

24 February 2023

Subject : Management Discussion and Analysis of

Operating Results for the year ended 31 December 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 the year ended 31 December 2022 as following:

Throughout 2022, Overall of the real estate sector still faces all-round challenges factor, the global and the domestic economy are still in the recovery stage. Increasing inflationary pressures have resulted in changes in construction material costs rising. In addition, the transition in Thailand's rising interest rates. These factors all put pressure on the economic recovery. causing all real estate developers to find ways and strategies to adapt to cope with the uncertainty of various factors. Britania is still able to operate the business until it has achieved good performance and satisfactory growth according to the target.

The Group operates business under the strategy of "GROWTH TOGETHER, to grow continuously together", Britannia has a continuous leap growth rate. And can emphasize the potential of the group until the performance is ALL TIME HIGH with 1) Market expansion to new locations which has high growth potential. Throughout 2022, there were 9 new projects launched with a total value of more than Baht 12,000 million. As a result, the Group's presale amounted to Baht 11,045 million, higher than the yearly target of Baht 11,000 million, increase by 31.9 percent, compared to the same period of 2021. 2) Joint Venture with partners helps expand investment in project development rapidly. The group has gained the trust and confidence in its continuous good operating potential from its partners. Therefore, there are a total of 8 joint venture projects from partners. 3) Growing Sustainable Together, There is integration and improve of knowledge from each other, all in the part of customers, partners, alliances and stakeholders. and Britania employees in order for every sector to fulfill the fullness of life according to the concept of “CRAFT a life you love”, the best thing is to live a life that you love.

In 2022, Revenues from sales of real estate amounted to Baht 5,404.2 million, increase by Baht 1,596.4 million or 41.9 percent, compared to the same period of 2021. In addition, the group has Revenues from project management amounted to Baht 444.0 million, Gain on disposal of investments in subsidiaries amounted to Baht 417.2 million, and Other Income amounted to Baht 30.3 million. From the aforementioned revenue, the Group has total revenue of 2022 amounted to Baht 6,295.7 million, increase by Baht 2,479.9 million or 65.0 percent, compared to the same period of 2021. The group can also manage Cost of real estate, Selling expenses and Administrative expenses effectively, which made profit for the period of 2022 amounted to Baht 1,470.5 million, increase by Baht 868.1 million or 144.1 percent, compared to the same period of 2021.

Operating Results for the year ended 31 December 2022 are as the following

Items	2022		2021		Change	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
<b>Revenues</b>						
Revenues from sales of real estate	5,404.2	85.8	3,807.8	99.8	1,596.4	41.9
Revenues from project management	444.0	7.1	-	-	444.0	100.0
Interest revenue calculated using the effective interest method	4.8	0.1	0.3	0.0	4.5	1,371.3
Gain on disposal of investments in subsidiaries	417.2	6.6	-	-	417.2	100.0
Other income	25.5	0.4	7.7	0.2	17.8	230.2
<b>Total revenues</b>	<b>6,295.7</b>	<b>100.0</b>	<b>3,815.8</b>	<b>100.0</b>	<b>2,479.9</b>	<b>65.0</b>
<b>Expenses</b>						
Cost of real estate sales	3,620.4	57.5	2,608.4	68.4	1,011.9	38.8
Selling expenses	544.5	8.6	359.0	9.4	185.5	51.7
Administrative expenses	115.4	1.8	86.0	2.3	29.4	34.2
<b>Total Expenses</b>	<b>4,280.3</b>	<b>68.0</b>	<b>3,053.5</b>	<b>80.0</b>	<b>1,226.8</b>	<b>40.2</b>
<b>Operating profit</b>	<b>2,015.4</b>	<b>32.0</b>	<b>762.4</b>	<b>20.0</b>	<b>1,253.1</b>	<b>164.4</b>
Share of loss from investments in joint ventures	(134.7)	(2.1)	-	-	(134.7)	100.0
Finance cost	(9.9)	(0.2)	(8.8)	(0.2)	(1.2)	13.2
<b>Profit before income tax expenses</b>	<b>1,870.8</b>	<b>29.7</b>	<b>753.6</b>	<b>19.7</b>	<b>1,117.2</b>	<b>148.3</b>
Income tax expenses	(400.3)	(6.4)	(151.1)	(4.0)	(249.2)	164.9
<b>Profit for the period</b>	<b>1,470.5</b>	<b>23.4</b>	<b>602.5</b>	<b>15.8</b>	<b>868.1</b>	<b>144.1</b>
<b>Total comprehensive income for the period</b>	<b>1,470.5</b>	<b>23.4</b>	<b>602.1</b>	<b>15.8</b>	<b>868.4</b>	<b>144.2</b>

The above table can be analyzed as the following,

## **1. Total revenues**

In 2022 and 2021, total revenues of the Group amounted to Baht 6,295.7 million and Baht 3,815.8 million respectively, increased by Baht 2,479.9 million or 65.0 percent, which was in according to the business expansion plan. Detail following as below,

### **Revenues from sales of real estate**

In 2022, revenues from sales of real estate of the Group amounted to Baht 5,404.2 million, accounted for 85.8 percent from the total revenues, increased by Baht 1,596.4 million or increased by 41.9 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. In 2022, the Group were also from ownership transfer of housing development in 10 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 8) Grand Britania Rama 9 - Krungthep Kreetha 9) Britania Wongwaen-Pinklao and 10) Britania Rayong. Grand Total 23 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. In 2022, Revenues from project management amounted to Baht 444.0 million, accounted for 7.1 percent from the total revenues.

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

In 2022, Interest revenue calculated using the effective interest method amounted to Baht 4.8 million, increased by Baht 4.5 million or increased by 1,371.3 percent from the same period of last year.

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

In 2022, Gain on disposal of investments in subsidiaries amounted to Baht 417.2 million, accounted for 6.6 percent from the total revenues by disposing of investments in 8 subsidiaries including, 1) Britania

Bangna KM.17 Company Limited 2) Stable Town Company Limited 3) Grand Britania Khukhot Station Company Limited 4) Britania Amata-Phanthong Company Limited 5) Britania Bangna KM.35 Company Limited 6) Britannia Bangna KM.39 Company Limited 7) Britania Sukhumvit 76 Company Limited and 8) Britania Rayong Company Limited

### Other income

In 2022, other income of the Group was mainly from income from contract terminations. amounted to Baht 25.5 million, accounted for 0.4 percent of total revenues, increased by Baht 17.8 million or increased by 230.2 percent from the same period of last year.

## 2. Expenses

### Cost of real estate sales

In 2022, cost of real estate sales of the Group amounted to Baht 3,620.4 million, accounted for 57.5 percent of total revenues, increased by Baht 1,011.9 million or increased by 38.8 percent from the same period of last year. This was in according to increase in revenues from sales of real estate.

### Selling expenses

In 2022, selling expenses of the Group amounted to Baht 544.5 million, accounted for 8.6 percent of total revenues and increased by Baht 185.5 million or increased by 51.7 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 other selling expense for the expansion of project development plan, especially, the Group launched 6 new projects since 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 3 new projects including 1) Britania Ratchaphruek-Nakhon In 2) Britania Wongwaen-Pinklao 3) Britania Rayong

### Administrative expenses

In 2022, administrative expenses of the Group amounted to Baht 115.4 million, accounted for 1.8 percent of total revenues and increased by Baht 29.4 million or increased by 34.2 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, bank overdrafts and Interest payment for debentures using for working capital and develop new project as plan, and also interest payment of office building lease agreement. In 2022, finance cost of the Group amounted to Baht 9.9 million, accounted for 0.2 percent of total revenues and increased by Baht 1.2 million or increased by 13.2 percent from the same period of last year.

### 4. Income tax expenses

In 2022, income tax expenses of the Group amounted to Baht 400.3 million, accounted for 6.4 percent of total revenues and increased by Baht 249.2 million or increased by 62.3 percent from the same period of last year.

### 5. Profit for the period

In 2022, Profit for the year of the Group amounted to Baht 1,470.5 million, accounted for 23.4 percent of total revenues and increased by Baht 868.1 million or increased by 59.0 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	
	31 December 2022	31 December 2021	Mil.Baht	%
Total assets	12,842.9	9,116.2	3,726.7	40.9
Total liabilities	7,979.6	5,729.7	2,249.9	39.3
Total shareholders' equity	4,863.3	3,386.5	1,476.8	43.6

As of 31 December 2022, increased by Baht 3,726.7 million or increased by 40.9 percent comparing to the end of the year 2021. This was mainly due to an increase in Investment in joint ventures, Other receivables from joint ventures, Intangible assets and Deposits for land. As for liabilities, an increase by 2,249.9 million baht or increase by 39.3 percent. This was mainly due to an increase in Long-term Debentures, Trade and other payables from the joint venture projects and Long-term loans from bank.

As of 31 December 2022, increased by Baht 1,476.8 million or increased by 43.6 percent comparing to the end of the year 2021. This was mainly due to Retained earnings.

Please be informed accordingly.

Yours sincerely,

(Mr. Surin Sahachatpocanan)

Chief Executive Officer