

NFC 029/2023

February 23, 2023

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the year ended December 31, 2022.

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

Attachment:

1. Audited financial information for the year ended December 31, 2022.
2. Management discussion and analysis for the year ended December 31, 2022.

NFC Public Company Limited (“the Company”) would like to submit the financial information of the Company and its subsidiaries for the year ended December 31, 2022, which had been audited by an Auditor to SET as per attachment no.1, together with a summary of the change in operating results in Management Discussion and Analysis the year ended December 31, 2022 as per 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 year ended 31 December 2022

### Operating Performance

For the year ended 31 December 2022, the Company's net profit attributable to equity holders of the Company was 150.36 MB., net profit decreased 202.53 MB. or 57.39% compared to last year.

- Other Income decreased by 425.62 MB. or 89.86% as during the year 2021 the Company realized sales of leasehold rights by 452.62 MB
- Gross Profit increased by 138.76 MB. or 100.60 %
- Total Expenses decreased by 42.39 MB. or 25.45%
- Financial Cost increased by 35.67 MB. or 134.25%
- Tax expenses decreased by 77.68 MB or 117.22%
- Portion of non-controlling interests in subsidiaries loss decreased by 0.09 MB. or 13.04%

Details are as followings:

### Revenues from sales and services

For the year ended 31 December 2022, the Company had total revenue from sales and services of 2,746.29 MB., increased by 1,382.14 MB. or 101.32% compared to last year because

- Revenue from sales of chemical products was 2,496.52 MB., increased by 1,230.94 MB. or 97.26% compared to last year due to
  - Sales of Sulfuric acid increased by 964.94 MB. or 110.40%. due to the global market price increased. The average sale price per ton increased by 104.69% and sale volume increased by 10,132 tons or 2.79%.
  - Sales of Ammonia increased by 233.40 MB. or 66.44%. due to the global market price increased. The average sale price per ton increased by 67.18% and sale volume slightly decreased by 60 tons or 0.44%
  - Sales of Ammonium Hydroxide increased by 32.60 MB. or 80.93%. The average sale price per ton increased by 90.13% and sale volume decreased by 397 tons or 4.84%.
- Total service income was 249.77 MB., increased by 151.20 MB. or 153.39% compared to last year due to
  - Revenue from warehouse service increased by 4.44 MB. or 13.10% due to expansion of service area.
  - Revenue from Logistic & Liquid warehouse service decreased by 0.82 or 1.47%.
  - Revenue from Port Service decreased by 0.68 MB. or 7.58% due to the decrease of company's terminal traffic.
  - Revenue from space service area increased by 113.50 MB. due to the new service contract acquired during the year 2022.
  - Revenue from space service area of a Subsidiary Company of 34.76 MB. during the year 2022.

## Cost of sales and services and gross margin

For the year ended 31 December 2022, the Company's cost of sales and services was 2,469.60 MB., increased by 1,243.38 MB. or 101.40% compared to last year while gross margin was decreased to 10.08% against last year at 10.11% due to

- Cost of chemical products increased by 1,207.43 MB. or 99.97% compared to last year due to
  - Cost of sale Sulfuric acid increased by 953.95 MB. or 105.21% due to the increased in the price of imported chemical products in accordance with the market price trend.
  - Cost of sale Ammonia increased by 221.42 MB. or 85.59%
  - Cost of sale Ammonium Hydroxide increased by 32.09 MB. or 75.53%
- The gross margin of chemical products increased by 23.50 MB. or 40.70%, however the gross margin ratio decreased to 3.25% compared to last year at 4.56% due to the higher cost of chemical products.
- Cost of services increased by 35.93 MB. or 195.48% compared to last year due to increased service cost.

## Other income

For the year ended 31 December 2022, the Company had income that not related to the main business of 48.05 MB., decreased by 425.62 MB. or 89.86% compared to last year, resulting from

- During the year 2021 the Company realized sales of leasehold rights by 452.62 MB.
- Gain from change of lease agreements by 21.54 MB.
- Gain from exchange rate increased by 10.35 MB.
- Gain from disposal of assets decreased by 2.83 MB.
- Reversal of the reserve for obsolete inventories decreased by 0.43 MB.
- Interest income increased by 0.55 MB.
- Other income decreased by 2.18 MB.

## Total expenses

For the year ended 31 December 2022, the Company had total expenses of 124.16 MB., decreased by 42.39 MB. or 25.45% compared to last year due to

- Selling expenses decreased by 2.05 MB. or 5.73%, due to transportation cost to the customer decreased.
- Administrative expenses decreased by 40.34 MB. or 30.84% resulting from
  - For the year 2021,
    - the company had realized the loss of disposal on assets by 30.58 MB.
    - Provision for impairment of assets decreased by 4.65 MB.
  - Depreciation on under-utilized assets decreased by 14.70 MB.
  - Employee expenses increased by 7.86 MB.
  - Provision for impairment of investments increased by 1.08 MB.
  - Other administrative expenses decreased by 0.65 MB.

## Financial Costs

For year ended 31 December 2022, the Company had Financial Costs of 62.24 MB., increased by 35.67 MB. or 134.25% when compared to last year from right of use according to TFRS#16 increased by 34.55 MB. Interest expenses and Bank charges from Financial Institutions increased by 1.12 MB.

## Tax expense

For year ended 31 December 2022, the Company recognized Tax Revenue of 11.41 MB. consisted of the decrease of deferred tax assets of 2.63 MB. and the decrease of deferred tax liabilities of 12.09 MB. net of the actual paid of additional corporate income tax in year 2022 of 3.31 MB.

## Financial Position

From the Company's financial statement as at ended 31 December 2022, the Company had total assets of 7,673.53 MB., total liabilities of 6,247.45 MB., and shareholders' equity of 1,426.08 MB. or book value of 1.31 Baht per share, and 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 loss 2.86 MB. and shareholders' equity of 1,279.74 MB. or book value of 1.18 Baht per share.

As at 31 December 2022, the Company had a working capital in cash of 619.57 MB., with enough for current operation business. The significant changed for financial position of the Company are as follows.

- As of 31 December 2022, the Company's total assets were 7,673.53 MB., increased by 3,976.59 MB. or 107.56% compared to the end of year 2021 as per following details
  - Cash and cash equivalents of 619.57 MB., increased by 394.91 MB. or 175.78% from net cash provided from operating activities compared to last year.
  - Trade accounts receivable and other current account receivables were by 188.30 MB., decreased by 424.21 MB. or 69.26% from other current receivables decreased by 467.84 MB. from the receipt of leasehold right disposal in year 2021, Net trade accounts receivable increased by 43.63 MB.
  - Inventories were 153.53 MB., increased by 51.95 MB. or 51.13% from the decrease of Sulfuric acid good in transit by 40.74 MB., Ammonia increased by 91.26 MB. Ammonium Hydroxide increased by 0.26 MB., Supplies and others increased by 1.17 MB.,
  - Current tax assets 20.01 MB. due to the Company and its subsidiaries have the withholding tax deducted at source during the year 2022 but there is no tax liabilities for the year 2022 since the Company had realized the tax loss from disposal of investment in a subsidiary company and the remaining subsidiaries have not started their full operation and carried on with loss carried forwarded in their books.
  - Others current financial asset of 10.66 MB., decreased by 11.18 MB. or 51.19% from the decrease of Deposit as collateral for Trade Credit Facilities with Financial Institutions.

- Property, plant and equipment (PPE) of by 2,283.74 MB., increased by 491.80 MB. or 27.45% due to from Purchase and investment of PPE during the year of 539.92 MB., which consists of invest Fuel Tank Farm project of NFCT about 195.82 MB., Open-Yard Space Service project of NFCW by 335.51 MB. the purchase of assets and equipment of NFC 8.59 MB., Depreciation during the period is 47.38 MB. and net impact on disposal of fixed assets by 0.74 MB.
  - Right of use asset by 4,220.82 MB., increased by 3,372.45 or 397.52% as during the year the Company and its subsidiaries had entered into an additional contracts of long-term lease therefore the Company had to record Right of Use according to TFRS 16.
  - Other non-current asset of Baht 38.84 MB. decreased 17.10 MB. or 30.57% due to amortized for the advance of subsidiary's construction Fuel Tank Farm project.
- As of 31 December 2022, the Company had total liabilities of 6,247.45 MB., increased by 3,827.39 MB. or 158.15% compared to the end of year 2022.
- Bank overdraft and short-term loan from financial institution of 484.12 MB., increased by 263.25 MB. or 119.19% from increased usage credit facilities (LC/TR) with financial institutions by 29.85 MB. and promissory note (P/N) from Fuel Tank Farm project of NFCT by 233.40 MB.
  - Trade accounts payable and other current account payable of 437.64 MB., increased by 243.32 MB. or 125.23% due to net trade account payable decreased by 58.12 MB., Other trade payables increased by 301.44 MB. of Project NFCW increased by 201.46 MB., advance service income increased by 143.32 MB., Construction payable decreased by 23.38 MB., Liability payable to IEAT decreased by 2.02 MB., and other account payable decreased by 17.94 MB.
  - Current portion of long - term liabilities by 66.47 MB. from Fuel Tank Farm project of NFCT.
  - Current portion of lease liabilities decreased by 14.13 MB. or 49.41%.
  - Long-term loans from financial institutions increased by 1.18 MB. or 0.12% from Fuel Tank Farm project NFCT.
  - Lease liabilities by 4,186.17 MB. increased by 3,395.95 MB. or 425.75% from the additional long-term lease during the year 2022.
- As of 31 December 2022, the Company had shareholders' equity of 1,426.08 MB., increased by 149.20 MB. or 11.68 % compared to the end of year 2021 due to the Company's comprehensive profit of 149.80 MB. and a portion of non-controlling interests in subsidiaries of loss 0.60 MB. The Company has a paid-up capital 815.87 MB. ordinary shares 1,087.83 million shares at par value 0.75 Baht.

## Cash flow Statement of the Company

For the year ended 31 December 2022, the Company had net increased in cash and equivalents by 394.91 MB., cash and cash equivalents at the beginning of the period was by 224.66 MB. As a result, cash and cash equivalents at the end of the period was 619.57 MB. due to.

- Cash flow used in from the operating 747.64 MB. resulting from net profit before income tax of 138.34 MB. other current receivables decreased by 430.26 MB., trade and other payables increased by 301.35 MB., depreciation and amortization 155.24 MB. and net change of other current working capital increased by 277.55 MB.
- Cash flow used in from investing 394.64 MB., mostly due to investment in the Fuel Tank Farm project NFCT 126.46 MB., Open-yard Space Service Project of NFCW by 260.99 MB., purchase of assets and equipment of NFC 8.59 MB., purchase intangible assets by 0.19 MB. and proceed from sale of assets and interest received by 1.59 MB.
- Cash flow provided from financing activities 41.91 MB. resulting from received long-term loans from financial institutions for NFCT project and net received on trade credit facilities LC/TR to Financial Institutions 263.25 MB. and payment for lease liabilities of 180.42 MB.