

No. CS024/2024

Date 14 November 2024

Subject: Management Discussion and Analysis of Financial Statements for nine-month period ended 30 September 2024

To: The President of the Stock Exchange of Thailand

We, Nova Empire Public Company Limited (“the Company”), would like to report the operating results of the Company and subsidiaries (collectively as “the Group”) for the nine-month period ended 30 September 2024 and clarify the change of operational performance exceeding 20%.

A Summary of Significant Events for the nine-month period ended 30 September 2024

The details of the analysis of operating results and financial position are as follows.

<u>Summary of Operating Result</u>			Unit: Million Baht	
For the nine-month period ended	Consolidated financial statement		Change	
	30 September 2024	30 September 2023 (Restated)	Increase/ (Decrease)	%
Continuing operations:				
Sale of electricity	40.06	44.24	(4.18)	(9%)
Operating loss	(72.00)	(30.30)	41.70	138%
Loss for the period from continuing operations	(78.58)	(54.98)	23.60	43%
Discontinued operation:				
Profit after tax for the period from discontinued operation	352.40	336.73	15.67	5%
Other comprehensive income for the period	291.25	277.39	13.86	5%

The Group has consolidated revenue of continued operation from sales of electricity for the nine-month period ended 30 September 2024 of Baht 40.06 million, which decreased by Baht 4.18 million or 9% compared with the same period last year, which had revenue of Baht 44.24 million. Meanwhile, the cost of electricity sales for the nine months ended 30 September 2024 was Baht 26.96 million, down by Baht 1.54 million, or 5.4%, from the previous year’s cost of Baht 28.50 million. However, due to natural factors impacting the operation of solar power plants, the Group’s electricity sales revenue declined compared to the same period last year.

For the nine-month period ended 30 September 2024, the Group has a Loss for the period from continuing operations Baht 78.58 million, which increased by Baht 23.60 million or 43% compared with the same period last year, which had a loss for the period from continuing operations of Baht 54.98 million. The Group's Administrative expenses increased due to project management costs related to Nova X Co., Ltd., as well as consultancy fees for investment purchase and sale transactions. The Group also recognized income tax benefits totaling Baht 16.61 million and deferred tax assets of Baht 17.87 million, as shown in the comprehensive income statement and financial position statements, respectively. The significant increase in this period was mainly due to temporary differences from a crude oil storage and transfer lease agreement, amounting to Baht 13.45 million. However, the Group has profit from discontinued operations for the nine-month period ended 30 September 2024 of Baht 352.40 million, which increased by Baht 15.67 million or 5% compared to the same period last year, which had profit from discontinued operations of Baht 336.73 million. Since the Group has transferred out all business in Winchai Co., Ltd. ("Winchai") during the current period, profit from discontinued operation reflects the performance from 1 January 2024 to 11 March 2024 and recognizes profit from the sale of investment in a subsidiary of Baht 244.54 million due to the entire business transfer during the current period. Consequently, the net profit after tax for the period from discontinued operation of Baht 15.67 million.

Summary of Financial Position

Unit: Million Baht

	Consolidated financial statement		Change	
	30 September 2024	31 December 2023 (Restated)	Increase/ (Decrease)	%
Current assets	623.02	5,124.99	(4,501.97)	(88%)
Non-current assets	2,409.06	529.76	1,879.30	355%
Total assets	3,032.08	5,654.75	(2,622.67)	(46%)
Current liabilities	176.64	3,065.04	(2,888.40)	(94%)
Non-current liabilities	1,389.23	125.77	1,263.46	1005%
Total liabilities	1,565.87	3,190.81	(1,624.94)	(51%)
Shareholders' equity	1,466.21	2,463.94	(997.73)	(40%)

As of September 30, 2024, the Group reported current assets of Baht 623.02 million, a decrease of Baht 4,501.97 million or 88%, from 31 December 2023. This significant decline resulted from the Group transferring its entire business, which is all Winchaiduring the period. Winchai's assets, amounting to Baht 4,890.33 million, had been classified as held-for-sale assets within current assets. However, The Group has net cash received from this business transfer of Baht 2,060.42 million. During this period, the Group has significant financial transactions such as the acquisition of Nova X Co., Ltd. for Baht 213.50 million, the treasury shares amounting to Baht 450.99 million, and the redemption of the Company's debenture No. 1/2023 before its maturity date of Baht 400.00 million. The

Group's non-current assets rose to Baht 2,409.06 million, an increase of Baht 1,879.30 million, or 355%, from 31 December 2023. This increase aligns with the Group's strategic investment objective in the subsidiary's crude oil storage and offloading project ("Project") of a subsidiary. As a result, construction-in-progress assets related to the project grew by Baht 568.19 million from last year, including a CALM buoy, a mooring system, chains and anchors, and a hose system. Additionally, the Group recognized the right-of-use assets of Baht 1,345.85 million from entering into the vessel lease agreement in July 2024.

As of 30 September 2024, the Group has current liabilities of Baht 176.64 million, which decreased by Baht 2,888.40 million, or 94%, from 31 December 2023. The decrease is primarily due to the reclassification of Winchai's liabilities as held-for-sale liabilities totaling Baht 2,504.81 million, which were classified as a part of current liabilities; the decrease was upon the completion of the business transfer accordingly. Furthermore, the redemption of the Company's debenture No. 1/2023 before its maturity date, totaling Baht 400.00 million, resulted in the decrease of the Group's current liabilities of Baht 395.55 million. However, the Group has non-current liabilities of Baht 1,389.23 million, increased by Baht 1,263.46 million or 1,005%, from 31 December 2023, mainly due to the recognition of lease liabilities of Baht 1,345.85 million from entering into the vessel lease agreement for the project. This resulted in a significant increase in the non-current liabilities by Baht 1,267.68 million.

The Group's shareholders' equity of Baht 1,466.21 million as of 30 September 2024, which decreased by Baht 997.73 million from the balance as of 31 December 2023. This resulted from the recognition of total comprehensive income for the period of Baht 291.25 million, the decrease of shareholder's equity from the treasury shares of Baht 450.99 million, and the recognition of the deficit from the combination of business under common control of Baht 188.58 million, and the decrease of equity attributable to non-controlling interests of the subsidiaries of Baht 627.21 million from the divestment of Winchai.

Forwarded for your information,

Yours faithfully,

Ms. Sukanya Tipmanee
Director