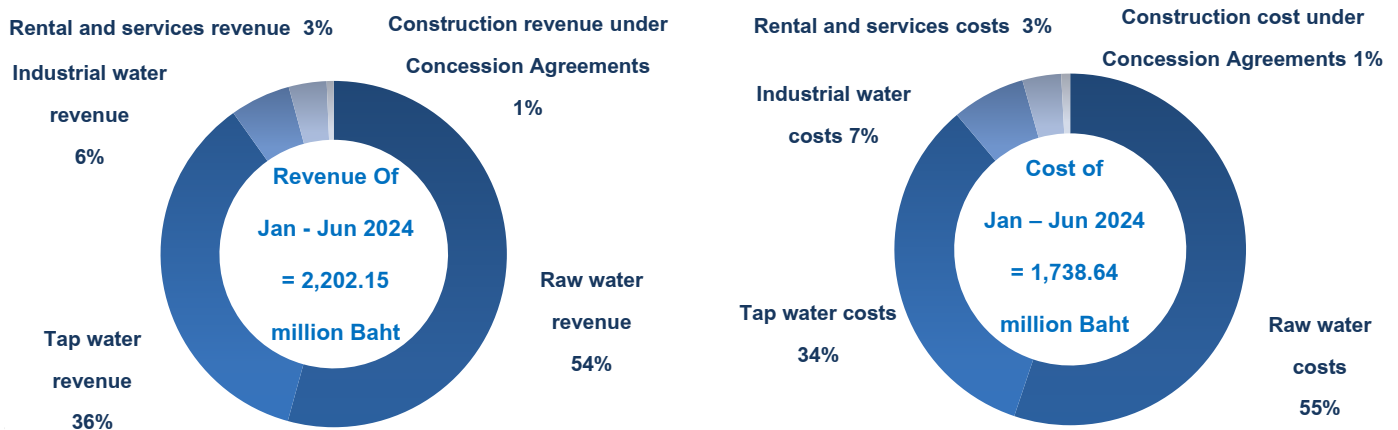


## EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024

### 1. ANALYSIS OF FINANCIAL PERFORMANCE

For the first half of 2024, East Water Group had total consolidated sales and services income of 2,202.15 million Baht, decreased by 79.33 million Baht or -3.48%, primarily from decreased raw water sales volume, whilst costs of sales and services totaled 1,738.64 million Baht, increased by 249.64 million Baht or +16.77% compared to Q2/2023. East Water Group generated a net profit of 54.60 million Baht, decreased by 186.13 million Baht or -77.32%, with net profit attributable to equity holders of the parent company of 48.89 million Baht.

#### Proportion of revenues and cost



Income statement (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
<b>Total Sales and Services revenue</b>	<b>1,135.97</b>	<b>1,168.32</b>	<b>(32.35)</b>	<b>(2.77%)</b>	<b>2,202.15</b>	<b>2,281.48</b>	<b>(79.33)</b>	<b>(3.48%)</b>
Raw water revenue	624.28	681.27	(57.00)	(8.37%)	1,195.22	1,367.42	(172.20)	(12.59%)
Tap water revenue	399.42	386.01	13.42	3.48%	790.15	749.99	40.15	5.35%
Industrial water revenue	71.24	45.96	25.28	55.02%	124.50	68.14	56.36	82.72%
Rental and services revenue	29.24	39.28	(10.03)	(25.55%)	77.93	75.78	2.15	2.84%
Construction revenue under Concession Agreements	11.79	15.81	(4.02)	(25.44%)	14.35	20.15	(5.80)	(28.78%)
<b>Costs of Sales and Services</b>	<b>845.04</b>	<b>766.91</b>	<b>78.13</b>	<b>10.19%</b>	<b>1,738.64</b>	<b>1,489.00</b>	<b>249.64</b>	<b>16.77%</b>
Raw water cost	449.69	407.08	42.61	10.47%	958.99	784.15	174.85	22.30%
Tap water cost	291.09	266.69	24.40	9.15%	585.83	537.10	48.73	9.07%
Industrial water cost	69.43	45.94	23.49	51.14%	117.54	85.20	32.34	37.96%
Rental and services cost	23.05	31.39	(8.34)	(26.57%)	61.92	62.41	(0.48)	(0.77%)
Construction cost under Concession Agreements	11.79	15.81	(4.02)	(25.44%)	14.35	20.15	(5.80)	(28.78%)
<b>Gross profit</b>	<b>290.93</b>	<b>401.41</b>	<b>(110.48)</b>	<b>(27.52%)</b>	<b>463.51</b>	<b>792.48</b>	<b>(328.97)</b>	<b>(41.51%)</b>
Other income	23.22	12.53	10.69	85.27%	45.26	24.29	20.97	86.37%
Sells and administrative expenses	122.05	213.36	(91.31)	(42.80%)	268.39	359.71	(91.32)	(25.39%)
<b>Operating profit</b>	<b>192.10</b>	<b>200.59</b>	<b>(8.49)</b>	<b>(4.23%)</b>	<b>240.38</b>	<b>457.06</b>	<b>(216.68)</b>	<b>(47.41%)</b>
Finance cost	78.32	77.55	0.77	0.99%	164.83	150.69	14.15	9.39%
Income tax expenses	40.52	34.08	6.44	18.89%	20.94	65.64	(44.70)	(68.10%)
<b>Net profit</b>	<b>73.26</b>	<b>88.96</b>	<b>(15.70)</b>	<b>(17.64%)</b>	<b>54.60</b>	<b>240.73</b>	<b>(186.13)</b>	<b>(77.32%)</b>
Net profit attributable to shareholders of the parent company	70.29	86.23	(15.94)	(18.49%)	48.89	235.34	(186.44)	(79.22%)
Earnings per share (EPS)	0.04	0.05	(0.01)	(18.49%)	0.03	0.14	(0.11)	(79.22%)

**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

**1. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)**

A significant event in 2023 was 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, and the Dokkrai Pipeline Project, which comprises of (1) the Dokkrai – Maptaphut, (2) the Maptaphut – Sattahip, (3) the Nongkho – Laemchabang (Phase 1) and (4) Laemchabang – Pattaya Pipeline Projects, which reached the end of the contract and were handed over to the Treasury Department on 31 December 2023.

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

EBITDA (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
Operating profit	192.10	200.59	(8.49)	(4.23%)	240.38	457.06	(216.68)	(47.41%)
Depreciation	176.46	180.51	(4.05)	(2.24%)	352.79	357.90	(5.11)	(1.43%)
Amortization	94.02	91.61	2.41	2.63%	187.10	182.46	4.63	2.54%
<b>EBITDA</b>	<b>462.57</b>	<b>472.70</b>	<b>(10.13)</b>	<b>(2.14%)</b>	<b>780.26</b>	<b>997.42</b>	<b>(217.16)</b>	<b>(21.77%)</b>

Note: Depreciation does not include depreciation from recognizing the rights to use assets in accordance with the lease financial standards (IFRS16)

**2. ECONOMIC SITUATION**

For Q2/2024, overall businesses expanded slightly from the same period last year, with a recovery of some elements of the manufacturing and export sectors following increased demands from trading partner nations. The retail sector remains stable, although mid- to low-income consumers are more careful of spending due to the slow recovering purchasing power. In contrast, the construction sector contracted mainly due to delayed disbursement of government funds. Most businesses were still facing sustained high production costs, from transportation, labor and raw materials, while there were certain limitations on raising selling prices, especially for necessary goods, from the slow-recovering purchasing power of mid- to low-income consumers. The manufacturing sector had to manage their internal expenses by increased use of technology to increase efficiency and reduce required raw materials for production. The retail sector increased usage of targeted marketing for specific groups of customers to stimulate sales volume in the face of intensifying competition, whilst investment was stable with the expansion of retail outlets was roughly equal to last year. The automotive manufacturing sector, had to adapt to the contracting market from the slow recovery, increased caution by financial institutions in providing credit, and lower price of second-hand automobiles due to the influx of repossessed automobiles to auction houses. Additionally, the Chinese EVs price slashing caused consumers to adopt a wait and see attitude, further slowing the market.

For Q3/2024, the economy is projected to expand compared to the same period of last year, following the expected manufacturing export sector expansion following the improving economic condition of trading partners, the delayed government disbursement for construction sector should be expedited to be completed by the last quarter of 2024. The retail sector is expected to be stable following the slow purchasing power recovery of the mid- to low-income customers, combined with the continual high levels of household debt. Some adverse factors to business to be monitored include the impact of the nationwide increase in minimum wage to 400 THB/day in regard to the direct manufacturing expenses, Thailand's competitiveness, the pressure from the continually increasing volume of Chinese imported goods and the slow purchasing power recovery of mid- to low-income consumers.

**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

### 3. WATER SITUATION

As of 24 July 2024, the water supply situation in Chonburi was below the 10-year average, and in the “water scarcity monitoring” range due to the impact of El Nino condition at the beginning of the year, whilst the water supply situation in Rayong was in normal range. The water supply in several main reservoirs was lower than the 10-year average, nevertheless, the Thai Meteorological Department predicts that the total rainfall in Q3/2024 across the country will be close the average, although the total rainfall in the Eastern Seaboard is expected be about 5% lower than normal, with approximately total rainfall of 850 – 1,010 mm (925 mm average) and the temperature average of 32 – 34°C (32.5°C average), with average lows of 24 – 26°C (24.7°C average).

The water in the reservoirs in Chonburi and Rayong were 39.84% and 55.48% of total capacity, respectively.

Water Volume (Million Cu.M)	Chonburi		Rayong			
	Bangphra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
<b>Water reserve</b>	46.38	8.76	41.87	84.05	26.79	213.44
Percentage of total capacity	40.00%	41.00%	59.00%	51.00%	67.00%	72.40%
Average (2013-2023)	62.50	11.76	49.33	117.21	27.62	192.32
Above/(below) average (2013-2023)	(16.12)	(3.00)	(7.46)	(33.16)	(0.83)	21.12

### 4. SIGNIFICANT EVENTS

**Dividend Payment:** On 30 April 2024, the Annual General Shareholders Meeting (AGM) approved the 2023 dividend payout to shareholders of 0.10 Baht per share, comprising of an interim dividend payout of 0.05 Baht per share, totaling 83.19 million Baht, which the shareholders received 29 September 2023 and interim dividend payout for the second 6-months of 2023 of 0.05 Baht per share, totaling 83.19 million Baht with the dividend payment on 29 May 2024.

**TRIS Rating:** On 28 June 2024, 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 reflect 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.

**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

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED  
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024

#### 4. SIGNIFICANT EVENTS (CONT.)

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.

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.

**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

**4. SIGNIFICANT EVENTS (CONT.)**

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

**Compliance with orders from the Treasury Department and notice of plans to dismantle assets from Ratchaphatsadu land that the Treasury Department has reclaimed.** The Company received a letter from the Treasury Department, dated March 12, 2024, informing of the cancellation of the use of Ratchaphatsadu land, totaling approximately 4-3-21 rai in area, including canceling the rights to use the area, which is an overlapping area and other assets of the Nongplalai - Nongkho Water Pipeline Project and the Nongkho - Laemchabang Water Pipeline Project (Phase 2), which the Company transferred the assets on April 11, 2023, which must be completed within 30 days of the receipt of the letter. The Company sent a clarification letter and continued discussions with the Treasury Department before the due date, since the dismantling of the assets in order to transfer the aforementioned area would be an action with possible wide ranging negative impact to water users. Therefore, the action must be carefully evaluated, and prudent planning must be formulated. Nonetheless, the Company has a duty to comply with the laws, rules, regulations, and orders of the government agency. Therefore, the Board of Directors resolved to direct the Management to prepare an action plan, to define the processes and required time period for the dismantling of the assets, ensuring that the transfer of the area to the Treasury Department would not affect the pumping and delivery of water to the Company's water users, as well as to avoid causing impact to the overall economy of the country, which matches the Treasury Department's intents. The Company submitted the complete action plan to the Treasury Department on 17 May 2024, which the Treasury Department has acknowledged receipt and is currently considering the document.

**5. RAW WATER BUSINESS**

Raw water revenue for Q2/2024 was 1,195.22 million Baht, decreased by 172.20 million Baht or -12.59% compared to Q2/2023, mainly from raw water sales volume decrease of 13.28 million Cu.M or -10.82% (excluding internal usage of the Group of Companies of 27.21 million Cu.M.) mainly due to impact of the global economy caused raw water lower demands for customers in the industrial sector from reduced production, the increased raw water supply from private competitors as the rainfall in the area provided alternative sources of raw water, and the delay in some parts of the Company's replacement pipeline construction obliging some customers to purchase water from other sources.

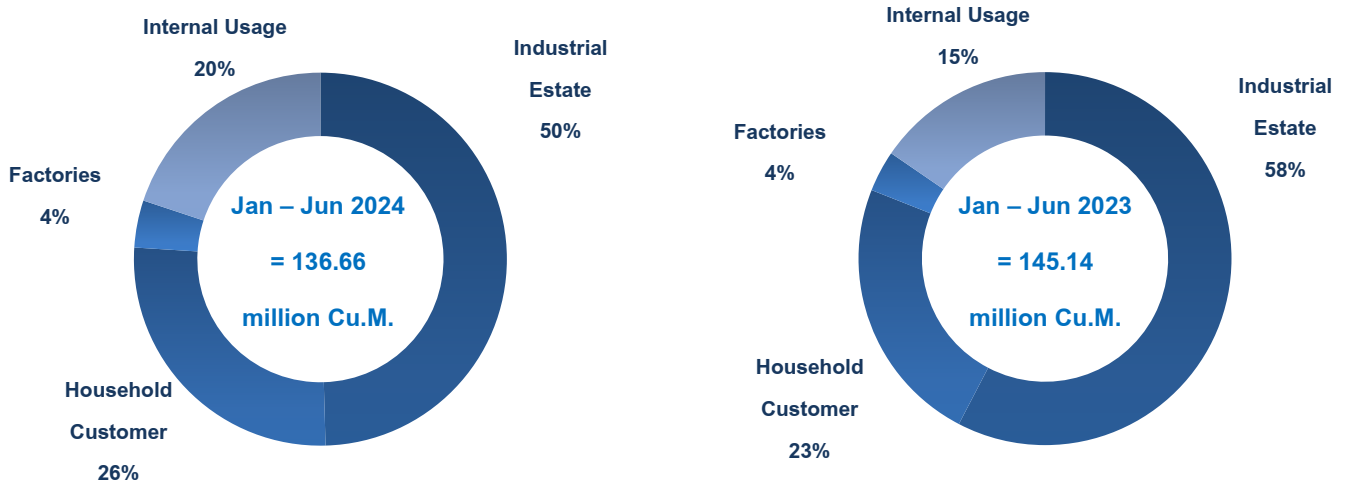
The average raw water sales price was 10.92 Baht per Cu.M., decreased by 0.22 Baht per Cu.M. or -1.99% compared to the same period of 2023.

Raw Water Volume (Million Cu.M)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
Total distribution volume	73.70	74.53	(0.82)	(1.11%)	136.66	145.14	(8.48)	(5.85%)
(deduct) Internal usage for within the group of companies	14.52	13.01	1.50	11.55%	27.21	22.42	4.79	21.38%
<b>Net raw water sales volume</b>	<b>59.19</b>	<b>61.51</b>	<b>(2.33)</b>	<b>(3.78%)</b>	<b>109.44</b>	<b>122.72</b>	<b>(13.28)</b>	<b>(10.82%)</b>

EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED  
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024

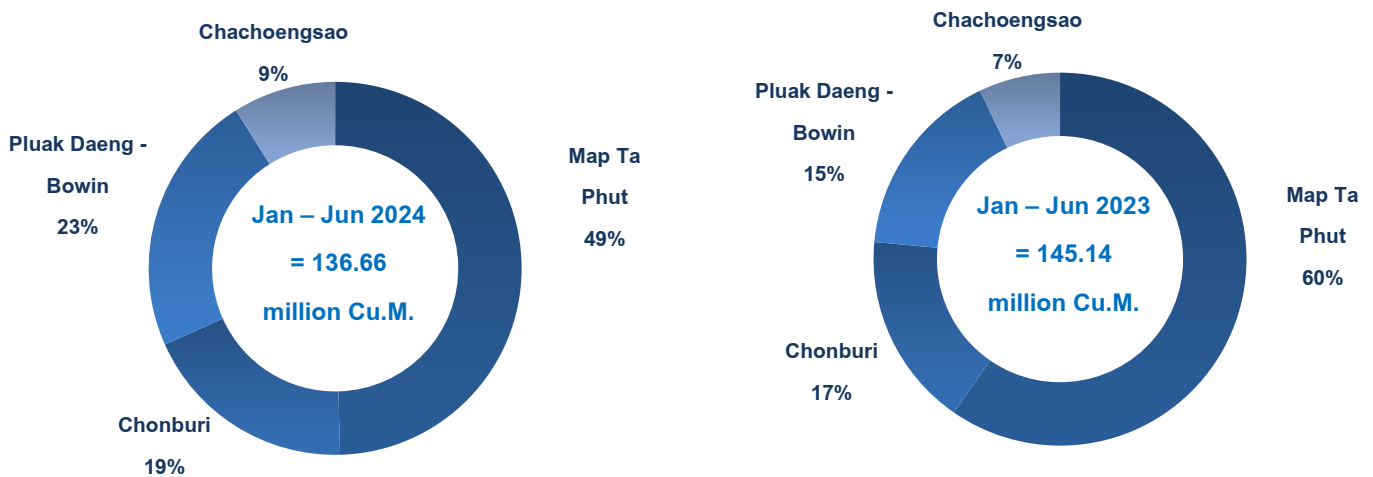
5. RAW WATER BUSINESS (CONT.)

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 Chachoengsao 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 Service Area (Internal usage for tap water production is included)



**Gross Profit of Raw Water Business** for the first half of 2024 was 236.23 million Baht, decreased by 347.05 million Baht or -59.50% compared to the same period of 2023. The details are as follow:

- 1) Raw water revenue decreased 172.20 million Baht or -12.59%, mainly due to the lower raw water demands from global economic impact to customers in the industrial sector, as detailed above.
- 2) Costs of sales increased 174.85 million Baht or +22.30%, mainly from cost of raw water of 381.82 million Baht, an increase of 282.18 million Baht or +283.20% compared to the same period of 2023, due to the Company having to

**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

**5. RAW WATER BUSINESS (CONT.)**

temporarily purchase raw water from another private company to supply its customers due to construction delays with the replacement pipeline, which is close to complete and is expected to be operational within Q3/2024.

As a result, the gross profit margin of raw water business for the first half of 2024 decreased to 19.76% from 42.65% YoY.

Major costs of raw water business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
Raw Water Revenue	624.28	681.27	(57.00)	(8.37%)	1,195.22	1,367.42	(172.20)	(12.59%)
Costs of Raw Water	449.69	407.08	42.61	10.47%	958.99	784.15	174.85	22.30%
Raw Water	162.53	53.78	108.75	202.23%	381.82	99.64	282.18	283.20%
Electricity	101.87	143.36	(41.49)	(28.94%)	211.14	286.86	(75.72)	(26.39%)
Maintenance	112.38	123.03	(10.65)	(8.66%)	224.30	239.97	(15.67)	(6.53%)
Depreciation	43.89	30.56	13.33	43.60%	59.37	53.49	5.88	10.99%
Others	29.01	56.35	(27.33)	(48.51%)	82.36	104.19	(21.82)	(20.95%)
Gross Profit	174.59	274.20	(99.60)	(36.33%)	236.23	583.27	(347.05)	(59.50%)
Gross Profit Margin	27.97%	40.25%			19.76%	42.65%		

**Note:** The Company has moved the project demobilization of assets totaling 18.00 million Baht (booked in Q1/2024) from “cost of raw water sales” to “sells and administrative expenses” in Q2/2024

**6. TAP WATER BUSINESS**

Tap water revenue for the first half of 2024 was 790.15 million Baht, an increase of 40.15 million Baht or +5.35% compared to the same period of 2023, following the tap water sales increase of 1.04 million Cu.M. or +2.13% of the same period of 2023.

Tap water sales volume (Million Cu.M)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
Tap water sales volume of Company	6.38	5.90	0.48	8.08%	12.22	11.47	0.76	6.59%
Tap water sales volume of subsidiaries	18.92	19.14	(0.22)	(1.14%)	37.81	37.52	0.29	0.77%
Total tap water sales volume	25.30	25.05	0.26	1.04%	50.03	48.99	1.04	2.13%

**Gross Profit of Tap Water Business** for the first half of 2024 was 204.31 million Baht, decreased by 8.58 million Baht or -4.03% compared to the same period of 2023, mainly due to the construction delay of the replacement pipeline and some service areas necessitating temporary water purchase from another private company, as well as having some sales costs that could not be reduced, such as the cost of chemicals and other expense. The gross profit margin was 25.86%, decreased from 28.39% during the same period of 2023.



**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

**6. TAP WATER BUSINESS (CONT.)**

Major Costs of Tap Water Business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
Tap Water Revenue	399.42	386.01	13.42	3.48%	790.15	749.99	40.15	5.35%
Costs of Tap Water	291.09	266.69	24.40	9.15%	585.83	537.10	48.73	9.07%
Raw Water	81.94	57.55	24.39	42.38%	166.44	116.61	49.83	42.73%
Electricity	39.11	47.19	(8.08)	(17.12%)	78.67	96.78	(18.10)	(18.70%)
Chemical	14.03	10.76	3.27	30.38%	27.82	21.17	6.65	31.40%
Payroll, Outsource Expenses & Maintenance	58.10	46.40	11.69	25.20%	107.00	97.04	9.95	10.26%
Depreciation	85.41	96.04	(10.63)	(11.07%)	172.67	170.29	2.38	1.40%
Others	12.50	8.74	3.75	42.92%	33.23	35.21	(1.98)	(5.61%)
<b>Gross Profit</b>	<b>108.33</b>	<b>119.31</b>	<b>(10.98)</b>	<b>(9.20%)</b>	<b>204.31</b>	<b>212.89</b>	<b>(8.58)</b>	<b>(4.03%)</b>
Gross Profit Margin	27.12%	30.91%			25.86%	28.39%		

**7. INDUSTRIAL WATER BUSINESS**

Industrial water revenue for the first half of 2024 was 124.50 million Baht, increased by 56.36 million Baht or +82.72% compared to the same period in 2023, as industrial water sales volume gradually increased to match existing and current customer demands

**Gross Profit of Industrial Water Business** for the first half of 2024 was 6.96 million Baht, an increase of 24.02 million Baht or +140.81% compared to the same period of 2023. Revenue increased in line with the sales volume to new and current customers, and partially from transferring some production costs back to the raw water business, in accordance with the volume of industrial water sold to raw water customers, but depreciation also increased due to 1 additional completed and operating project: Industrial Water Supply to Microchip Technology Project. Additionally, existing customers (Amata City, Gulf PD and Carabao Group Industrial Water Supply Projects) are also gradually increasing demands in annual steps from gradual expansion of factories in the industrial estates and additional electricity production starts to increase, as projected.

Additionally, the Company has newly contracted customers, such as Rojana Industrial Estate (Pluakdaeng), 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 generating increasing gross profit onwards.

Industrial Water Sale Volume Industrial Water Revenue	Q2 (3-month period)				Q2 (6 months cumulative)			
	2024	2023	YoY	%	2024	2023	YoY	%
Industrial Water Sale Volume	5.31	3.27	2.04	62.55%	9.16	4.79	4.38	91.44%
Industrial Water Revenue	71.24	45.96	25.28	55.02%	124.50	68.14	56.36	82.72%
Costs of Industrial Water	69.43	45.94	23.49	51.14%	117.54	85.20	32.34	37.96%
Direct cost (electricity, RW chemicals, O&M)	34.99	21.43	13.56	63.29%	49.19	34.05	15.14	44.47%
Depreciation	34.44	24.51	9.93	40.53%	64.38	50.39	13.99	27.75%
Other costs	-	-	-	-	3.97	0.76	3.21	424.18%
<b>Gross Profit</b>	<b>1.81</b>	<b>0.02</b>	<b>1.79</b>	<b>8,522.10%</b>	<b>6.96</b>	<b>(17.06)</b>	<b>24.02</b>	<b>140.81%</b>
Gross Profit Margin	2.54%	0.05%			5.59%	(25.04%)		



**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

**8. FINANCIAL POSITION ANALYSIS**

Financial Position (MB)	As of 30 June 2024	As of 31 Dec 2023	Increased (Decreased)	%
Total Assets	28,855.88	29,076.66	(220.78)	(0.76%)
Total Liabilities	17,255.45	17,438.31	(182.87)	(1.05%)
Equity	11,600.44	11,638.34	(37.91)	(0.33%)
- Equity attributable to owners of the parent company	11,458.33	11,492.62	(34.29)	(0.30%)

**1) Assets** As 30 June 2024, total assets were 28,855.88 million Baht, decreased by 220.78 million Baht or -0.76% from 31 December 2023 mainly from the following changes:

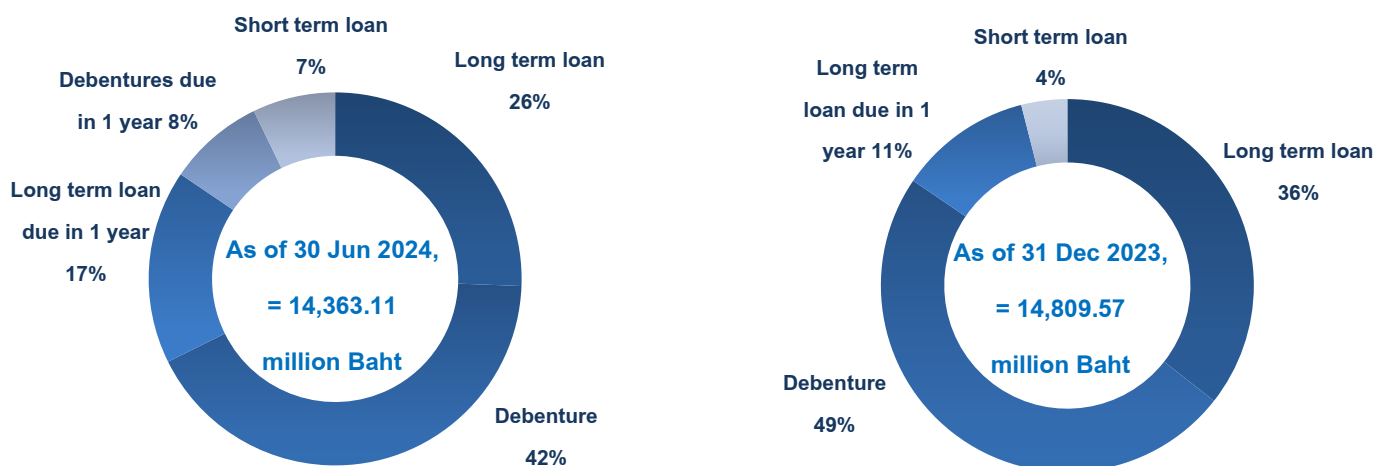
- financial assets measured by amortized cost (long-term savings and bonds) of 1,284.24 million Baht, decreased 822.82 million Baht, compared to end of 2023 due to drawdown for payment for the Company's construction project progress and cash and cash equivalents of 247.04 million Baht, a decrease of 397.27 million Baht since end of 2023.

- land, buildings and equipment (net) of 22,905.51 million Baht, increased by 1,071.61 million Baht since end 2023 from progress of various construction projects, such as, Treasury Department pipeline replacement projects, and industrial water and total water solution projects

**2) Liabilities** At the end of 30 June 2024, total liabilities were 17,255.45 million Baht, decreased 182.87 million Baht or -1.05% from 31 December 2023, mainly due to changes in the following items:

- long-term loans from financial institutions, both the ones that will be due within 1 year net off with the ones more than 1 year decreasing by 886.46 million Baht, since end of 2023, following loan contracts that are coming to maturity.

**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 30 June 2024, Shareholders' equity attributable to owners of the parent company was 11,458.33 million Baht, decreased by 34.29 million Baht or -0.30% from 31 December 2023, partially due to the net loss in Q1/2024 and the allocation of cash reserves as legal requirement of concessions.

**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

## 9. LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For the first half of 2024, the company had carried over cash and cash equivalents of 644.31 million Baht, whereby during the financial period, net cash decreased 397.27 million Baht. This comprised of the following items:

**1) Net cash received from Operating Activities** totaling 717.01 million Baht from net income from operations for the first 6 months of 2024

**2) Net cash used in Investment Activities** amounted to -367.10 million Baht. This was mainly due to withdrawal of financial assets (long-term savings and cash reserves as required by concessions) increasing by 822.82 million Baht, net off with cash purchase of fixed assets and advance payment for construction of 1,089.34 million Baht.

**3) Net cash received from Financing Activities** amounted to -747.18 million Baht, mainly from the repayment of long-term loan from financial institutes of 885.00 million Baht.

## 10. KEY FINANCIAL RATIOS

Key Financial Ratios	Q2/2024	Q2/2023
<b>Liquidity Ratio</b>		
Current ratio (times)	0.35	0.45
Average A/R collection days (days) <sup>1)</sup>	43.17	41.19
Average A/P collection days (days)	17.61	19.51
<b>Profitability Ratio</b> <sup>2)</sup>		
Gross profit / total sales and services revenue (%)	21.19%	35.04%
Net profit / total sales and services revenue (%)	2.50%	10.65%
<b>Performance Ratio</b>		
Return on Equity (ROE) (%)	1.17%	3.89%
Return on Assets (ROA) (%)	0.48%	1.79%
<b>Capital Structure and Debt Ratio</b>		
Debt to Equity ratio (time)	1.51	1.27
Debt Service Coverage ratio (DSCR) (time)	0.38	0.99

**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 2024, East Water Group reported decreases in net profit and profit margin compared to the same period of 2023, mainly from lower sales and services revenue compared to the same period of 2023 while cost of sales of raw water and tap water increased, mainly from temporary purchase of raw water from other private companies while waiting for the Company's pipeline construction's completion, and higher costs of finance. Consequently, gross profit margin and net profit margin decreased to 21.19% and 2.50%, respectively, while in the same period of 2023 the gross profit margin was 35.04% and net profit margin was 10.65%

Return on Equity (ROE) and Return on Asset (ROA) for the first half of 2024 decreased to 1.17% and 0.48%, respectively compared to the same period in 2023, when the ROE was 3.89% and ROA was 1.79%, mainly increased temporarily raw water costs.

As for the liquidity at the end of Q2/2024, the Liquidity Ratio was 0.35 times, decreased from Q2/2023's 0.45 times. Debt to Equity ratio was 1.51 times, increased from 1.27 times in Q2/2023, due to the issuance of additional debentures in the second half of 2023.

The Debt Service Coverage Ratio (DSCR) decreased to 0.38 times from 0.99 times in Q2/2023 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.

**EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2024**

### 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)	30 June 2024	31 December 2023
Land, buildings and equipment	847.07	1,484.79
Intangible assets	73.75	91.15
<b>Total</b>	<b>920.81</b>	<b>1,575.94</b>

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. 17.1 of the financial statement relating to related transactions with individuals or businesses.