

NFC 109/2022

November 9, 2022

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the 3rd quarter ended September 30, 2022.

Attention: The President
The Stock Exchange of Thailand (“SET”)

Attachment:

1. Interim financial information for the 3rd quarter ended September 30, 2022.
2. Management discussion and analysis for the 3rd quarter ended September 30, 2022.

NFC Public Company Limited (“the Company”) would like to submit the interim financial information the 3rd quarter ended September 30, 2022, which had already reviewed from Auditor to SET as Attachment no.1, and would summarize the operating results which had changed in Management Discussion and Analysis the 3rd quarter ended September 30, 2022 as Attachment no.2.

Please be informed accordingly,

Yours sincerely,
(Mrs. Bongkot Rungkornpaisarn)
Chief Government Liaison Officer
NFC Public Company Limited

Management Discussion and Analysis – For Quarter 3/2022 ended 30 September 2022

Operating Performance

For the quarter 3/2022 ended 30 September 2022, the Company's Net Profit attributable to portion of the Company's Shareholders was 47.25 MB., Total Net Profit for the period was 47.77 MB., increased by 43.70 MB. or 1076.60% compared to quarter 3/2021.

- Gross Profit increased by 45.14 MB. or 127.30%
- Other Income decreased by 4.16 MB. or 39.88%
- Total Expenses decreased by 13.02 MB. or 32.90%
- Financial Cost increased by 4.25 MB. or 48.35%
- Tax income decreased by 6.05 MB or 92.51%
- Portion of non-controlling interests in subsidiaries decreased by 0.60 MB or 666.67%

Details are as followings:

Revenues from sales and services

For the quarter 3/2022 ended 30 September 2022, the Company had total revenue from sales and services of 810.28 MB., increased by 442.53 MB. or 120.33% compared to quarter 3/2021 because of

- Revenue from sales of chemical products was 732.70 MB., increased by 389.29 MB. or 113.36% compared to quarter 3/2021 due to
 - Sales of Sulfuric acid increased by 326.46 MB. or 141.78 %. due to the sulfuric acid price increased because the global market price increased. While sales volume increased by 19,539 tons or 22.69%
 - Sales of Ammonia increased by 54.71 MB. or 53.16%. Sale volume slightly decreased by 70 tons or 1.96%
 - Sales of Ammonium Hydroxide increased by 8.12 MB. or 79.35% due to the lower sale volume of 180 tons or 8.80% due to increased customers.

- Total service income was 77.58 MB., increased by 53.24 MB. or 218.73% compared to quarter 3/2021 due to
- Revenue from warehouse service increased by 9.66 MB. or 109.56% due to expansion of service area increased.
 - Revenue from Logistic & Liquid warehouse service does not change.
 - Revenue from Port Service decreased by 0.05 MB. or 2.28% due to the decrease of company's terminal traffic.
 - Revenue from space service area increased by 30.24 MB. due to new service contract acquired during the period.

Cost of sales and services and gross margin

For the quarter 3/2022 ended 30 September 2022, the Company's cost of sales and services was 729.68 MB., increased by 397.39 MB. or 119.59% compared to quarter 3/2021 while gross margin was 9.95% compared to quarter 3/2021 at 9.64% due to

- Cost of chemical products increased by 386.80 MB. or 117.87% compared to quarter 3/2021 due to
- Cost of sale Sulfuric acid increased by 325.89 MB. or 135.61% due to the increased in the price of imported chemical products in accordance with the market price trend.
 - Cost of sale Ammonia increased by 53.50 MB. or 70.18%
 - Cost of sale Ammonium Hydroxide increased by 7.41 MB. or 63.75%
- The gross margin of chemical products was 17.73 MB., decreased by 2.49 MB. or 16.34% effecting to gross margin ratio decreased to be 2.42% compared to quarter 3/2021 at 4.44% due to the higher cost of chemical products and allocated costs.
- Cost of services increased by 10.59 MB. or 257.04% compared to quarter 3/2021 due to increased warehouse service cost.

Other income

For the quarter 3/2022 ended 30 September 2022, the Company had income that not relating to the main business of 6.27 MB., decreased by 4.16 MB. or 39.88% compared to quarter 3/2021, resulting from

- Gain from exchange rate increased by 1.26 MB.
- Gain from asset sales decreased by 2.82 MB.
- Allowance for doubtful account decreased by 1.09 MB.
- Other income decreased by 1.51 MB.

Total expenses

For the quarter 3/2022 ended 30 September 2022, the Company had total expenses of 26.56 MB., decreased by 13.02 MB. or 32.90% compared to quarter 3/2021 due to

- Selling expenses decreased by 0.48 MB. or 5.42%, due to transportation to the customer decreased from a little of Ammonium product sales volume.
- Administrative expenses decreased by 12.54 MB. or 40.81% resulting from
 - Expenses from underutilized fixed assets decreased by 6.09 MB.
 - The amortization expense of the building decreased by 5.82 MB.
 - Unrealized loss on exchange rate decreased by 1.93 MB.
 - Other administrative expenses increased by 1.30 MB.

Financial Costs

For the quarter 3/2022 ended 30 September 2022, the Company had Financial Costs of 13.04 MB., increased by 4.25 MB. or 48.35% when compared to quarter 3/2021 from interest expenses on right to use assets increased by 3.83 MB. and the loan interest and bank fee from Financial Institutions increased by 0.42 MB.

Income tax revenue

For the quarter 3/2022 ended 30 September 2022, the Company has income tax revenue decreased by 6.05 MB. or 92.51%. due to the Company has a deferred tax assets that expected to be more useful in the future. At the same time, there are subsidiaries that have more deferred tax expenses due to the revenue recognition.

Financial Position

The statements of financial position of the company as at 30 September 2022, the Company had total assets of 7,301.45 MB., total liabilities of 5,937.90 MB., and total equity attributable to owners of the company of 1,363.55 MB. or book value of 1.25 Baht per share, at the end of 2021, the Company had total assets of 3,696.94 MB., total liabilities of 2,420.06 MB., Non-controlling interests of subsidiaries of 2.86 MB. and shareholders' equity of 1,279.74 MB. or book value of 1.18 Baht per share.

As at 30 September 2022, the Company' had a working capital in cash and cash deposits of 407.66 MB., with enough for current operation business and able to support future business expansion. The significant changed for financial position of the Company are as follows.

As of 30 September 2022, the Company's total assets were 7,301.45 MB., increased by 3,604.51 MB. or 97.50% compared to the end of year 2021 as per following details

- Cash and cash equivalents of 407.66 MB., increased by 183.00 MB. or 81.46% based on cash flows from operating activities and financing activities compared to the end of last year.
- Trade accounts receivable and other current account receivables were by 273.07 MB., decreased by 339.44 MB. or 55.42% due to net received from other receivables of 341.06 MB, a net decrease in trade accounts receivable 4.33 MB. and net increase of other prepaid expenses 2.71 MB.
- Inventories were 156.70 MB., increased by 55.11 MB. or 54.25% from ammonia products increased by 106.44 MB., ammonium hydroxide increased by 0.32 MB., consumables and spare parts increased by 1.07 MB. and Good in transit decreased by 52.72 MB.
- Current Tax Assets increased by 9.59 MB.
- Other current financial assets of 23.67 MB. increased by 1.83 MB. or 8.38% due to an increase in the amount of cash guarantees used as collateral for commercial loans with financial institutions in proportion to the increased use of business loans.
- Others current asset of 11.04 MB., decreased by 1.37 MB. or 11.04% from due to receiving a refund from the trade deposit from the trading partner.

- Other non-current financial assets of 10.50 MB., decreased by 1.46 MB. or 12.21% due to provision for impairment of investment.
- Property, plant and equipment (PPE) of 1,996.27 MB., increased by 204.33 MB. or 11.40% consisting of assets purchased during the period 140.80 MB, capitalized expenses as asset during the period 105.02 MB, net depreciation during the period 40.76 MB and disposal during the period 0.73 MB. Mainly comprised of NFCT Fuel Tank Farm Project 174.01 MB, NFCW construction in progress 82.40 MB and NFC construction in progress 2.56 MB.
- Right of use asset of 4,354.18 MB., increased by 3,505.81 MB., or 413.24% due to the incremental of land lease agreements for industry with Industrial Estate Authority of Thailand (IEAT) in total of 6 agreements for the period of 30 years, which increased by 3,575.12 MB. and the amortization during the period of 69.31 MB.
- Deferred tax asset of 18.41 MB. increased by 3.61 MB., or 24.39% due to the Company incurred the tax loss carried forwarded that expecting to be utilized in the future.
- Other non-current asset of Baht 39.69 MB. decreased 16.25 MB. or 29.05%, which was a settlement of advance for the construction of the subsidiary's Fuel Tank Farm Project.

As of 30 September 2022, the Company had total liabilities of 5,937.90 MB., increased by 3,517.84 MB. or 145.36% compared to the end of year 2021.

- Short-term loan from financial institution of 423.93 MB., increased by 202.41 MB. or 91.64% because NFCT utilized the credit lines from financial institution increased by 233.40 MB. to support the construction of the NFCT Fuel Tank Farm Project. NFC utilized a credit line of LC/TR decreased by 30.99 MB.
- Trade accounts payable and other current account payable of 202.99 MB., an increased by 8.68 MB. or 4.47% due to a decrease in net trade payables of 50.41 MB., advance received for service revenue increased by 113.71 MB, while other current payables decreased by 40.86 MB, and other accrued expenses net decreased by 22.44 MB.
- Long-term loans from financial institutions 1,022.17 MB. increased by 1.12 MB. which are long-term loans from the construction of the NFCT Fuel Tank Farm Project.

- Lease liabilities of 4,157.49 MB. increased by 3,367.27 MB., or 426.12% due to the incremental of land lease agreements for industry with Industrial Estate Authority of Thailand (IEAT) in total of 6 agreements for the period of 30 years.

As of 30 September 2022, the Company had shareholders' equity of 1,363.55 MB., net increased by 86.67 MB. or 6.79 % compared to the end of year 2021 resulted from operating results of the Company's shareholders of 83.81 MB. and non-controlling interests, accumulated loss of 2.86 MB. At present, the company has a paid-up capital of 815.87 MB., divided into 1,087.83 million ordinary shares with a par value of 0.75 baht per share.

Cash flow Statement of the Company

For the quarter 3/2022 ended 30 September 2022, the Company had net cash flow of 183.00 MB., with cash and cash equivalents at the beginning of 224.66 MB. As a result, cash and cash equivalents at the end of the period were 407.66 MB., due to.

- Net cash flow from operating activities 316.86 MB., which is a result of working capital management of the company from receiving payments from the leasehold receivables 341.06 and net cash used in operating activities of 24.20 MB.
- Net cash flow used in investing activities was 146.46 MB., mainly from investment in the Fuel Tank Farm Project of NFCT subsidiary.
- Net cash flow from financing activities of 7.60 MB., from additional loans received from financial institution for the NFCT Fuel Tank Farm Project 232.99 MB., net utilization of trade credit (LC/TR) from financial institutions of 1.08 MB., payment for lease under the financial liabilities contract of 177.14 MB. and interest payment of 6.05 MB.