

Transfer of pipeline assets to Treasury Department: 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 its 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.

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 Court, 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. Presently, the Company reserves the right to take further legal actions.

The Company is still able to 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 in 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 Q2/2023 was 1,367.42 million Baht, decreased by 81.01 million Baht or -5.59% compared to Q2/2022, mainly from raw water sales volume decrease of 6.17 million Cu.M or -4.79% (excluding internal usage of the Group of Companies of 22.42 million Cu.M.) caused by the handover of assets of the Nongplalai – Nongkho and Nongkho – Laemchabang (Phase 2) pipeline projects to the Treasury Department on 11 April 2023, as described above, which compelled some customers in the Pluakdaeng-Bowin area to temporarily source raw water from the other private supplier while the Company's replacement pipeline is under construction (Nongplalai – Nongkho – Laemchabang Pipeline Project). Additionally,

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

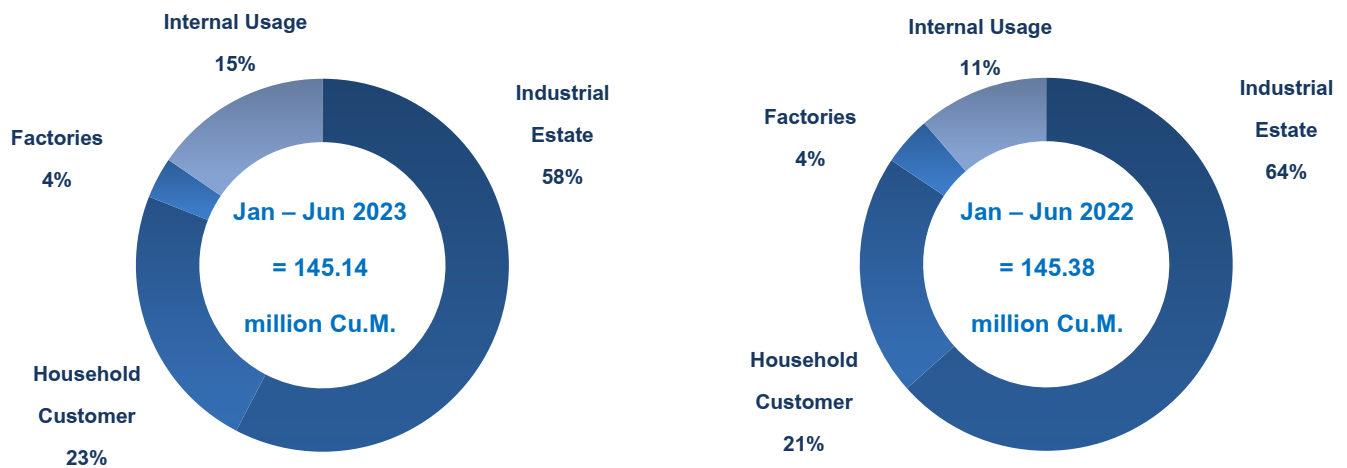
5. RAW WATER BUSINESS (CONT.)

compared to the previous year, the slowdown in petrochemical industry from the impact of the global economy caused raw water lower demands for customers in the petrochemical sector from reduced production and exports.

The average raw water sales price was 11.14 Baht per Cu.M., decreased by 0.10 Baht per Cu.M. or -0.85% compared to the same period of 2022.

| Raw Water Volume (Million Cu.M) | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|---|---------------------|--------------|--------------|---------------|--------------------------|---------------|--------------|---------------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Total distribution volume | 74.53 | 72.12 | 2.40 | 3.33% | 145.14 | 145.38 | (0.24) | (0.17%) |
| (deduct) Internal usage for within the group of companies | 13.01 | 8.47 | 4.54 | 53.57% | 22.42 | 16.49 | 5.93 | 35.93% |
| Net raw water sales volume | 61.51 | 63.65 | -2.14 | -3.36% | 122.72 | 128.89 | -6.17 | -4.79% |

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

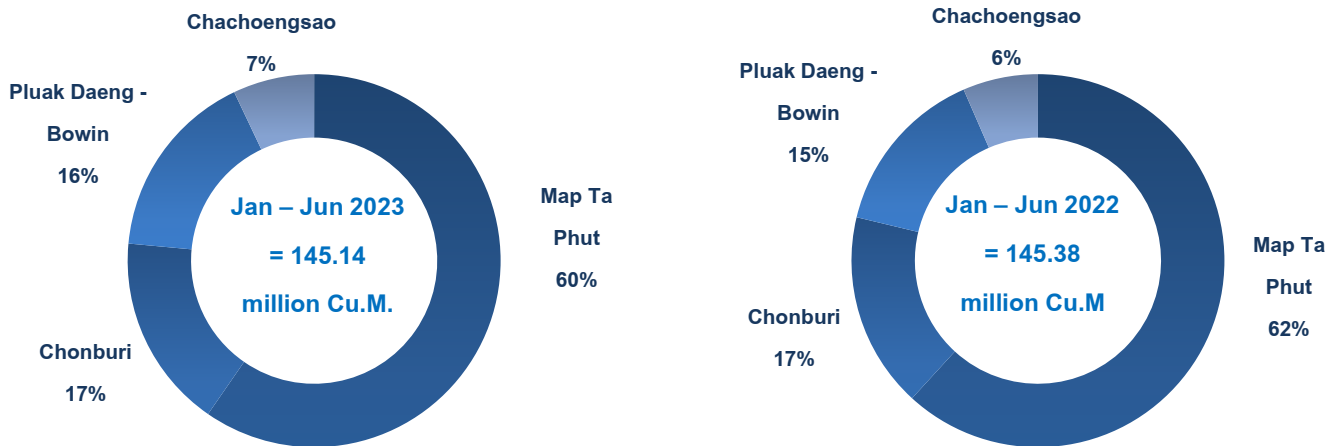


Considering the direction and trend industries, there is substantial raw water business growth potential from the expansion of industries, as well as, the government policy promoting Rayong, Chonburi and Chachoensao provinces to be the production hub of high-tech industries and increasing competitiveness 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.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

5. RAW WATER BUSINESS (CONT.)

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



Gross Profit of Raw Water Business for the first half of 2023 was 583.27 million Baht, decreased by 173.64 million Baht or -22.94% compared to the same period of 2022. The details are as follow:

- 1) Raw water revenue decreased 81.01 million Baht or -5.59% the handover of pipeline assets to the Treasury Department on 11 April 2023 and the lower raw water demands from global economic impact to customers in the petrochemical sector, as detailed above.
- 2) Costs of sales increased 92.62 million Baht or +13.39%, mainly from the government's escalation of the electricity's FT rate at the end of 2022 to the middle of 2023, causing the electricity cost for pumping operations to increase significantly to 36.58% of raw water costs, compared to 30.52% over the same period in 2022. Additionally, the cost of raw water and maintenance costs increased, opposite to the lower raw water sales volume, from increased water diversion costs and improvements to the water grid to be able to supply water to customers in the Pluakdaeng-Bowin and Chonburi areas after the handover of assets to the Treasury Department on 11 April 2023

As a result, the gross profit margin of raw water business for the first half of 2023 decreased to 42.65% from 52.26% YoY.

| Major costs of raw water business (Million Baht) | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|---|---------------------|---------------|----------------|-----------------|--------------------------|---------------|-----------------|-----------------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Raw Water Revenue | 681.27 | 716.25 | (34.98) | (4.88%) | 1,367.42 | 1,448.43 | (81.01) | (5.59%) |
| Costs of Raw Water | 407.08 | 354.62 | 52.46 | 14.79% | 784.15 | 691.52 | 92.62 | 13.39% |
| Raw Water | 53.78 | 35.25 | 18.52 | 52.54% | 99.64 | 87.40 | 12.24 | 14.00% |
| Electricity | 143.36 | 113.59 | 29.77 | 26.21% | 286.86 | 211.05 | 75.81 | 35.92% |
| Maintenance | 123.03 | 123.26 | (0.23) | (0.18%) | 239.97 | 245.40 | (5.43) | (2.21%) |
| Depreciation | 30.56 | 33.01 | (2.45) | (7.42%) | 53.49 | 51.16 | 2.33 | 4.56% |
| Others | 56.35 | 49.51 | 6.84 | 13.82% | 104.19 | 96.51 | 7.68 | 7.95% |
| Gross Profit | 274.20 | 361.63 | (87.43) | (24.18%) | 583.27 | 756.91 | (173.64) | (22.94%) |
| Gross Profit Margin | 40.25% | 50.49% | | | 42.65% | 52.26% | | |

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

6. TAP WATER BUSINESS

Tap water revenue for the first half of 2023 was 749.99 million Baht, increased 60.44 million Baht or +8.77% compared to the same period of 2022, following the tap water sales increase of 2.58 million Cu.M. or +5.56% compared to the same period 2022.

| Tap water sales volume (Million Cu.M) | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|--|---------------------|--------------|-------------|--------------|--------------------------|--------------|-------------|--------------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Tap water sales volume of Company | 5.90 | 5.42 | 0.49 | 9.00% | 11.47 | 10.44 | 1.03 | 9.83% |
| Tap water sales volume of subsidiaries | 19.14 | 18.55 | 0.59 | 3.18% | 37.52 | 35.97 | 1.55 | 4.32% |
| Total tap water sales volume | 25.05 | 23.97 | 1.08 | 4.50% | 48.99 | 46.41 | 2.58 | 5.56% |

Gross Profit of Tap Water Business for the first half of 2023 was 212.89 million Baht, slightly increased by 1.11 million Baht or +0.52% compared to the same period of 2022, although sales volume and revenue increased but, similarly to the raw water business, the cost of tap water increased, mainly from the government escalation of the FT rate at the end of 2022 to the middle of 2023. The gross profit margin was 28.39%, decreased from 30.71% during the same period of 2022.

| Major Costs of Tap Water Business (Million Baht) | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|---|---------------------|---------------|-------------|--------------|--------------------------|---------------|-------------|--------------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Tap Water Revenue | 386.01 | 356.83 | 29.18 | 8.18% | 749.99 | 689.55 | 60.44 | 8.77% |
| Costs of Tap Water | 266.69 | 246.14 | 20.56 | 8.35% | 537.10 | 477.76 | 59.33 | 12.42% |
| Raw Water | 57.55 | 49.05 | 8.50 | 17.33% | 116.61 | 95.52 | 21.08 | 22.07% |
| Electricity | 47.19 | 37.20 | 9.99 | 26.86% | 96.78 | 69.94 | 26.83 | 38.36% |
| Chemical | 10.76 | 11.76 | (1.00) | (8.47%) | 21.17 | 21.05 | 0.13 | 0.59% |
| Payroll, Outsource Expenses & Maintenance | 46.40 | 48.91 | (2.51) | (5.13%) | 97.04 | 96.90 | 0.14 | 0.15% |
| Depreciation | 96.04 | 87.09 | 8.95 | 10.28% | 170.29 | 172.12 | (1.83) | (1.06%) |
| Others | 8.74 | 12.12 | (3.38) | (27.88%) | 35.21 | 22.23 | 12.98 | 58.39% |
| Gross Profit | 119.31 | 110.69 | 8.62 | 7.79% | 212.89 | 211.79 | 1.11 | 0.52% |
| Gross Profit Margin | 30.91% | 31.02% | | | 28.39% | 30.71% | | |

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for the first half of 2023 was 68.114 million Baht, increased by 38.66 million Baht or +131.17% 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 the first half of 2023 was still negative at -17.06 million Baht, although at a lower ratio compared to the same period of 2022, mainly due to recognizing depreciation of assets of completed construction using the straight-line method, while customer demands will gradually increase in annual steps.

- Amata City Rayong Industrial Estate has started to purchase water at the contracted minimum guarantee from 2022
- Gulf PD powerplant has started purchasing water in April 2023, with sales volume rapidly increasing to nearly match Amata City demand volume and is projected to further increase in response to Gulf's power production.
- the Carabao Group is monthly average demands are approximately 50% compared to the average of 2022

Additionally, the Company has newly contracted customers, such as Rojana Industrial Estates – Pluak Daeng and several new customers in the contracting process, and expects to start generating gross profit from the end of 2023 onwards.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2023

7. INDUSTRIAL WATER BUSINESS (CONT.)

| Industrial Water Sale Volume Industrial Water Revenue | Q2 (3-month period) | | | | Q2 (6 months cumulative) | | | |
|--|---------------------|-----------|--------|----------|--------------------------|----------|-------|-----------|
| | 2023 | 2022 | YoY | % | 2023 | 2022 | YoY | % |
| Costs of Industrial Water | 3.27 | 1.07 | 2.20 | 205.51% | 4.79 | 1.96 | 2.83 | 144.30% |
| Industrial Water Sale Volume | 45.96 | 16.09 | 29.87 | 185.62% | 68.14 | 29.48 | 38.66 | 131.17% |
| Industrial Water Revenue | 45.94 | 33.41 | 12.52 | 37.48% | 85.20 | 54.35 | 30.85 | 56.75% |
| Raw Water | 8.34 | 6.20 | 2.14 | 34.50% | 15.03 | 11.16 | 3.87 | 34.66% |
| Direct cost (electricity, chemicals, O&M) | 13.09 | 7.72 | 5.37 | 69.51% | 19.02 | 14.20 | 4.82 | 33.93% |
| Depreciation | 24.51 | 19.44 | 5.07 | 26.08% | 50.39 | 28.93 | 21.46 | 74.20% |
| Other costs | - | 0.05 | (0.05) | -100.00% | 0.76 | 0.06 | 0.70 | 1,162.49% |
| Gross Profit | 0.02 | (17.32) | 17.34 | 100.12% | (17.06) | (24.87) | 7.81 | 31.41% |
| Gross Profit Margin | 0.05% | (107.65%) | | | (25.04%) | (84.39%) | | |

8. FINANCIAL POSITION ANALYSIS

| Financial Position (MB) | As of 30 June 2023 | As of 31 Dec 2022 | Increased (Decreased) | % |
|---|-----------------------|----------------------|--------------------------|-------|
| Total Assets | 26,246.09 | 25,097.79 | 1,148.29 | 4.58% |
| Total Liabilities | 14,596.70 | 13,530.13 | 1,066.57 | 7.88% |
| Equity | 11,649.39 | 11,567.66 | 81.72 | 0.71% |
| - Equity attributable to owners of the parent company | 11,500.02 | 11,414.42 | 85.60 | 0.75% |

1) Assets As 30 June 2023, total assets were 26,246.09 million Baht, increased by 1,148.29 million Baht or +4.58% from 31 December 2022 due to the changes in land, buildings and equipment (net) were 20,437.29 million Baht, increased by 1,138.26 million Baht from 31 December 2022, mainly from progress of construction, such as, industrial water and total water solution projects, Klong Luang Reservoir Pipeline project and Nongplalai – Nongkho – Laemchabang Pipeline project .

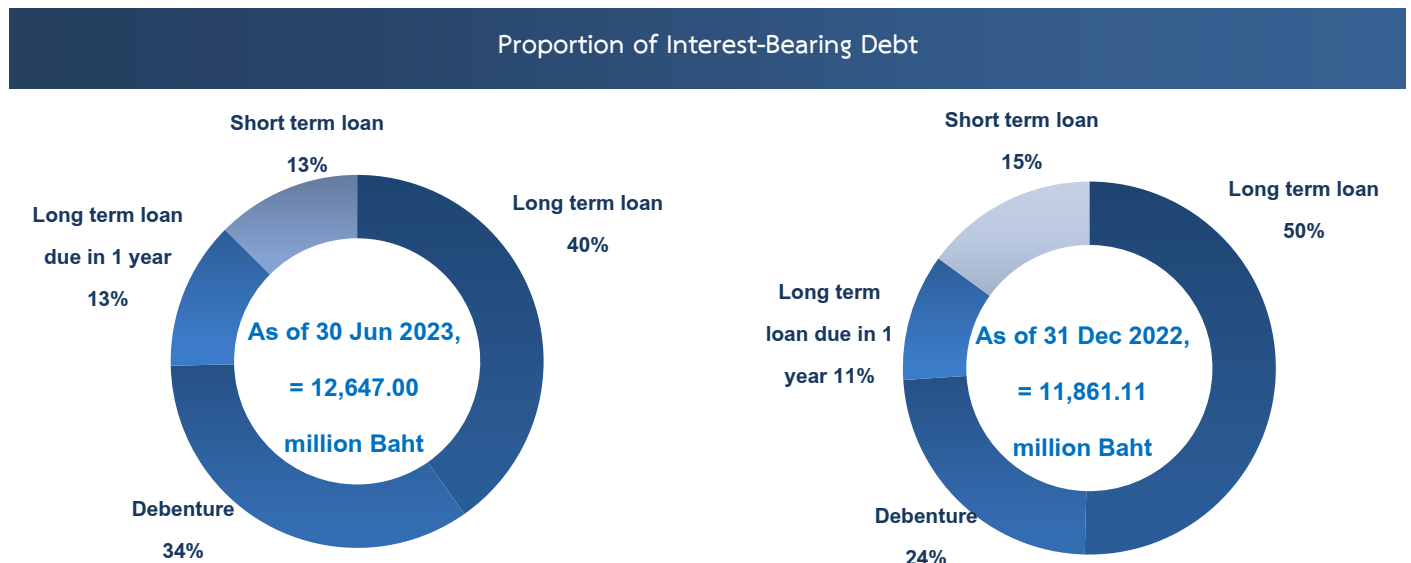
2) Liabilities At the end of 30 June 2023, total liabilities were 14,596.70 million Baht, increased 1,066.57 million Baht or +7.88% from 31 December 2022, mainly due to changes in the following items:

- Debentures increased to a total of 4,345.29 million Baht, increased by 1,548.18 million Baht from the end of 2022, from the issuance of unsecured senior debentures of 1,550.00 million Baht on 23 February 2023 and 24 April 2023 to financial institutions and high net worth individuals to support the Company's continued investment projects

- Non-current liabilities totaled 560.91 million Baht, increased by 356.10 from the end of 2022, mainly from payables from the purchase of fixed assets in the Maptaphut – Sattahip project.

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8. FINANCIAL POSITION ANALYSIS (CONT.)



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 30 June 2023, Shareholders' equity attributable to owners of the parent company was 11,500.02 million Baht, increased by 85.60 million Baht or +0.75% from 31 December 2022.

9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For the first half of 2023, the company had carried over cash and cash equivalents of 90.93 million Baht, whereby during the financial period, net cash increased 42.86 million Baht. This comprised of the following items:

1) Net cash received from Operating Activities totaling 893.25 million Baht from net income and the changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to -1,327.99 million Baht. This was mainly due to cash purchase of fixed assets and advance payment for construction of -1,135.53 million Baht.

3) Net cash received from Financing Activities amounted to 477.61 million Baht, the issuance of debentures totaling 1,550 million Baht.

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10. KEY FINANCIAL RATIOS

| Key Financial Ratios | Q2/2023 | Q2/2022 |
|---|---------|---------|
| Liquidity Ratio | | |
| Current ratio (times) | 0.45 | 0.56 |
| Average A/R collection days (days) ¹⁾ | 41.19 | 41.59 |
| Average A/P collection days (days) | 19.51 | 16.65 |
| Profitability Ratio ²⁾ | | |
| Gross profit / total sales and services revenue (%) | 35.04% | 42.54% |
| Net profit / total sales and services revenue (%) | 10.65% | 22.72% |
| Performance Ratio | | |
| Return on Equity (ROE) (%) | 3.89% | 8.24% |
| Return on Assets (ROA) (%) | 1.79% | 3.89% |
| Capital Structure and Debt Ratio | | |
| Debt to Equity ratio (time) | 1.27 | 1.05 |
| Debt Service Coverage ratio (DSCR) (time) | 0.99 | 1.73 |

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.

For the first half of 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, tap water and industrial water sales expenses increased significantly, mainly from the cost of electricity escalation and the increase in the cost of finance. Consequently, gross profit margin and net profit margin decreased to 35.04% and 10.65%, respectively, while in Q2/2022 the gross profit margin was 42.54% and net profit margin was 22.72%.

Return on Equity (ROE) and Return on Asset (ROA) for the first half of 2023 decreased to 3.89% and 1.79%, respectively compared to the same period in 2022, when the ROE was 8.24% and ROA was 3.89%, mainly from decreased net profit.

As for the liquidity at the end of Q2/2023, the Liquidity Ratio was 0.45 times, decreased from Q2/2022's 0.56 times. Debt to Equity ratio was 1.27 times, increased from 1.05 times in Q2/2022, due to the issuance of debentures totaling 1,550.00 million Baht in the first half of 2023.

The Debt Service Coverage Ratio (DSCR) decreased to 0.99 times from 1.73 times in Q2/2022 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.

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".

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12. CAPITAL EXPENDITURE COMMITMENT

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

| Capital Expenditure (MB) | 30 June 2023 | 31 December 2022 |
|-------------------------------|-----------------|------------------|
| Land, buildings and equipment | 1,971.55 | 2,232.40 |
| Intangible assets | 132.49 | 123.06 |
| Total | 2,104.04 | 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 transaction and included in the note to financial statement no. 17.1 of the financial statement relating to related transactions with individuals or businesses.