



NNCLAC 002/2565

11 May 2022

Subject Explanation of the change in operating results for the three-month ended March 31, 2022 compared with the same period of previous year

To President
The Stock Exchange of Thailand

Nava Nakorn Public Company Limited would like to explain the change in operating results for the three-month ended March 31, 2022 compared with the same period of previous year as follows:-



Net profit(loss)

Compared Q1/2022 and Q1/2021

For Q1/2022, net profit attributable to owners of the parent of the consolidated financial statements of Baht 47.3 million which decreased by Baht 61.5 million or by 57% compared with the same period of previous year

⊕ The Company reported the operating results for the three-month ended March 31, 2022 with the net profit attributable to owners of the parent of the consolidated financial statements of Baht 47.3 million which operating profit results decreased by Baht 61.5 million or operating profit results decreased 19% compared with the same period of previous year which generated the net profit of the consolidated financial statements of Baht 108.8 million, effect from sale of real estate development projects, increasing of share of profit of investment in a joint venture and also decreasing of Profit from recurring income in this period.

⊕ In addition, managing expenses were continuously proceeded to decrease by management team.



Financial Position

The Company maintained its healthy financial position, with cash and cash equivalents, short term investment and fixed deposit at financial institution of Baht 735.33 million

⊕ As at March 31, 2022, the Company maintained its healthy financial position, with total consolidated assets amounting to Baht 4,384.6 million, of which Baht 735.33 million was cash and cash equivalents, short term investment and fixed deposit at financial institution;

while total consolidated liabilities were reported at Bath 1,033.6 million in which interest-bearing debt accounted for Baht 232.3 million ;and total consolidated shareholders' equity attributable to owners of the parent at Baht 3,351.0 million.

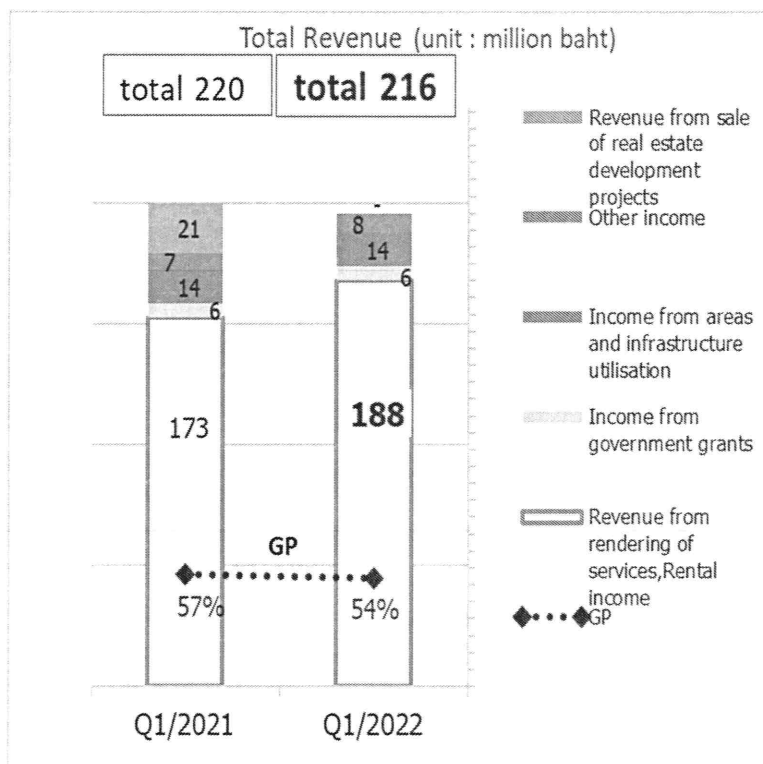
Table of key financial results

(Unit: Million Baht)

(Unit : Million Baht)			%
	Q1	Q1	Inc. (Dec.)
	2022	2021	QoQ
Total Revenue	216	220	-2%
Revenue from rendering of services, Rental income	188	173	9%
EBITDA	112	100	12%
Profit (loss) for the year	47	109	-57%
*Profit (loss) from recurring income	53	51	3%
*Profit (loss) from share of net profit - joint venture	(19)	41	-147%
*Income from areas and infrastructure utilization - joint venture	14	14	0%
*Profit (loss) from sale of real of estate development projects	-	3	-100%

; with the highlight financial information details as follows:

1. Revenue from sale of real estate development projects, Revenue from rendering of services ,Rental income and other income



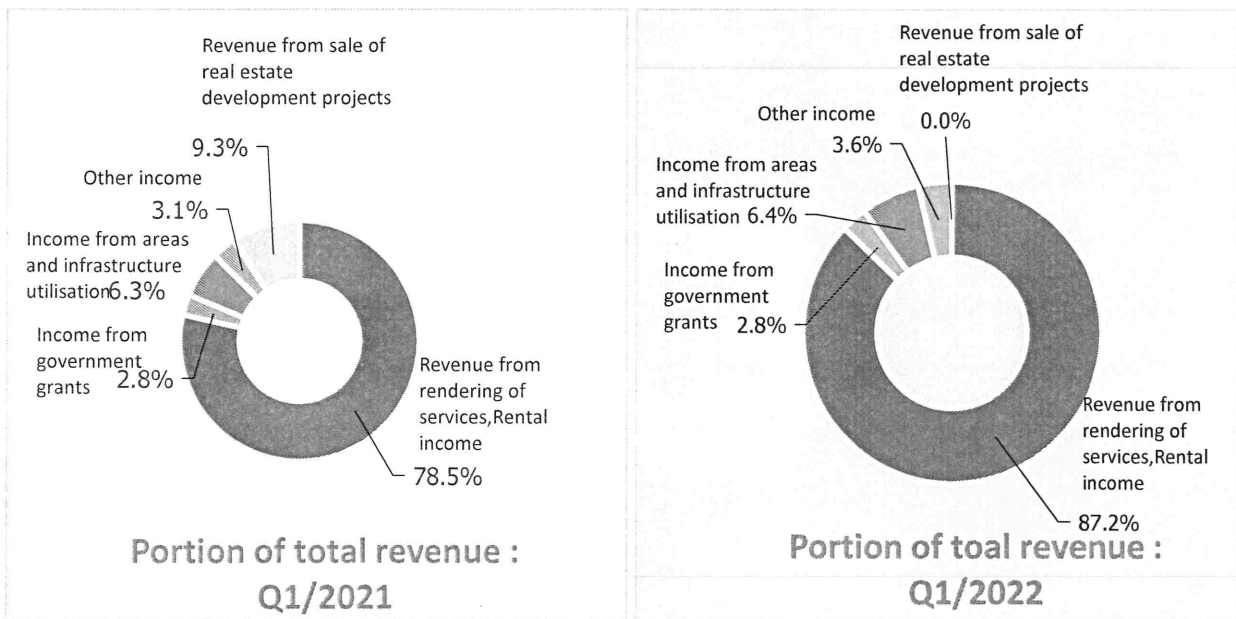
◀ the Company had revenue from rendering of services and rental income (recurring income) for the three-month ended March 31, 2022 of Baht 187.9 million ,compared with the same period of previous year, there were revenue from rendering of services and rental income amounting to Baht 172.6 million

which increased by 9% or Baht 15.3 million which mainly resulted from more usage utilities of customer in overall.

◀◀ The Company had other income for the three-month ended March 31, 2022, comprised of Income from government grants of Baht 6.1 million ,the same amount from the same period of the previous year due to Income from government grants were recognized by amortization along with the estimated useful lives of flood protection system. This period, some parts of such flood protection system were end of depreciated period such as aqueduct system, dredging canal system, along with decreasing of government grants recognition.

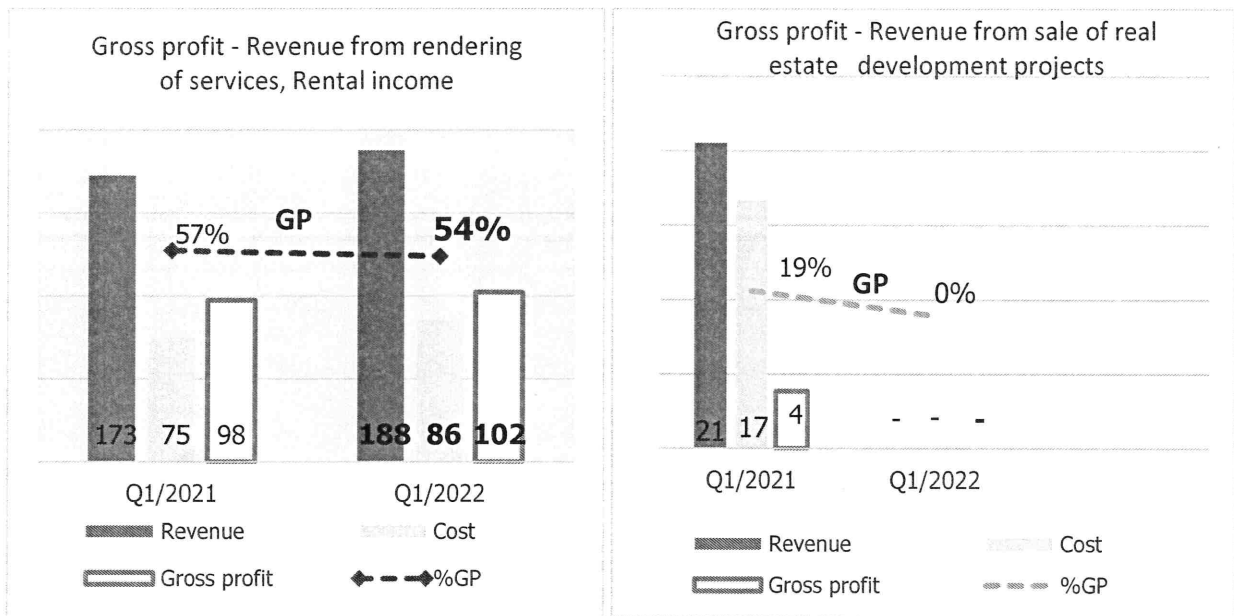
Income from areas and infrastructure utilization of Baht 13.8 million , the same amount from the same period of the previous year –from Nava Nakorn Electricity Generating Co.,Ltd.,

The company had other income of Baht 7.9 million in Q1/2022 ,increased from the same period of the previous year due to increasing on interest receipt , gain from disposal of assets



◀◀ Recurring income comprised of Revenue from rendering of services, Rental income which represented 87% of total revenue for the three-month ended March 31, 2022.

2. Cost of Sale of real estate development projects, Cost of rendering of services and Gross Profit



◀◀ for the three-month ended March 31, 2022, the Company had cost of rendering of services of Baht 85.5 million together with gross profit of Baht 102.4 million whereas the same period of previous year, the Company had cost of rendering of services of Baht 75.0 million together with gross profit of Baht 91.6 million. Gross profits margin increased of Baht 5.0 million.

Gross profit margin - rendering of services and rental income represented 54% ,decreased from 57% compared to the same period of previous year.

3. Selling expenses and administrative

◀◀ Selling expenses and administrative expenses for the three-month ended March 31, 2022, was Baht 47.8 million compared with the same period of previous year which was Baht 56.0 Million, decreased by Baht 8.2 million or 15%

However, the overall managing expenses were continuously proceeded to decrease by management team.

4. Depreciation expenses

◀◀ For the three-month ended March 31, 2022, the Company had depreciation expenses of plant &equipment and Investment Properties of Baht 41.08 million, increased while compared with the same period of previous year which was Baht 39.3 million due to there was more operational assets.

5. Finance Costs

◀◀ For the three-month ended March 31, 2022, the Company had finance costs of Baht 0.23 million, increased by Baht 0.02 million or 9%, while compared with the same period of previous year which was Baht 0.21 million, however, the Company had continuously made its financial restructuring since November 2014 to present by reforming loan from financial institution with high interest rate to issuing Bill of Exchange that had lower interest rate, negotiation to meet lower interest rate and fee and repayment for interest bearing debts.

6. Share of profit (loss) of investment in a joint venture

◀◀ For the three-month ended March 31, 2022, the Company had recorded Share of profit (loss) of investment in a joint venture – NNEG of Baht (19.1) million (calculated by core profit-NNEG– COD phase 1 and 2 of Baht (63.7) million X 29.99%, according to IFRS 11 : Joint Arrangements). NNEG (Expansion phase) had commenced commercial operation since 31 October 2020.

7. Income tax expenses

◀◀ For the three-month ended March 31, 2022, the Company had recorded income tax expenses of Baht 15.6 million, compared with the same period of previous year which was income tax expenses of Baht 4.1 million, increased of Baht 11.5 million or 282%



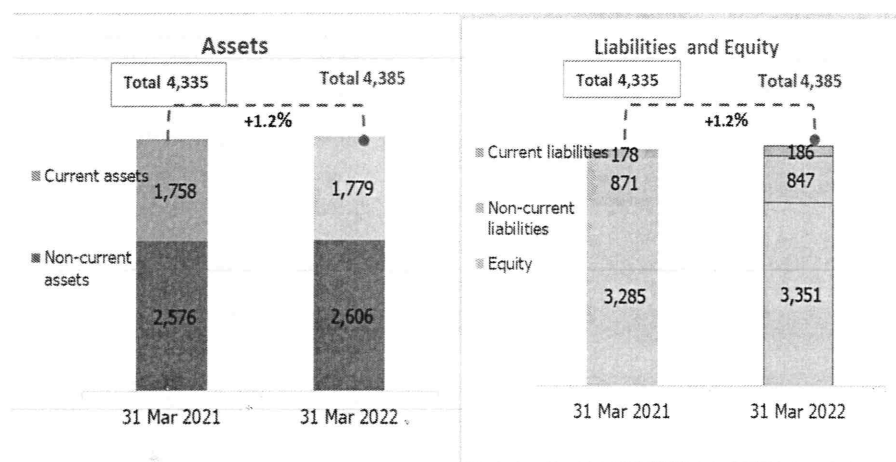
Financial Position



Total assets

As at March 31, 2022, the Company had total consolidated assets of Baht 4,384.6 million, increase by Baht 50.1 million, compared with the December 31, 2021 of Baht 4,334.5 million, mainly caused by

Unit: Million Baht



◀◀ Current assets comprised of (1) cash and cash equivalents, short term investment of Baht 735.4 million, increased of Baht 58.5 million as a result of from Accrued service income of Baht 16.5 million decreased of Baht 0.8 million and Other current receivables of Baht 18.8 million decreased of Baht 38.6 million.

◀◀ Non-current assets comprised of

(1) investment in a jointly –controlled entity of Baht 781.6 million, decreased of Baht 109.1 million as a result of recording Share of profit of investment in a joint venture-NNEG, according to IFRS 11 : Joint Arrangements, for the three-month ended March 31, 2022 and also dividend receipt of Baht 90 million in March 2022.

(2) property, plant and equipment and investment properties of Baht 1,746.9 million increased of Baht 139.5 million as a main result of its investment during this period.



Total liabilities

As at March 31, 2022, the Company had **total consolidated liabilities** of Baht 1,033.6 million, decrease by Baht 15.8 million, compared with the December 31, 2021 of Baht 1,049.4 million, mainly caused by

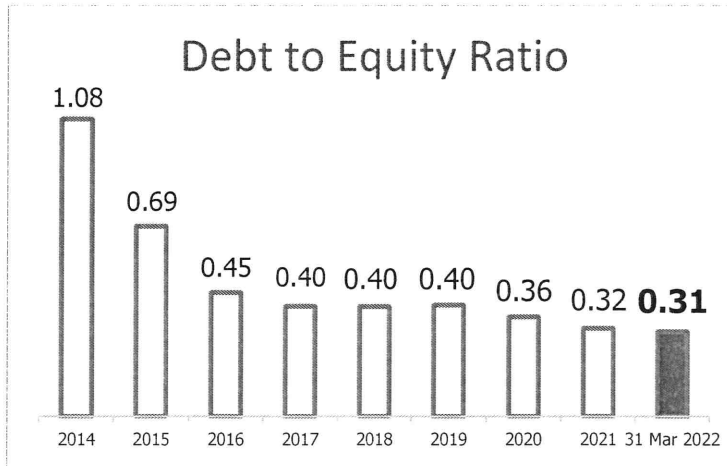
◀◀ Current liabilities comprised of Trade accounts payable, accrued expenses, group of Current portion of deferred income, Current portion of long-term loan from financial institution, totally decrease by Baht 8.0 million.

◀◀ Non-current liabilities comprised of group of deferred income of Baht 573.6 million, decrease by Baht 11.1 million due to amortization of deferred income mentioned above and long-term loan from financial institution.



Capital Structure

As at March 31, 2022, the capital structure comprised of consolidated equity in the amount of Baht 3,351.0 million and total consolidated liabilities of Baht 1,033.6 million, including the interest-bearing debts of Baht 232 million.

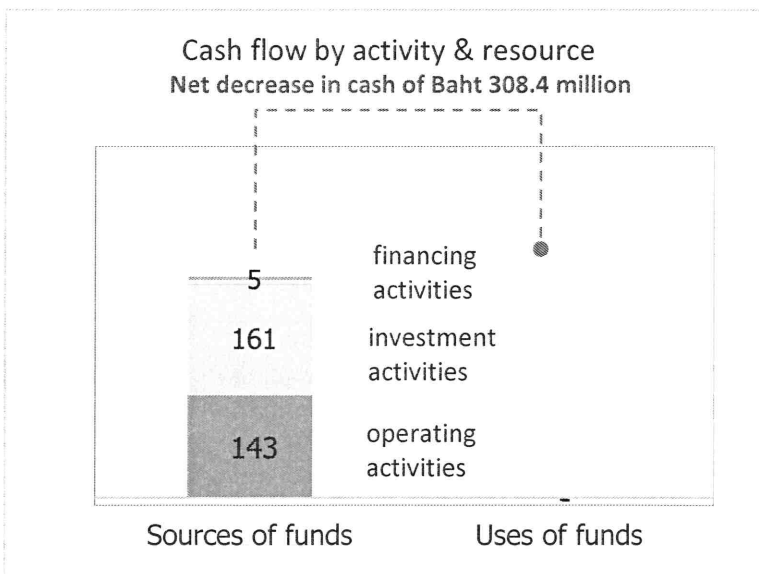


◀◀ debt to equity ratio as at March 31, 2022 shown continuously downtrend as 0.31 times decreased from December 31, 2014 at 1.08 time, it implied that the company's capital structure was at low risk due to borrowing portion less than equity portion.



Cash flow

Unit: Million Baht



◀◀ As at March 31, 2022, the Group had cash and cash equivalents of Baht 518.1 million, increased of Baht 308.4 million from December 31, 2021 due to

Sources of funds (1) in the amount of Baht 142.9 million, primarily came from Net cash received from operating activities offset with cash payments for operating liabilities and reserve for payment along with debt maturity.
(2) in the amount of Baht 160.7 million from Net cash received in investing activities.
(3) in the amount of Baht 4.7 million from Net cash received in financing activities.

Uses of funds

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In overall, net cash was generated from operating, recurring income in this period as mentioned above to settle interest bearing debts, operating liabilities. The excess cash was sufficient for NNCL's new investments that generate recurring income and also dividend payment.

Please be informed accordingly,

Sincerely yours,



(Mr. Pojana Saithong)

Acting Chief Financial Officer

Nava Nakorn Public Company Limited