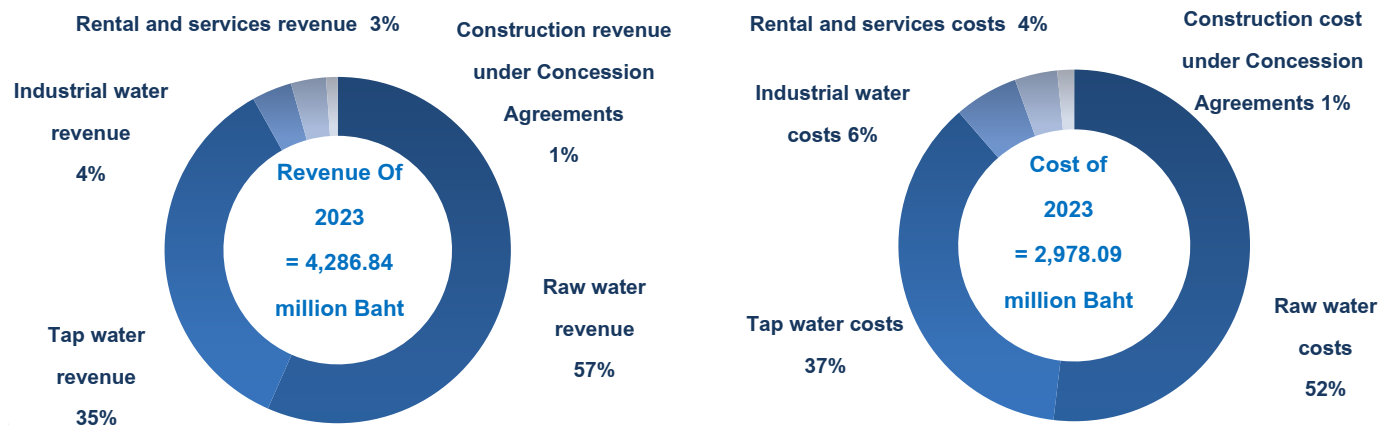


EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED MANAGEMENT DISCUSSION AND ANALYSIS FOR 2023

1. ANALYSIS OF FINANCIAL PERFORMANCE

For 2023, East Water Group had total consolidated sales and services income of 4,286.84 million Baht, increased by 23.94 million Baht or +0.56% compared to the same period of 2022, whilst costs of sales and services totaled 2,978.09 million Baht, increased by 308.00 million Baht or +11.54% compared to the same period of 2022. East Water Group generated a net profit of 322.11 million Baht, with net profit attributable to equity holders of the parent company of 311.12 million Baht, decreased by 390.70 million Baht or -54.81%.

Proportion of revenues and cost



Income statement (Million Baht)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Total Sales and Services revenue	950.10	950.31	(0.21)	(0.02%)	4,286.84	4,262.90	23.94	0.56%
Raw water revenue	479.14	537.56	(58.43)	(10.87%)	2,426.83	2,593.62	(166.80)	(6.43%)
Tap water revenue	379.10	352.69	26.41	7.49%	1,512.64	1,396.77	115.88	8.30%
Industrial water revenue	45.05	18.19	26.86	147.64%	160.45	63.38	97.07	153.17%
Rental and services revenue	34.80	29.90	4.91	16.41%	140.70	126.60	14.10	11.14%
Construction revenue under Concession Agreements	12.01	11.97	0.04	0.32%	46.23	82.54	(36.31)	(44.00%)
Costs of Sales and Services	762.18	682.74	79.44	11.64%	2,978.09	2,670.08	308.00	11.54%
Raw water cost	388.64	324.86	63.79	19.64%	1,545.21	1,341.41	203.80	15.19%
Tap water cost	286.32	266.98	19.35	7.25%	1,094.54	999.61	94.94	9.50%
Industrial water cost	46.40	38.00	8.40	22.12%	175.64	125.50	50.14	39.96%
Rental and services cost	28.81	40.94	(12.13)	(29.63%)	116.46	121.03	(4.57)	(3.77%)
Construction cost under Concession Agreements	12.01	11.97	0.04	0.32%	46.23	82.54	(36.31)	(44.00%)
Gross profit	187.92	267.57	(79.65)	(29.77%)	1,308.76	1,592.82	(284.07)	(17.83%)
Other income	27.18	32.65	(5.46)	(16.73%)	65.88	103.73	(37.85)	(36.49%)
Sales and administrative expenses	171.25	154.52	16.73	10.83%	664.54	561.66	102.87	18.32%
Operating profit	43.86	145.70	(101.84)	(69.90%)	710.10	1,134.89	(424.79)	(37.43%)
Finance cost	72.30	57.84	14.46	24.99%	298.96	242.08	56.88	23.49%
Income tax expenses	1.99	10.29	(8.30)	(80.63%)	89.02	179.99	(90.97)	(50.54%)
Net profit	(30.43)	77.57	(108.00)	(139.23%)	322.11	712.81	(390.70)	(54.81%)
Net profit attributable to shareholders of the parent company	(33.18)	75.37	(108.55)	(144.02%)	311.12	704.61	(393.49)	(55.84%)
Earnings per share (EPS)	(0.02)	0.05	(0.07)	(144.02%)	0.19	0.42	(0.23)	(55.84%)

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q4/2023

1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

For the year 2023, the significant events were as follow: the Company has obeyed the orders of the Treasury Department to hand over the operating area and assets of the Nongplalai – Nongkho and Nongkho – Laemchabang (Phase 2) Pipeline Projects on 11 April 2023. The Dokkrai Pipeline Project, which comprises of the (1) Dokkrai – Maptaphut, (2) the Maptaphut – Sattahip, (3) the Nongkho – Laemchabang (Phase 1) and (4) Laemchabang – Pattaya Pipeline Projects, reached the end of the contract and were handed over to the Treasury Department on 31 December 2023.. Thus, the Company has estimated a total asset write-off value of 121.16 million Baht for assets for these 3 projects that cannot be relocated or dismantled. This one-time expense caused an increase in administrative expenses in 2023.

The operating profit before interests, taxes, depreciation and amortization (EBITDA) is shown in the following table:

EBITDA (Million Baht)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Operating profit	43.86	145.70	(101.84)	(69.90%)	710.10	1,134.89	(424.79)	(37.43%)
Depreciation	178.28	177.88	0.40	0.22%	716.02	718.44	(2.42)	(0.34%)
Amortization	94.04	93.11	0.92	0.99%	369.71	359.04	10.67	2.97%
EBITDA	316.18	416.70	(100.52)	(24.12%)	1,795.83	2,212.37	(416.54)	(18.83%)

Note: Depreciation does not include depreciation from recognizing the rights to use assets in accordance with the lease financial standards (TFRS16)

2. ECONOMIC SITUATION

For Q4/2023, overall businesses expanded slightly from the same period last year and last quarter, following the manufacturing and service sectors that benefited from the ongoing economic recovery, the gradual increase in number of foreign tourists from the reopening of the country and normalization of the economy. The revenues of food and beverage, fashion goods and beauty products sectors grew from the return of out of the home business activities, as well as the recovery of the tourism sector. Nevertheless, consumption expansion was still lower than predicted, partly from high cost of living pressure on basic household purchasing power, global economic slowdown, high costs and interest rates and slowdown cycle of the petrochemical sector in the first 3 quarters of 2023, which place limitations on raising prices. Additionally, the chronic negative impact of the Ukraine – Russia war and Israel – Palestine war also impact the purchasing power of the lower income segment. Investment and labor sectors are stable from the uncertain global economic condition and the possible minimum wage rise, which would further exacerbate high manufacturing costs.

For Q1/2024, the economy is projected to expand compared to the same period of last year and the previous quarter. The service and tourism sectors are expected to expand following the upward trend in the number of foreign tourists the government's economic stimulus measures, such as the Easy E-Receipt short-term consumer incentive program. The manufacturing sector is expected to expand from the improving economic conditions. Nevertheless, some detrimental factors may still impact the economy, such as basic domestic purchasing power, flat revenue, increased manufacturing costs from possible minimum water increase in 2024, whilst price adjustment of goods remains limited and the economic recovery of trading partners from geopolitical pressures.

3. WATER SITUATION

As of 9 February 2024, the water supply situation in Chonburi and Rayong was in the relatively-high range. The water supply in most main reservoirs was higher than the 10-year average, nevertheless, the water level in some secondary reservoirs were slightly below the 10-year average. The Thai Meteorological Department predicts the rainfall in the Q1/2024 period will be approximately 30 percent below normal, with the Eastern Region receiving 120-160 mm of rainfall, compare to the average of 198 mm, the temperature will be approximately 1.5 degrees Celsius higher than normal, with average national temperatures of 35-37 degrees Celsius.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q4/2023

3. WATER SITUATION (CONT.)

The water in the reservoirs in Chonburi and Rayong were 52.79% and 74.01% of total capacity, respectively.

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Water reserve	66.93	6.13	45.31	137.45	20.94	215.24
Percentage of total capacity	57.00%	29.00%	63.00%	84.00%	52.00%	73.00%
Average (2013-2023)	62.50	11.76	49.33	117.21	27.62	192.32
Above/(below) average (2013-2022)	4.43	(5.63)	(4.02)	20.24	(6.68)	22.92

4. SIGNIFICANT EVENTS

Dividend Payment: On 31 August 2023, the Board of Directors approved the interim dividend payout, for the 1 January 2023 to 30 June 2023 operation period, to shareholders of 0.05 Baht per share, totaling 83.19 million Baht, with the list of shareholders entitled to the dividend payment cut-off date of 14 September 2023 and dividend payment on 29 September 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 rating 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 its strong profitability.

On 21 August 2023, TRIS RATING maintained the rating of the Company's outstanding senior unsecured debentures at "A" with "Stable Outlook".

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.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q4/2023

4. SIGNIFICANT EVENTS (CONT.)

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.

On 28 December 2023, the Central Administrative Court dismissed the case file by Eastern Water Resources Development and Management Public Company Limited, against the selection committee for the selection of a private company to manage and operate major water distribution pipeline systems in the Eastern Seaboard area and the Treasury Department (the Black Case No. 1746/3564). The time limit for filing an appeal of this judgment with the Supreme Administrative Court was within 30 days from the date of acknowledgment of this decision, which ended on January 27, 2024. On 26 January 2024, the Board of Directors has considered and determined that the judgment of the Central Administrative Court is reasonable. Furthermore, after analyzing the avenues for appealing the Central Administrative Court's judgment as presented by the Management and legal advisors, the Board of Directors concluded that arguments do not carry sufficient weight to refute the judgment of the Central Administrative Court. Consequently, the company risks not winning the case in the Supreme Administrative Court, additionally the appeal process will consume a great deal of the Company's time and resources, during which time the company will have future businesses and projects which will be associated and require permission or consent from government agencies. Therefore, preserving the Company's good relationships with government agencies, as well as taking into account the image of the company, should be taken into consideration by the Board of Directors. Therefore, the Board of Directors considers it is appropriate to not appeal the case.

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.

On 31 December 2023, marking the expiration date of the contract for the management and operation of the main water pipeline system in the Eastern region with the Ministry of Finance (the Treasury Department), signed on 26 December 1993, the Company has fulfilled its obligation to deliver assets back to the Ministry of Finance. These assets include: (1) Dokkrai- Map Ta Phut water pipeline project; (2) Map Ta Phut-Sattahip water pipeline project; (3) Nong Kho - Laem Chabang water pipeline project (Phase 1); and (4) Laem Chabang -Pattaya water pipeline project. 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.

Furthermore, the Company anticipates that the delivery of these assets may result in the lessening of the Company's raw water revenue for the year 2024 compared to the total revenue in 2023. However, the Company is in the process of constructing its own additional water distribution pipeline systems of approximately 139 kilometers, along with water pumping stations, this will extend the Company's water distribution pipeline systems to a total length of approximately 526 kilometers to accommodate the increasing demand for water both in the present and future, especially in the Eastern Economic Corridor (EEC). Thus, the Company is still able to operate its business as usual using the Water Grid to manage water distribution in Rayong, Chon Buri and Chachoengsao Provinces.

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.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q4/2023

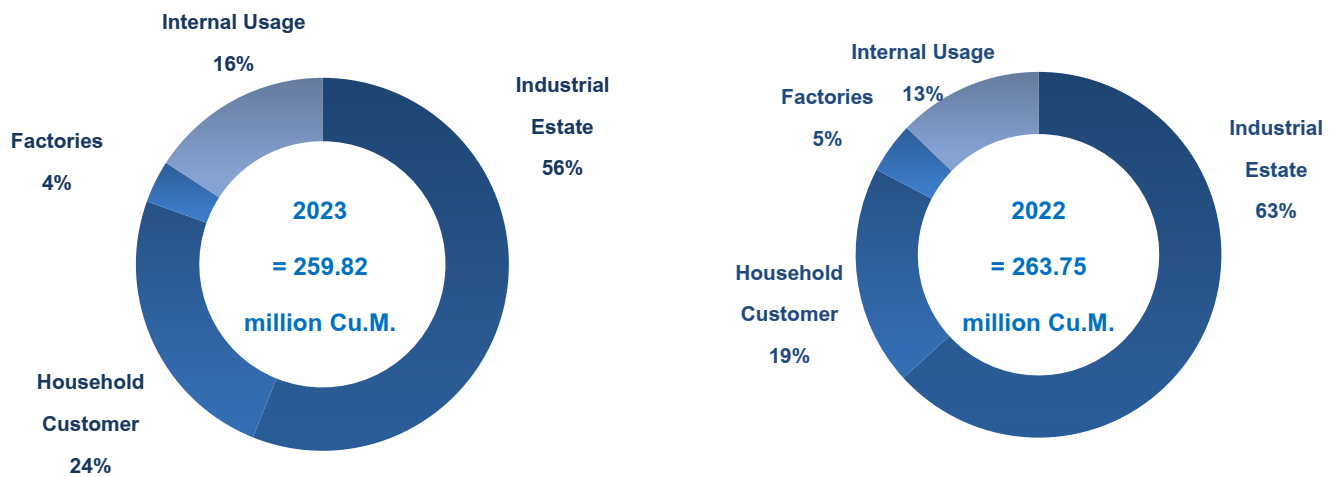
5. RAW WATER BUSINESS

Raw water revenue 2023 was 2,426.83 million Baht, decreased by 166.80 million Baht or -6.43% compared to the same period of 2022, mainly from raw water sales volume decrease of 11.24 million Cu.M or -4.89% (excluding internal usage of the Group of Companies of 41.16 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, the impact of the global economy and other factors caused raw water lower demands for customers in the industrial sector.

The average raw water sales price was 11.10 Baht per Cu.M., decreased by 0.18 Baht per Cu.M. or -1.62% compared to the same period of 2022.

Raw Water Volume (Million Cu.M)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Total distribution volume	53.78	56.11	(2.33)	(4.15%)	259.82	263.75	(3.93)	(1.49%)
(deduct) Internal usage for within the group of companies	10.35	8.72	1.62	18.58%	41.16	33.85	7.31	21.59%
Net raw water sales volume	43.44	47.39	(3.95)	(8.34%)	218.66	229.90	(11.24)	(4.89%)

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

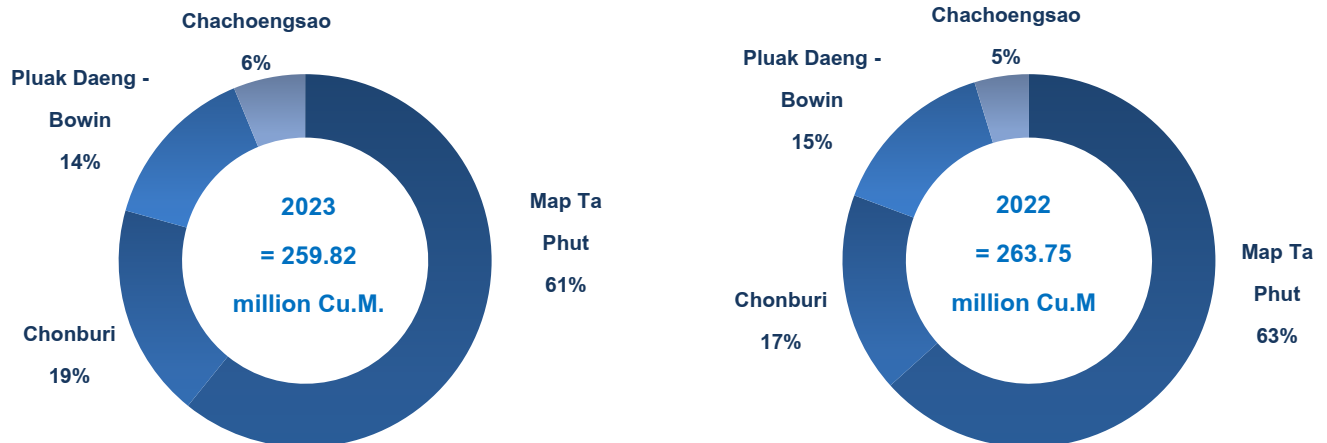


Considering the direction and trend of industries, there is substantial raw water business growth potential from the expansion of industries, as well as, the government policy promoting Rayong, Chonburi and Chachoensao provinces to be the production hub of high-tech industries and increasing competitiveness 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 Q4/2023

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 2023 was 881.61 million Baht, decreased by 370.60 million Baht or -29.60% compared to the same period of 2022. The details are as follow:

- 1) Raw water revenue decreased 116.80 million Baht or -6.43% from the impact of the handover of pipeline assets to the Treasury Department on 11 April 2023 and 31 December 2023, and the lower raw water demands from global economic impact and other factors to industrial sector, as detailed above.
- 2) Costs of sales increased 203.80 million Baht or +15.19%, mainly from the government's escalation of the electricity's FT rate at the end of 2022 to the third quarter of 2023, causing the electricity cost for pumping operations to increase significantly to 33% of raw water costs, compared to 29% 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.

As a result, the gross profit margin of raw water business for 2023 decreased to 36.33% from 48.28% over the same period of the previous year.

Major costs of raw water business (Million Baht)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Raw Water Revenue	479.14	537.56	(58.43)	(10.87%)	2,426.83	2,593.62	(166.80)	(6.43%)
Costs of Raw Water	388.64	324.86	63.79	19.64%	1,545.21	1,341.41	203.80	15.19%
Raw Water	32.11	26.97	5.14	19.06%	168.76	143.00	25.77	18.02%
Electricity	105.35	88.47	16.88	19.07%	503.00	390.05	112.95	28.96%
Depreciation	110.61	115.65	(5.03)	(4.35%)	464.84	484.29	(19.45)	(4.02%)
Maintenance	70.26	58.45	11.81	20.21%	164.13	146.50	17.63	12.04%
Others	70.30	35.31	34.99	99.08%	244.49	177.59	66.90	37.67%
Gross Profit	90.49	212.70	(122.21)	(57.46%)	881.61	1,252.21	(370.60)	(29.60%)
Gross Profit Margin	18.89%	39.57%			36.33%	48.28%		

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q4/2023

6. TAP WATER BUSINESS

Tap water revenue for 2023 was 1,512.64 million Baht, increased 115.88 million Baht or +8.30% compared to the same period of 2022, following the tap water sales increase of 3.88 million Cu.M. or +4.15% compared to the same period 2022.

Tap water sales volume (Million Cu.M)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Tap water sales volume of Company	5.61	5.25	0.36	6.91%	23.01	21.04	1.97	9.35%
Tap water sales volume of subsidiaries	18.29	18.15	0.14	0.77%	74.36	72.45	1.91	2.64%
Total tap water sales volume	23.90	23.40	0.50	2.15%	97.36	93.49	3.88	4.15%

Gross Profit of Tap Water Business for 2023 was 418.10 million Baht, increased by 20.94 million Baht or +5.27% 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's escalation of the electricity FT rate. The gross profit margin was 27.64%, decreased from 28.43% during the same period of 2022.

Major Costs of Tap Water Business (Million Baht)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Tap Water Revenue	379.10	352.69	26.41	7.49%	1,512.64	1,396.77	115.88	8.30%
Costs of Tap Water	286.32	266.98	19.35	7.25%	1,094.54	999.61	94.94	9.50%
Raw Water	75.71	77.82	(2.11)	(2.72%)	256.34	226.61	29.73	13.12%
Electricity	35.74	43.22	(7.48)	(17.31%)	175.65	151.12	24.53	16.23%
Chemical	14.03	12.31	1.72	14.01%	49.25	45.16	4.09	9.06%
Payroll, Outsource Expenses & Maintenance	55.76	50.62	5.14	10.16%	201.75	193.61	8.14	4.20%
Depreciation	84.99	105.17	(20.18)	(19.19%)	339.39	346.12	(6.73)	(1.94%)
Others	20.09	(22.17)	42.26	(190.63%)	72.17	36.99	35.18	95.12%
Gross Profit	92.78	85.71	7.07	8.24%	418.10	397.16	20.94	5.27%
Gross Profit Margin	24.47%	24.30%			27.64%	28.43%		

7. INDUSTRIAL WATER BUSINESS

Industrial water revenue for 2023 was 160.45 million Baht, increased by 97.07 million Baht or +153.17% 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 2023 was still negative at -15.19 million Baht, although at a lower ratio compared to the same period of 2022, mainly due to sharing the increased average costs of raw water due to the transfer of the leased pipelines to the Treasury Department and recognizing depreciation of assets of completed construction using the straight-line method (mainly from Amata City, Gulf PD and Carabao Group Industrial Water Supply Projects), while customer demands will gradually increase in annual steps.

- Amata City Rayong Industrial Estate has started to purchase water at the contracted minimum guarantee since 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's monthly average demands increased more than 100% compared to the average of 2022

Additionally, the Company has newly contracted customers, such as Amata City Rayong 2 Industrial Estate and Xin Ke Yuan Co. Ltd. (SKY), and several new customers in the contracting process, and thus expects to start generating gross profit from the beginning of 2025 onwards.

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q4/2023

7. INDUSTRIAL WATER BUSINESS (CONT.)

Major Costs of Industrial Water Business (Million Baht)	Q4 (3-month period)				2023 (12 months cumulative)			
	2023	2022	YoY	%	2023	2022	YoY	%
Industrial Water Sale Volume	3.39	1.17	2.22	189.10%	11.60	4.23	7.37	174.22%
Industrial Water Revenue	45.05	18.19	26.86	147.64%	160.45	63.38	97.07	153.17%
Costs of Industrial Water	46.40	38.00	8.40	22.12%	175.64	125.50	50.14	39.96%
Raw Water	(0.55)	7.58	(8.13)	(107.28%)	14.55	18.69	(4.14)	(22.14%)
Direct cost (electricity, chemicals, O&M)	17.09	9.15	7.94	86.69%	55.07	32.54	22.53	69.23%
Depreciation	29.86	21.26	8.60	40.45%	105.26	74.26	31.01	41.75%
Other costs	-	-	-	-	0.76	0.01	0.75	7,474.95%
Gross Profit	(1.35)	(19.80)	18.46	(93.21%)	(15.19)	(62.12)	46.93	(75.54%)
Gross Profit Margin	(2.99%)	(108.84%)			(9.47%)	(98.02%)		

8. FINANCIAL POSITION ANALYSIS

Financial Position (MB)	As of 31 Dec 2023	As of 31 Dec 2022	Increased (Decreased)	%
Total Assets	29,076.66	25,097.79	3,978.87	15.85%
Total Liabilities	17,438.31	13,530.13	3,908.19	28.89%
Equity	11,638.34	11,567.66	70.68	0.61%
- Equity attributable to owners of the parent company	11,492.62	11,414.42	78.20	0.69%

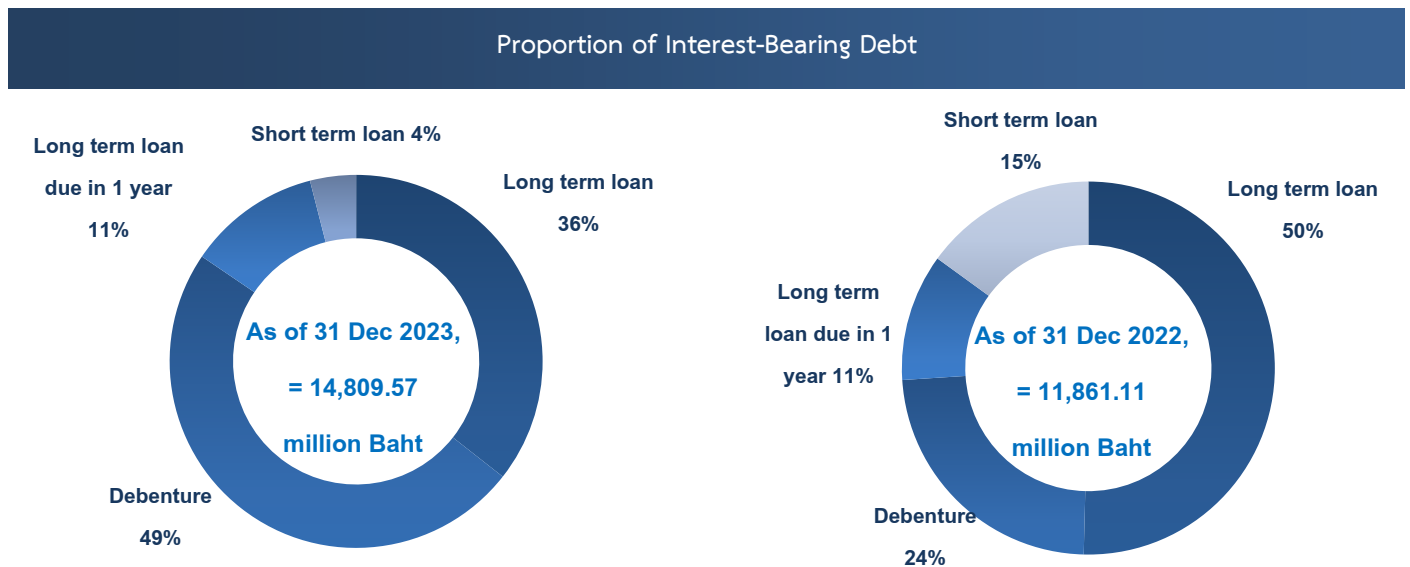
1) Assets As of 31 December 2023, total assets were 29,076.66 million Baht, increased by 3,978.87 million Baht or +15.85% since 31 December 2022 due to the changes in land, buildings and equipment (net) of 21,833.91 million Baht, increased by 2,534.87million Baht or +13.13% from 31 December 2022, mainly from progress of construction, such as, industrial water and total water solution projects, Klong Luang Reservoir Pipeline project and Nongplalai – Nongkho – Laemchabang Pipeline project, and financial assets measured by amortized cost of 2,107.06 million Baht, increased 1,397.58 million Baht or +196.99%, compared to the same period of 2022, mainly from temporary investments (government bonds repurchase transactions) of 1,000 million Baht..

2) Liabilities As of 31 December 2023, total liabilities were 17,438.31 million Baht, increased 3,908.19 million Baht or +28.89% from 31 December 2022, mainly due to changes in the following items:

- Debentures increased to a total of 4,450 million Baht, offered to financial institutions and high net worth individuals, to support the Company's continued investment projects

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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) Shareholders' Equity As of 31 December 2023, Shareholders' equity attributable to owners of the parent company was 11,492.62 million Baht, increased by 78.20 million Baht or +0.69% from 31 December 2022.

9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For the 2023, the company had carried over cash and cash equivalents of 90.93 million Baht, whereby during the financial period, net cash increased 553.38 million Baht. This comprised of the following items:

1) Net cash received from Operating Activities totaling 1,752.83 million Baht from net income and the changes in assets and liabilities from operations

2) Net cash used in Investment Activities amounted to -3,601.69 million Baht. This was mainly due to purchase of financial assets measured by amortized cost and cash purchase of fixed assets and advance payment for construction of -2,010.03 million Baht and -2,023.11 million Baht, respectively.

3) Net cash received from Financing Activities amounted to 2,402.24 million Baht, the issuance of debentures totaling 4,450 million Baht, net off with loan repayment during the year.

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10. KEY FINANCIAL RATIOS

Key Financial Ratios	2023	2022
Liquidity Ratio		
Current ratio (times)	1.07	0.38
Average A/R collection days (days) ¹⁾	42.27	40.05
Average A/P collection days (days)	19.02	18.67
Profitability Ratio		
Gross profit / total sales and services revenue (%)	30.86%	38.10%
Net profit / total sales and services revenue (%)	7.60%	17.05%
Performance Ratio		
Return on Equity (ROE) (%)	2.76%	6.17%
Return on Assets (ROA) (%)	1.20%	2.95%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.52	1.19
Debt Service Coverage ratio (DSCR) (time)	0.84	1.38

Note: 1) A/R collection days is calculated using all accounts receivable customers, which is comprised of both billed and unbilled parts.
2) Gross profit and Net profit do not include construction revenue under concession agreement and other income.

For 2023, East Water Group reported a decrease in net profit and profit margin compared to the same period of 2022, mainly from generating slightly higher revenue from sales and services of tap water and industrial water sales, whilst 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 30.86% and 7.60%, respectively, while in the same period of 2022 the gross profit margin was 38.10% and net profit margin was 17.05%.

Return on Equity (ROE) and Return on Asset (ROA) for 2023 decreased to 2.76% and 1.20%, respectively compared to the same period in 2022, when the ROE was 6.17% and ROA was 2.95%, mainly from decreased net profit, whilst shareholders' equity increased slightly, assets increased significantly following the Company's investment projects.

As for the liquidity at the end of 2023, the Liquidity Ratio was 1.07 times, increased from end of 2022's 0.38 times, from the aforementioned temporary financial investments in government bonds. Debt to Equity ratio was 1.52 times, increased from 1.19 times at the end of 2022, due to the issuance of debentures totaling 4,450.00 million Baht in 2023.

The Debt Service Coverage Ratio (DSCR) decreased to 0.84 times from 1.38 times in 2022 due to long term loans due in 1 year and increased interest from borrowings, 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)	31 December 2023	31 December 2022
Land, buildings and equipment	1,484.79	2,232.40
Intangible assets	91.15	123.06
Total	1,575.93	2,355.46

Capital expenditure commitment in land, buildings and equipment stem from ongoing construction projects, such as the Nongplalai – Nongkho – Laemchabang pipeline project, the Maptaphut – Sattahip pipeline project, 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. 39.1 of the financial statement relating to related transactions with individuals or businesses.