



NNCL AC 015/2567

14 May 2024

Subject Explanation of the change in operating results for the three-month ended March 31, 2024 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, 2024 compared with the same period of previous year as follows:-



### Net profit (loss)

Compared Q1/ 2024 and Q1/2023

The company had operating results for the first quarter ending on March 31, 2024, with a net profit attributable to the parent company of 159.7 million baht, compared to the same period of 2023 which had a net profit of 75.9 million baht. The operating results showed an increase in profit of 83.8 million baht or a 110 percent increase.

I During this period, the company recognized revenue from land sales, profit sharing from joint ventures, and increased recurring income. The company also continued its efforts to manage and reduce overall costs and expenses consistently.



### Financial Position

As at March 31, 2024, the company still maintains a strong financial position, with total assets as of March 31, 2024, amount 4,668.5 million baht. This includes cash and cash equivalents, temporary investments, and fixed deposits with financial institutions totaling 894.7 million baht.

Total liabilities amount 898.9 million baht, consisting of interest-bearing debts 165.1 million baht, and equity 3,769.6 million baht.

Table of key financial results

(Unit: Million Baht)

	Consolidate		%
(Unit : Milion Baht)			Increase
	Q1	Q1	(Decrease)
	2024	2023	QoQ
Total Revenue	312	238	31%
Revenue from rendering of services and rental income	180	185	-3%
EBITDA	199	112	77%
<b>Profit for the year</b>	<b>160</b>	<b>76</b>	<b>110%</b>
* Profit from recurring income	103	102	1%
* Profit from share of net profit - joint venture	19	3	-448%
* Income from areas and infrastructure utilization- joint venture	14	14	1%
* Profit from sale of real estate development projects	96	18	440%

; 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 for the first quarter of 2024 compared to the first quarter of 2023.**

◀◀ The company had recurring income from service provision and rental income for the first quarter ending on March 31, 2024, totaling 179.5 million baht. This is compared to the same period in 2023, where the company had total recurring income from service provision and rental income of 185.4 million baht, indicating a decrease of 5.9 million baht.

◀◀ Revenue from real estate development projects for the first quarter ending on March 31, 2024, revenue from land transfers amounting to 99.0 million baht. This is compared to the same period in 2023, where revenue recognition was 25.7 million baht, indicating an increase of 73.3 million baht.

◀◀ Part of other income, the Company had other income for the three-month ended March 31, 2024, comprised of Income from government grants of Baht 6.1 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, which is comparable to the year 2023 due to income from contracts for the use of space for transmission lines, pipeline systems, and infrastructure by companies such as Ratch Cogeneration Co.,Ltd ,Nava Nakorn Electricity Generating Co., Ltd and R E N Korat Energy Co.,Ltd.,

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

◀◀ for the three-month ended March 31, 2024, the Company had cost of rendering of services of Baht 76.2 million together with gross profit of Baht 103.3 million whereas the same period of previous year, the Company had cost of rendering of services of Baht 83.0 million together with gross profit of Baht 102.4 million.

◀◀ The Company had cost of sale of real estate development projects of Baht 7.9 million with profit margin of Baht 99.0 million. The cost of selling real estate development projects was 2.6 million baht, resulting in an initial profit of 96.4 million baht. Compared to the same period in 2023, where revenue from land sales was 25.7 million baht, the cost of selling real estate development projects was 7.9 million baht, and initial profit was 17.8 million baht, resulting in an increase in initial profit of 78.5 million baht due to higher selling prices and lower selling costs.

## 3. Selling expenses and administrative

◀◀ Selling expenses and administrative expenses for the three-month ended March 31, 2024, was Baht 55.8 million compared with the same period of previous year which was Baht 55.6 Million, increased by Baht 0.2 million. However, the overall managing expenses were continuously proceeded to decrease by management team.

#### 4. Depreciation expenses

◀◀ For the three-month ended March 31, 2024, the Company had depreciation expenses of plant & equipment and Investment Properties of Baht 33.0 million, increased while compared with the same period of previous year which was Baht 32.2 million.

#### 5. Finance Costs

◀◀ For the three-month ended March 31, 2024, the Company had finance costs of Baht 0.2 million, decreased by Baht 0.3 million compare to the previous year.

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

◀◀ In the first quarter ending on March 31, 2024, the company recognized profit shares from investments in joint ventures in accordance with Financial Reporting Standard No. 11 on Joint Arrangements, using the equity method, amounting to 18.5 million baht (calculated from net profit). Compared to 2023, where profit shares from investments in joint ventures amounted to 3.4 million baht, this represents an increase of 15.1 million baht.

#### 7. Income tax expenses

◀◀ For the three-month ended March 31, 2024, the Company had recorded income tax expenses of Baht 36.0 million, compared with the same period of previous year which was income tax, increased of Baht 17.5 million



#### Financial Position



#### Total assets

As at March 31, 2024, the Company had total consolidated assets of Baht 4,668.5 million, increase by Baht 151.8 million, compared with the December 31, 2023 of Baht 4,516.7 million, mainly caused by

◀◀ Current assets comprised of (1) cash and cash equivalents, short term investment of Baht 868.7 million, increased of Baht 78.3 million as a result of from excess of working capital after repayment operating liabilities and (2) Account Receivables of Baht 61.4 million, decreased

of Baht 1.4 million.

◀◀ Non-current assets comprised of

(1) Investment in joint ventures amounted to 1,012.8 million baht, increasing by 18.5 million baht.

(2) Investment in a certain debt instrument amounted to 48.9 million baht, increasing by 1.0 million baht.

(3) Guarantee funds for credit lines provided to joint ventures with financial institutions amounted to 70.0 million baht.

(4) Land, buildings, equipment, and net real estate investments totaled 1,721.1 million baht, increasing by 52.4 million baht due to additional purchases



### Total liabilities

As at March 31, 2024, the Company had total consolidated liabilities of Baht 898.9 million, decrease by Baht 7.8 million, compared with the December 31, 2023 of Baht 906.7 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 1.0 million.

◀◀ Non-current liabilities comprised of group of deferred income of Baht 500.6 million, decrease by Baht 10.3 million due to amortization of deferred income mentioned above and long-term loan from financial institution.



### Capital Structure

As at March 31, 2024, the capital structure comprised of consolidated equity in the amount of Baht 3,769.6 million and total consolidated liabilities of Baht 898.9 million, including the interest-bearing debts of Baht 165.1 million.



Cash flow

◀◀ As at March 31, 2024, the company had cash and cash equivalents of Baht 400.5 million, decrease of Baht 222.8 million from December 31, 2023 due to

◀◀ **Sources of funds** in the amount of Baht 167.1 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 187.9 million, Cash outflows for fundraising activities resulted from loan repayments amounting to 10.4 million baht and cash used in investment activities totaling 177.6 million baht. The primary items include the purchase of financial assets amounting to 300.0 million baht and machinery and equipment amounting to 72.1 million baht, as well as real estate investments totaling 6.6 million baht.

Overall, it can be observed that the company has a cash inflow from operational activities due to recurring revenue from service provision, rental income, and land sales, as mentioned in the operating results section. This cash inflow enables the company to meet interest-bearing debts, operational debts, and still have sufficient cash flow for investment to generate additional recurring income. The company also retains the ability to distribute dividends.

Please be informed accordingly,

Sincerely yours,



( Mr.Pojana Saithong )

Chief Financial Officer

Nava Nakorn Public Company Limited