



NNCL AC 001/2566

27 February 2023

Subject Explanation of the change in operating results for the year ended December 31, 2022 over 20% compared with the 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 year ended December 31, 2022 compared with the previous year as follows:-



Net profit (loss)

Compared year 2022 and 2021

- ⊕ The Company reported the operating results for the year ended December 31, 2022 with the net profit attributable to owners of the parent of the consolidated financial statements of Baht 216.9 million which operating profit results decreased 222.5 million Baht or operating profit results decreased by 51% compared with the previous year which generated the net profit of the consolidated financial statements of Baht 439.4 million, effect from decreasing share profit of investment in a joint venture and also increasing of Profit from recurring income in this year.
- ⊕ In addition, managing expenses were continuously proceeded to decrease by management team.



Financial Position

- ⊕ As of December 31, 2022, the Company maintained its healthy financial position, with total consolidated assets amounting to Baht 4,325.2 million, of which Baht 767.7 million was cash and cash equivalents, short term investment and fixed deposit at financial institution; while total consolidated liabilities were reported at Bath 1,013.5 million in which interest-bearing debt accounted for Baht 206.4 million ;and total consolidated shareholders' equity attributable to owners of the parent at Baht 3,311.7 million.

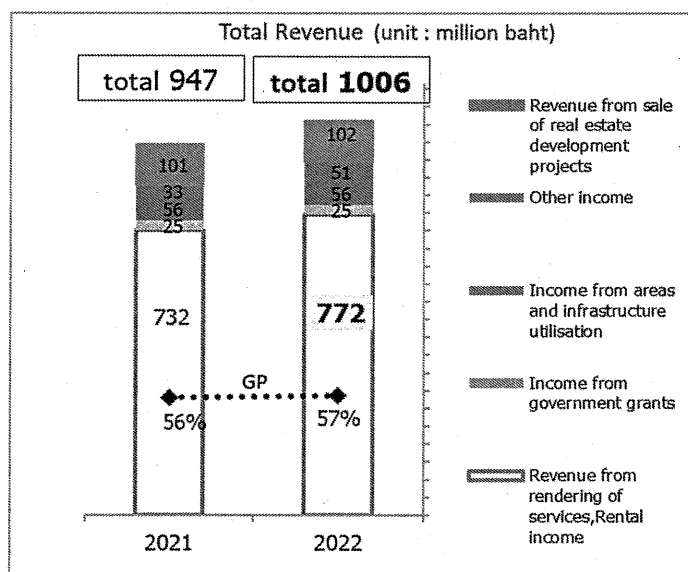
Table of key financial results

(Unit: Million Baht)

	2022	2021	% Increase (Decrease) YoY
Total Revenue	1,006	947	6%
Revenue from rendering of services ,Rental income	772	732	5%
EBITDA	529	475	11%
Profit (loss) for the year	216	439	-51%
* Profit (loss) from recurring income	249	229	9%
* Profit (loss) from share of net profit - joint venture	(109)	114	-195%
* Income from areas and infrastructure utilization- joint venture	56	56	0%
* Profit (loss) from sale of real estate development projects	20	41	-52%

; 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 year 2022 of Baht 772 million, compared with the previous year, there were revenue from rendering of services and rental income amounting to Baht 732 million which increased by 5% or Baht 40 million which mainly resulted from more usage utilities of customer in overall.

◀ There was sale of real estate development projects of Baht 102.4 million which increased from the same period of previous year with sale of real estate development projects of Baht 101.3 million.

◀◀ Part of other income, the Company had other income for year 2022, comprised of Income from government grants of Baht 24.6 million, approximate to 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 56.2 million, increasing by Income from right of ways and infrastructure utilization – R E N KORAT ENERGY Co.,Ltd.

◀◀ Recurring income comprised of Revenue from rendering of services, Rental income which represented 77% , sale of land proportion 10% of total revenue of year 2022.

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

◀◀ During year 2022, the Company had cost of rendering of services of Baht 333.5 million together with gross profit of Baht 438.7 million whereas the previous year, the Company had cost of rendering of services of Baht 320.6 million together with gross profit of Baht 411.9 million. Gross profits margin increased of Baht 26.8 million.

Gross profit margin - rendering of services and rental income represented 57%, increased from 56% compared to the previous year.

◀◀ The Company had cost of sale of real estate development projects of Baht 68.6 million with profit margin of Baht 33.7 million or 33%, increased from the same period of previous year, it shown cost of sale of real estate development projects of Baht 45.1 million with profit margin of Baht 56.2 million or 56%, along with relative revenues as mentioned above.

3. Selling expenses and administrative

◀◀ Selling expenses and administrative expenses for year 2022 was Baht 198.3 million compared with the previous year which was Baht 226.3 Million, decreased by Baht 27.9 million or 12%.

4. Depreciation expenses

◀◀ For year 2022, the Company had depreciation expenses of plant & equipment and Investment Properties of Baht 167.7 million, increased while compared with the previous year which was Baht 162.8 million due to there was more operational assets.

5. Finance Costs

◀◀ For year 2022, the Company had finance costs of Baht 1.6 million, decreased by Baht 0.1 million or 3%, while compared with the previous year which was Baht 1.7 million.

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

◀◀ For year 2022, the Company had recorded Share of profit (loss) of investment in a joint venture calculated of equity method by 108.8 million.

While the previous year, the Company had recorded Share of profit (loss) of investment in a joint venture calculated of equity method by 114.2 million.

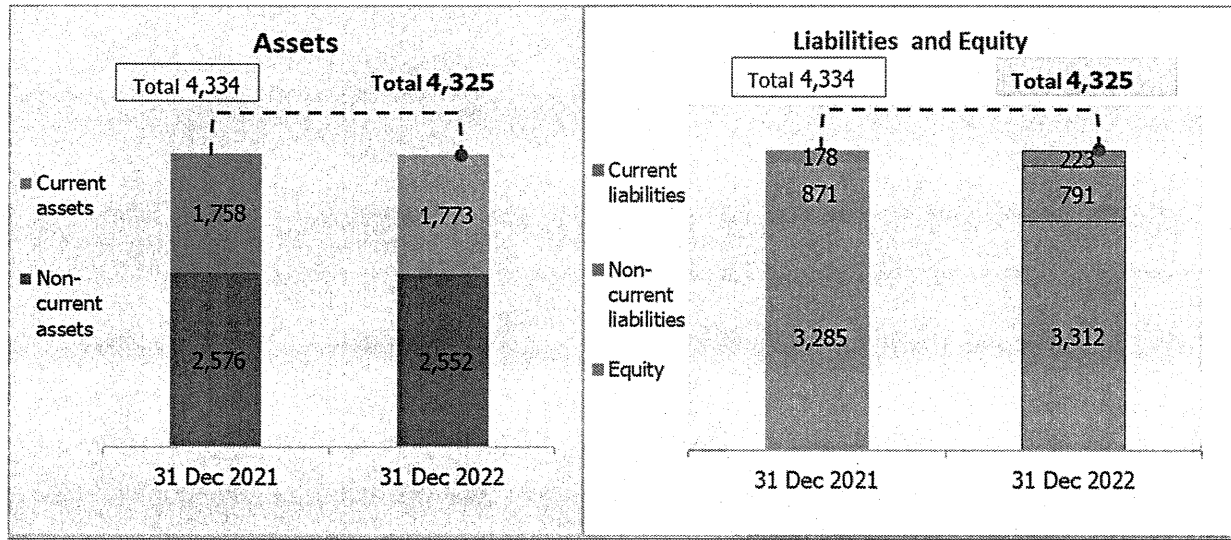
7. Income tax expenses

◀◀ For year 2022, the Company had recorded income tax expenses of Baht 78.2 million, compared with the previous year which was income tax expenses of Baht 28.7 million, increased of Baht 49.5 million or 173% along with more taxable income in this year.



Financial Position

Unit : Million Baht



Total assets

As at December 31, 2022, the Company had total consolidated assets of Baht 4,325 million, decrease by Baht 9 million, compared with the December 31, 2021 of Baht 4,334 million, mainly caused by

◀◀ Current assets comprised of (1) cash and cash equivalents, short term investment of Baht 767.7 million, increased of Baht 90.8 million.

and (2) Account Receivables of Baht 62.6 million, decrease of Baht 0.4 million.

◀◀ Non-current assets comprised of

(1) investment in a jointly –controlled entity of Baht 811.8 million, decreased of Baht 78.8 million.


(2) property, plant and equipment and investment properties of Baht 1,666.9 million increased of Baht 59.6 million.



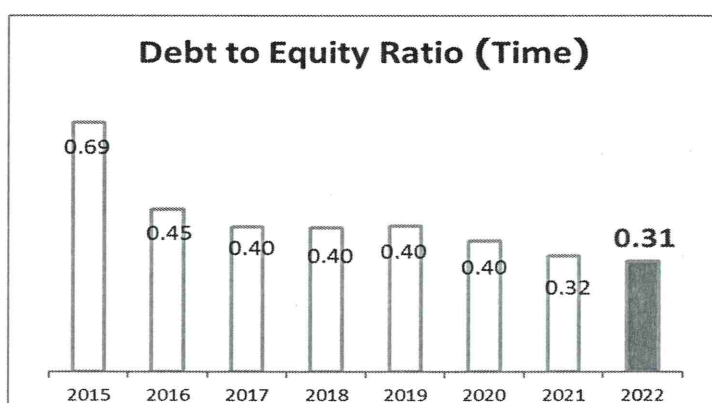
Total liabilities

As at December 31, 2022, the Company had total consolidated liabilities of Baht 1,013.5 million, decrease by Baht 35.9 million, compared with the December 31, 2021 of Baht 1,049.4 million


◀◀ Non-current liabilities comprised of group of deferred income of Baht 554.7 million, decrease by Baht 30 million due amortization of deferred income mentioned above and long-term loan from financial institution.

 Capital Structure

As at December 31, 2022, the capital structure comprised of consolidated equity in the amount of Baht 3,311.7 million and total consolidated liabilities of Baht 1,013.5 million, including the interest-bearing debts of Baht 206.4 million.



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

 Cash flow

◀◀ As at December 31, 2022, the Group had cash and cash equivalents of Baht 648.2 million, increase of Baht 438.5 million from December 31, 2021.

Please be informed accordingly,

Sincerely yours,



(Mr.Pojana Saithong)

Acting Chief Financial Officer

Nava Nakorn Public Company Limited