

Ref. AC 23/021

May 15, 2023

Re: Management Discussion and Analysis of the Operating Performance for the 1st 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 1st Quarter of 2023 as follows:

Economic and Industry Situation

The world outlook is still uncertainty due to financial sector turmoil, high inflation, Russia-Ukraine conflict and on-going of COVID-19. The International Monetary Fund or IMF has forecasted the world GDP down to 2.8 percent in 2023 from 3.4 percent in 2022 and would probably remain around 3 percent for the next five years. While global headline inflation is set to fall from 8.7 percent to 7 percent according to lower commodity prices.

Thai economy for the first quarter of 2023 was continue improved compared to the previous quarter according to the report from the Bank of Thailand which number of tourists played the important role, especially when Chinese government allowed travel agencies to organize overseas group tours, as well as farm income and service sector activities that were better as well. The Consumer Confidence Index was continuously improved in all outlooks such as economic conditions, job prospects and income expectations. Similar to the headline inflation expected to decline to 2.9 percent in 2023 and 2.4 percent in 2024 due to lower pressure from oil and fresh food prices. On the other hand, the latest outcome from the Monetary Policy Committee meeting has announced to increase the policy rate 0.25 percentage point from 1.50 percent to 1.75 percent. While international trade conditions announced by the Ministry of Commerce stated that exports declined 4.46 percent in the first quarter of 2023 and imports declined 0.48 percent. However, the ministry expected that the exports will be bounced back on the second half of the year.

Thailand investment on the first quarter of 2023, the Department of Business Development revealed that the total investment amounted was THB 33,048 million increased 25 percent compared to the same period last year. Major of the investment was related to the country's infrastructure development and the top five investment were from Japan, Singapore, the United States, China and the Swiss Confederation which help create occupation for Thai people as high as 1,932 jobs. From the total investment around THB 3,264 million or 10 percent were invested in EEC area and example of the businesses were automotive engineering consulting, engineering and technical services, metal and plastic parts production, plastic packaging and international trade.

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 specialize 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 March 2023, Amata has developed industrial estates in four countries which are Thailand, Vietnam, Myanmar and Laos. The total area was approximately 90,727 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.

Operating Performance Summary 1st quarter of 2023 ended 31 March 2023

1st Quarter of 2023 versus 1st Quarter of 2022:

- Total revenues reported at Baht 2,180 million, increased by 26.45%
- Share of profit from investments in associates and JV at Baht 90 million, increased by 7.14%
- Net profit posted at Baht 492 million, decreased by 11.03%

	1-Quarter	1-Quarter	Increase/(Decrease)	
	2023	2022	Million Baht	%
Total revenues	2,180	1,724	456	26.45
Total expenses	1,334	750	584	77.87
Share profit from investments in associates and joint venture	90	84	6	7.14
Profit for the period	492	553	(61)	(11.03)
Basic earnings per share (THB/share)	0.43	0.48		

• **Operating Performance Analysis of Core Businesses**

	1-Quarter	1-Quarter	Increase/(Decrease)	
	2023	2022	Million Baht	%
Revenue from real estate sales	1,185	272	913	335.66
Gross profit margin	68.78%	62.87%		
Revenue from utility services	756	543	213	39.23
Gross profit margin	25.40%	31.86%		
Revenue from rental	199	229	(30)	(13.10)
Gross profit margin	76.38%	78.60%		

Industrial Estate Development Business

For the 1st Quarter of 2023 (1Q/2023), AMATA reported revenue from real estate sales at Baht 1,185 million, rose Baht 913 million or 335.66% from same period last year. The Company transferred and recognized 128 Rais of land (Thailand 128 Rais) for the 1st Quarter of 2023 (Q1/2023) increased from the 1st Quarter of 2022 (Q1/2022) that transferred and recognized 70 Rais of land (Thailand 70 Rais). The gross profit margin was at 68.78%, increased from 62.87% mainly because the land transferred were from Amata City Chonburi which currently generated the highest gross profit margin compared to other areas.

Utility Services Business

AMATA achieved utility services revenue of Baht 756 million in the 1st Quarter of 2023 (Q1/2023), increased Baht 213 million or 39.23% from the same period last year mainly from higher consumption of

especially from the industrial estates in Vietnam. However, gross profit margin declined from 31.86% to 25.40% because the price of some utility services was regulated by the Vietnam government.

Rental Business

Amata reported rental income of Baht 199 million for 1st Quarter in 2023 (Q1/2023), down by Baht 30 million or 13.10% compared to the same period last year since the company has sold out ready built factories in Vietnam out last year so there were lower ready built factories areas left for rent. The gross profit margin also slightly decreased from 78.60% to 76.38%.

Other Income

	1-Quarter	1-Quarter	Increase/(Decrease)	
	2023	2022	Million Baht	%
Finance income	21	15	6	40.00
Gains on sales of investment properties	-	628	(628)	(100.00)
Other income	39	42	(3)	(7.14)

The Company reported finance income at Baht 21 million in 1st Quarter of 2023 (1Q/2023), increased by Baht 6 million or 40% from the 1st Quarter of 2022 (1Q/2022). The gain on sales of investment properties decreased 100% because 1st Quarter of 2023 (1Q/2023) the company still didn't realize any sale from the ready built factories while 1st Quarter of 2022 (1Q/2022) the company has sold 10 ready build factories. Other income reported at Baht 39 million in 1st Quarter 2023 (1Q/2023) decreased Baht 3 million or 7.14% from the same period last year.

Expense

	1-Quarter	1-Quarter	Increase/(Decrease)	
	2023	2022	Million Baht	%
Selling and distribution expenses	70	33	37	112.12
Administrative expenses	249	197	52	26.40
Losses on exchange	33	-	33	100.00
Finance cost	137	115	22	19.13
Income tax expenses	186	129	57	44.19

Selling and distribution expenses for 1st Quarter of 2023 (1Q/2023) was recorded at Baht 70 million, increased by Baht 37 million or 112.12% compared to 1st Quarter of 2022 (1Q/2022) due to higher land transferred fees to customers since the company has transferred more land. Administrative expenses of 1st Quarter of 2023 (1Q/2023) were Baht 249 million increased Baht 52 million or 26.40% compared to 1st Quarter of 2022 (1Q/2022) because we have purchase more raw lands and there were higher expenses on employees' funds from industrial estate in Vietnam since the payment was calculated from the company profit so because in 2022 Amata City Bien Hoa generated higher profit. Therefore, the company has to

deduct more expenses on this fund. Moreover, the company also realized losses on exchange at Baht 33 million on the 1st Quarter of 2023 (1Q/2023) mainly from Vietnam Dong and Lao Kip depreciated. Finance cost in 1st Quarter of 2023 (1Q/2023) was at Baht 137 million increased Baht 22 million or 19.13% compared to the 1st Quarter of 2022 (1Q/2022) since the company has borrowed more loan to purchase raw lands. Income tax expenses was at Baht 186 million increased by Baht 57 million or 44.19% compared to the same period last year.

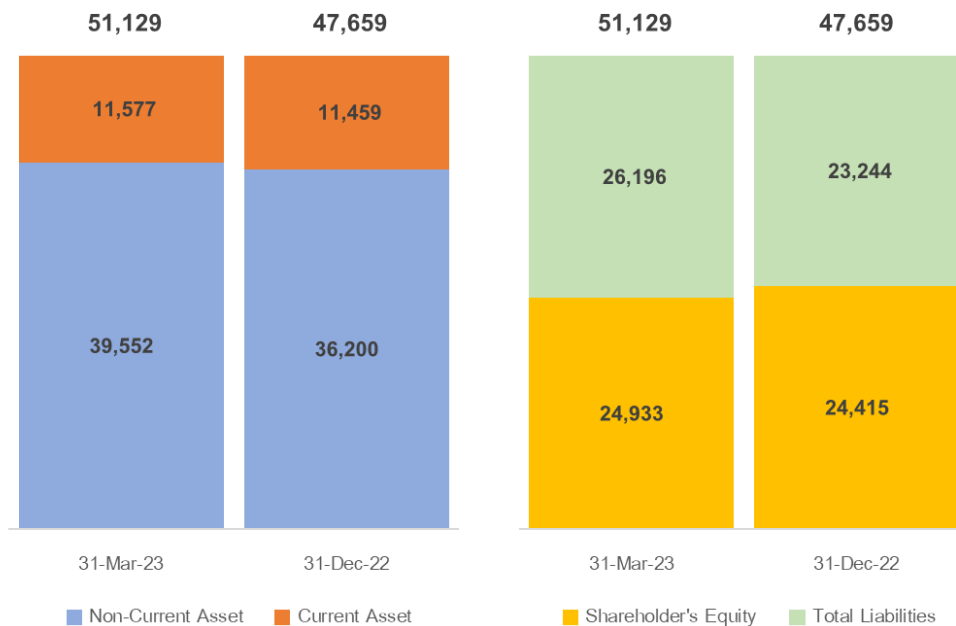
- **Share of Profit from Investments in Associates and Joint Venture**

The Company reported share of profit from investments in associates and joint venture in 1st Quarter of 2023 (1Q/2023) at Baht 90 million, increase by Baht 6 million or 7.14% from the 1st Quarter of 2022 (1Q/2022) because power plant businesses had better operating performance.

- **Net Profit**

The net profit of 1st Quarter of 2023 (1Q/2023) achieved Baht 633 million, decreased by Baht 196 million or 23.64% from 1st Quarter of 2022 (1Q/2022) because the company didn't realize the gain on sale of investment properties, losses of exchange and higher expenses on selling and administration.

Financial Position



- **Assets**

As of 31 March 2023, the Company had total assets of Baht 51,129 million increased Baht 3,470 million or 7.28 percent from 31 December 2022, from non-current assets in terms of land waiting for future development since the company bought more raw lands.

- **Liabilities**

As of 31 March 2023, the Company had total liabilities of Baht 26,196 million increased Baht 2,952 million or 12.70 percent from 31 December 2022, from higher borrowing both short-term and long-term loan for business operation and raw land purchasing.

- **Shareholder's Equity**

As of 31 March 2023, the Company's shareholders' equity was Baht 24,933 million, increased Baht 518 million or 2.12 percent from 31 December 2022, mainly from an increasing in retained earnings.

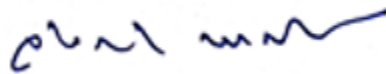
Financial Ratio

Ratio	1-Quarter 2023	1-Quarter 2022
Current Ratio (time)	1.20	1.49
Return on Asset (%)	8.24	7.93
Return on Equity (%)	11.93	10.32
Debt to Equity (Time)	1.32	1.24
Gross Profit Margin (Core Business) (%)	54.14	50.14

For your information.

Yours sincerely,

AMATA CORPORATION PUBLIC COMPANY LIMITED



(Mr. Chackchai Panichapat)

DIRECTOR