

Ref. AC 22/003

February 28, 2022

Re: Management Discussion and Analysis of the Operating Performance for the year 2021

To: President

The Stock Exchange of Thailand

Amata Corporation Public Company Limited ("AMATA" or "The Company") and its subsidiaries would like to report economic situations, the company's business overview, and the operating performance results of the company for the year 2021 as follows:

In overall picture, Thailand's economy in 2021 has been expanded by 1.6%, which is more than the projection at 1.2%. The main factor behind this expansion is, for example, the continuous expansion in exportation and the decline in fatality rate of Covid-19 in Thailand. For the year 2022, according to the Office of the National Economic and Social Development Council (NESDC), it is expected that the Thailand's GDP will be expanded by 3.5% - 4.5% based on the assumption that there will be no new phase of severe Covid-19 pandemic that will cause an increase in fatality rate. The recovery in Thailand's exportation will be in same direction of the recovery in the World's Economy, which is expected to be expanded by 4.9%. Private consumption will be increased by 4.5%. Investment of private and public sectors will also be increased by 3.8% and by 4.6%, respectively. For the Thailand's economy in 2022, the economic management will play a significant role in the recovery of Thailand's economy that the Government should pay attention to, such as protection and control measures against the widespread of Covid-19, supports to aid the rehabilitation of private sectors and to driven the exportation to foreign countries, a solution to solve with the obstacles that prevent investments from the investors and entrepreneurs from foreign countries, an investment support in Eastern Economic Corridor (EEC), in other Thailand special economic zones as well as the Economic Corridor in other regions, an investment support in economic development and in important transportation infrastructure in order to increase the competitive capability as well as to prepare ourselves to face the volatility of the global economy.

In respect to the economic inclination for the year 2022, the International Monetary Fund (IMF) has reduced the expansion rate of global GDP to 4.4%, which is lower than the previous estimation. This decision was made based on the monetary policy for economic growth made by the Federal Reserve System (FED). IMF projected that FED will increase interest rate in current and in the next year at least 3 times a year to offset with the upcoming inflation, which will affect the emerging markets' vulnerability, causing a slow in the World's Economic growth and a negative effect back to the U.S. economy. China is also facing with the effect from Zero-COVID policy that directly affect the consumption's demand of the Chinese. For the global inflation rate, IMF viewed at 3.9% for the developed countries and 5.9% for developing countries - the USA will be most affected due to the pressure from the wages of those who have left the workforce market during Covid-19 pandemic. The

current controversy between Russia and Ukraine also critically affects the World's Economy in terms of an increase in oil price, causing overall costs to be increased, resulting in inflation and more problems to come.

As for the industrial estate business, similarly with other businesses, it is negatively affected by the Covid-19 pandemic. However, for 2022, if the Covid-19 pandemic are well prevented and controlled under effective measures that allows the customers and investors from international countries to be able to freely commute between countries, the Company is highly confident to state that the land's sales and revenue recognition will be increased as well as the income from rental and utility service of the Company will also be expanded.

Operating Performance Summary year-ended 31 December 2021

2021's year-end performance versus 2020's year-end performance:

- Total revenues reported at Baht 5,841.8 million, increased by 34.4% year on year
- Share of profit from investments in associates and JV at Baht 524.4 million, decreased by 4.4%
- Profit to equity holders of the Company posted at Baht 1,402.3 million, up 27.1%

	Year	Year	Increase/(Decrease)	
	2021	2020	Million Baht	%
Total revenues	5,841.8	4,347.4	1,494.3	34.4
Total expenses	3,601.3	2,926.4	674.9	23.1
Share profit from investments in associates and joint venture	524.4	548.4	(24.0)	(4.4)
Profit to equity holders of the Company	1,402.3	1,103.4	298.8	27.1
Basic earnings per share (THB/share)	1.22	1.02		

• **Operating Performance Analysis of Core Businesses**

	Year	Year	Increase/(Decrease)	
	2021	2020	Million Baht	%
Revenue from real estate sales	2,196.3	1,540.6	655.6	42.6
Gross profit margin	46%	61%		
Revenue from utility services	1,976.6	1,841.3	135.3	7.3
Gross profit margin	31%	32%		
Revenue from rental	924.0	820.4	103.6	12.6
Gross profit margin	74%	72%		

Industrial Estate Development Business

In year 2021, AMATA reported revenue from real estate sales at Baht 2,196.3 million, increased by Baht 655.6 million or 42.6% from the previous year. The Company had transferred and recognized 587-rai of land in 2021 (Thailand 265 rai; Vietnam 322 rai), increased compared to year 2020 which has transferred 333-rai (Thailand 333 rai). The increased is due to the recovery of investment conditions in 2021. The Gross profit margins of revenue from real estate sales posted at 46% in 2021, down from 61% in 2020, following the fact that the land price has increased.

Utility Services Business

The revenue from utility services was reported at Baht 1,976.6 million in 2021 which rose from the previous year which reported at Baht 1,841.3 million or 7.3%. The change is due to the growing in customer's consumption in utilities. The gross profit margin slightly dropped by 1% to 31% compared to year 2020.

Rental Business

The rental business in 2021 contributed Baht 924.0 million of revenue increased by Baht 103.6 million, or 12.6% compared to the year 2020. The gross margin from rental business increased from 72% in 2020 to 74% in 2021.

- **Other Income**

	Year 2021	Year 2020	Increase/(Decrease)	
			Million Baht	%
Finance income	41.8	32.2	9.6	29.6
Gains on sales of investment properties	449.9	29.3	420.6	1,436.5
Gains (losses) on exchange	190.6	(15.1)	205.6	1,366.2
Other income	104.5	115.9	(11.4)	(9.8)

In year 2021, the Company received finance income at Baht 41.8 million, increased by Baht 9.6 million or 29.6% compared to the preceding year. Gains on sales of investment properties increased by Baht 420.6 million or 1,436.5% from Baht 29.3 million in 2020 to Baht 449.9 million in 2021. Gains on exchange amounted Baht 190.6 million in 2021, increased by Baht 205.6 million from year 2020 which losses on exchange at Baht 15.1 million, or 1,366.2%. While other income decreased by Baht 11.4 million or 9.8% from Baht 115.9 million in year 2020 to Baht 104.5 in year 2021.

- **Expense**

	Year	Year	Increase/(Decrease)	
	2021	2020	Million Baht	%
Selling and distribution expenses	136.4	132.3	4.1	3.1
Administrative expenses	695.7	713.0	(17.3)	(2.4)
Finance cost	493.5	435.9	57.6	13.2
Income tax expenses	351.6	163.9	187.7	114.5

For the Selling and distribution expenses in 2021 was at Baht 136.4 million or increased by Baht 4.1 million or 3.1% compared to the year 2020, which is mainly due to the increase in the land transfer expenses to customers in year 2021. Administrative expenses in 2021 was reported at Baht 695.7 million, decreased by Baht 17.3 million or 2.4%. This was because of the Company's cost control measures during the spread of COVID-19 pandemic. Finance cost increased by Baht 57.6 million or 13.2%, and income tax expenses increased by Baht 187.7 million or 114.5% compared to year 2020.

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

The Company had a share of profit from investment in associates and joint venture in 2021 of Baht 524.4 million, decrease by Baht 24.0 million or 4.4% from last year. The decline in share of profit from investments in associates and JV was from power plant business group.

- **Net Profit**

The Company recorded net profit for the period of year 2021 at Baht 1,961.5 million, increased by Baht 559.6 million or 39.9% compared to the year 2020, which came from the increase in revenue from land sales, utility services, as well as rental revenue.

For your information.

Yours sincerely,

AMATA CORPORATION PUBLIC COMPANY LIMITED



(Mr. Chackchai Panichapat)

DIRECTOR