

15 August 2022

Subject : Management Discussion and Analysis of

Operating Results for 3-month period ended 30 June 2022

To Director and Manager  
The Stock Exchange of Thailand

Britania Public Company Limited and its subsidiaries hereinafter called “The Group” would like to clarify the Management Discussion and Analysis of the Group operating result for 3-month period ended 30 June 2022 as following:

The overall real estate sector in the first half of 2022 began to recover gradually among the challenging factors surrounding both from the economic slowdown, higher inflation, Increased cost of construction materials including rising interest rates. All of these factors affect the purchasing power and purchasing decisions of consumers. However, the low-rise real estate sector continues to be popular and still in demand among consumers, which is evident from the ever-growing proportion.

The group has a strict operational plan and adapts to the situation. as well as to study the changing behavior of living to comply with the sustainable business policy. The group of companies has cooperated to continue the business operation that is environmentally friendly, support to use innovation and technology in clean energy to deliver the quality projects and services in order to maintain the best benefits of both the company and consumers. At present, the company has started a campaign “Green Home Loan” offers special interest rates to encourage customers to have a Green Lifestyle.

The Group continues to operate its business under the concept of 'Growth Together', including expanding the market into new potential locations, joint ventures with partners (JV), enhancing the potential and enhancing the image of employees to grow continuously together in all sectors. And the Group still gaining trust and confidence from partners to join the joint venture continuously. It also reinforces the potential and strength of the group with credit ratings by TRIS Rating Co., Ltd., has rated BRI's corporate credit at BBB. Rating outlook is Stable reflects the development of the Britannia brand and low-rise real estate projects that are outstanding and accepted. The group also has a continuous growth in performance as well.

In the second quarter of 2022, the Group still maintains a good operating performance standard and is able to achieve new highs in all aspects, both in terms of presales that can reach Baht 2,619.0 million, increase by 10.1 percent compared to the first quarter of 2022 and increase by 26.8 percent compared to the same quarter of 2021. The Group has launched another new project, Britannia Amata-Phanthong project with a project value of Baht 2,000.0 million. The project can generate sales more than Baht 300.0 million.

Revenues from sales of real estate in the second quarter totaled Baht 1,483.6 million, increase by 17.0 percent compared to the first quarter of 2022 and increase by 60.5 percent compared to the same quarter of 2021. And from the confidence in the operational potential of the group, the Britannia Amata-Phanthong project, which joint venture with Lofis (Thailand) Company Limited., resulting in Gain on disposal of investments in subsidiaries amounted to Baht 92.1 million and Revenues from project management amounted to Baht 72.6 million. Total revenue amounted to Baht 1,651.9 million, increase by 11.4 percent compared to the first quarter of 2022 and increase by 78.5 percent compared to the same quarter of 2021. In addition, the group can also manage Cost of real estate, Selling expenses and Administrative expenses effectively, which made profit for the period in the second quarter amounted to Baht 376.4 million, increase by 6.8 percent compared to the first quarter of 2022 and increase by 139.7 percent compared to the same quarter of 2021.

Operating Results for 3-month period ended 30 June 2022 are as the following

Items	Q2'2022		Q2'2021		Change	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
<b>Revenues</b>						
Revenues from sales of real estate	1,483.6	89.8	924.1	99.9	559.4	60.5
Revenues from project management	72.6	4.4	-	-	72.6	100.0
Interest revenue calculated using the effective interest method	2.2	0.1	0.1	0.0	2.1	1,697.6
Gain on disposal of investments in subsidiaries	92.1	5.6	-	-	92.1	100.0
Other income	1.4	0.1	1.0	0.1	0.4	34.5
<b>Total revenues</b>	<b>1,651.9</b>	<b>100.0</b>	<b>925.3</b>	<b>100.0</b>	<b>726.7</b>	<b>78.5</b>
<b>Expenses</b>						
Cost of real estate sales	980.3	59.3	626.6	67.7	353.8	56.5
Selling expenses	133.7	8.1	80.1	8.7	53.6	66.9
Administrative expenses	29.2	1.8	19.7	2.1	9.4	47.8
<b>Total Expenses</b>	<b>1,143.2</b>	<b>69.2</b>	<b>726.4</b>	<b>78.5</b>	<b>416.8</b>	<b>57.4</b>
<b>Operating profit</b>	<b>508.8</b>	<b>30.8</b>	<b>198.9</b>	<b>21.5</b>	<b>309.9</b>	<b>155.8</b>
Share of loss from investments in joint ventures	(25.9)	(1.6)	-	-	(25.9)	100.0
Finance cost	(3.3)	(0.2)	(2.5)	(0.3)	(0.8)	32.7
<b>Profit before income tax expenses</b>	<b>479.5</b>	<b>29.0</b>	<b>196.4</b>	<b>21.2</b>	<b>283.1</b>	<b>144.2</b>
Income tax expenses	(103.1)	(6.2)	(39.3)	(4.2)	(63.8)	162.2
<b>Profit for the period</b>	<b>376.4</b>	<b>22.8</b>	<b>157.0</b>	<b>17.0</b>	<b>219.3</b>	<b>139.7</b>
<b>Total comprehensive income for the period</b>	<b>376.4</b>	<b>22.8</b>	<b>157.0</b>	<b>17.0</b>	<b>219.3</b>	<b>139.7</b>

The above table can be analyzed as the following,

#### 1. Total revenues

The second quarter of 2022 and 2021, total revenues of the Group amounted to Baht 1,651.9 million and Baht 925.3 million respectively, increased by Baht 726.7 million or 78.5 percent, which was in according to the business expansion plan. Detail following as below,

##### Revenues from sales of real estate

The second quarter of 2022, revenues from sales of real estate of the Group amounted to Baht 1,483.6 million, accounted for 89.8 percent from the total revenues, increased by Baht 559.4 million or increased by 60.5 percent from the same period of last year. Mainly, revenues from sales of real estate of

the Group were from ownership transfer of housing development in existing 13 projects continued from year 2021. The second quarter of 2022 the Group were also from ownership transfer of housing development in 7 new projects including 1) Britania Tiwanon-Ratchaphruek 2) Britania Praksa Station 3) Grand Britania Bangna-Suvarnabhumi 4) Grand Britania Nontaburi Station 5) Britania Ratchaphruek-Nakhon In 6) Brighton Bangpakong 7) Britannia Amata-Phanthong Grand Total 20 projects.

#### **Revenues from project management**

Revenues from project management consists of Revenues from project management, Revenue from sales and marketing management and Revenue from administrative management from Joint Ventures. The second quarter of 2022, Revenues from project management amounted to Baht 72.6 million, accounted for 4.4 percent from the total revenues.

#### **Interest revenue calculated using the effective interest method**

The second quarter of 2022, Interest revenue calculated using the effective interest method amounted to Baht 2.2 million, accounted for 0.1 percent from the total revenues, increased by Baht 2.1 million or increased by 1,697.6 percent from the same period of last year.

#### **Gain on disposal of investments in subsidiaries**

The second quarter of 2022, Gain on disposal of investments in subsidiaries amounted to Baht 92.1 million, accounted for 5.6 percent from the total revenues by disposing of investments in 1 subsidiaries, Britannia Amata-Phanthong Company Limited.

#### **Other income**

Other income of the Group was mainly from income from contract terminations. The second quarter of 2022, other income of the Group amounted to Baht 1.4 million, accounted for 0.1 percent of total revenues and increased by Baht 0.4 million or increased by 34.5 percent from the same period of last year.

## **2. Expenses**

#### **Cost of real estate sales**

The second quarter of 2022, cost of real estate sales of the Group amounted to Baht 980.3 million, accounted for 59.3 percent of total revenues and increased by Baht 353.8 million or increased by 56.5 percent from the same period of last year. This was in according to increase in revenues from sales of real estate.

### **Selling expenses**

The second quarter of 2022, selling expenses of the Group amounted to Baht 133.7 million, accounted for 8.1 percent of total revenues and increased by Baht 53.6 million or increased by 66.9 percent from the same period of last year. This was mainly due to an increase in Specific Business Taxes and Transfer Fees, in according to increase in revenues from sales of real estate, and also an increase in sales and marketing employee expenses and marketing expense and for the expansion of project development plan, especially, the Group launched 6 new projects since 6-month period of 2021 including 1) Britania Tiwanon-Ratchaphruek 2) Britania Praksa Station 3) Grand Britania Bangna-Suvarnabhumi 4) Grand Britania Nontaburi Station 5) Grand Britania Rama 9 - Krungthep Kreetha 6) Brighton Bangpakong. And in 2022, The group launched 1 new project is Britania Ratchaphruek-Nakhon In.

### **Administrative expenses**

The second quarter of 2022, administrative expenses of the Group amounted to Baht 29.2 million, accounted for 1.8 percent of total revenues and increased by Baht 9.4 million or increased by 47.8 percent from the same period of last year. This was mainly due to an increase in employee expenses because the Company adjusted annual compensation and recruited additional staff, together with the increase in other administrative expenses to support the expansion of the business and the new projects launch continually increasing.

### **3. Finance cost**

Finance cost of the Group was mainly from interest payment of short-term loans from parent company, loans from banks and bank overdrafts using for working capital, and also interest payment of office building lease agreement. The second quarter of 2022, finance cost of the Group amounted to Baht 3.3 million, accounted for 0.2 percent of total revenues and decreased by Baht 0.8 million or decreased by 32.7 percent from the same period of last year.

### **4. Income tax expenses**

The second quarter of 2022, income tax expenses of the Group amounted to Baht 103.1 million, accounted for 6.2 percent of total revenues and increased by Baht 63.8 million or increased by 162.2 percent from the same period of last year.

## 5. Profit for the period

The second quarter of 2022, Profit for the year of the Group amounted to Baht 376.4 million, accounted for 22.8 percent of total revenues and increased by Baht 219.3 million or increased by 139.7 percent from the same period of last year, which was in according to the business expansion plan.

## 6. Financial position

Items	As of	As of	Change	
	30 June 2022	31 December 2021	Mil.Baht	%
	Mil.Baht	Mil.Baht	Mil.Baht	%
Total assets	10,028.6	9,116.2	912.4	10.0
Total liabilities	5,911.5	5,729.7	181.7	3.2
Total shareholders' equity	4,117.2	3,386.5	730.7	21.6

As of 30 June 2022, increased by Baht 912.4 million or increased by 10.0 percent comparing to the end of the year 2021. This was mainly due to an increase in Other receivables, Restricted bank deposits, and Investment in joint ventures. As for liabilities, an increase by 181.7 million baht or increase by 3.2 percent. This was mainly due to an increase in Trade and other payables and Income tax payable.

As of 30 June 2022, increased by Baht 730.7 million or increased by 21.6 percent comparing to the end of the year 2021. This was mainly due to Retained earnings.

Please be informed accordingly.

Yours sincerely,

(Mrs. Supaluk Chanpitak)

Chief Executive Officer