



Management Discussion and Analysis

Quarter 2 ended June 30, 2024

Eureka Design Public Company Limited

Subject Profit and loss reporting for the second quarter of 2024 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 second quarter of 2024 ending on June 30, 2024, details as follows:

| Summary of UREKA's performance | EBIT | Net profit | Change | Net profitmargin |
|--|------------------|------------------|-------------------|-------------------|
| | 5149 M. | 40.69 M. | 45.37 M. | 27.88% |
| Income Statement Unit: million baht | Quarter 45323 | Quarter 44958 | Change Million | Change (% yoy) |
| Revenues | | | | |
| Revenue from sales and services | 134.39 | 172.14 | (37.75) | -21.93% |
| Other income | 11.58 | 7.74 | 3.84 | 49.61% |
| Total revenue | 145.97 | 179.88 | (33.91) | -18.85% |
| Expenses | | | | |
| Cost of good sold | 77.59 | 99.75 | (22.16) | -22.22% |
| Selling costs | 0.57 | 1.75 | (1.18) | -67.43% |
| Administrative expenses | 16.32 | 21.19 | (4.87) | -22.98% |
| Interest expense | 10.46 | 11.25 | (0.79) | -7.02% |
| Total expenses | 104.94 | 133.94 | (29.00) | -21.65% |
| Profit (loss) before income tax | 410.3 | 45.94 | (4.91) | -10.69% |
| Income (expenses) income tax | (0.34) | (0.57) | 0.23 | -40.35% |
| Net profit (loss) | 40.69 | 45.37 | (4.68) | -10.32% |
| Net profit margin | 28% | 25% | | |

Business Overview for 2024

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

1. UREKA had revenue from sales and services for the second quarter of 2024 ended June 30, 2024 with sales and service income of 134.39 million baht, a decrease of 37.75 million baht or 21.93% from the same period last year with sales and service income of 172.14 million baht. However, the revenue from the production and distribution of recycled plastic pellets amounted to 94.46 million and revenue from the production and distribution of tap water to the Provincial Waterworks Authority according to the water purchase agreement to solve the water shortage problem at the Phan Thong water distribution station and Nong Ka Kha water distribution station was 39.93 million baht. Currently, the revenue from sales and services for the first quarter ended June 30, 2024 decreased by 21.93 million baht. The decrease was due to a slowdown in sales of plastic pellets compared to last year's order volume and a slowdown in overall economic growth. In addition, sales volume and selling price were quite volatile depending on the price of crude oil in the world market which is the main raw material for production
2. UREKA had other income for the second quarter of 2024 ended June 30, 2024 other income was 11.58 million baht, an increase of 3.84 million baht or 49.61% increase from the same period last year. with other income of 7.74 million baht form the increased foreign exchange profits
3. UREKA had total revenue for the second quarter of 2024 ended June 30, 2024 with total revenue of 145.97 million baht, a decrease of 33.91 million baht or a decrease of 18.85 percent from the same period of the previous year which had total revenue of 179.88 million baht as a result of increasing sales and service income
4. UREKA had cost of sales and services the second quarter of 2024 ended June 30, 2024 in the amount of 77.59 million baht, a decrease of 22.16 million baht or a decrease of 22.22% compared to the previous year with cost of sales and services of 99.75 million baht. Even though production costs have continued increasing due to energy costs and the price of raw materials used in the production in the plastic pellet business, the Company have increased the efficiency in controlling costs of raw materials in various productions by managing raw material inventory and closely analyzing trends in raw material prices. As the result, the rate of decline from costs was a greater relative decline compared to the decline in sales
5. UREKA had distribution costs for the second quarter of 2024 ended June 30, 2024 in the amount of 0.57 million baht, a decrease of 1.18 million baht or a 67.43 percent reduction when compared to last year.

The cost of distribution amounted to 1.75 million baht. The significant decrease was due to the lower volume of foreign exports. Moreover, the cost of exporting abroad per unit was reduced

6. UREKA had financial costs of the second quarter of 2024 ended June 30, 2024 in the amount of 10.46 million baht, a decrease of 0.79 million baht or an increase of 7.02% compared to the same period of the previous year with financial cost of 11.25 million baht. This was because the company had the convertible debenture fees
7. UREKA had administrative expenses for the second quarter of 2024 ended June 30, 2024 were 16.32 million baht, a decrease of 4.87 million baht or a decrease of 22.98 percent compared to the previous year's administrative expenses of 21.19 million baht due to better control of management expenses from efficient management and development of personnel and resources
8. UREKA had net profit for the second quarter of 2024 ended June 30, 2024 which amounts to 40.69 million baht, a decrease of 4.68 million baht or a decrease of 10.32 percent compared to the same period last year when the net profit was 45.37 million baht. The main reason for a significant a decrease in operating results was the decline of sales. However, when considering the net profit rate, it can be seen that Net profit margin improved from 25 percent in the same period last year to 28 percent in this accounting period, which shows the ability to control profit margin structure

| Balance sheet | Quarter | Quarter | Change | Change |
|-----------------------------------|-----------------|-----------------|--------------|--------------|
| Unit: million baht | 2/ 2024 | 4/ 20 23 | Million | (% yoy) |
| Non-current assets | 222.14 | 208.70 | 13.44 | 6.44% |
| Total assets | 1,619.73 | 1,562.06 | 57.67 | 3.69% |
| Liability | 1,841.87 | 1,770.76 | 71.11 | 4.02% |
| Equity | 365.40 | 336.38 | 29.02 | 8.63% |
| Liability and Equity | 1,476.47 | 1,434.38 | 42.09 | 2.93% |
| Total Liability and Equity | 1,841.87 | 1,770.76 | 71.11 | 4.02% |

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

1. UREKA had total assets as of June 30, 2024 of 1,841.87 million baht, divided into current assets of 222.14 million baht, of which the main components are cash and cash equivalents of 28.26 million baht and accrued receivables and accrued income totaling 193.88 million baht, and non-current assets of 1,619.73 million baht, of which the main components are property, buildings and equipment in the amount of 1,252.37 million baht. The Company had total assets as of June 30, 2024, increased from June 30, 2023 in the amount of 71.11 million baht or an increase of 4.02% The reason for this was the increase in trade receivables and other current receivables

2. UREKA had liabilities as of June 30, 2024 in the amount of 365.40 million baht, an increase of 29.02 million baht or 8.63% from liabilities as of June 30, 2023. This was mainly due to an increase in Bank overdraft and short-term loans from financial institution
3. Shareholders' equity increased from the improved performance resulted in the company's retained earnings as of June 30, 2024 in the amount of 113.17 million baht, an increase of 40.77 million baht to the retained earnings as of June 30, 2023, with retained earnings in the amount of 72.40 million baht

Other key financial ratios as follows:

| Key financial ratios | Q2/ 20 24 | Q4/ 20 23 |
|-----------------------------|------------------|------------------|
| Leverage Ratio | | |
| D/E | 0.25 | 0.23 |
| Liquidity Ratio | | |
| Current Ratio | 128 | 162 |
| Profitability Ratios | | |
| Net Profit Margin | 28% | 25% |

Please be informed accordingly and publish to investors

Best regards,

(Rinnatha Akeassavapirom)
Chief Executive Officer and Director