

### **Current situation and impact on the Company**

On March 29, 2023, the Monetary Policy Committee (“MPC”) increased the policy rate from 1.50 percent to 1.75 percent per year, which aligns with market predictions. The move is in line with the MPC's belief that gradual policy rate normalization is necessary, given the economic growth and inflation outlook. Tourism and private consumption are expected to support the Thai economy, with growth anticipated to be 3.6% in 2023 and 3.8% in 2024. Furthermore, the headline inflation is predicted to return to the target range of 1%-3% by mid-2023, as supply-side pressures ease. However, core inflation remains high, which poses a risk as the companies may raise costs.

Real estate developers were directly impacted by the world economic recession and the increase in construction material prices and labor costs. However, Raimon Land Public Company Limited and its subsidiaries (“**the Company**”) can manage the impacts from these factors by fixed the cost for all ongoing projects since the launch of the projects. In addition, the Company closely monitored and managed financial costs in both floating and fixed interest rates. As a result, the Company was not much affected by the increase in interest rate.

### **Management outlook and future projects**

The Thai economy experienced an acceleration in growth in 2022, increasing from 1.5% in 2021 to 2.6%, mainly due to the recovery of the tourism industry and continual improvement in domestic demand for both private consumption and investment.

In 2023, the Company plans to launch three new projects in the form of ultra-luxury branded residences in the form of a few private luxury villa projects (Rosewood Residences Kamala) and other two projects in the Sukhumvit zone with a total project value over Baht 18 billion to strive to be the number 1 leader in real estate development luxury and ultra-luxury level.

Furthermore, the Company has continuously transformed its project-based investment strategy from self-funding to a joint venture model including the Asset Light strategy, which focuses on launching projects with land owners to develop projects, resulting in saving more land costs and finance costs. Consequently, the recognition of revenue and profit on the Company's financial statements started to shift from revenue recognition of real estate sales to the share of profits/losses from joint ventures. As mentioned, the Company currently has two joint venture projects on sale: The Estelle Phrom Phong and Tait Sathorn 12.

For the updated progress on the projects, in 1Q/2023, the Company continued the construction of the residential condominium project which are 51:49 joint venture with Tokyo Tatemono Asia Pte Ltd., Tait Sathorn 12, which completed 90% of the construction progress as of 31 March 2023. For OCC (One City Centre), a grade-A office building, a 60:40 joint venture project with Mitsubishi Estate Asia (MEA Commercial Holding PTE Ltd), the project is currently completed 99% in construction progress as of 31 March 2023. The project has received very good

feedback even though it is not yet fully operational. Currently, the occupancy rate and letter of intent are more than 68%, and many leading companies and other world-renowned organizations have signed contracts.

### **Financial highlight 1Q/2023**

- The Company's backlog stood at THB 4,959.0mn as of 31 March 2023.
- Presales in 1Q/2023 were THB 517.7mn.
- Total revenue in 1Q/2023 was THB 65.1mn. Of which, THB 21.6mn and THB 13.4mn were from project management fee and guarantee fee income.
- As of 31 March 2023, the total assets and total liabilities were THB 8,155.6mn and THB 3,958.0mn, respectively.
- The Interest-Bearing Debt to Equity ratio ("IBD/E") stood at 0.84 times as of 31 March 2023.



**Operating results 1Q/2023**
***Summary of statement of profit and loss***

	1Q/2023		1Q/2022		Change	
	THB mn	% of total revenue	THB mn	% of total revenue	THB mn	%
<b>Revenues</b>						
Revenues from rental and service	8.7	13.4	27.4	28.6	(18.7)	(68.2)
Other income	56.4	86.6	68.4	71.4	(12.0)	(17.5)
<b>Total revenues</b>	<b>65.1</b>	<b>100</b>	<b>95.8</b>	<b>100.0</b>	<b>(30.7)</b>	<b>(32.0)</b>
<b>Expenses</b>						
Cost of goods sold	-	-	25.9	27.0	(25.90)	(100)
Distribution cost	1.7	2.5	22.2	23.2	(20.5)	(92.3)
Administrative expenses	105.3	161.6	98.9	103.2	6.4	6.5
Unrealized loss on exchange rate	3.3	5.1	-	-	3.3	100
Finance cost, net	67.9	104.3	63.9	66.7	4.0	6.3
Share of (profit) loss of joint ventures	(12.1)	(18.6)	2.7	2.8	(14.8)	(548.1)
Income tax	0.2	0.3	0.2	0.2	-	-
<b>Net loss for the period</b>	<b>(101.3)</b>	<b>(155.2)</b>	<b>(118.0)</b>	<b>(123.1)</b>	<b>16.7</b>	<b>(14.2)</b>

***Presales and Backlog***

In 1Q/2023, the Company had Presales of THB 517.7mn, an increase from the Presales of THB 318.3mn in 1Q/2022. The increase was from the sales of The Estelle Phrom Phong, which was completed in 3Q/2022. Thus, customers can visit the project, common areas, facilities, and actual units to use as information to support decision-making.

As of 31 March 2023, the total backlog was THB 4,959.0mn, a decrease from THB 4,965.3mn as of 31 December 2022, mainly from the transfer of the Estelle Phrom Phong which started in 3Q/2022, net of the Presales throughout the 1Q/2023.

**Revenues**

	1Q/2023		1Q/2022		Change	
	THB mn	% of total revenue	THB mn	% of total revenue	THB mn	%
<b>Revenues</b>						
The Lofts Silom	-	-	19.8	20.6	(19.8)	(100.0)
Revenues from sales of real estate	-	-	19.8	20.6	(19.8)	(100.0)
Revenue from rental and services	8.7	13.4	7.6	7.9	1.1	14.5
<b>Other income</b>						
Project management income	21.6	33.2	29.2	30.5	(7.6)	(26.0)
Marketing commission income	8.8	13.5	7.0	7.3	1.8	25.7
Guarantee fee income	13.4	20.6	13.7	14.3	(0.3)	(2.2)
Gain on fair value measurement of financial assets	11.0	16.9	-	-	11.0	100.0
Other income <sup>1</sup>	1.6	2.4	18.5	19.4	(16.9)	(91.3)
<b>Total revenues</b>	<b>65.1</b>	<b>100</b>	<b>95.8</b>	<b>100.0</b>	<b>(30.7)</b>	<b>(32.0)</b>

**Revenue from sales of real estate**

There was no revenue from sales of real estate in 1Q/2023 because most inventories have been fully recognized. The remaining inventories will be recognized in the "share of profits from joint ventures" category, as described above.

**Revenue from rental and services**

Most of the rental and services income is generated from the Somerset Riverside Bangkok project and the Vue Mall, which is a community shopping center located next to The River condominium. In 1Q/2023, revenue slightly increased to THB 8.7mn from THB 7.6mn from the same period last year. The increase in rental and services income was from the Thai government dismissed COVID-19 measures and fully opening the country to tourists.

<sup>1</sup> Revenue from deposit forfeited and others



***Project management income***

The income is derived from fees that the Company charges to the joint venture companies for project construction management and managing residential juristic persons. In 1Q/202, project management income are THB 21.6mn, increased 26% as compared to THB 29.2mn in the same period last year. The lower revenues are in line with the project construction progress of the 3 joint venture projects.

***Marketing commission income and guarantee fee income***

Marketing commission income is the commission fee the Company charges the joint venture companies on sales of the units in the joint venture projects. The income also includes the commission fee for resale and leasing services to the property owners. Guarantee fee income is the fee charged to the joint venture companies when the Company acts as a guarantor for the loan of the joint venture companies.

At the end of 1Q/2023, the Company is engaging in 4 joint venture companies: 1) Raimon Land Twenty Six Co., Ltd., developing The Estelle Phrom Phong project; 2) Raimon Land Sathorn Co., Ltd., developing Tait Sathorn 12 project; 3) RML 548 Co., Ltd., developing the grade A office building project named One City Centre and 4) Raimon Land Thirty Eight Co., Ltd., developing a condominium project in soi Sukhumvit 38.

Marketing commission income in 1Q/2023 were THB 8.8mn, increasing as compared to THB 1.8mn in the same periods last year. The improvement is attributed to the resales and leasing commissions. The guarantee fee income decreased in 1Q/2023 to THB 13.4mn, which is in line with the loan repayment of The Estelle Phrom Phong project, net of the loan drawdowns following the construction progress of joint venture projects.

***Gain on fair value measurement of financial assets***

Year 2022, the Company entered into a convertible promissory note purchase agreement with another company which registered and operates in the United States of America totaling USD 7 million. Such convertible promissory note can be converted to shares of such company pursuant to the conditions indicated in the agreement. In 1Q/2023, the Company had an unrealized gain on fair value measurement of this convertible promissory note THB 11.0mn.

***Other income***

Other income in 1Q/2023 was THB 1.6mn, decreasing as compared to THB 18.5 mn in the same periods last year, mainly due to the deposit forfeited from The Lofts Silom and The Lofts Asoke customers defaulted on the purchase agreement in 1Q/2022.

### ***Cost of real estate sold, gross profit and gross profit margin of sales of real estate***

There was no cost of real estate sold in 1Q/2023, is in line with revenue from sales of real estate. However, in 1Q/2022, the cost of real estate sold from The Lofts Silom was THB 25.9mn, the Company had gross loss THB 6.1mn and the gross loss margin was 30.8%.

### ***Distribution costs and Administrative expenses (SG&A)***

The distribution costs, including advertising, marketing, commission, and condominium units transfer-related expenses, while administrative expenses are mostly fixed costs related to employees and all expenses related to business operations.

In 1Q/2023, the distribution costs was THB 1.7mn, a reduction of THB 20.5mn or 92.3% from THB 22.2mn. in the same period last year, the decreasing is in line with revenue from sales of real estate. The administrative expenses increased to THB 105.3mn from THB 98.9mn in the same period last year, mainly due to increasing business consulting fees.

### ***Net financial cost***

Financial costs are primarily interest expenses on loans to develop projects, recorded as development costs until the construction is complete. Post-construction completion, such interest expenses will be recorded as financial expenses in the Statement of Income. Loans are repaid in installments upon unit transfer. Currently, the Company raised funds through debentures and loans with financial institutions. Most of the finance costs are from interest on debentures.

In 1Q/2023, the net financial cost was THB 67.9mn which is an increase of THB 4.0mn, from THB 63.9mn in the same period last year. The higher net finance costs were mainly due to interest rates on the new debentures issued on July 2022. The debentures were issued for the redemption of existing debentures, for the working capital, and for the investments. As at 31 of March 2023, the Company's interest-bearing debts were THB 3,544.1mn, an increase from THB 3,533.2mn at the end of 2022.

### ***Net (loss) profit***

In 1Q/2023, the Company had a consolidated net loss of THB 101.3mn, a decrease of THB 16.7mn from the net loss of THB 118.0mn in 1Q/2022. Net loss per share was THB 0.02 per share.



**Financial position as of 31 March 2023**

	31 March 2023		31 December 2022		Change	
	THB mn	%	THB mn	%	THB mn	%
<b>Assets</b>	<b>8,155.6</b>	<b>100.0</b>	<b>8,255.4</b>	<b>100.0</b>	<b>(99.8)</b>	<b>(1.2)</b>
<b>Liabilities</b>	<b>3,958.0</b>	<b>48.5</b>	<b>3,956.5</b>	<b>47.9</b>	<b>1.5</b>	<b>-</b>
Interest-bearing debt	3,544.1	43.5	3,533.2	42.8	10.9	0.3
Other liabilities	413.9	5.0	423.3	5.1	(9.4)	(2.2)
<b>Equity</b>	<b>4,197.6</b>	<b>51.5</b>	<b>4,298.9</b>	<b>52.1</b>	<b>(101.3)</b>	<b>(2.4)</b>
<b>Total Liabilities and Equity</b>	<b>8,155.6</b>	<b>100.0</b>	<b>8,255.4</b>	<b>100.0</b>	<b>(99.8)</b>	<b>(1.2)</b>

***Assets***

The Company's total assets stood at THB 8,155.6mn, a decrease of THB 99.8mn or 1.2% from THB 8,255.4mn as of 31 December 2022. The major change in assets were 1) a decrease of cash and cash equivalents of THB 24.7mn mainly from paid interest of debentures and paid for the operation, and 2) a decrease of loans to related parties of THB 96.6mn from THB 150mn repayment of loans to a joint venture, net of loans to another joint venture of THB 53.4mn.

***Liabilities***

Total liabilities stood at THB 3,958.0mn, an increase of THB 1.5mn, or 0.04% from THB 3,956.5mn as of 31 December 2022. The Interest-Bearing Debt ("IBD") stood at THB 3,544.1mn, an increase of THB 10.9mn from THB 3,533.2mn as of 31 December 2022. The major changes in liabilities were 1) debenture increased THB 13.6mn due to the amortization of deferred costs relating to the issuance of the debentures and amortization of prepaid interest, 2) a decrease of trade and other current payables THB 9.2mn, and 3) decreases of lease liabilities and long-term borrowings from financial institutions totaling THB 1.4mn

***Shareholders' equity***

The Company's total shareholders' equity stood at 4,197.6mn, a decrease of THB 101.3mn or 2.4% from THB 4,298.9mn as of 31 December 2022, mainly from the net loss in 1Q/2023.

***Interest-Bearing Debt to Equity ratio***

The IBD/E ratio as of 31 March 2023 was 0.84 times, which increased from 0.82 times as of 31 December 2022 due to a decrease in shareholders' equity resulting from the operating results during the quarter.

***Cash flows***

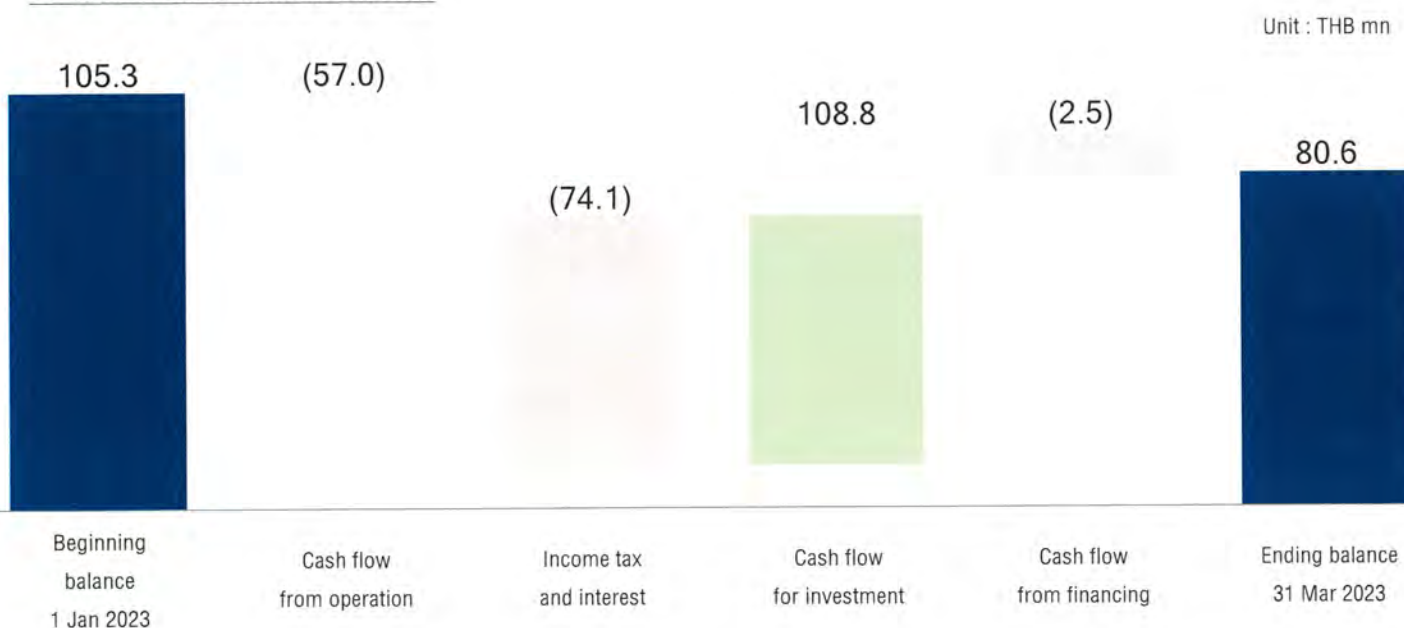
For 1Q/2023, the Company had net cash used in the operating activities of THB 57.0mn. In addition, the Company had THB 74.1mn cash paid for financial costs and tax, resulting in net cash used in the operating activities of THB

## Management Discussion & Analysis ( - translation - )

For operating results of 1Q/2023, ended 31 March 2023

131.0mn. The key changes in operating activities were 1) THB 101.0mn loss before tax in 1Q/2023, 2) THB 6.4mn cash paid for project development cost, and 3) THB 13.1mn cash paid to trade and other current payables and advance payment to contractors. For the investing activities, the Company received net cash of THB 108.8mn, mainly 1) THB 53.4mn cash paid for the long-term loan granted to a joint venture company 2) THB 150.0mn cash received from the short-term loan granted to a joint venture company 3) THB 127.8mn cash paid for investments in joint venture companies, and 4) Cash received from a share reduction and dividend payment of a joint venture, Raimon Land Twenty Six Co., Ltd., of THB 99.6mn and THB 124.7mn, respectively. For the financing activities, the Company paid net cash of THB 2.5mn. The key components were 1) THB 1.2mn cash paid for long-term borrowings from financial institutions, and 2) THB 1.3mn net cash paid for lease liabilities. As a result, the Company had ending cash and cash equivalents of THB 80.6mn as of 31 March 2023.

### Cash flows movement in 1Q/2023



Maneekarn Wuttikullert  
Acting Chief Financial Officer