

No. ED-MD2021-0031

October 26, 2021

Subject: Clarification of operating results for the year ended September 30, 2021, which changed more than 20 percent compared to the same period of the previous year

To: Director and Manager
Stock Exchange of Thailand

Eureka Design Public Company Limited and its Subsidiaries (“UREKA”) would like to clarify In the case of the Group's operating results for the third quarter of 2021 ending on September 30, 2021 are as follows:

Unit : Thousand Baht	Quarter 3/2021	Quarter 2/2021	Change (% qoq)	Quarter 3/2563	Change (% yoy)
Revenue					
Revenue from sales and services	72,275	2,682	2595%	1,512	4680%
interest income	-	1	0%	-	0%
Net exchange gain	816		0%	1,427	-43%
other income	1,988	2,331	-15%	1,615	23%
Total revenue	75,079	5,014	1397%	4,554	1549%
Expenses					
Cost of sales and services	48,457	2,222	2081%	893	5326%
Distribution costs	203	48	323%	692	-71%
Administrative expenses	19,606	17,668	11%	21,170	-7%
Allowance for credit losses (reversal)	-9,403		0%		0%
Allowance for decreased product value (reversal)	-8,914		0%		0%
Financial cost	2,895	2,809	3%	1,675	73%
Total expenses	52,844	22,747	132%	26,024	103%

Profit (loss) before income tax	22,235	-17,733	N/A	-21,470	N/A
Income (expenses) income tax	-39	2,193	-102%	636	-106%
Profit (loss) for the period	22,196	-15,540	N/A	-20,834	N/A
<i>Profit (loss) margin for the period (%)</i>	<i>31%</i>	<i>-579%</i>		<i>-1378%</i>	

Overview of business operations for the third quarter of 2021

Consolidated financial statements of the Company and subsidiaries show that UREKA has continuous improvement. The important items are as follows:

1. UREKA has revenue from sales and services in the third quarter of 2021 amounting to 72.28 million baht, an increase of 69.60 million baht or 2,595 percent from the second quarter of 2021.

During the 3rd quarter of 2021, UREKA has developed a sales strategy to reach new target groups and increased the source of income to improve earning potential and develop diversification. Previously, UREKA's sources of income were divided into 5 segments which are sales, installation and maintenance of machinery; distribution of electronic products and CCTV kits; production of pesticides and agrochemical products; production and distribution of water drinking, raw water and other income. At present, it has a total of 6 revenue sources. The additional source of income is the revenue from the network construction contract from one of UREKA's subsidiaries. The details of the segment and the source of income are as follows:

Segment	UREKA	Source of Income
1) Sales, installation and maintenance of machines	Eureka Design Public Company Limited	Sales from agricultural machineries such as longan seed boring machine and soybean crackers
2) Selling electronic products and CCTV kits	Eureka Design Public Company Limited	Sales from selling electronic products and CCTV cameras
3) Production of pesticides and agrochemical products	BS Myco Biotech Company Limited	No revenue recognition because the product is in the process of hazardous substances registration. According to the Hazardous Substance Act B.E. 2535, the product cannot be sold.

<p>4) Production and distribution of drinking water, raw water</p>	<p>Joint Venture Eureka UU Co., Ltd.</p>	<p>No revenue recognition as the company is waiting for a letter from the Waterworks In the matter of suspension or reduction of fines according to government measures that provide assistance to counterparties by requiring a fine of 0%, and for government agencies to approve documents for settling delivered tap water; however, the amount cannot be clearly estimated. Therefore, the Company is of the opinion that it is not appropriate to record revenue from production and distribution of drinking water and raw water.</p>
<p>5) Construction of a network system (GNSS)</p>	<p>Eureka Energy Company Limited</p>	<p>Some revenue recognition from the Department of Lands Satellite Surveying Enhancement Project. This is a job in the form of a contract for the construction of an automatic GNSS satellite surveying station network system by bringing in satellite technology to help quick and accurate measurements in centimeters. In order for the surveying equipment to work, there must be antennas in the area. The duty and responsibility of the company is to install those signal towers at the Land Office of 47 stations. As of Q3/2021, the Company has completed the construction of 38 stations and the company has a duty to supervise the contractor to operate according to the contract period. All work is expected to be completed and all payments can be withdrawn by the 4th quarter of 2021.</p>
<p>6) Other income</p>	<p>Eureka Design Public Company Limited</p>	<p>Revenue recognition from designing electrical systems, automation to complete the design of building construction projects. The project is the design of the aircraft spare parts depot construction project, maintenance building helicopter landing tower to install a parking lot lighting system and the landscape improvement for the police force.</p>

2. UREKA's gross profit in the third quarter of 2021 amounted to 23.82 million baht, an increase of 23.36 million baht or 5078 percent, and the company's gross margin (Gross Margin) in the third quarter of 2021 was 33%.

3. UREKA's selling and administrative expenses in the 3rd quarter of 2021 amounted 19.61 million baht, an increase from the 2nd quarter of 2021 by 17.69 million baht or an increase of 11% due to depreciation of assets that have been get to know more
4. On September 8, 2021 Joint Venture ureka UU Co., Ltd. submitted a letter to the Waterworks Authority about the suspension or reduction of fines that have been notified in writing from the Provincial Waterworks Authority to expedite the delivery of tap water according to the contract and notify the penalty fee and reserve the right to terminate the contract according to the contract number FOMC. 8/2020 dated 25 June 2020 by referring to the letter of the Committee on Procurement and Procurement and Supplies Management of the Government Sector, the Comptroller General's Department, Urgently, No. KorKorChor. 0405.2/Wor693 dated August 6, 2021, Subject: Sections to provide assistance to entrepreneurs during the period of the spread of the coronavirus disease 2019, which contains "The power under the Government Procurement and Supplies Administration Act, B.E. 2560, Section 29, paragraph one (4) approves the exemption of compliance with the Ministry of Finance regulations on public procurement and supplies management. B.E. 2560, Article 162, with a fine rate of 0%." The company carefully considered the criteria and conditions of assistance and believed that we are in the criteria and conditions for providing assistance with a 0% penalty rate of fines.

Please be informed accordingly and disseminate to investors

Best regards

(Miss Sunisa Jirawuttikul)

Chief Executive Officer and Director