

Ref. AC 24/003

February 28, 2024

Re: Management Discussion and Analysis of the Operating Performance for 2023

To: President

The Stock Exchange of Thailand

Amata Corporation Public Company Limited ("AMATA" or "The Company") and its subsidiaries would like to report the operating performance results of the company for 2023 as follows:

Economic and Industry Situation

The world economy seems to expand better than expected. The Organization for Economic Co-operation and Development forecasted that the US economy would help compensate for the slowdown of the Eurozone economy. As a result, OECD forecasted that the world GDP of 2024 will grow around 2.9 percent instead of the previous forecasted at 2.7 percent. On the other hand, the statement from The Annual Meetings of the Boards of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF) reported by the Bank of Thailand stated that the IMF gave policies recommendation focusing on 4 key points 1) Bring back the inflation toward the sustainable target 2) Strengthening on the fiscal 3) Using variety of tools to manage financial risks and 4) Improve medium term economy. Besides that, there were also other issues to be considered such as the slowdown of China economy and impacts from geopolitical tensions.

Thailand economy 2023 growth overall slowdown which the Ministry of Finance expected the growth will be at 1.8 percent which the main reasons were from contraction of industrial production, exports and tourism as a result the growth rate was lower compared to 2022 which growth at 2.6 percent. Nevertheless, the Ministry of Finance forecasted that economic growth of 2024 will expand to 2.8 percent driven by expansion of export and services sector including tourism which forecasted that there will growth as high as 19.5 percent and the main tourists will be from China and Malaysia. In terms of economic stability, the Bank of Thailand reported general inflation rate decreased because there were higher fresh food production and lower price of energy sector due to lower price of crude oil from the world market. While the exchange rate was at the average appreciated according to the direction of the US Federal Reserve.

For the domestic investment, according to the report from the Department of Business Development (DBD) showed that Thai investors was established 8.5 thousand new businesses, the highest rate in 10 years, with total registered capital was 560 billion Baht while the total registered capital from foreign investors was at 130 billion Baht. The DBD also expected that Thai economy will continuously growth in 2024. Regarding the BOI applications, in 2023 there were 1,394 requested from foreign investors increased 38 percent from the previous year and the total investment amount was around 600 billion Baht increased 72 percent from the previous year. For the industry that applied for the promotion, the majority were in industry machinery and automotive as well

as electrical and electronic appliances. While the nationality that requested most investment promotion was China counted as 31 percent from the total requested and the example of most investment projects separated by investment amount were the parts or equipment for solar energy production, electric vehicle production and related and a platform for EV car battery.

Business Overview

Amata Corporation PCL., (The Company) established in 1989, the world's leading private developer and operator of industrial real estate sites, or "industrial cities". The company specializes in the planning, developing, managing, and marketing these industrial estates as well as entire related businesses. Furthermore, the company also strictly on environmental protection and strives to create "A Perfect City" to improve quality of life of the people working in the industrial estates and people in surrounding communities, so that they can work and live happily.

As of 31 December 2023, Amata has developed industrial estates in four countries which are Thailand, Vietnam, Myanmar, and Laos. The total area was approximately 94,206 Rais.

Sustainability Goals and Guidelines

Amata gives priority to climate change issues and committed to take part in reducing the climate change effects. The company announced intention to reduce greenhouse gas emissions and had formulated the policies and the management approaches to tackle the climate change problem as follow:

- Target to be a Carbon Neutral City in 2040 with a business development plan to build Amata Smart City projects that focus on energy efficiency through the support of technology and low carbon energy sources as well as application of the principles of circular economy to the work process.
- Mitigate the impact of climate change effects. The Company has considered the sustainable management of all types of water as a very significant issue, i.e. raw water, consumption water, wastewater and flood by continuously developing the water management project for each type of water including the provision of raw water reserves to be at least 150 percent.

Sustainability Performance

- **Greenhouse Gas Emission and Energy Management**

The Company recognizes the importance of reducing greenhouse gas emissions, especially from indirect activities from the use of electricity. Therefore, the company encourage and support the use of renewable energy while reduce fossil fuel consumption as well as promoted energy saving in office and common areas.

- **Circular Water Management**

The Company realized the importance of efficient water management prevention and correction by established the Water Management Committee to be responsible for water management. The company also built reservoirs within the industrial estate and secured water reserve from outside suppliers which now there were total 19 reservoirs with a total storage capacity of 61.4 million cubic meters that can stored surface water for more than 150 percent of the total demand. Furthermore, from 100 percent of treated wastewaters, 57 percent was reproduced to high quality water through water reclamation system. Therefore, in case of a severe drought crisis, Amata can be able to have water for production and consumption up to 18 months.

- **Solid and Industrial Waste Management**

Over 1,000 industrial plants are in AMATA Industrial Estates in Thailand together with more than 300,000 employees, these can generate a large amount of solid waste and industrial waste each year. The company is aware of the responsibility for waste management and had setup a Waste Management Policy to minimize the environmental impacts as well as to comply with the laws. The Company has set the target to reduce solid waste to landfill as much as possible by using circular economy concept. All wastes will be sorted and classify for recycling and Refuse-derived fuel (RDF) production before disposed by landfill method. Currently, there was only 0.06 percent wastes that still required to be disposed by the landfill method.

Significant Events

MOU for Amata European Smart City

On 9 February 2023, AMATA Corporation Public Company Limited signed a Memorandum of Understanding (MOU) with B.Grimm Power Public Company Limited, to jointly develop the project of "AMATA European Smart City" in AMATA City Chonburi Industrial Estate, with an area of 200 Rais in order to support investment in high-technology industries or so called s-curve industries from European countries

MOU to support the development of AMATA Smart and Eco Cities

On 10 March 2023, AMATA City Lao Company Limited signed a Memorandum of Understanding (MOU) with the Ministry of Industry and Commerce (MOIC) of Lao People's Democratic Republic in form of a cooperation agreement to support the development of industrial cities in Laos, in particular AMATA Smart and Eco Cities in Luang Namtha and Oudomxay provinces. To be achieved the goals for the economic, social and environmental aspects under the All Win concept.

The Utilities Services Business Restructuring Plan and the Initial Public Offering

On April 3, 2023, the Board of Directors of Amata Corporation Public Company Limited (the "Company") has resolved to approve the utilities services business restructuring plan for the company's industrial estates by

way of transfer of such business to Amata U Co., Ltd (Formerly known as “Amata Strategic Holding 1 Co., Ltd”). (“Spin Co.”). After completion of the Restructuring Transactions, Spin Co. will offer its ordinary shares to the public in an Initial Public Offering (IPO) no more than 30 percent of paid-up capital of Spin Co. and list Spin Co’ ordinary shares on the Stock Exchange of Thailand.

Signed a Collaboration Agreement Introducing a Credit Facilitation Agreement

On August 3, 2023, the Export-Import Bank of Thailand (EXIM Thailand) and AMATA City Lao Company Limited, a fully owned subsidiary of AMATA Corporation Public Company Limited, signed a collaboration agreement introducing a credit facilitation agreement designed to expedite the industrial city development “Amata Smart and Eco City Natoey” which locates at Lao People’s Republic.

Co-Develop Large Floating Solar Farm

On August 3, 2023, Amata Water Company Limited (Amata Water), which is 100% owned by Amata Corporation Public Company Limited, has signed an agreement with Amata B. Grimm Power Company Limited to co-develop a large-scale Floating Solar Farm for electricity generation using solar energy installed on floating platforms within the Amata City Industrial Estate, Chonburi, Thailand with the total capacity of 19.5 megawatts on the first phase.



Operating Performance Summary Year-End 31 December 2023

2023's performance versus 2022's performance

- Total revenues reported at Baht 9,699 million, increased by 20.50% year on year
- Share of profit from investments in associates and JV at Baht 1,064 million, up 211.11%
- Net profit posted at Baht 1,885 million, decreased 19.48%

	Year	Year	Increase/(Decrease)	
	2023	2022	Million Baht	%
Total revenues	9,699	8,049	1,650	20.50
Total expenses	7,223	4,379	2,844	64.95
Share profit from investments in associates and joint venture	1,064	342	722	211.11
Profit for the period	1,885	2,341	(456)	(19.48)
Basic earnings per share (THB/share)	1.64	2.04		

• Operating Performance Analysis of Core Businesses

	Year	Year	Increase/(Decrease)	
	2023	2022	Million Baht	%
Revenue from real estate sales	4,804	2,881	1,923	66.75
Gross profit margin	47.48%	61.61%		
Revenue from utility services	3,876	2,801	1,075	38.38
Gross profit margin	20.38%	25.49%		
Revenue from rental	837	820	17	2.07
Gross profit margin	76.70%	76.34%		

Industrial Estate Development Business

AMATA reported revenue from real estate sales for 2023 was at Baht 4,804 million, rose Baht 1,923 million or 66.75% from the same period last year (2022). This year the land was already transferred 787 Rais (Thailand 414 Rais and Vietnam 373 Rais) while in 2022 transferred 616 Rais (Thailand 571 Rais and Vietnam 45 Rais). The gross profit margin of this year was 47.48%, lower from 2022 which was at 61.61% mainly because the land transferred this year, some plots had higher cost due to raw land cost and construction cost.

Utility Services Business

AMATA achieved utility services revenue of Baht 3,876 million for 2023, increased Baht 1,075 million or 38.38% year on year from the revenue realized from electricity services of Vietnam. While, gross profit margin declined from 25.49% to 20.38% in 2023 because electricity services could generate very thin gross profit margin since cost and selling price was still regulated by the Vietnam government.

Rental Business

Amata reported rental income of Baht 837 million for 2023 increased by Baht 17 million or 2.07% compared to the same period of the previous year. Gross profit margin of 2023 was at 76.70% increased from 76.34%. Also, there was more rental capacity and higher rental rate from Industrial Estate in Thailand which the occupancy rate of 2023 was at 95% of rental areas.

- **Other Income**

	Year	Year	Increase/(Decrease)	
	2023	2022	Million Baht	%
Finance income	86	89	(3)	(3.37)
Gains on sales of investment properties	72	1,361	(1,289)	(94.71)
Gains (Loss) on exchange	(158)	76	(234)	(307.89)
Other income	110	111	(1)	(0.90)

The Company reported finance income at Baht 86 million for 2023 decreased by Baht 3 million or 3.37% compared to the same period last year. Gain on sales of investment properties decreased Baht 1,289 million when compared to 2022 because this year the company only sold 2 ready built factories (RBF) while last year sold 24 RBFs. This year the company occurs loss on exchange Baht 158 million whereas last year there was a gain on exchange at Baht 76 million. Other income for 2023 was at Baht 110 million decreased 1 million or 0.90% from the previous year.

- **Expense**

	Year	Year	Increase/(Decrease)	
	2023	2022	Million Baht	%
Selling and distribution expenses	235	204	31	15.20
Administrative expenses	1,026	788	238	30.20
Finance cost	687	472	215	45.55
Income tax expenses	477	466	11	2.36

Selling and distribution expenses for 2023 was recorded at Baht 235 million, increased by Baht 31 million or 15.20% compared to the same period of 2022. Administrative expenses for 2023 was Baht 1,026 million

increased Baht 238 million or 30.20% compared to 2022 mainly from higher expenses on employees both of domestic and overseas. Finance cost of 2023 was at Baht 687 million increased Baht 215 million or 45.55% compared 2022 due to higher rate of interest. Income tax expenses of 2023 was Baht 477 million increased by Baht 11 million or 2.36% compared to the same period of 2022.

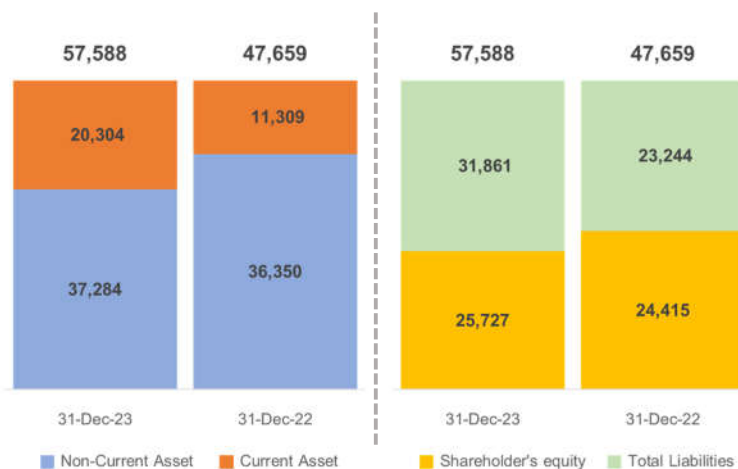
- **Share of Profit from Investments in Associates and Joint Venture**

The Company reported share of profit from investments in associates and joint venture of 2023 was Baht 1,064 million, increase by Baht 722 million or 211.11% from the same period of last year mainly because the performance of power plants business group was outperform due to higher Ft rate and lower cost of natural gas.

- **Net Profit**

The net profit for 2023 achieved Baht 2,461 million, decreased by Baht 702 million or 22.19% from the same period of 2022 mainly because of higher cost of administration as well as loss on exchanged and the lower of gain on sale of investment properties in Vietnam when comparing with last year. However, if excluding gain on sale of investment properties in Vietnam, the net profit of 2023 will be 22.07% higher than net profit from 2022.

Financial Position



- **Assets**

As of 31 December 2023, the Company had total assets of Baht 57,588 million increased Baht 9,929 million or 20.83 percent from 31 December 2022, from both current and non-current asset in terms of real estate development costs and deposits for purchase of land.

- **Liabilities**

As of 31 December 2023, the Company had total liabilities of Baht 31,861 million increased Baht 8,617 million or 37.07 percent from 31 December 2022, from long-term loan and deposits and advances received from customers since we have sold more land this year.

- **Shareholder's Equity**

As of 31 December 2023, the Company's shareholders' equity was Baht 25,727 million, increased Baht 1,312 million or 5.37 percent from 31 December 2022, from higher retained earnings.

Financial Ratio

Ratio	Year 2023	Year 2022
Current Ratio (time)	1.32	1.30
Return on Asset (%)	6.89	8.81
Return on Equity (%)	9.45	12.59
Debt to Equity (Time)	1.56	1.19
Gross Profit Margin (Core Business) (%)	39.02	47.91

For your information.

Yours sincerely,

AMATA CORPORATION PUBLIC COMPANY LIMITED



(Mr. Vikrom Kromadit)

Chairman of the Board of Directors