

15th May 2024

Subject: Management Discussion and Analysis of

Operating Results The first quarter ended 31 March 2024

To Director and Manager

The Stock Exchange of Thailand

Britania Public Company Limited and its subsidiaries hereinafter called “the Group” would like to clarify the Management Discussion and Analysis of the Group operating results for 3-month period ended 31 March 2024 as following:

In 2024, Overall of the real estate sector still faces the pressure from various important factors such as the slowing down of global economic, the increasing of cost of living, the household debt and policy interest rate which is stable at a high level and affects the consumers’ residential purchasing power and the strictness of credit approval by financial institutions. As a result, consumers are still delaying their residential purchasing plan in anticipation of interest rate decreasing in the second half of the year. Causing all real estate developers to find ways and strategies to adapt to cope with the uncertain situations. Britania is still able to operate the business until it has achieved good performance by expanding to new potential provinces, diversify the project development portfolio into several segments and joint venture projects with partners.

In 2024, the Group drives a business forward under the strategy “Crafting for Everlasting Growth” create to stable growth. For 3-month period, the Group has Presale amounted to Baht 1,807 million and launched 1 new project under Branded Residence Villa segment. In addition, the Group has joint ventures in 4 projects with partners by Baht 6,330 million project value.

The Group continues to rise its business competitiveness, finds the marketing and sales opportunities to reach new customers, create new housing experiences for original residents,

including grow sustainable together to make maximum satisfaction to customers, partners, alliances and stakeholders, and Britania employees in order for every sector to fulfill the fullness of life according to the concept of “CRAFT a life you love”, the best thing is to live a life that you love.

For 3-month period of 2024, Revenues from sales of real estate amounted to Baht 855.0 million, decrease by 16.8 percent, compared to the previous quarter. In addition, the group has Revenues from project management amounted to Baht 265.4 million, Gain on disposal of investments in subsidiaries amounted to Baht 139.3 million, and Other Income amounted to Baht 9.2 million. From the aforementioned revenue, the Group has total revenue of 3-month period of 2024 amounted to Baht 1,268.9 million, increase by 16.2 percent, compared to the previous quarter. And the group made profit for 3-month period of 2024 amounted to Baht 296.4 million, increase by 194.5 percent, compared to the previous quarter.

As results of Real Estate transferred activities from consolidated and joint ventures company are as table shown below.

Description	For the 1 st Quarter 2024 (Mil.Baht)			For the 1 st Quarter 2023 (Mil.Baht)		
	Consolidate	Joint Venture	Total	Consolidate	Joint Venture	Total
Real Estate transferred activities	128.3	855.0	983.3	287.6	1,106.8	1,394.5

Operating Results for 3-month period ended 31 March 2024 are as the following

Items	1 st Quarter 2024		1 st Quarter 2023		Change	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Revenues						
Revenues from sales of real estate	855.0	67.4	1,106.8	74.9	(251.9)	(22.8)
Revenues from project management	265.4	20.9	357.6	24.2	(92.1)	(25.8)
Interest revenue calculated using the effective interest method	7.9	0.6	0.5	0.0	7.4	100.0
Gain on disposal of investments in subsidiaries	139.3	11.0	0.0	0.0	139.3	500,446.4
Other income	1.3	0.1	12.1	0.8	(10.8)	(89.2)
Total revenues	1,269.0	100.0	1,477.0	100.0	(208.1)	(14.1)
Expenses						
Cost of real estate sales	595.6	46.9	743.7	50.4	(148.1)	(19.9)
Selling expenses	110.3	8.7	139.5	9.4	(29.1)	(20.9)
Administrative expenses	42.3	3.3	34.2	2.3	8.1	23.8
Total Expenses	748.2	59.0	917.4	62.1	(169.2)	(18.4)
Operating profit	520.8	41.0	559.7	37.9	(38.9)	(7.0)
Share of loss from investments in joint ventures	(97.9)	(7.7)	(116.2)	(7.9)	18.3	100.0
Finance cost	(22.7)	(1.8)	(2.7)	(0.2)	(19.9)	731.9
Profit before income tax expenses	400.2	31.5	440.8	29.8	(40.5)	(9.2)
Income tax expenses	(103.8)	(8.2)	(112.3)	(7.6)	8.4	(7.5)
Profit for the period	296.4	23.4	328.5	22.2	(32.1)	(9.8)
Total comprehensive income for the period	296.4	23.4	328.5	22.2	(32.1)	(9.8)

The above table can be analyzed as the following,

1. Total revenues

For 3-month period of 2024 and 2023, total revenues of the Group amounted to Baht 1,269.0 million and Baht 1,477.0 million respectively, decreased by Baht 208.1 million or 14.1 percent. Detail following as below,

Revenues from sales of real estate

For 3-month period of 2024, revenues from sales of real estate of the Group amounted to Baht 855.0 million, accounted for 67.4 percent from the total revenues, decreased by Baht 251.9 million or decreased by 22.8 percent from the same period of last year. For 3-month period of 2024 when combined with Real Estate transferred activities from joint ventures company amount of Baht 128.3 million, total Baht 983.3 million respectively, decreased by Baht 411.2 million or decreased by 29.5 percent from the same period of last year. Mainly, revenues from sales of real estate of the Group were 37 projects, 31 projects continued from year 2023 and year 2024 were 1 project is Britania Bangna-Bangpakong. As for the joint ventures company were 5 projects, including 1) Britania Amata – Phantong 2) Britania Home Bangna km.17 3) Britania Town Bangna km.17 4) Grand Britania Khukhot Station and 5) Grand Britania Bangna km.35

Revenues from project management

Revenues from project management consists of Revenues from project management, Revenue from sales and marketing management and Revenue from administrative management from Joint Ventures. For 3-month period of 2024, revenues from project management amounted to Baht 265.4 million, accounted for 20.9 percent from the total revenues, decreased by Baht 92.1 million or decreased by 25.8 percent from the same period of last year. This is due to the joint venture contract signing decreasing from the same period of last year because in 2023, the Group expanded to other provinces and major cities throughout the country, and open platform in joint ventures with landowners (landlords) in each province to enhance competitiveness. For 3-month period of 2023, the Group signed 8 joint venture projects compare to 3-month period of 2024 with 4 projects. The Group has total 40 joint venture projects for 3-month period of 2024 with more than Baht 44,780.0 million project value throughout the country according to the Group's growth plan.

Interest revenue calculated using the effective interest method

For 3-month period of 2024, Interest revenue calculated using the effective interest method amounted to Baht 7.9 million, accounted for 0.6 percent of total revenues.

Gain on disposal of investments in subsidiaries

For 3-month period of 2024, Gain on disposal of investments in subsidiaries amounted to Baht 139.3 million, accounted for 11.0 percent of total revenues by disposing of investments in 4 subsidiaries.

Other income

For 3-month period of 2024, amounted to Baht 1.3 million, accounted for 0.1 percent of total revenues, decreased by Baht 10.8 million or decreased by 89.2 percent from the same period of last year.

2. Expenses

Cost of real estate sales

For 3-month period of 2024, cost of real estate sales of the Group amounted to Baht 595.6 million, accounted for 46.9 percent of total revenues, decreased by Baht 148.1 million or decreased by 19.9 percent from the same period of last year, which varies according to revenues from sales of real estate.

Selling expenses

For 3-month period of 2024, selling expenses of the Group amounted to Baht 110.3 million, accounted for 8.7 percent of total revenues and decreased by Baht 29.1 million or

decreased by 20.9 percent from the same period of last year. This was mainly due to the group has managed marketing expenses and other selling expenses.

Administrative expenses

For 3-month period of 2024, administrative expenses of the Group amounted to Baht 42.3 million, accounted for 3.3 percent of total revenues and increased by Baht 8.1 million or increased by 23.8 percent from the same period of last year. This was mainly due to an increase in other administrative expenses, which was the administrative fees for business support from the parent company. [The expected credit loss calculated from receivables that are overdue for more than 12 months with the discount rate according to the related party transaction policy and based on the expected period of repayment.](#) For 3-month period of 2024, the Group account the expected credit loss of overdue joint venture projects for Baht 5.5 million which will be gradually decreased by the payment plan.

3. Share of profit (loss) from investments in joint ventures

For 3-month period of 2024, share of profit (loss) from investments in joint ventures of the Group amounted to Baht (97.9) million, accounted 7.7 percent of total revenues or loss decreased by 15.7 percent from the same period of last year because the Group still has developing joint venture projects which have not yet been able to recognize revenue, more than completed construction projects which are ready for transfer. The share of loss will be changed to share of profit when the Group recognizes revenues from sales of joint venture projects than joint venture projects under development. However, the Group can recognize revenues from transfer of 6 joint venture projects and plans to gradually recognize more revenues from joint venture projects under development in the future after the construction is completed.

4. Finance cost

Finance cost of the Group was mainly from interest payment of short-term loans from parent company, loans from banks, Interest payment for debentures, and Interest payment for Bills of Exchange using for working capital and develop new project as plan, and also interest payment of office building lease agreement. For 3-month period of 2024, finance cost of the Group amounted to Baht 22.7 million, accounted for 1.8 percent of total revenues and increased by Baht 19.9 million or increased by 731.9 percent from the same period of last year.

5. Income tax expenses

For 3-month period of 2024, income tax expenses of the Group amounted to Baht 103.8 million, accounted for 8.2 percent of total revenues and decreased by Baht 8.4 million or decreased by 7.5 percent from the same period of last year.

6. Profit for the period

For 3-month period of 2024, Profit for the year of the Group amounted to Baht 296.4 million, accounted for 23.4 percent of total revenues and decreased by Baht 32.1 million or increased by 9.8 percent from the same period of last year.

7. Financial position

Items	As of	As of	Change	
	31 March 2024	31 December 2023	Mil.Baht	%
Total assets	20,457.8	19,907.9	549.9	2.8
Total liabilities	14,814.2	14,561.2	253.0	1.7
Total shareholders' equity	5,643.6	5,346.7	296.9	5.6

As of 31 March 2024, assets are increased by Baht 549.9 million or increased by 2.8 percent comparing to the end of the year 2023. This was mainly due to an increase in 1) Short-term loans to related parties, was originally the loan for projects in subsidiary companies to transfer land ownership and project development costs before changing to joint ventures, with interest rate in accordance with Related Parties Transaction policy and without collateral conditions. For 3-month period of 2024, Short-term loans to related parties of the Group was increased for Baht 723.8 million according to plans of joint venture projects increasing. Followed by 2) Investments in joint ventures, increased by Baht 299.5 million according to plans of joint venture projects increasing. The Group consider the projects for joint venture from projects' feasibility, location, investment amount and profit. And followed by 3) Other receivables, increased by Baht 99.6 million. Most are joint venture receivables from collecting management fees from joint ventures according to plans, disposal of investments and land ownership transfer. The Group enters into joint venture agreements with several joint venture partners to operate a housing development business. The joint venture contracts specified the rights and duties of both parties. The joint venture contract specifies that the Group will manage the projects for joint ventures, including services such as the project feasibility studying, planning to apply for a loan from financial institutions, sales planning and propose to partner before contract signing. Investments in joint ventures are calculated as a percentage of project value and recognized service revenues at contract signing date. The payment schedule is according to the agreement in the contract. The recognition of management fees will increase from joint venture projects' increasing after joint venture agreements during the period according to the payment schedule in the contract. There is a division of the overdue period of the joint venture projects from the due date until the quarterly financial statement. However, the planned operation of some joint venture projects may be delayed due to the bank loan application process. As a result, some joint ventures have possibility to pay management fees later than agreed in the contracts. By the way, the Group is confident in projects feasibility lead to closely management controlling for the continuous operation of the project plans.

As for liabilities, an increase by 253.0 million baht or increase by 1.7 percent. This was mainly due to an increase in Short-term loans from parent company, Bank overdrafts and short-term loans from bank, and Deposits and advances received from customers. The Group has bonds due in November 2024 amounted Baht 503.3 million and bills of exchange which must be gradually paid within 2024 amounted Baht 595.0 million. The Group plans to pay these bonds and bills of exchange by 1) Revenues from transfer 2) Revenues from new joint venture projects 3) Issuing new bonds with Baht 1,500.0 million limits, which will be offered for sale in July 2024 onwards 4) Issuing new bills of exchange to pay off the original. Moreover, the Group will gradually repay Long-term loans from banks - net of current portion in the amount of Baht 3,346.4 million upon transfer of respective projects, and the Group will gradually repay short-term loans from the parent company in the amount of Baht 2,651.8 million baht when the group has remaining liquidity from operations.

As of 31 March 2024, increased by Baht 296.9 million or increased by 5.6 percent comparing to the end of the year 2023. This was mainly due to Retained earnings.

8. Financial position

Items (million Baht)	31 December 2023	31 March 2024
Net cash flows from (used in) operating activities	(4,380.1)	(143.5)
Net cash flows used in investing activities	(904.3)	(890.6)
Net cash flows from (used in) financing activities	4,637.6	971.4
Net increase (decrease) in cash and cash equivalents	(646.8)	(62.7)
Cash and cash equivalents at beginning of period	984.2	337.5
Cash and cash equivalents at end of period	337.5	274.8

For 3-month period of 2024, the Group has Cash and cash equivalents amounted Baht 274.8 million, accounted for Baht 62.7 million from the year end 2023, due to Net cash flows

from financing activities amounted Baht 971.4 million, mainly from Bank overdrafts and short-term loans from bank amounted Baht 562.6 million, most were loans from banks for land ownership transfer (Bridging Loan). Followed by loans from parent company amounted Baht 386.0 million and long-term loans from banks amounted Baht 23.8 million.

The Group used cash in investing activities amounted Baht 890.6 million, mainly from Short-term loans to related parties amounted Baht 448.1 million which was originally loans to subsidiaries for land ownership transfer and projects development costs before changing status to joint ventures, with interest rate in accordance with the policy on related transactions and there are no collateral conditions. Followed by Cash paid to establishment and additional investments in joint ventures amounted Baht 438.3 million.

The Group used cash in operating activities amounted Baht 143.5 million because the Group had several real estate projects under development for sale, resulting in the increase of working capital related to the construction of various projects of the Group. The main of increasing is Project development costs for sale amounted Baht 959.7 million. Meanwhile for 3-month period of 2024, Trade and other payables amounted Baht 401.3 million, most related to project construction consistent with the several projects opening by the Group. Deposits for land decreased by Baht 221.4 million and Restricted bank deposits for the provision of various public utilities or services in the projects amounted Baht 44.9 million.

Please be informed accordingly.

Yours sincerely,

(Mr. Theeradej Kerdsamang)

Chief Executive Officer