

February 28, 2022

Subject Clarification of operating results for the year ended December 31, 2021

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 ended December 31, 2021, details as follows:

Summary of UREKA's performance	Total Revenue	COGS	Gross Margin	EBIT	Net profit	Net profit margin
	159.1 MB.	72.68 MB.	32%	30.34 MB.	19.57 MB.	12%
Income Statement	Quarter 4	Quarter 4	Change	Year	Year	Change
Unit : thousand baht	2021	2020	(% qoq)	2021	2020	(% yoy)
<b>Revenues</b>						
Revenue from sales and services	19,438.40	2,166.18	797%	96,031.40	27,179.18	253%
Interest income	9.72	14.50	-33%	14.72	47.50	-69%
Net exchange gain	-	-		1,500.42	-	
Profit from disposal of investment	49,093.36	-	100%	49,093.36	-	100%
Other income	6,508.53	1,378.52	372%	12,455.53	8,989.52	39%
<b>Total revenue</b>	<b>75,050.01</b>	<b>3,559.20</b>	<b>2009% ▲</b>	<b>159,095.42</b>	<b>36,216.20</b>	<b>339% ▲</b>
<b>Expenses</b>						
Cost of good sold	21,347.89	1,495.83	1327%	72,672.89	23,613.83	208%
Selling costs	372.43	92.82	301%	785.43	1,340.82	-41%
Administrative expenses	16,872.41	36,045.38	-53%	70,116.41	112,814.38	-38%
Net foreign exchange loss	-	246.03	-100%	-	246.03	-100%
Allowance for credit losses (reversal)	- 81.39	-		- 6,053.39	-	
Allowance for reduced product value	151.03	-		- 8,762.97	-	
Interest expense	2,491.54	1,834.30	36%	10,496.54	6,863.30	53%
<b>Total expenses</b>	<b>41,153.91</b>	<b>39,714.36</b>	<b>4%</b>	<b>139,254.91</b>	<b>144,878.36</b>	<b>-4%</b>
<b>Profit (loss) before income tax</b>	<b>33,841.52</b>	<b>- 36,155.15</b>	<b>194% ▲</b>	<b>19,840.52</b>	<b>- 108,662.15</b>	<b>118% ▲</b>
Income (expenses) income tax	- 4,705.07	- 4,586.95		- 276.07	- 2,050.95	
<b>Net profit (loss)</b>	<b>29,136.45</b>	<b>- 40,742.11</b>	<b>172% ▲</b>	<b>19,564.45</b>	<b>- 110,713.11</b>	<b>118% ▲</b>
Balance Sheet	Year	Year	Change	Key financial ratios		2021
Unit : thousand baht	2021	2020	(% yoy)			
Current assets	257,004.70	54,980.84	367%	Leverage Ratio:		
Non-current assets	835,828.09	528,001.02	58%	D/E		0.43
<b>Total assets</b>	<b>1,092,832.79</b>	<b>582,981.86</b>	<b>87%</b>	Liquidity Ratio:		
Liability	330,131.18	262,190.68	26%	Current Ratio		1.02
Equity	762,701.61	320,791.18	138%	Profitability Ratios:		
<b>Liability and Equity</b>	<b>1,092,832.79</b>	<b>582,981.86</b>	<b>87%</b>	Net Profit Margin		12%
				ROE		3%

## Business Overview for 2021

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

1. UREKA had total revenue for the year 2021 ending December 31, 2021 amounting to 159.10 million baht, an increase of 122.88 million baht, or a 339% increase compared to the year 2020 ending 31 December 2020

As a result of Q3/2021, UREKA has developed a sales strategy in order to better reach its target customers. Apart from its core business, UREKA had an additional source of revenue from the construction of network systems (GNSS) from the Group amounted to 33.6 million baht. In Q4/2021, the company received the approval for the acquisition of assets of A.P.W. international company ("A.P.W.") From the Extraordinary General Meeting of Shareholders No. 1/2021 and completed the transaction on November 11, 2021. It resulted in UREKA having more sources of income which comes from the production and distribution of recycled plastic pellets in the amount of 8.5 million baht. The company also divested BS Myco Biotech Company Limited, resulting in BS Myco Biotech Company Limited is no longer a subsidiary of UREKA, and gained profit from the divestment amounting 49.09 million baht. The company would like to summarize the sources of income in total 8 parts as follows:

Segment	UREKA	Source of income
1) Sales, installation and maintenance of machines	Eureka Design Public Company Limited	the sale of agricultural machinery such as longan seed boring machine and soybean crackers
2) electronic products and CCTV sales	Eureka Design Public Company Limited	the sale of electronic products and CCTV cameras
3) pesticides and agrochemical product sales	BS Myco Biotech Company Limited	no revenue recognition since the product is in the process of registration of hazardous substances according to the Hazardous Substance Act B.E. 2535 (1992), the product cannot be sold. However, the Company has already sold this subsidiary
4) Production and distribution of drinking water, raw water	Joint Venture Eureka U U Co., Ltd. (Name changed to Modern Sysnergy Co.,Ltd.)	a partial revenue recognition because some of the income is in the process of finalizing the approval of the disbursement documents The Company therefore deems it appropriate to not yet record revenues from the production and distribution of drinking water and raw water that have not yet been concluded from the PWA
5) Construction of a network system	Joint Venture Eureka U U Co., Ltd. (Name changed to Modern Sysnergy Co.,Ltd.)	the project to increase the efficiency of surveying with the Department of Lands satellite system. This is a job in the form of a contract for the construction of an automatic GNSS satellite surveying station network system. The company's duty and responsibility is to install 47 stations of the signal towers around the country
6) Production and distribution of recycled plastic pellets	A.P.W Company International Co., Ltd.	the production and distribution of recycled plastic pellets
7) Profit from disposal of investment	Eureka Design Public Company Limited	the sale of a subsidiary, BS Myco Biotech Co., Ltd.
7) other	Eureka Design Public Company Limited	engineering design, including the design of the aircraft spare parts depot building construction, project maintenance building, helicopter landing tower, along with installing a parking lot lighting system and improving the landscape for the Police Aviation Division. The company is responsible for designing electrical systems and automation to complete the design of building construction projects

- UREKA had net profit for the year 2021 ending December 31, 2021 amounting to 19.56 million baht, a 130.28 million baht or 130.28 percent increase from the year 2020 ending December 31, 2020. The growth came from more sales. However, the development of cost control and expenses are more efficient
- UREKA had sales and service expenses for the year 2021 ending December 31, 2021 in the amount of 72.67 million baht, an increase from the year 2020 ending December 31, 2020 in the amount of 49.05

million baht, representing an increase of 208%. This is due to the higher volume of sales and transactions. However, the revenue improvement rate is greater than the rate of increase in the selling and service expenses

4. UREKA had administrative expenses for the year 2021 ending December 31, 2021 amounting to 70.12 million baht, a decrease 42.7 million baht or a 38% decrease from the year 2020 ending December 31, 2020. This is mainly derived from the reduction of bad debts and doubtful accounts Reversal of investment impairment, and a decrease in depreciation
5. Regarding fines from the water supply project, UREKA mentioned about the consideration of the determination of the fine rate of 0% according to the contract number Form Mor. 8/2020 dated June 25, 2020 by referring to the letter The State Procurement and Supplies Management Committee, the Comptroller General's Department, Urgently, No. Kor Kor (Kor Kor) 0405.2/Wor693 dated August 6, 2021, Subject: Sections to provide assistance to entrepreneurs during the period The epidemic of coronavirus disease 2019, which contains "The powers under the Government Procurement and Supplies Administration Act, B.E. 2560 (2017), Section 29, paragraph one (4) approves exemption from compliance with the Ministry of Finance regulations on public procurement and supplies management. B.E. 2560, Article 162, with a fine rate of 0 percent." At present, the Provincial Waterworks Authority has received a notice confirming that UREKA is in the criteria and conditions for providing assistance with the fine at the 0 percent

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

1. UREKA had total assets as of December 31, 2021 of 1,092.83 million baht, divided into current assets of 257 million baht and non-current assets of 835 million baht. The one of current assets is cash and cash equivalents which the company held 131.48 million baht because the company received payments from debtors at the end of the year and from the exercise of the rights to subscribe for ordinary shareholders under the warrants to purchase ordinary shares (UREKA-W2). The company still had accrued receivables and accrued income totaling 96.53 million baht. With regards to non-current assets such as land, buildings and Equipment amounted to 421 million baht, an increase of 367% compared to total assets as of December 31, 2020.
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. The increase in equity derived from 3 main reasons: 1) the Company received approval for an increase of 450 million shares at a par value of 0.25 baht and allocated the Company's newly issued ordinary shares to a private placement in order to pay for the investment in the company A.P.W. It increased the registered capital by 112.5 million baht. 2) from the aforementioned transaction, the Company set the offering price of newly issued ordinary shares at 0.85 baht per share, which is an offering price without a discount of more than 10 percent from the market price, which is higher than the par value. This results in a share premium of 271.23 million baht. 3) The holders of warrants (UREKA-W2) exercised 44 million units to purchase UREKA's ordinary shares at the price of 1.00 baht per share. The total amount is 44 million baht.

Please be informed accordingly and publish to investors.

Best regards

(Sunisa Jirawuttikul)

Chief Executive Officer and Director