EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PUBLIC COMPANY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS FOR Q2/2026

1. ECONOMIC AND INDUSTRIAL SITUATION

1.1 GLOBAL ECONOMIC SITUATION IN Q2/2026

The global economy in Q2/2026 was pulled by two opposing forces: conflict and technology. The International Monetary Fund (IMF) slightly revised down its 2026 global growth forecast to 3.0% (from the 3.1% projected in April 2026), reflecting the impact of the prolonged Middle East conflict, which directly disrupted energy supply chains and shipping through the Strait of Hormuz. However, these pressures were partially offset by an accelerating global technology cycle, particularly stronger-than-expected demand for AI-related hardware and capital investment. Global headline inflation was projected to rise to 4.7% in 2026 (from 4.4% forecast in April 2026), driven mainly by energy prices that are still approximately 25% above pre-war levels and rising food prices tracking fertilizer and freight costs. Key risks to monitor include deepening trade fragmentation, potentially intensified by tariff measures and concerns about an AI-sector bubble. If AI corporate earnings disappoint, a severe capital-market correction could impact global wealth and private consumption.

1.2 THAILAND ECONOMIC SITUATION IN Q2/2026

The Thai economy in Q2/2026 slowed from the prior quarter, pressured mainly by higher energy prices and travel restrictions stemming from the Middle East situation. On the demand side, foreign tourists from the Middle East, Europe, and nearby markets declined sharply as airlines cut flights due to elevated fuel costs, dampening the hospitality sector, especially hotels and restaurants. Private consumption also shrank, primarily due to higher cost of living, lower fuel consumption (following the pull-forward in Q1), and a slight decline in EV sales after the EV 3.0 scheme expired. On the manufacturing side, industrial output contracted as petroleum refining was impacted by partial refinery maintenance shutdowns, chemicals production slowed down from higher raw-material costs, and electrical appliance manufacturing declined from weaker foreign demand. Nevertheless, the economy found support from the global electronics upcycle and partial offset from government measures. Exports and private investment expanded in technology sector, following the upswing in the global electronics sector and investments in the data center sector, with the expected growth in electronic components and electric appliances manufacturing. Government expenditure expanded through both routine and investment spending. The headline inflation rose to 2.42%, up from the previous quarter, tracking higher global crude oil prices, whilst core inflation reached 1.23%, driven mainly from cost pass-through in the prepared-food category. The current account shows a deficit, which resulted from the trade deficit due to energy imports and a deficit in the services, income, and transfers balance from profit and dividend repatriations in May. The labor market improved slightly from the previous quarter, but employment in the manufacturing sector, which slowed due to intense competition and rising production costs, still needs monitoring.

1.3 THAILAND MANUFACTURING SECTOR SITUATION IN Q2/2026

Thailand's manufacturing sector contracted slightly in Q2/2026, pressured by energy costs, freight-rate volatility, and contraction in the auto and petroleum industries. However, it also received support from technology products and the recovery of domestic consumer goods. The Office of Industrial Economics (OIE) reported the Manufacturing Production Index (MPI) for June 2026 at 94.99, a contraction of 3.10% year-on-year. Capacity utilization stood at 57.61%. For the full quarter, MPI averaged 95.96, a contraction of 1.79% YoY, with an average capacity utilization of 57.47%. Notably, although the June MPI contracted more steeply than the quarterly average on a YoY basis (–3.10% vs. –1.79%), capacity utilization in June was slightly higher than the quarterly average (57.61% vs. 57.47%), suggesting that manufacturing was stabilizing or edging up on a sequential (month-on-month) basis, a positive near-term signal to monitor through Q3/2026. Key support in June came from gradually recovering domestic demand, especially for essential goods such as sugar, cleaning products, soap, and cosmetics, which benefited from the Government’s spending stimulus measures and cost-of-living reduction programs under the "Thai Helps Thai Plus" initiative.

1.4 OVERVIEW OF INVESTMENT PROMOTION APPLICATIONS (BOI) AND FOREIGN DIRECT INVESTMENT (FDI)

The Board of Investment (BOI) reported that investment applications in Thailand in 2026 continued to grow despite global uncertainty from geopolitics, energy price volatility, and supply chain restructuring. In the first half of 2026, a total of 1,299 investment applications were submitted, with a combined investment value of 1,473,718 million Baht, up 37% from the same period last year, driven by large-scale investments in digital infrastructure and AI, alongside other targeted industries such as electronics/electrical appliances and agriculture and food processing.

Of these applications, 877 projects, with a combined investment value of 1,368,493 million Baht (approximately 93% of total BOI value) were from foreign direct investment (FDI), reflecting continued reliance on foreign capital for the first 6 months of 2026. The top five source economies by investment value were:

Rank	Country / Economy	Investment Value (Million Baht)	No. of Projects
1	Singapore	1,121,742	158
2	United Kingdom	47,193	11
3	China	45,766	321
4	Taiwan	38,014	47
5	Japan	32,790	123

Note: The high value from Singapore reflects practice of using Singapore-registered holding companies as the formal investment vehicle, rather than indicating Singapore as the actual origin of funds.

The majority of investment was concentrated in digital industries: Data Centers, Data Hosting, and Cloud Services, followed by electronics and electrical appliances such as the manufacturing of Optical Transceivers, Printed Circuit Boards (PCB) and PCB materials, hard disk drives, and integrated circuits, as well as data-center networking and cooling systems. Additional investments included humanoid robot components, automotive parts, food and beverages, and advanced materials, reinforcing foreign investor confidence in Thailand as an advanced technology manufacturing hub.

2. SIGNIFICANT EVENTS

2.1 DIVIDEND PAYMENT

On 27 April 2026, the Annual General Shareholders Meeting (AGM) approved the 2025 dividend payout to shareholders of 0.01 Baht per share, totaling 17 million Baht, which the shareholders received on 26 May 2026.

2. SIGNIFICANT EVENTS (CONT.)

2.2 CREDIT RATING

On 26 June 2026, TRIS Rating (TRIS) announced its corporate credit rating for the Company at A– / Stable Outlook. The rating reflects the Company's strengths as a major raw water supplier in the Eastern Economic Corridor (EEC), supported by its extensive pipeline network, diversified water sources, reliable service quality, and long operational track record. These strengths are partly offset by the Company's elevated debt level, a result of pipeline infrastructure investment and increasing competition among raw water suppliers in the EEC area.

2.3 LITIGATION

As of 30 June 2026, the Company was involved in lawsuits with potential values totaling 131.27 million Baht as detailed below:

1. On 16 November 2024, the Company received the lawsuit filed to the Civil Court by the government agency as the plaintiff. The lawsuit demands the eviction of the Company and the demolition of properties and followers on its site in the overlapping areas of Nong Pla Lai-Nong Khor Pipeline Project, and Nong Khor-Laem Chabang Pipeline Project (Phase 2). Additionally, the lawsuit seeks compensation for damages due to loss of benefit from not receiving the entrance fee (second instalment) and for not receiving share of revenue (first year), totaling Baht 127.77 million. The lawsuit also demands interest of 5% per annum on the said amount from the filing date until the Company fully vacates the premises.

   On 10 March 2025, the Civil Court made an appointment for the pretrial conference and determined that it was appropriate to prepare a map of the disputed land. On 25 July 2025, the Company along with the plaintiff and the land officer already conducted a cadastral survey and prepared a map of the disputed land.

   Later, on 27 October 2025, the Civil Court ordered to prepare an additional map of the disputed land, and scheduled an appointment for the pretrial conference and examine a map of the disputed land on 23 February 2026.

   On 23 February 2026, both parties appeared as scheduled. The land officer notified the Court that the preparation of the map of the disputed land had not yet been completed. Upon consideration, the Court was of the view that the proceedings could not yet be carried out and therefore adjourned the appointment for examination of a map of the disputed land on 27 April 2026. However, the land survey remains incomplete. Therefore, the examination of the disputed land map has been further postponed to 22 June 2026.

   On 22 June 2026, both parties reviewed map of the disputed land submitted to the Court by the land officer and jointly confirmed its accuracy. The Court scheduled examination of plaintiff's witnesses and the defendant's witnesses from 27 October 2026 to 30 October 2026.

   However, if the outcome of the lawsuit causes the Company to return the said site, the management has a water grid management contingency plan in place by preparing to build a replacement water pipeline in the overlapping area.

2. On 22 March 2025, the Company received a summons for a preliminary examination and a copy of a complaint in a criminal case. The complaint was filed by a private company against the Company on 11 March 2025 at Rayong Provincial Court. The charges are for causing damage to property and defalcation. The plaintiff alleged that the Company disconnected water pipelines of the Map Ta Phut - Sattahip water pipeline project. The plaintiff claims that these pipelines are part of the Dok Krai water pipeline project owned by a government agency, and the disconnection caused damage to the plaintiff's property.

   The case was dismissed by the court on 27 August 2025. Subsequently, on 8 January 2026, the plaintiff filed an appeal with the Court and the Company filed its response to the appeal on 8 April 2026

   Subsequently, on 30 May 2026, the Company received a notice from the Rayong Provincial Court to schedule the hearing of the Appeal's Court judgment on 22 September 2026

Management believes that the ultimate outcome will not give rise to any significant losses from these lawsuits, so the Company has not recorded any provision for liability in the financial information.

3. ANALYSIS OF FINANCIAL PERFORMANCE

For the first half of 2026 the Company sustained its growth momentum, with the raw water business beginning showing signs of continued recovery through proactive customer management and retention efforts. The industrial water business remained a key growth engine with revenue increasing 24.05% compared to the same period of the previous year, complemented by tap water revenue growth of 4.40%. Total revenue from sales and services reached 1,885.51 million Baht for the first half of 2026, an increase of 3.61% compared to the same period of the previous year, reflecting a resilient revenue structure and the Company's ability to capitalize on high-potential business amid sustained industrial water demand.

On cost management, the Company continued to enhance operational efficiency, reducing cost of sales and services by 78.05 million Baht or -5.72%, compared to the same period of the previous year, through energy-cost optimization, pipeline and pumping station efficiency improvements, and disciplined operating-cost control. EBITDA reached 935.99 million Baht for the first half of the year, an increase of 4.85%, compared to the same period of the previous year. Operating profit grew 45.51%, reflecting the Company's cash-generation capacity and cost-management effectiveness despite competitive pressure.

The Company also optimized its capital structure, gradually reducing finance costs as it repaid infrastructure investment debt from the investment in water grids to underpin water demand growth in key economic and industrial zones. As a result, net profit for Q2/2026 was 129.18 million Baht, an increase of 112.88 million Baht or +692.34% compared to the same period of the previous year, reflecting operational recovery, cost efficiency, and a strengthening financial position.

The Company currently operates 553 km of raw water pipeline covering the Eastern Economic Corridor (EEC), underpinning its raw water and industrial water service capabilities and reinforcing its role as the integrated water resource management leader supporting long-term industrial growth in the region.

Income statement (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Total Sales and Services revenue	**967.58**	**899.57**	**68.02**	**7.56%**	**1,885.51**	**1,819.84**	**65.66**	**3.61%**
Raw water revenue	408.25	375.92	32.33	8.60%	782.39	792.55	(10.16)	(1.28%)
Tap water revenue	421.07	399.48	21.60	5.41%	821.48	786.83	34.66	4.40%
Industrial water revenue	85.05	75.98	9.07	11.94%	166.75	134.42	32.33	24.05%
Rental and services revenue	45.06	42.22	2.85	6.74%	102.81	94.99	7.82	8.23%
Construction revenue under Concession Agreements	8.15	5.97	2.18	36.48%	12.08	11.06	1.02	9.23%
Costs of Sales and Services	**673.87**	**678.67**	**(4.80)**	**(0.71%)**	**1,286.86**	**1,364.91**	**(78.05)**	**(5.72%)**
Raw water cost	274.04	288.91	(14.87)	(5.15%)	504.62	594.15	(89.54)	(15.07%)
Tap water cost	289.36	297.53	(8.17)	(2.75%)	558.00	579.07	(21.07)	(3.64%)
Industrial water cost	63.65	52.95	10.71	20.22%	125.76	112.19	13.57	12.10%
Rental and services cost	38.67	33.31	5.37	16.11%	86.40	68.44	17.97	26.25%
Construction cost under Concession Agreements	8.15	5.97	2.18	36.48%	12.08	11.06	1.02	9.23%
Gross profit	**293.71**	**220.90**	**72.81**	**32.96%**	**598.65**	**454.93**	**143.71**	**31.59%**
Other income	11.36	15.34	(3.98)	(25.94%)	17.88	38.03	(20.16)	(53.00%)
Sells and administrative expenses	107.76	98.63	9.13	9.25%	221.70	221.62	0.07	0.03%
Operating profit	**197.31**	**137.60**	**59.71**	**43.40%**	**394.82**	**271.34**	**123.48**	**45.51%**
Finance cost	115.53	132.72	(17.19)	(12.95%)	233.16	269.04	(35.87)	(13.33%)
Share of profit (loss) from investments.	**(1.41)**	**0.00**	**(1.41)**	**(100%)**	**(1.44)**	**0.00**	**(1.44)**	**(100%)**
Income tax expenses	13.22	(2.52)	15.74	624.60%	31.03	(14.00)	45.04	321.66%
Net profit	**67.15**	**7.40**	**59.74**	**807.12%**	**129.18**	**16.30**	**112.88**	**692.34%**
Net profit attributable to shareholders of the parent company	64.30	4.65	59.65	1,282.56%	123.52	10.80	112.72	1,043.92%
Earnings per share (EPS)	0.039	0.003	0.036	1,282.56%	0.074	0.006	0.068	1,043.92%

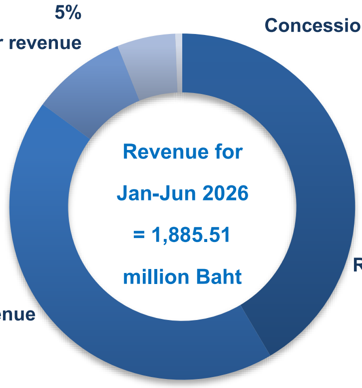
3. ANALYSIS OF FINANCIAL PERFORMANCE (CONT.)

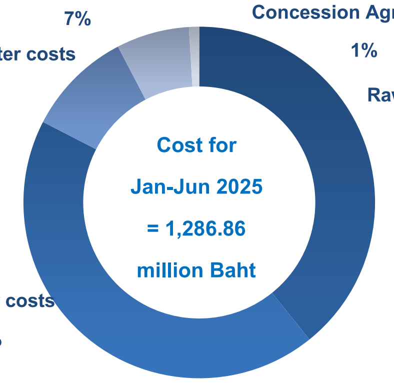
The operating profit before interests, taxes, depreciation and amortization (EBITDA) is shown in the following table:

EBITDA (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Operating profit	197.31	137.60	59.71	43.40%	394.82	271.34	123.48	45.51%
Depreciation	176.02	216.67	(40.66)	(18.76%)	351.01	431.30	(80.29)	(18.62%)
Amortization	96.34	95.41	0.93	0.98%	191.59	190.05	1.54	0.81%
Share of profit (loss) from investments.	(1.41)	0.00	(1.41)	(100%)	(1.44)	0.00	(1.44)	(100%)
EBITDA	**468.25**	**449.68**	**18.57**	**4.13%**	**935.99**	**892.69**	**43.29**	**4.85%**

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

Proportion of revenues and cost





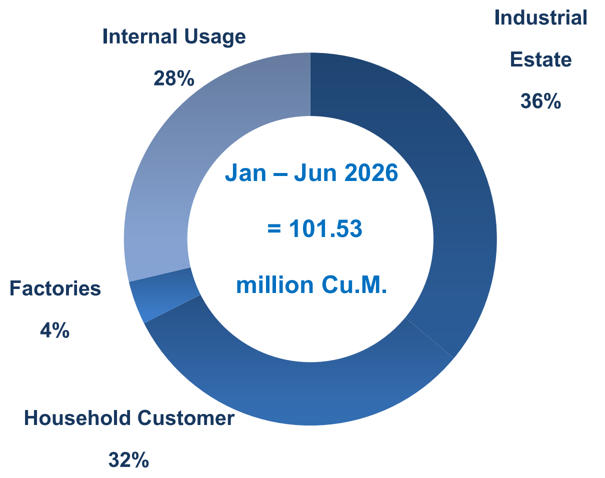
3.1 RAW WATER BUSINESS

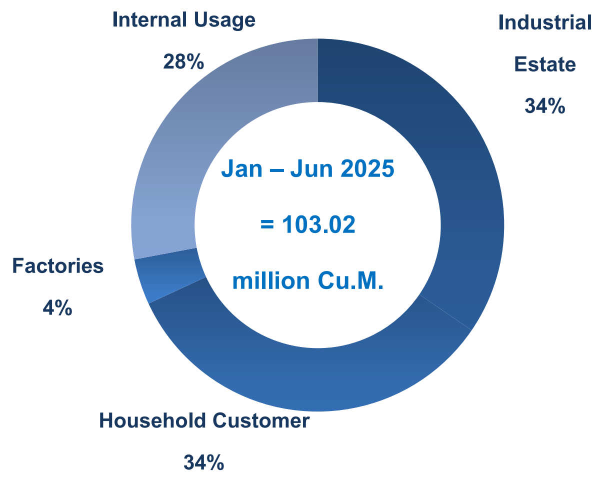
Raw water revenue for the first 6 months of 2026 was 782.39 million Baht, decreased by 10.16 million Baht or -1.28% compared to the same period of 2025, mainly from raw water sales volume decrease of 1.82 million Cu.M or -2.45% (excluding internal usage of the Group of Companies of 29.12 million Cu.M.), reflecting the impact of the global economic environment and competitive factors. Nevertheless, compared to the previous quarter, raw water sales volume is starting to show signs of continued growth, hinting the effectiveness relationship management and maintenance of existing customer base, which serve as a basis for recovery in subsequent periods

The average raw water sales price was 10.81 Baht per Cu.M., increased by 0.13 Baht per Cu.M. or +1.20% compared to the same period of 2025.

Raw Water Volume (Million Cu.M)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Total distribution volume	52.47	51.10	1.37	2.69%	101.53	103.02	(1.49)	(1.44%)
(deduct) Internal usage for within the group of companies	14.63	15.09	(0.46)	(3.03%)	29.12	28.79	0.33	1.15%
Net raw water sales volume	**37.84**	**36.01**	**1.83**	**5.08%**	**72.41**	**74.23**	**(1.82)**	**(2.45%)**

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

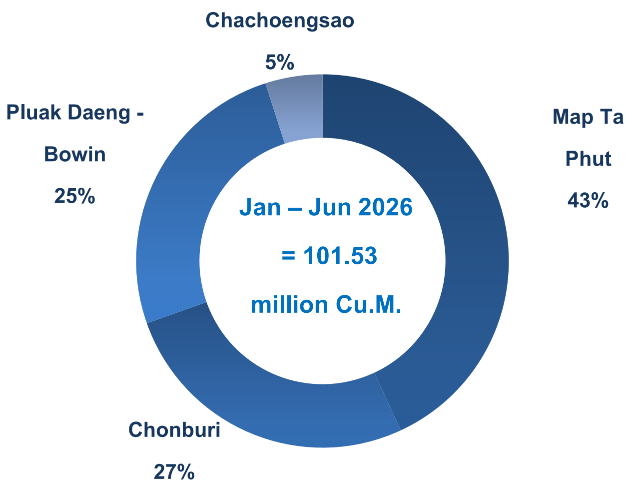


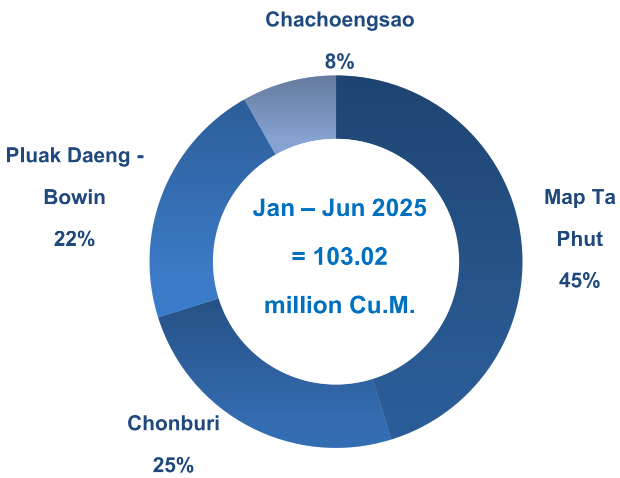


Considering the direction and trend of industrial sector, there is substantial raw water business growth potential from the expansion of industries, as well as, the government policy promoting Rayong, Chonburi and Chachoensao provinces to be the production hub of high-tech industries and increasing competitiveness with the Eastern Economic Corridor (EEC), a major supporting factor is the development of data centers in the EEC which is projected to significantly increase water demands and water service business in the region. The Company's raw water capabilities are considered highly ready to support the EEC from investments, stability of water resourses and water distribution network.

Currently, the Company's raw water distribution volume to each service area is as follows:

Raw Water Distribution by Service Area (Internal usage for tap water production is included)





Gross Profit of Raw Water Business for the first 6 months of 2026 was 277.77 million Baht, increased by 79.37 million Baht or +40.01% compared to the same period of 2025. Although raw water revenue decreasing by 1.28% due to a slowdown water usage by industrial customers amid global economic uncertainty, the Company was able to continuously manage its water delivery system and improve operational efficiency, resulting in a decrease in the cost of sales of 89.54 million Baht or 15.07%, a faster rate of decrease than the decrease in revenue, leading to a significant improvement in profitability.

From the above reasons, the gross profit margin of raw water business for the first 6 months of 2026 increased to 35.50% from 25.03% YoY, reflecting the Company's efficient cost management, improved operational performance, and business resilience in maintaining profitability even under challenging economic and competitive conditions.

Major costs of raw water business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Raw Water Revenue	408.25	375.92	32.33	8.60%	782.39	792.55	(10.16)	(1.28%)
Costs of Raw Water	274.04	288.91	(14.87)	(5.15%)	504.62	594.15	(89.54)	(15.07%)
Raw Water	20.25	18.20	2.04	11.23%	37.22	41.46	(4.25)	(10.24%)
Electricity	100.56	92.10	8.47	9.19%	175.90	200.79	(24.89)	(12.40%)
Depreciation	106.34	138.41	(32.07)	(23.17%)	207.83	274.58	(66.75)	(24.31%)
Maintenance	17.98	13.59	4.38	32.26%	29.94	21.89	8.05	36.78%
Others	28.91	26.61	2.30	8.63%	53.72	55.42	(1.70)	(3.07%)
Gross Profit	134.21	87.01	47.20	54.24%	277.77	198.40	79.37	40.01%
Gross Profit Margin	32.87%	23.15%			35.50%	25.03%		

3.2 TAP WATER BUSINESS

Tap water revenue for the first half of 2026 was 821.48 million Baht, an increase of 34.66 million Baht or +4.40% compared to the same period of 2025, following the tap water sales volume increase of 2.51 million Cu.M. or +5.12% from steady demand growth across the service area reflecting the Company's ability to maintain its customer base and growth in the tap water sector.

Tap water sales volume (Million Cu.M)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Tap water sales volume of Company	6.89	6.40	0.49	7.59%	13.23	12.57	0.66	5.25%
Tap water sales volume of subsidiaries	19.58	18.45	1.13	6.11%	38.34	36.49	1.85	5.07%
Total tap water sales volume	26.46	24.85	1.61	6.49%	51.57	49.06	2.51	5.12%

Gross Profit of Tap Water Business for the first half of 2026 was 263.48 million Baht, increased by 55.73 million Baht or +26.83% compared to the same period of 2025, mainly due to the increase in sales volume, combine with efficient material cost management and operations, which resulted in a gross profit margin of 32.07%, increased from 26.40% during the same period of 2025. This reflects the Company's ability to improve operational efficiency while maintaining the profitability of its tap water business.

Major Costs of Tap Water Business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Tap Water Revenue	**421.07**	**399.48**	**21.60**	**5.41%**	**821.48**	**786.83**	**34.66**	**4.40%**
Costs of Tap Water	**289.36**	**297.53**	**(8.17)**	**(2.75%)**	**558.00**	**579.07**	**(21.07)**	**(3.64%)**
Raw Water	24.06	22.11	1.95	8.80%	44.47	45.03	(0.56)	(1.24%)
Electricity	59.28	57.29	1.99	3.48%	111.08	116.17	(5.09)	(4.38%)
Chemical	14.31	12.49	1.82	14.58%	25.26	23.01	2.25	9.76%
Payroll, Outsource Expenses & Maintenance	45.12	55.03	(9.91)	(18.00%)	84.07	104.85	(20.78)	(19.82%)
Depreciation	119.49	129.80	(10.31)	(7.94%)	237.85	249.23	(11.38)	(4.57%)
Others	27.09	20.82	6.27	30.13%	55.27	40.78	14.49	35.53%
Gross Profit	**131.72**	**101.95**	**29.77**	**29.20%**	**263.48**	**207.75**	**55.73**	**26.83%**
Gross Profit Margin	**31.28%**	**25.52%**			**32.07%**	**26.40%**		

3.3 INDUSTRIAL WATER BUSINESS

Industrial water revenue for the first half of 2026 was 166.75 million Baht, increased by 32.33 million Baht or +24.05% compared to the same period in 2025, supported by increased sales volumes from both existing and new customers, reflecting the expansion of the customer base and the continuously growing demand for industrial water, reinforcing the role of the industrial water business as a key driver of the Company's growth.

Gross Profit of Industrial Water Business for the first half of 2026 was 40.99 million Baht, an increase of 18.76 million Baht or +84.38% compared to the same period of 2025, with the gross profit growth rate exceeding the revenue growth, from increased sales volume coupled with cost management and operational efficiency improvements. Consequently, profitability improved significantly, reflecting the business's potential to generate sustainable returns and the Company's ability to meet the expanding industrial water demand in the EEC area, which will support long-term revenue growth and profitability.

Major Costs of Industrial Water Business (Million Baht)	Q2 (3-month period)				Q2 (6 months cumulative)			
	2026	2025	YoY	%	2026	2025	YoY	%
Industrial Water Sale Volume	**5.79**	**5.63**	**0.15**	**2.68%**	**11.52**	**9.90**	**1.61**	**16.30%**
Industrial Water Revenue	**85.05**	**75.98**	**9.07**	**11.94%**	**166.75**	**134.42**	**32.33**	**24.05%**
Costs of Industrial Water	**63.65**	**52.95**	**10.71**	**20.22%**	**125.76**	**112.19**	**13.57**	**12.10%**
Cost of Raw Water	2.38	2.16	0.22	10.14%	4.75	4.52	0.23	5.19%
Direct cost (electricity, RW chemicals, O&M)	27.04	24.72	2.32	9.38%	51.09	45.28	5.81	12.84%
Depreciation*	27.22	21.96	5.25	23.92%	56.83	55.09	1.74	3.16%
Other costs	7.02	4.10	2.91	70.98%	13.09	7.30	5.79	79.23%
Gross Profit	**21.39**	**23.03**	**(1.64)**	**(7.11%)**	**40.99**	**22.23**	**18.76**	**84.38%**
Gross Profit Margin	**25.15%**	**30.31%**			**24.58%**	**16.54%**		

Note: * For cost of sales from Q2/2025 onwards, the FA&IR Division adjusted the allocation method for certain cost items to better align with the nature of the costs and actual resource utilization. This change may result in differences in cost of sales figures compared to the previous period but has no impact on the Company's net profit.

4. FINANCIAL POSITION ANALYSIS

Financial Position (Million Baht)	As of 30 Jun 2026	As of 31 Dec 2025	Increased (Decreased)	%
Total Assets	27,667.14	27,792.55	(125.42)	(0.45%)
Total Liabilities	16,013.48	16,242.00	(228.52)	(1.41%)
Equity	11,653.66	11,550.55	103.11	0.89%
- Equity attributable to owners of the parent company	**11,526.98**	**11,420.10**	**106.88**	**0.94%**

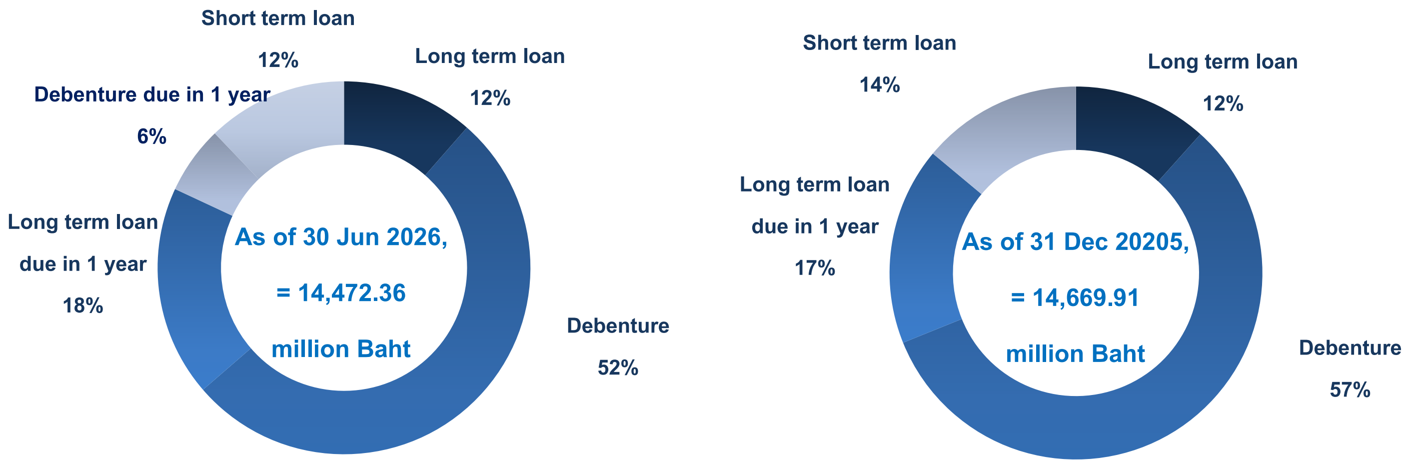
1) Assets As of 30 June 2026, total assets were 27,667.14 million Baht, decreased by 125.42 million Baht or -0.45% from end of 2025 mainly from the following changes:

- cash and cash equivalents of 253.54 million Baht, an increase of 127.24 million Baht since end of 2025 mainly from operating cashflow.

- land, buildings and equipment (net) of 22,786.05 million Baht, decreased by 266.00 million Baht since end of 2025, and intangible assets of 1,770.60 million Baht, a decrease of 179.51 million Baht since end of 2025 from recognizing depreciation and amortization expenses.

2) Liabilities As of 30 June 2026, total liabilities were 16,013.48 million Baht, decreased 228.52 million Baht or -1.41% from end of 2025, mainly due to changes short-term loans from financial institutions which decreased by 280.00 million Baht from end of 2025.

Proportion of Interest-Bearing Debt



<u>**Note**</u>: According to the debentures and long-term loan agreements, the Company is required to maintain its D/E ratio of not higher than 2.00.

3) Shareholder's Equity As of 30 June 2026, the shareholders' equity attributable to owners of the parent company was 11,526.98 million Baht, increased by 106.88 million Baht or +0.94% from end of 2025

4.1 LIQUIDITY ANALYSIS AND FUNDING ADEQUACY

For Q2/2026, the Company had carried over cash and cash equivalents of 126.30 million Baht, whereby during 2Q 2026, net cash increased 127.24 million Baht. This is comprised of the following items:

1) Net cash received from Operating Activities totaling 923.76 million Baht from net income from operations and changes in working capital

2) Net cash used in Investment Activities amounted to 315.57 million Baht. This was mainly due to the purchase of financial assets totaling 1,516.69 million Baht, the purchase of fixed assets and cash advance for construction projects of 90.23 million Baht.

3) Net cash used in Financing Activities amounted to 480.95 million Baht, mainly from the cash repayment of short-term and long-term loans from financial institutes of 3,188.00 million Baht.

4.2 KEY FINANCIAL RATIOS

Key Financial Ratios	Q2/2026	Q2/2025
Liquidity Ratio		
Current ratio (times)	0.32	0.38
Average A/R collection days (days)[1)]	40.02	38.19
Average A/P collection days (days)	16.82	14.24
Profitability Ratio [2)]		
Gross profit / total sales and services revenue (%)	31.95%	25.15%
Net profit / total sales and services revenue (%)	6.90%	0.90%
Performance Ratio		
Return on Equity (ROE) (%)	5.61%	4.01%
Return on Assets (ROA) (%)	2.34%	1.57%
Capital Structure and Debt Ratio		
Debt to Equity ratio (time)	1.37	1.45
Debt Service Coverage ratio (DSCR) (time)	0.44	0.85
Net Debt to EBITDA	8.15	8.54
Net Debt to Equity	1.27	1.25

Note: 1) the Company changed the calculation method/formula for financial ratios (key financial ratios) by business type (industrial group and general services) according to the Securities and Exchange Commission Announcement No. TorJor. 14/2567 (Vol. 27) to comply with the standard. This change started from Q3 2024 onwards and had a retrospective effect on the ratios for the same period in the previous year.

2) Gross profit and Net profit do not include construction revenue under concession agreement and other income.

For Q2/2026, overall, the Company and its subsidiaries have adapted and maintained strong profitability, despite the raw water business facing pressure from increased competition and an incomplete industrial recovery. However, the Company offset these impacts through growth in the tap and industrial water businesses, as well as efficient cost and operating expense management. As a result, the gross profit margin increased to 31.95% from 25.15% for the same period of 2025, while the net profit margin increased to 6.90% from 0.90%, reflecting the Company's improved performance efficiency and the ability to generate stronger returns from core businesses.

Return on Equity (ROE) and Return on Asset (ROA) for Q2/2026 increased to 5.61% and 2.34%, respectively compared to the same period in 2025, when the ROE was 4.01% and ROA was 1.57, reflecting more efficient resource and asset structure management, as well as the ability to generate returns from core businesses under uncertain economic conditions.

Regarding its financial position, the Company continues to manage its debt and liquidity effectively. resulting in a decrease in the Debt-to-Equity ratio (D/E Ratio) to 1.37 times, decreased from 1.45 times at the end of Q2 2025, due to the gradual repayment of maturing long-term loans and debentures. Meanwhile, the Net Debt to EBITDA ratio decreased to 8.15 times from 8.54 times, reflecting improved debt management efficiency. Although the debt service coverage ratio (DSCR) decreased to 0.44 times from 0.85 times due to an increase in the current portion of long-term debt maturing within one year. This change is a result of the debt repayment structure and schedule and does not reflect a weakening of operating performance or the Company's ability to generate operating cash flow. The Net Debt to Equity ratio stood at 1.27 times, a slight increase from 1.25 times. The company has sufficient liquidity and continues to focus on cost management, maintaining liquidity, managing its capital structure, and investing in water infrastructure to accommodate the growing demand for water, and create stable and sustainable long-term growth.

4.3 CREDIT TERM POLICY

The Company has established lending criteria, procedures, and loan management policies that are competitive and comparable to competitors, ensuring that the average repayment and disbursement times are consistent and do not negatively impact financial liquidity. Thus, 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".

4.4 CAPITAL EXPENDITURE COMMITMENT

Capital expenditure commitments that have not yet been recognized in the financial statement are as follows:

Capital Expenditure (Million Baht)	30 June 2026	31 December 2025
Land, buildings and equipment	150.47	143.17
Intangible assets	46.54	49.23
Total	**197.01**	**192.40**

Capital expenditure commitment in land, buildings and equipment stem from ongoing construction projects, such as the total water service for U-Tapao International Airport project and the Klong Luang – Chonburi raw water pipeline construction project.

4.5 RELATED PARTIES TRANSACTIONS

The Company has related transactions with entities that might experience conflicts of interest, as identified by the Auditor as follow:

1) The Provincial Waterworks Authority (PWA), which is 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. 16.1 of the financial statement relating to related transactions with individuals or businesses.

5. FACTORS THAT MAY AFFECT FUTURE OPERATIONS OR GROWTH

5.1 ECONOMIC OUTLOOK FORECAST AT Q2/2026

The Bank of Thailand (BOT) estimates that the second quarter of 2026 will be the lowest point for the Thai economy this year, primarily stressed by higher energy prices due to the prolonged situation in the Middle East, which exacerbates the pressure to both the cost of living and travel costs for tourists. However, the economy is still supported by growth in the technology and electronics export sector, driven by the global digital and AI cycle; continued strong private sector investment in the data center sector; and government measures to accelerate budget disbursement and stimulate the economy, which helped the economy to begin to stabilize towards the end of the quarter.

This overall picture reflects a clearer K-shaped economic pattern, meaning that the technology and digital sectors and related investments are expanding strongly, while general consumption, tourism, and traditional industries (automotive, petroleum, etc.) are still sluggish. This difference between the two economic pillars has direct implications for the water demand structure in the EEC area, as high-tech industrial customers, especially data centers, have significantly different water demand patterns from traditional industrial customers in terms of quantity, continuity, and quality standards.

In this regard, the Company, as a major supplier and distributor of raw water in the country, has recognized this new demand change, especially the expansion of data center customers in the EEC area, which require modern cooling systems that demand a high level of continuity and stability in water supply. Therefore, the Company has adopted a proactive operational approach, with the aims to transform challenges into business opportunities by developing strategies that meet these new demands and creating a new S-curve to expand its customer base into the high-tech industries.

Furthermore, the Company positions itself as a total water solution partner, covering everything from raw water supply to providing high-quality industrial water that meets the specific requirements of data center cooling systems. This will build confidence among investors and businesses in the EEC area regarding the potential of Thailand's water infrastructure to support large-scale long-term investments.

5.2 CLIMATE AND WATER SITUATION MONITORING

5.2.1 REGIONAL CLIMATE MONITORING

➢ **Storms that may affect Thailand** [1. – 3.]

Tracking tropical cyclones from the beginning of 2026 to the present shows that no tropical cyclones have directly made landfall in Thailand. However, during March – early August 2026, Thailand will be indirectly affected by typhoons occurring in the Pacific Ocean. The latest typhoon, "Dolphin" (as of August 4, 2026, at 12:00), was the 13th typhoon in the Western Pacific Ocean, moving west-northwest towards Taiwan. It is not expected to directly enter Thailand and is still quite far away. The indirect impact from August 7-10, 2026, could be that the typhoon strengthens the monsoon covering Thailand, causing heavy rainfall, especially in monsoon-affected areas. Currently, the rainfall in northern Thailand is due to the influence of seasonal monsoons and monsoon troughs. Nevertheless, based on long-term statistics and the average storm season in the Western Pacific, Thailand would be affected by 1-2 tropical cyclones per year.

Sources:
1. Weather Warning Announcements, Meteorological Department, https://www.tmd.go.th/warning-and-events/warning-storm?page=1&show=10
2. Tropical Cyclone Statistics, Meteorological Department, https://tmd.go.th/climate/climateStat/TropicalCyclone
3. Typhoon “Dolphin” situation (as of August 4, 2026, at 12:00), https://www.facebook.com/share/p/1Bjh9BNNdv/

➢ **Monitoring natural weather phenomena affecting Thailand at the regional level**

- **Pacific Ocean Side: El Niño Southern Oscillation (ENSO)[4] (published on 3 August 2026)**

Currently, the ENSO phenomenon in the “El Niño Advisory” classification, and a “Strong El Niño” is expected to develop, with sea surface temperatures (SSTs) near the equator exceeding the average across the Central and Eastern Pacific Ocean, with the latest Niño 3.4 deviation is at +1.5°C. Statistical models indicate an 81% probability of a very strong El Niño occurring in the fourth quarter of 2026 (October-December), and a 97% chance that this drought will extend into the first quarter of 2027.

5. FACTORS THAT MAY AFFECT FUTURE OPERATIONS OR GROWTH (CONT.)

- **Indian Ocean Side: Indian Ocean Dipole (IOD)[5] (published on 28 July 2026)**

Based on the IOD index forecasting model (12 April 2026), the probability forecast for the IOD situation indicates that IOD will be "Neutral" , with an IOD index of +0.44°C, with the models indicating the IOD is likely to shift to "Positive" from August to November 2026. Thus, Thailand is projected faced drier conditions and lower-than-normal rainfall during that period.

Sources: 4. ENSO: Recent Evolution, Current Status and Predictions, https://www.cpc.ncep.noaa.gov/products/analysis_monitoring/lanina/enso_evolution-status-fcsts-web.pdf

5. Southern hemisphere outlooks, https://www.bom.gov.au/climate/ocean/outlooks/?index=iod#tabs=Graphs

5.2.2 ANALYSIS OF CLIMATE AND WATER CONDITIONS THAT AFFECT THE RAW WATER BUSINESS.

The Company closely monitors weather conditions, which are currently in El Niño conditions, with the development into "Strong El Niño" is expected to continue until the first quarter of 2027. Although this will result in below-average rainfall, the Company has incorporated in-depth forecasts into its proactive planning to ensure efficient water allocation to meet the industrial sector's needs. Currently, the water situation in Rayong, particularly the Prasae Reservoir, a key strategic water source, has a water volume of 185.55 million cubic meters (62.90% of the reservoir's capacity), exceeding both the 2020 and 2025 levels. For the reservoirs in the Chonburi area, current water volumes are higher than in 2020 but still lower than in 2025, demonstrating the stability of water resources in most of the Company's service areas. The Company can manage the risk of drought with the comprehensive water grid system by diverting water between the Prasae Reservoir and the Rayong-Chonburi network. This enables the Company to meet the needs of consumption and industry in the EEC, reinforcing its leadership in ensuring sustainable water resource security.

Furthermore, the Company is coordinating with the government and all relevant sectors to monitor the water situation and prepare preventative and corrective measures to effectively manage the water situation in the second half of the year.

Sources: 6. Water situation in the Rayong reservoirs as of 5 August 2026

7. Water situation in the Chonburi reservoirs as of 5 August 2026, https://www.facebook.com/photo/?fbid=4540171462919128&set=pcb.4540171832919091

6. SUSTAINABLE BUSINESS PRACTICES AND ESG ASPECTS.

The Company's operations focus on the efficient use of resources, encompassing business processes throughout the supply chain. The Company has incorporated expectations/feedback from its key stakeholders and various international standards as guidelines for its operations to develop sustainable practices across all dimensions: economic and corporate governance, environmental, and social, in order to mitigate potential risks and impacts on the business. The Corporate Governance and Sustainability Committee considers both internal and external everchanging factors and promotes improvements in operational processes for sustainability by the Corporate Governance and Sustainable Committee. The key achievements are summarized as follows:

<table>
<tr><th>Environmental</th><th>Social</th><th>Corporate governance and economic</th></tr>
<tr>
<td><u>Environmental Aspects</u>
Water aspects:
<u>goal for 2026:</u>
● Reduce water loss to below 2.00%.
Energy aspects:
<u>goal for 2026:</u>
● Reduce electricity consumption per unit of water pumped by 1.00% compared to the 3-year average electricity consumption (2023-25, kWh/y).
General and hazardous waste aspects:
<u>goal for 2026:</u>
● Recycling of waste within East Water buildings to 10.00% of the total waste in 2026 (kg/year).
Air pollution and greenhouse gas aspects:
<u>goal for 2026:</u>
● Reduce greenhouse gas emissions (3 scopes) per unit of water pumped by 1.00% compared to the 3-year average greenhouse gas emissions (3 scopes) per unit of water pumped.
● no complaints regarding PM dust (Particulate Matter) from the Company's construction projects (PM 2.5 levels to not exceed 37.50 micrograms/cubic meter and PM10 levels to not exceed 120 micrograms/cubic meter, as required by law).</td>
<td><u>Social aspects</u>
The company is a partner in the EEC Water Alliance: “Know-Respond-Survive” project, a collaboration between academia (the Office of Lifelong Learning Development, Kasetsart University), the government sector (Office of National Water Resources (ONWR), Royal Irrigation Department (RID), Department of Water Resources (DWR), Provincial Waterworks Authority (PWA)), the private sector, and the public sector (local administrative organizations, farmer communities, and water user networks). The goal is to build a collaborative network for water management in the EEC area, enhance the exchange of water resource information between agencies, develop knowledge to mitigate climate change risks, promote demand-supply engagement under El Niño conditions, create a model for multi-sectoral participation, develop a network of water users and related agencies, and increase water security for the public and industrial sectors.</td>
<td><u>Corporate governance</u>
The company encourages shareholders to attend the Annual General Meeting (AGM), with the Company holding its 2026 AGM entirely by electronic means on April 27, 2026, and has published the full minutes and video of the meeting on the Company website on May 11, 2026. The company complied with the Thai Investors Association's AGM Checklist guidelines and all relevant laws, regulations, and rules of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).</td>
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