

Ref. AC 23/033

August 11, 2023

Re: Management Discussion and Analysis of the Operating Performance for the 2nd Quarter of 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 the 2nd Quarter of 2023 as follows:

Economic and Industry Situation

The world economy is still forecasted to slow down due to many factors such as rising interest rates and inflation. The Organization for Economic Co-operation and Development (OECD) projected global GDP growth to 2.7 percent in 2023 and 2.9 percent in 2024. While The World Bank also forecasted that the global economy will be slow sharply especially for developed countries from Tighter monetary policy. However, for emerging market and developing economies (EMDEs) excluding China, growth had set to decline as well from tight global financial conditions and subdued external demand.

Thai economy according to the report from The Bank of Thailand was continued to expand mainly driven from tourism and private consumption which help improved in income and financial positions of both household and corporate sectors. Although Thailand's financial system is resilient, still may face risks from the debt serviceability of households and small and medium-sized enterprises (SMEs) and the ability to raise fund through the bond market by the corporate sector. The Ministry of Commerce revealed that Inflation continuously decelerated which the headline inflation as of June 2023 was at 0.23 percent (YoY) mainly contribution was from a deceleration of food prices and a drop in fuel prices. However, the Ministry also revised the headline inflation target of 2023 down from 1.7 – 2.7 percent to 1.0 – 2.0 percent. Moreover, the overall Consumer Confidence Index (CCI) has been above the confidence level for 7 consecutive months and currently was at 46.2 driven by economic recovery. While the future CCI (for the next 3 months), decreased to 62.6 from 63.3 because of high household debt, rising trend of interest rates and political transition period.

The Board of Investment of Thailand (BOI) announced that the investment on the first half of 2023 had a positive trend especially from electronic sector and electric vehicles (EV) sector which the number of project applications 891 projects, total combined valued around THB 364,420 million increased 18 percent and 70 percent respectively. In addition, the Thai Government also continue to promote and increase confidence of foreign investors both on an original industries and targeted industries in EEC area and other special economic zones and expected that there will be more investment from EV sector for more than USD 1.44 billion.

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 30 June 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

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.

Operating Performance Summary 2nd quarter of 2023 ended 30 June 2023

Operation result for 3 months period for 2nd Quarter of 2023 versus 2nd Quarter of 2022:

- Total revenues reported at Baht 1,488 million, decreased by 30.27%
- Share of profit from investments in associates and JV at Baht 305 million, increased by 205%
- Net profit posted at Baht 313 million, decreased by 51.77%

| | 3-Month | 3-Month | Increase/(Decrease) | |
|--|---------|---------|---------------------|---------|
| | 2023 | 2022 | Million Baht | % |
| Total revenues | 1,488 | 2,134 | (646) | (30.27) |
| Total expenses | 1,205 | 1,110 | 95 | 8.56 |
| Share profit from investments in associates and joint venture | 305 | 100 | 205 | 205 |
| Profit for the period | 313 | 649 | (336) | (51.77) |
| Basic earnings per share (THB/share) | 0.27 | 0.56 | | |

• Operating Performance Analysis of Core Businesses

| | 3-Month | 3-Month | Increase/(Decrease) | |
|--------------------------------|---------|---------|---------------------|---------|
| | 2023 | 2022 | Million Baht | % |
| Revenue from real estate sales | 368 | 748 | (380) | (50.80) |
| Gross profit margin | 45.11% | 53.48% | | |
| Revenue from utility services | 852 | 634 | 218 | 34.38 |
| Gross profit margin | 20.31% | 25.87% | | |
| Revenue from rental | 194 | 204 | (10) | (4.90) |
| Gross profit margin | 73.71% | 78.43% | | |

Industrial Estate Development Business

For the 2nd Quarter of 2023 (2Q/2023), AMATA reported revenue from real estate sales at Baht 368 million, decreased Baht 380 million or 50.80% from same period last year. The Company transferred and recognized 85 Rais of land (Thailand 72 Rais and Vietnam 13 Rais) for the 2nd Quarter of 2023 (Q2/2023) which lower than the 2nd Quarter of 2022 (Q2/2022) that transferred and recognized 183 Rais (Thailand 138 Rais and Vietnam 45 Rais). The gross profit margin was at 45.11%, decreased from 53.48% mainly because the cost of raw land has increased.

Utility Services Business

AMATA achieved utility services revenue of Baht 852 million in the 2nd Quarter of 2023 (Q2/2023), increased Baht 218 million or 34.38% from the same period last year mainly from higher consumption especially from the industrial estates in Vietnam. However, gross profit margin declined from 25.87% to

20.31% because the cost and price of some utility services in Vietnam was regulated by the government and there was higher cost of utility services in Thailand.

Rental Business

Amata reported rental income of Baht 194 million for 2nd Quarter in 2023 (Q2/2023), down by Baht 10 million or 4.90% compared to the same period last year since the company has sold some ready built factories in Vietnam last year so there were lower ready built factories areas left for rent. While the gross profit margin was at 73.71% reduced from 78.43% mainly because the reduction in number of ready built factories in Vietnam was also reduce the Economies of Scales.

Other Income

| | 3-Month | 3-Month | Increase/(Decrease) | |
|---|---------|---------|---------------------|----------|
| | 2023 | 2022 | Million Baht | % |
| Finance income | 23 | 23 | 0 | 0 |
| Gains on sales of investment properties | - | 455 | (455) | (100.00) |
| Gains on exchange | 52 | 67 | (15) | (22.39) |
| Other income | 22 | 25 | (3) | (12.00) |

The Company reported finance income at Baht 23 million in 2nd Quarter of 2023 (2Q/2023). The gain on sales of investment properties decreased 100% because the 2nd Quarter of 2023 (2Q/2023) company didn't realize any sale from ready built factories while in 2nd Quarter of 2022 (2Q/2022) the company realized gain from 8 ready build factories sold. Gain on exchange in 2nd Quarter of 2023 (2Q/2023) decreased Baht 15 million or 22.39% from the same period last year (2Q/2022). Similar to other income that decreased Baht 3 million from the same period last year to Baht 22 million in 2nd Quarter of 2023 (2Q/2023).

Expense

| | 3-Month | 3-Month | Increase/(Decrease) | |
|-----------------------------------|---------|---------|---------------------|---------|
| | 2023 | 2022 | Million Baht | % |
| Selling and distribution expenses | 35 | 41 | (6) | (14.63) |
| Administrative expenses | 238 | 208 | 30 | 14.42 |
| Finance cost | 164 | 116 | 48 | 41.38 |
| Income tax expenses | 26 | 116 | (90) | (77.59) |

Selling and distribution expenses for 2nd Quarter of 2023 (2Q/2023) was recorded at Baht 35 million, decreased by Baht 6 million or 14.63% compared to 2nd Quarter of 2022 (2Q/2022) due to lower land transferred fees to customers. Administrative expenses of 2nd Quarter of 2023 (2Q/2023) were Baht 238 million increased Baht 30 million or 14.42% compared to the 2nd Quarter of 2022 (2Q/2022) mainly from higher expenses on employees both in Thailand and Vietnam. Finance cost in 2nd Quarter of 2023

(2Q/2023) was at Baht 164 million increased Baht 48 million or 41.38% compared to the 2nd Quarter of 2022 (2Q/2022) due to higher interest rate. Income tax expenses was Baht 26 million decreased by Baht 90 million or 77.59% compared to the same period last year.

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

The Company reported share of profit from investments in associates and joint venture in 2nd Quarter of 2023 (2Q/2023) was Baht 305 million, increase by Baht 205 million or 205% from the 2nd Quarter of 2022 (2Q/2022) because power plant businesses had higher dispatch and lower cost of production.

- **Net Profit**

The net profit of 2nd Quarter of 2023 (2Q/2023) achieved Baht 420 million, decreased by Baht 496 million or 54.15% from 2nd Quarter of 2022 (2Q/2022) mainly because the company had lower revenue from real estate sales and didn't realize any gain on sale of investment properties.

Operating Performance Summary first six months of 2023, ended 30 June 2023

First six months of 2023 versus the first six months of 2022

- Total revenues reported at Baht 3,634 million, decreased by 5.81% year on year
- Share of profit from investments in associates and JV at Baht 394 million, up 114.13%
- Net profit posted at Baht 805 million, decreased 33.03%

| | 6-Month 2023 | 6-Month 2022 | Increase/(Decrease) | |
|--|-----------------|-----------------|---------------------|---------|
| | | | Million Baht | % |
| Total revenues | 3,634 | 3,858 | (224) | (5.81) |
| Total expenses | 2,506 | 1,860 | 646 | 34.73 |
| Share profit from investments in associates and joint venture | 394 | 184 | 210 | 114.13 |
| Profit for the period | 805 | 1,202 | (397) | (33.03) |
| Basic earnings per share (THB/share) | 0.70 | 1.05 | | |

• **Operating Performance Analysis of Core Businesses**

| | 6-Month 2023 | 6-Month 2022 | Increase/(Decrease) | |
|--------------------------------|-----------------|-----------------|---------------------|--------|
| | | | Million Baht | % |
| Revenue from real estate sales | 1,552 | 1,020 | 532 | 52.16 |
| Gross profit margin | 63.14% | 55.98% | | |
| Revenue from utility services | 1,608 | 1,177 | 431 | 36.62 |
| Gross profit margin | 22.70% | 28.63% | | |
| Revenue from rental | 394 | 433 | (39) | (9.01) |
| Gross profit margin | 75.13% | 78.52% | | |

Industrial Estate Development Business

For the first six months of 2023 (1H/2023), AMATA reported revenue from real estate sales at Baht 1,552 million, rose Baht 532 million or 52.16% from the same period last year (1H/2022). Although, this year the company transferred and recognized lower number of land areas compared to the previous year at 213 Rais (Thailand 200 Rais and Vietnam 13 Rais) versus in 2022 (1H/2022) transferred 253 Rais (Thailand 208 Rais and Vietnam 45 Rais), the company realized higher revenue from real estate sales and higher gross profit margins because most land transferred were from Amata City Chonburi which both land price and gross profit margin were very high compared to others. The gross profit margin of the first half of 2023 (1H/2023) was 63.14%, while the first half of 2022 (1H/2022) was only 55.98%.

Utility Services Business

AMATA achieved utility services revenue of Baht 1,608 million for the first six months of 2023 (1H/2023), increased Baht 431 million or 36.62% year on year from the revenue realized from new utility services in Vietnam. However, gross profit margin declined from 28.63% (1H/2022) to 22.70% on the first half of 2023 (1H/2023) because cost and price of the utility services were regulated by the Vietnam government so the company could not be able to control on the gross profit generation.

Rental Business

Amata reported rental income of Baht 394 million for the first six months of 2023 (1H/2023), down by Baht 39 million or 9.01% compared to the same period of the previous year of 2022 (1H/2022) and gross profit margin of the first half of 2023 (1H/2023) was at 75.13%.

● Other Income

| | 6-Month | 6-Month | Increase/(Decrease) | |
|---|---------|---------|---------------------|---------|
| | 2023 | 2022 | Million Baht | % |
| Finance income | 44 | 38 | 6 | 15.79 |
| Gains on sales of investment properties | - | 1,083 | (1,083) | (100) |
| Gains on exchange | 19 | 77 | (58) | (75.32) |
| Other income | 61 | 67 | (6) | (8.96) |

The Company reported finance income at Baht 44 million on the first half of 2023 (1H/2023), increased by Baht 6 million or 15.79% compared to the same period last year (1H/2022). Gain on sales of investment properties decreased Baht 1,083 million when compared to the first half of 2022 (1H/2022) because this year (1H/2023) there was none realized from gain on sales of investment properties. Gain on exchange amount Baht 19 million on the first half of 2023 (1H/2023) decreased 75.32% or Baht 58 million compared to the same period last year (1H/2022) while other income was Baht 61 for the first half of 2023 (1H/2023) decreased Baht 6 million or 8.96% from the same period last year (1H/2022).

● Expense

| | 6-Month | 6-Month | Increase/(Decrease) | |
|-----------------------------------|---------|---------|---------------------|---------|
| | 2023 | 2022 | Million Baht | % |
| Selling and distribution expenses | 106 | 74 | 32 | 43.24 |
| Administrative expenses | 488 | 405 | 83 | 20.49 |
| Finance cost | 301 | 230 | 71 | 30.87 |
| Income tax expenses | 212 | 245 | (33) | (13.47) |

Selling and distribution expenses for the first six months of 2023 (1H/2023) was recorded at Baht 106 million, increased by Baht 32 million or 43.24% compared to the same period of 2022 (1H/2022). Administrative expenses for the first half of 2023 (1H/2023) were Baht 488 million increased Baht 83 million or 20.49% compared to the first half of 2022 (1H/2022). Finance cost in the first six months of 2023 (1H/2023) was at Baht 301 million increased Baht 71 million or 30.87% compared to the first six months of 2022 (1H/2022) due to higher rate of interest. Income tax expenses for the first six months of 2023 (1H/2023) was Baht 212 million decreased by Baht 33 million or 13.47%.

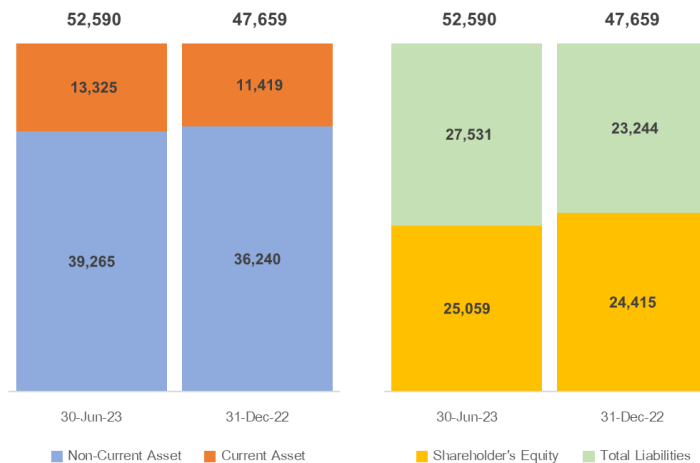
- **Share of Profit from Investments in Associates and Joint Venture**

The Company reported share of profit from investments in associates and joint venture in the first six months of 2023 (1H/2023) of Baht 394 million, increase by Baht 210 million or 114.13% from the same period of last year (1H/2022) mainly because performance of the power plants group was better than the previous year.

- **Net Profit**

The net profit for the first half of 2023 (1H/2023) achieved Baht 1,053 million, decreased by Baht 692 million or 39.66% from the same period of 2022 (1H/2022) mainly because this year there was no realized on the gain on sale of investment properties.

Financial Position



- **Assets**

As of 30 June 2023, the Company had total assets of Baht 52,590 million increased Baht 4,931 million or 10.35 percent from 31 December 2022, from current asset in terms of real estate development cost since the company has developed and prepared more land for sale. Also, from non-current assets in terms of land waiting for future development.

- **Liabilities**

As of 30 June 2023, the Company had total liabilities of Baht 27,531 million increased Baht 4,287 million or 18.44 percent from 31 December 2022, from higher borrowing both short-term and long-term loan for business expansion both domestic and international market.

- **Shareholder's Equity**

As of 30 June 2023, the Company's shareholders' equity was Baht 25,059 million, increased Baht 644 million or 2.64 percent from 31 December 2022, from higher retained earnings.

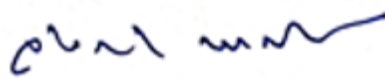
Financial Ratio

| Ratio | 1H/2023 | 1H/2022 |
|---|---------|---------|
| Current Ratio (time) | 1.43 | 1.39 |
| Return on Asset (%) | 6.92 | 9.20 |
| Return on Equity (%) | 10.02 | 12.24 |
| Debt to Equity (Time) | 1.38 | 1.25 |
| Gross Profit Margin (Core Business) (%) | 46.18 | 47.49 |

For your information.

Yours sincerely,

AMATA CORPORATION PUBLIC COMPANY LIMITED



(Mr. Chackchai Panichapat)

DIRECTOR