



NNCL AC 007/2566

10 November 2023

Subject Explanation of the change in operating results for the three-month ended September 30, 2023 compared with the same period of previous year

To President
The Stock Exchange of Thailand

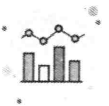
Nava Nakorn Public Company Limited would like to explain the change in operating results for the three-month ended September 30, 2023 compared with the same period of previous year as follows:-



Overview of the business performance

Compared Q3/2023 and Q3/2022

- ⊕ The company has released its performance results for the Third quarter ending on September 30, 2023, with a net profit attributable to the parent company of 141.3 million baht. This represents an increase from the same period last year in 2022, which had a net profit of 124.9 million baht, an increase of 16.4 million baht.
- ⊕ In this quarter, the company recognized revenue from land sales, profit-sharing from joint ventures, and recurring income, which all increased. Additionally, the company continued to manage and reduce costs and expenses overall.



Financial Position

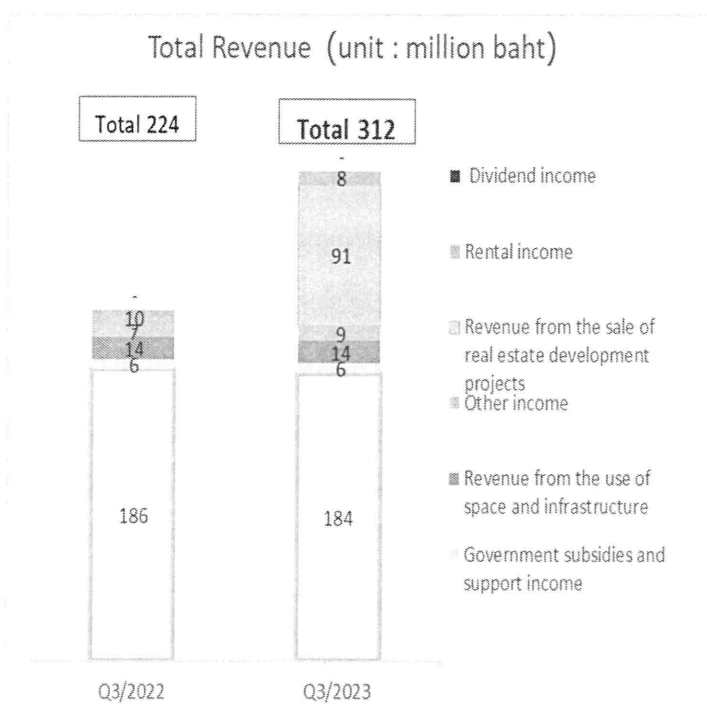
- ⊕ The company continues to maintain a strong financial position, with total assets of 4,459.4 million baht as of September 30, 2023. This includes cash and cash equivalents, short term investment and fixed deposit at financial institution, totaling 745.4 million baht.
- ⊕ The total liabilities amount to 917.7 million baht, which includes interest-bearing debt of 178.1 million baht, and total consolidated shareholders' equity attributable to owners of the 3,541.7 million baht.

Table of key financial results

Consolidate			
(Unit : Milion Baht)	% Increase (Decrease)		
	2023	2022	QoQ
Total Revenue	312	224	40%
Revenue from rendering of services and rental income	192	196	-2%
EBITDA	140	114	22%
Profit for the year	141	16	760%
* Profit from recurring income	106	113	-6%
* Profit from share of net profit - joint venture	47	(50)	193%
* Income from areas and infrastructure utilization- joint venture	12	10	23%
* Profit from sale of real estate development projects	41	-	100%

Summarize the important financial information:

1. Revenue from sale of real estate development projects, Revenue from rendering of services ,Rental income and other income compared between Q3 of 2023 and Q3 of 2022



◀◀ The company had revenue from rendering of services and rental income (recurring income) for the Third quarter ended September 30, 2023, the amount was Baht 192 million. Compared to the same period in 2022, there were revenue from rendering of services and rental income amounting to Baht 196 million , there was a decrease of THB 4 million.

◀◀ In the third quarter ending on September 30, 2023, the revenue from the sale of real estate development projects included the recognition of revenue from land transfer of 90.7 million baht. This represents an increase compared to the same period in 2022.

◀◀ Part of other income, the Company had other income for the third quarter ended September 30, 2023, comprised of Income from government grants of Baht 6.2 million, equal 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.

The revenue from providing space and infrastructure amounted to 14.1 million baht, which is a similar to the same period in 2022.

As for other income sources, for the third quarter ending on September 30, 2023, it total 9.3 million baht, Increasing from the same period in 2022 which was 7.3 million baht.

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

◀◀ for the third quarter ended September 30, 2023, the Company had cost of rendering of services of Baht 86.3 million together with gross profit of Baht 105.5 million whereas the same period of previous year, the Company had cost of rendering of services of Baht 83.7 million together with gross profit of Baht 112.5 million. Gross profits margin decreased of Baht 6.9 million.

◀◀ The Company had cost of sale of real estate development projects of Baht 49.9 million with profit margin of Baht 40.8 million, This represents an increase in initial profit compare the same period in 2022.

3. Selling expenses and administrative

◀◀ Selling expenses and administrative expenses for the third quarter ended September 30, 2023, was Baht 52.1 million compared with the same period of previous year which was Baht 54.1 Million, decreased by Baht 1.9 million or 4%.

4. Depreciation expenses

◀◀ For the third quarter ended September 30, 2023, the Company had depreciation expenses of plant & equipment and Investment Properties of Baht 33.4 million, due to there was less operational assets.

5. Finance Costs

◀◀ The company had financial costs of 0.5 million baht in the third quarter ended on September 30, 2023, which slightly decreased compared to the same period in 2022 with 0.4 million baht.

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

◀◀ In the third quarter ended September 30, 2023, the company recognized a share of loss from its investment in a joint venture following the Financial Reporting Standard No. 11 on Joint Arrangements, using the equity method. This amounted to 46.9 million baht. In comparison, for the same period in 2022, the company recognized an amount of (50.3) million baht, resulting in an increase of 97.2 million baht. (Calculated from the net profit (loss))

7. Income tax expenses

◀◀◀ In the third quarter ended on September 30, 2023, the Company had recorded income tax expenses of Baht 13.2 million, Increased of Baht 6.5 million, compared with the same period of previous year which was income tax expenses.



Financial Performance



Compared 9M/2023 and 9M/2022

For the nine-month period ended on September 30, 2023, the company achieved a net profit attributable to the parent company of 330.8 million baht, as reflected in the consolidated financial statements. This is in comparison to the same period in 2022, which had a net profit of 164.1 million baht. The operating results yielded an increased profit of 166.7 million baht, signifying increase of 102% and share of profit of associates and joint ventures.

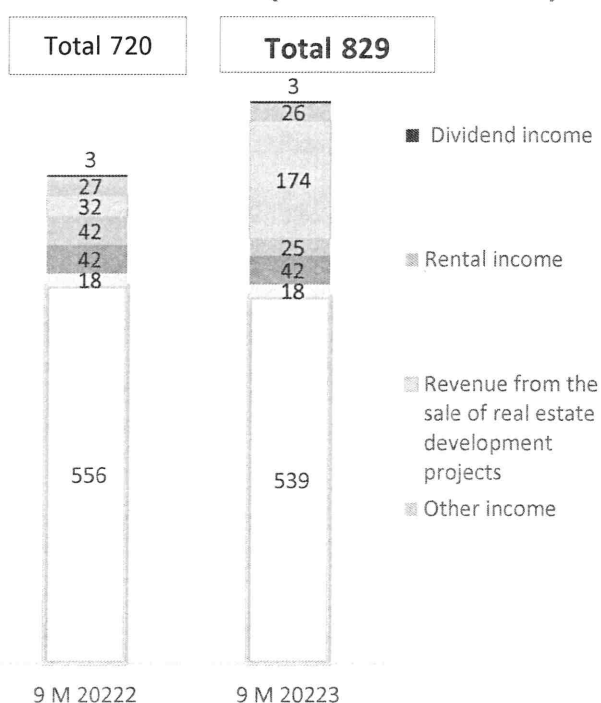
Table of key financial results

Consolidate			
(Unit : Million Baht)			% Increase (Decrease)
	2023	2022	YoY
Total Revenue	829	720	15%
Revenue from rendering of services and rental income	565	583	-3%
EBITDA	376	387	-3%
Profit for the year	331	164	102%
* Profit from recurring income	295	326	-9%
* Profit from share of net profit - joint venture	82	-75	210%
* Income from areas and infrastructure utilization- joint venture	36	36	1%
* Profit from sale of real estate development projects	85	12	601%



1. Revenue from sale of real estate development projects, Revenue from rendering of services,

Total Revenue (unit : million baht)



◀ The Company had revenue from rendering of services and rental income (recurring income) for the nine-month ended September 30, 2023 of Baht 565.5 million, compared with same period of previous year, there were revenue from rendering of services and rental income amounting to Baht 583.1 million which decreased by 3% or Baht 17.6 million which mainly resulted from more usage utilities customer in overall.

◀◀ There was sale of real estate development projects of Baht 174.1 million which increase from the same period of previous year with sale of real estate development projects of Baht 142.4 million.

◀◀ The Company had other income for the nine-month ended September 30, 2023, comprised of Income from government grants of Baht 18.4 million, no significant change from 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. Some parts of such flood protection system were end of depreciated period such as aqueduct system and dredging canal system.

Income from areas and infrastructure utilization of Baht 42.1 million, the same amount from the same period of the previous year.

The company had other income, for the nine-month ended September 30, 2023, of Baht 25.1 million, decreased from the same period of the previous year of Baht 41.8 million.



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

◀◀ The Company had cost of rendering of services, for the nine-month ended September 30, 2023, of Baht 270.6 million together with gross profit of Baht 295.0 million whereas the same period of previous year, the Company had cost of rendering of services of Baht 257.4 million together with gross profit of Baht 325.7 million. Gross profits margin decreased of Baht 30.8 million. Gross profit margin for rendering of services and rental income equal to 9% at the same period of previous year.

◀◀ In terms of the cost of sales for the real estate development project for the nine-month period ending on September 30, 2023, the company had a cost of sales of 89.5 million baht and an initial profit of 84.6 million baht. This represents a increase profit of 72.5 million baht. In comparison, for the same period in 2022, the company had a cost of sales of 19.6 million baht and an initial profit of 12.1 million baht.

3. Selling and administrative expenses

◀◀ The company had selling and administrative expenses for the nine-month period ending on September 30, 2023, totaling 156.7 million baht. This is in comparison to the same period in 2022, where the company had such expenses amounting to 146.9 million baht. This increase amounted to 9.8 million baht or a reduction of 7%.

4. Depreciation expenses

◀◀The company had depreciation expenses for the group of buildings and equipment, including real estate for investment, totaling 98.3 million baht for the nine-month period ending on September 30, 2023. This is in comparison to the same period in 2022, where the company had depreciation expenses amounting to 124.9 million baht. This decrease reflects the reduction in the value of assets used for operations.

5. Financial Costs

◀◀ The company had financial costs for the nine-month period ending on September 30, 2023, amounting to 1.0 million baht. This is in comparison to the same period in 2022 amounted to 0.9 million baht .

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

◀◀ In the nine-month period ending on September 30, 2023, the company recognized a share of loss from its investment in a joint venture , following the Financial Reporting Standard No. 11 on Joint Arrangements, using the equity method. This amounted to 82.2 million baht. In the same period in 2022, the company recognized an amount of (74.9) million baht.

7. Income tax expenses

◀◀ In the nine-month period ending on September 30, 2023, the company incurred an income tax expense of 62.3 million baht.



◀◀ As at September 30, 2023, the company had cash and cash equivalents amounting to 376.5 million baht, which decreased by 188.9 million baht compared to September 30, 2022. This reduction was due to the following factors:

- Net cash flow from operating activities for the nine-month period was 275.2 million baht, decreasing by 98.5 million baht compared to the same period in the previous year (2022).
- Net cash flow from (used in) investing activities for the nine-month period was (417.1) million baht, contrasting with a positive figure of 119 million baht for the same period in the previous year.
- Net cash flow used in financing activities for the nine-month period was (129.8) million baht, compared to (136.9) million baht for the same period in the previous year.

In summary, the company has a cash inflow from its operational activities, primarily driven by recurring revenues from services and rent, as well as income from land sales, as previously mentioned in the operational performance section. This cash is used to service debts with interest obligations, clear operational debts, and invest in income-generating opportunities. Importantly, the company maintains a sufficient cash balance for further investments to enhance recurring income. Additionally, the company exhibits the capability to distribute dividends.

Please be informed accordingly,

Sincerely yours,

A handwritten signature in black ink, appearing to be "Mr. Pojana Saithong", written in a cursive style.

(Mr.Pojana Saithong)

Chief Financial Officer

Nava Nakorn Public Company Limited