



NNCLAC 002/2566

12 May 2023

Subject Explanation of the change in operating results for the three-month ended March 31, 2023 compared with the same period of 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 three-month ended March 31, 2023 compared with the same period of previous year as follows:-



Net profit (loss)

Compared Q1/ 2023 and Q1/2022

The Company reported the operating results for the three-month ended March 31, 2023 with the net profit attributable to owners of the parent of the consolidated financial statements of Baht 75.9 million which operating profit results increased by Baht 28.6 million or operating profit results increased by 60% compared with the same period of previous year which generated the net profit of the consolidated financial statements of Baht 47.3 million, effect from sale of real estate development projects, increasing of share of profit of investment in a joint venture and also increasing of Profit from recurring income in this period.

In addition, managing expenses were continuously proceeded to decrease by management team.



Financial Position

As at March 31, 2023, the Company maintained its healthy financial position, with total consolidated assets amounting to Baht 4,518.4 million, of which Baht 623.3 million was cash and cash equivalents, short term investment and fixed deposit at financial institution;

while total consolidated liabilities were reported at Bath 1026.8 million in which interest-bearing debt accounted for Baht 193.8 million ;and total consolidated shareholders' equity attributable to owners of the parent at Baht 3491.6 million.

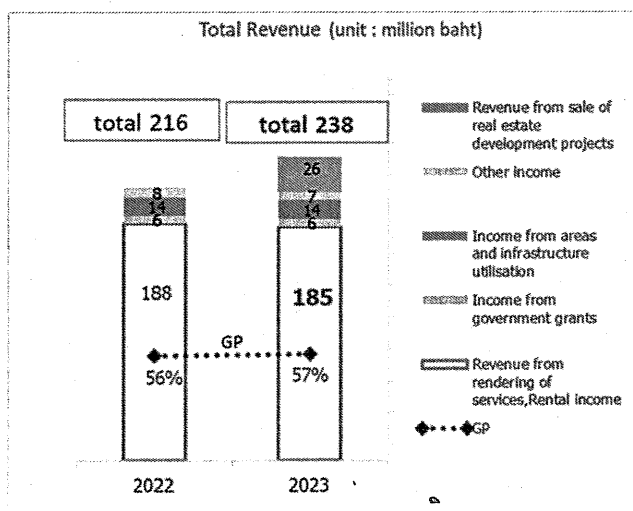
Table of key financial results

(Unit: Million Baht)

Consolidate			
Unit: Million Baht			% Increase (Decrease)
	2023	2022	QoQ
Total Revenue	238	216	10%
Revenue from rendering of services ,Rental income	185	188	-1%
EBITDA	112	112	0%
Profit (loss) for the year	76	47	60%
* Profit (loss) from recurring income	41	53	-23%
* Profit (loss) from share of net profit - joint venture	3	(19)	118%
* Income from areas and infrastructure utilization- joint venture	14	14	2%
* Profit (loss) from sale of real estate development projects	18	0	100%

; 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 three-month ended March 31, 2023 of Baht 185 million ,compared with the same period of previous year, there were revenue from rendering of services and rental income amounting to Baht 188 million

which decreased 3 million which mainly resulted from more usage utilities of customer in overall.

◀◀ There was sale of real estate development projects of Baht 25.7 million which increased for the whole amount while the same period of previous year, there was none of sale of real estate development projects.

◀◀ Part of other income, the Company had other income for the three-month ended March 31, 2023, comprised of Income from government grants of Baht 6.0 million 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 14 million, increasing by Income from right of ways and infrastructure utilization of Baht 15.6 million R E N Korat Energy Co.,Ltd., (income per contract was of Baht 0.5 million per month since April 2022).

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

◀◀ for the three-month ended March 31, 2023, the Company had cost of rendering of services of Baht 83 million together with gross profit of Baht 102.4 million whereas the same period of previous year, the Company had cost of rendering of services of Baht 86.0 million together with gross profit of Baht 102.3 million.

◀◀ The Company had cost of sale of real estate development projects of Baht 7.9 million with profit margin of Baht 17.8 million

3. Selling expenses and administrative

◀◀ Selling expenses and administrative expenses for the three-month ended March 31, 2023, was Baht 55.6 million compared with the same period of previous year which was Baht 47.8 Million, increased by Baht 7.8 million or 16%,

However, the overall managing expenses were continuously proceeded to decrease by management team.

4. Depreciation expenses

◀◀ For the three-month ended March 31, 2023, the Company had depreciation expenses of plant & equipment and Investment Properties of Baht 32.2 million, increased while compared with the same period of previous year which was Baht 40.9 million.

5. Finance Costs

◀◀ For the three-month ended March 31, 2023, the Company had finance costs of Baht 0.3 million, decreased by Baht 0.2 million

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

◀◀ For the three-month ended March 31, 2023, the Company had recorded Share of profit (loss) of investment in a joint venture – NNEG of Baht 3.4 million (calculated by core profit-NNEG)

7. Income tax expenses

◀◀ For the three-month ended March 31, 2023, the Company had recorded income tax expenses of Baht 18.5 million, compared with the same period of previous year which was income tax, increased of Baht 2.9 million



Financial Position

Unit : Million Baht



Total assets

As at March 31, 2023, the Company had total consolidated assets of Baht 4,518 million, increase by Baht 21.8 million, compared with the December 31, 2022 of Baht 4,325 million, mainly caused by

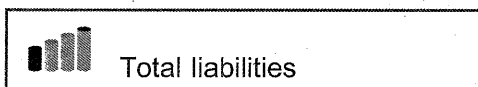
◀◀ Current assets comprised of (1) cash and cash equivalents, short term investment of Baht 623.3 million, decreased of Baht 24.8 million as a result of from excess of working capital after repayment operating liabilities

and (2) Account Receivables of Baht 64.8 million, increase of Baht 2.2 million.

◀◀ Non-current assets comprised of

(1) investment in a jointly –controlled entity of Baht 850.3 million, increased of Baht 38.38 million as a result of recording Share of profit of investment in a joint venture-NNEG, according to IFRS 11 : Joint Arrangements, for the three-month ended March 31, 2023

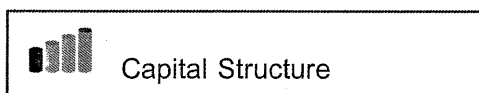
(2) property, plant and equipment and investment properties of Baht 1,478.7 million decreased of Baht (27.9) million as a main result of sale of land and capital expenditure during the period



As at March 31, 2023, the Company had total consolidated liabilities of Baht 1,027 million, increase by Baht 13.3 million, compared with the December 31, 2022 of Baht 1,013 million, mainly caused by

◀◀ Current liabilities comprised of Trade accounts payable, accrued expenses, group of Current portion of deferred income, Current portion of long-term loan from financial institution, totally increase by Baht 38 million.

◀◀ Non-current liabilities comprised of group of deferred income of Baht 496.3 million, decrease by Baht 10.3 million due to amortization of deferred income mentioned above and long-term loan from financial institution.



As at March 31, 2023, the capital structure comprised of consolidated equity in the amount of Baht 3,491 million and total consolidated liabilities of Baht 1,026 million, including the interest-bearing debts of Baht 155 million.



Cash flow

◀◀ As at March 31, 2023, the Group had cash and cash equivalents of Baht 623.3 million, decrease of Baht 24.8 million from December 31, 2022 due to

◀◀ Sources of funds in the amount of Baht 134.8 million, primarily came from Net cash received from operating activities offset with cash payments for operating liabilities and reserve for payment along with debt maturity.

◀◀ Uses of funds in the amount of Baht 342.1 million, primarily came from Net cash used in financing activities in the amount of Baht 91.2 million, for loan repayment.

and cash used in investing activities in the amount of Baht 250.9 million, the main reason more investments in a joint venture of Baht 35 million, purchase of fixed assets of Baht 5.8 million and dividend receipt of Baht 13.4 million

In overall, net cash was generated from operating, recurring income in this period as mentioned above to settle interest bearing debts, operating liabilities. The excess cash was sufficient for NNCL's new investments that generate recurring income and also dividend payment.

Please be informed accordingly,

Sincerely yours,

(Mr.Pojana Saithong)

Chief Financial Officer

Nava Nakorn Public Company Limited