



Eureka Design (public) company

# Management Discussion and Analysis

## Q3 2022

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Subject Profit and loss reporting for the 9-month period of 2022 and explanation of more than 20 percent fluctuation in profit and loss compared to that of last year

To Dear Directors and Managers

Stock Exchange of Thailand

Eureka Design Public Company Limited and its subsidiaries (“UREKA” have) would like to inform the operating results for the 9-month period of 2022 ending on September 30, 2022, details as follows:

Summary of UREKA's performance	EBIT	Net profit	Net profit margin
	81.08 a.u.	62.97 a.u.	31%
Income Statement Unit : thousand baht	Year 2022	Year 2021	Change (% yoy)
<b>Revenues</b>			
Revenue from sales and services	155,311	76,593	103%
Other income	44,581	7,507	494% ▲
<b>Total revenue</b>	<b>199,892</b>	<b>84,100</b>	<b>138%</b>
<b>Expenses</b>			
Cost of good sold	73,217	42,411	73%
Selling costs	7,205	413	1645%
Administrative expenses	38,396	47,272	-19%
Interest expense	18,011	8,005	125%
<b>Total expenses</b>	<b>136,829</b>	<b>98,101</b>	<b>39%</b> ▲
<b>Profit (loss) before income tax</b>	63,063	(14,001)	550%
Income (expenses) income tax	(101)	4,429	102% ▲
<b>Net profit (loss)</b>	<b>62,962</b>	<b>(9,572)</b>	<b>758%</b>

Balance Sheet	Year	Year	Change	Key financial ratios	2565	2564
Unit : thousand baht	2022	2021	(% yoy)			
Current assets	295,955	257,005	15%	Leverage Ratio		
Non-current assets	1,174,693	835,828	41%	D/E	0.48	0.43
<b>Total assets</b>	<b>1,470,648</b>	<b>1,092,833</b>	<b>35%</b>	Liquidity Ratio		
Liability	475,468	330,132	44%	Current Ratio	0.83	1.02
Equity	995,180	762,701	30%	Profitability Ratios		
<b>Liability and Equity</b>	<b>1,470,648</b>	<b>1,092,833</b>	<b>35%</b>	Net Profit Margin	31%	-11%
				ROE	6%	-1%

## Business Overview for 2022

The overview of UREKA's consolidated profit and loss statement are as follows:

1. UREKA has total revenue for the nine-month period of 2022 ending September 30, 2022 with total revenue of 199.89 million baht, an increase of 115.79 million baht or an increase of 137.68 percent from the same period of the previous year which had total income of 84.10 million baht. The growth is driven by 4Rs strategy: Reform, Rebalance, Relation, Return. The strategy has allowed the company to shift its investments by focusing on investing in high growth potential businesses through holding and go into administration. Consequently, the main income of the current business consists of the recycled plastic resin business and the water supply business. The revenue from the production and distribution of recycled plastic pellets amounted to 83.31 million and revenue from the business of production and distribution of water supply was 56.11 million, resulting in a significant increase in revenue from the third quarter of 2021
2. UREKA has net profit for the nine-month period of 2022 ending September 30, 2022 which amounts to 62.96 million baht, an increase of 72.53 million baht or an increase of 757.89% compared to the same period of the previous year which had a loss of 9.57 million baht. The significant improvement in performance arose from the fact that the company can generate more profits from the growth and expansion of the recycled plastic resin business and the water supply business, while the development of cost control is more efficient
3. UREKA has distribution costs and administrative expenses for the nine-month period for 2022 ending September 30, 2022 in the amount of 45.60 million baht, a decrease of 2.08 million baht or a 4.36 percent reduction when compared to same period last year. The cost of distribution and administrative expenses amounted to 47.68 million baht due to the improvement of efficiency
4. UREKA has financial costs for the nine-month period of the year 2022 ending September 30, 2022 in the amount of 18.01 million baht, an increase of 10.00 million baht or an increase of 124.84% compared to the same period of the previous year with financial cost of 8.01 million baht. This is because the Company has used more credit lines and has issued more convertible debentures for business expansion. The Company has carefully studied the investment projects by taking into account the risk factors

affecting investment and returns that could be generated in the future, and continuously monitoring the performance

**The overview of UREKA's consolidated financial statement are as follows:**

1. UREKA has total assets as of September 30, 2022 of 1,470.65 million baht, divided into current assets of 295.96 million baht, which are cash and cash equivalents of 173.54 million baht. The company holds this amount of cash and cash equivalents. Due to the issuance and offering of convertible debentures And the company still has accrued receivables and accrued income totaling 50.76 million baht and non-current assets of 1,174.69 million baht, namely land, buildings and equipment, amounting to 880.23 million baht, an increase of 20.12% compared to total assets as of December 31, 2021
2. The company invested A.P.W., resulting in an increase in non-current assets. In addition to the increase in land, plant and equipment, the Company also calculates the goodwill received from the investment. The goodwill was assessed from the assets which are not in the financial statements, such as all contract rights of A.P.W., such as purchase memorandums, memorandums of Sale Agreement, the rights in licenses relevant to the A.P.W. operations including BOI Investment Promotion License, Business Operation License, factory license, import license, and the potential and profitability of the business, such as a database and partners. Thus, the value of goodwill is 270.41 million baht
3. Shareholders' equity increased from 2 main reasons: 1) the issuance of the convertible debentures "Convertible debentures granting the right to convert into ordinary shares of Eureka Design Public Company Limited No. 1/2022, maturing year 2025, unsubordinated type. and uninsured" amounting to 150 million baht to AO Fund of 60 million baht and AO Fund 1 of 90 million baht. 2) the improvement of operating performance causing the accumulated loss decreased by 64.01 million baht from 64.09 million baht, balancing 0.08 million baht as of September 30, 2022

Please be informed accordingly and publish to investors.

Best regards

(Sunisa Jirawuttikul)  
Chief Executive Officer and Director