



บริษัท ยูเรกา ดีไซน์ จำกัด (มหาชน)  
Eureka Design (public) company

# Management Discussion and Analysis

## 2022

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Subject Profit and loss reporting for the year 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 year of 2022 ending on December 31, 2022, details as follows:

Summary of UREKA's performance	EBIT 110.48 MB	Net profit 70.88 MB	Net profit margin 24%
Income Statement Unit : thousand baht	Year 2022	Year 2021	Change (% yoy)
<b>Revenues</b>			
Revenue from sales and services	257,219	96,031	168%
Other income	41,346	63,064	-34%
<b>Total revenue</b>	<b>298,565</b>	<b>159,095</b>	<b>88%</b> ▲
<b>Expenses</b>			
Cost of good sold	119,984	63,624	89%
Selling costs	8,203	785	945%
Administrative expenses	59,906	64,063	-6%
Interest expense	38,050	10,497	262%
<b>Total expenses</b>	<b>226,143</b>	<b>138,969</b>	<b>63%</b>
<b>Profit (loss) before income tax</b>	<b>72,422</b>	<b>20,126</b>	<b>260%</b> ▲
Income (expenses) income tax	-1,543	-332	365%
<b>Net profit (loss)</b>	<b>70,879</b>	<b>19,794</b>	<b>258%</b> ▲

## Business Overview for 2022

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

1. UREKA has total revenue for the year of 2022 ending December 31, 2022 with total revenue of 298.57 million baht, an increase of 139.47 million baht or an increase of 88 percent from the same period of the previous year which had total income of 159.10 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 managing the business. 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 160.60 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 81.22 million, resulting in a significant increase in revenue from the year of 2021
2. UREKA has net profit for the year of 2022 ending December 31, 2022 which amounts to 70.88 million baht, an increase of 51.09 million baht or an increase of 258% compared to the same period of the previous year which had a profit of 19.79 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 expertise in managing the tap water production business, while the development of cost control is more efficient
3. UREKA has distribution costs and administrative expenses for the year of 2022 ending December 31, 2022 in the amount of 68.11 million baht, a decrease of 3.26 million baht or a 6 percent reduction when compared to last year. The cost of distribution and administrative expenses amounted to 64.85 million baht. The administrative expense has increased because of 2022 business expansion and investment plan. However, those expenses were efficiently spent and met all the set goals
4. UREKA has financial costs of the year 2022 ending December 31, 2022 in the amount of 38.05 million baht, an increase of 27.55 million baht or an increase of 2.62% compared to the same period of the previous year with financial cost of 10.50 million baht. This is because the Company has used more credit lines and has issued more convertible debentures for business expansion and investment which has carefully been studied by taking into account the risk factors and returns that could be generated in the future, and continuously monitoring the performance

Balance Sheet	Year	Year	Change
Unit : thousand baht	2022	2021	(% yoy)
Current assets	184,171	257,005	-28%
Non-current assets	1,507,677	839,277	80%
<b>Total assets</b>	<b>1,691,848</b>	<b>1,096,282</b>	<b>54%</b>
Liability	363,519	333,351	9%
Equity	1,328,329	762,931	74%
<b>Liability and Equity</b>	<b>1,691,848</b>	<b>1,096,282</b>	<b>54%</b>

Key financial ratios	2022	2021
<b>Leverage Ratio</b>		
D/E	0.27	0.44
<b>Liquidity Ratio</b>		
Current Ratio	0.52	1.02
<b>Profitability Ratios</b>		
Net Profit Margin	24%	12%
ROE	5%	3%

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

1. UREKA has total assets as of December 31, 2022 of 1,691.85 million baht, divided into current assets of 184.17 million baht, which are cash and cash equivalents of 75.93 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 54.26 million baht and non-current assets of 1,507.68 million baht, namely land, buildings and equipment, amounting to 1,191.04 million baht, an increase of 54 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 271.60 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 495 million baht to AO Fund of 195 million baht and AO Fund 1 of 300 million baht. 2) the improvement of operating performance causing the company to gain retained earnings as of December 31, 2022 in the amount of 8.68 million baht, compared to the accumulated loss as of December 31, 2021 that has a deficit in the amount of 63.78 million baht

Please be informed accordingly and publish to investors

Best regards,

(Sunisa Jirawuttikul)

Chief Executive Officer and Director