

Subject: Management discussion and analysis (MD&A) of operating results for the Q3/22 ended  
September 30, 2022

To President  
The Market for Alternative Investment (MAI)

Kumwell Corporation Public Company Limited (“company”) would like to submit MD&A of operating results for the third quarter ended September 30, 2022, with details as follows:

## Statements of Comprehensive Income

Consolidated Financial Statements								
Statements of Comprehensive Income	For the third quarter				For the period of Nine months			
	2022	2021	Inc. (Dec)		2022	2021	Inc. (Dec)	
			MB.	%			MB.	%
Revenue from sales and services	117.04	114.81	2.23	1.93%	389.26	323.83	65.43	20.21%
Cost of sales and services	69.65	67.67	1.98	2.92%	238.64	184.18	54.46	29.57%
Gross profit	47.39	47.15	0.24	0.51%	150.63	139.65	10.98	7.86%
Other income	2.24	1.82	0.42	23.39%	4.70	5.09	(0.39)	-7.67%
Distributions costs	10.78	7.03	3.75	53.50%	28.97	21.60	7.37	34.14%
Administrative expenses	25.92	26.31	- 0.39	-1.49%	79.50	77.61	1.89	2.44%
EBITDA	17.37	19.81	- 2.44	-12.31%	60.74	58.26	2.48	4.25%
EBIT	12.93	15.63	- 2.70	-17.27%	46.86	45.54	1.32	2.90%
Finance costs	1.28	0.85	0.43	50.43%	3.45	2.61	0.84	31.90%
EBT	11.66	14.79	- 3.13	-21.15%	43.41	42.92	0.49	1.14%
Income tax expense	2.43	1.76	0.67	38.08%	9.01	7.23	1.78	24.60%
Net profit	9.22	13.02	- 3.80	-29.17%	34.40	35.69	- 1.29	-3.62%

### 1. Revenue from sales and services

In the third quarter of 2022 (3Q2022), company and its subsidiaries had revenue from sales and services worth 117.04 million baht, increased 1.93 percent from the same quarter of last year. For nine months of 2022, had revenue from sales and services worth 389.26 million baht, increased 20.21 compared to the same period of the last year before. The revenue structure of the company and its subsidiaries divided by types of products was as shown in the following table;

	Q3 2022		Q3 2021		Change	
	Mn. Baht	Portion	Mn. Baht	Portion	Mn. Baht	%
Grounding System	36.68	31.34%	51.45	44.81%	- 14.77	-28.71%
Lightning System	74.15	63.35%	58.01	50.52%	16.14	27.82%
Solution & Innovation	6.21	5.30%	5.36	4.66%	0.85	15.85%
Total	117.04	100.00%	114.82	100.00%	2.22	1.93%

The company and its subsidiaries had sales revenues of grounding system worth 36.86 million baht in the third quarter of 2022 (3Q2022), decreased 28.71 percent compared to the same period of the year before. Sales of lightning system were 74.15 million baht, increased 27.82 percent and revenue from Solution & Innovation were 6.21 million baht, up 15.85 percent as a result of the company's aggressive marketing strategy, which focuses on generating to develop consistently, totally revenue in the Q3'22 increased 1.93% to the same last year

	Q3 2022		Q3 2021		Change	
	Mn. Baht	Portion	Mn. Baht	Portion	Mn. Baht	%
Domestic	101.30	86.56%	96.39	83.95%	4.91	5.10%
Foreign	15.73	13.44%	18.43	16.05%	- 2.70	-14.60%
Total	117.03	100.00%	114.82	100.00%	2.21	1.93%

Domestic sales were 101.30 million baht in the third quarter of 2022 (3Q2022), up 5.10 percent from the same period last year. Foreign sales were 15.73 million baht in the quarter, decreasing 14.60 percent from the same quarter of last year.

	Nine months of 2022		Nine months of 2021		Change	
	Mn. Baht	Portion	Mn. Baht	Portion	Mn. Baht	%
Grounding System	123.38	31.70%	123.05	38.00%	0.33	0.27%
Lightning System	238.70	61.32%	175.55	54.21%	63.15	35.97%
Solution & Innovation	27.18	6.98%	25.22	7.79%	1.96	7.76%
Total	389.26	100.00%	323.82	100.00%	65.44	20.21%

For nine months of 2022, the company had sales revenues of grounding system were worth 123.38 million baht, up 0.27 percent compared to the same period of the year before thanks to positive sign of marketing campaign. Sales of lightning system products were 238.70 million baht, up 35.97 percent as demand from main dealers resumed while revenues from Solution & Innovation were 27.18 million baht, up 7.76 thanks to adjusted solution revenue recognition to be recorded by cost-to-cost method.

	Nine months of 2022		Nine months of 2021		Change	
	Mn. Baht	Portion	Mn. Baht	Portion	Mn. Baht	%
Domestic	324.83	83.45%	269.30	83.16%	55.53	20.62%
Foreign	64.43	16.55%	54.53	16.84%	9.90	18.17%
Total	389.26	100.00%	323.83	100.00%	65.43	20.21%

For nine months of 2022, domestic sales were 324.83 million baht, up 20.62 percent compared to the same period of the year before and foreign sales were 64.43 million baht, up 18.17 percent from the same period of last year thanks to the above-mentioned factors.

## 2. Cost of goods and services

Cost of goods and services In the third quarter of 2022 (3Q2022), was 69.65 million baht, up 2.92 percent from the same quarter of last year resulting gross profit margin In the third quarter of 2021 (3Q2021) was 40.49 percent, lower than 41.07 percent of the same quarter of last year due to rising raw material costs and cost of rendering services. For nine months of 2022, cost of goods and services was 238.64 million baht, up 29.57 percent from the same period of last year, resulting in a lower gross profit margin of 38.69 percent compared to 43.12 percent of the same period of last year as the above-mentioned factors.

## 3. Cost of distribution

Cost of distribution of company and its subsidiaries in the third quarter of 2022 (3Q2022) was 10.78 million baht, up 53.50 percent from the same period of last year. For nine months of 2022, cost of distribution was 28.97 million baht, up 34.14 percent mainly due to company increased employee salaries including advertising and promotion expense.

## 4. Administrative expenses

Company and its subsidiaries had administrative expenses in the third quarter of 2022 (3Q2022), worth 25.92 million baht, decreased 1.49 percent and administrative expenses and reduced doubtful accounts decreased. For nine months of 2022, was 79.50 million baht, up 2.44 percent from the same period of last year due to a consultant expenses of research and development division due and steel rolling machine impairment of grounding system production, which was a one-time expense.

## 5. Net profit

Net profit for the third quarter of 2022 (3Q2022) was worth 9.22 million baht, decreasing 29.17 percent from 13.02 million baht of the same period of last year. For nine months of 2022, net profit was 34.40 million baht, decreasing 3.62 percent from the same period of last year.

## Statements of Financial Position

Consolidated Financial Statement						
Statements of Financial Position	As of 30 Sep 2022		2021		Inc. (Dec)	
	MB.	% of TA	MB.	% of TA	MB.	%
Cash and cash equivalents	39.45	4.83%	30.31	4.39%	9.14	30.18%
A/R & Other Receivables	123.79	15.16%	148.46	21.50%	(24.67)	-16.62%
Inventories	242.67	29.73%	180.87	26.19%	61.80	34.17%
Total current assets	405.91	49.72%	359.64	52.07%	46.27	12.87%
Other non-current financial assets	20.18	2.47%	25.15	3.64%	(4.97)	-19.79%
Property, plant and equipment	363.14	44.48%	277.32	40.16%	85.82	30.95%
Right-of-use assets	12.11	1.48%	14.86	2.15%	(2.75)	-18.52%
non-current assets	15.00	1.84%	13.66	1.98%	1.34	9.81%
Total non-current assets	410.43	50.28%	330.99	47.93%	79.44	24.00%
Total assets	816.33	100.00%	690.63	100.00%	125.7	18.20%

### Assets

As of 30 September 2022, total assets of company and its subsidiaries were 816.33 million baht, increasing by 125.70 million baht or 18.20 percent compared with 31 December 2021, mainly from the net effect as follows:

Current assets increased by 46.27 million baht or 12.87 percent mainly from the following:

- A/R & Other Receivables decreased 24.67 million baht or 16.62 percent due to improved trade account receivable debt collection management.
- Inventories increased by 61.80 million baht or 34.17 percent due to higher materials price and finished goods to support increased sales.

Non-current assets increased by 79.44 million baht or 24.00 percent mainly from the following:

- Property, plant and equipment increased by 85.82 million baht or 30.95 percent mainly from head office building under construction.

Consolidated Financial Statement (Continued)						
Balance Sheet	As of 30 Sep 2022		2021		Growth	
	MB.	% of TA	MB.	% of TA	MB.	%
Bank overdraft and short-term loans	15.00	1.84%	-	0.00%	15.00	100.00%
A/P & Other Payables	64.78	7.94%	43.94	6.36%	20.84	47.44%
Current portion of long-term loans	35.52	4.35%	17.07	2.47%	18.45	108.14%
Current liabilities	6.30	0.77%	10.31	1.49%	(4.01)	-38.95%
Total current liabilities	121.60	14.90%	71.32	10.33%	50.28	70.50%
Long-term loans	142.80	17.49%	74.94	10.85%	67.86	90.56%
Lease liabilities	10.41	1.28%	13.12	1.90%	(2.71)	-20.60%
Non-current provisions for employee benefit	16.36	2.00%	14.69	2.13%	1.67	11.37%
Total non-current liabilities	169.57	20.77%	102.74	14.88%	66.83	65.05%
Total liabilities	291.17	35.67%	174.06	25.20%	117.11	67.28%
Paid-up share capital	215.00	26.34%	215.00	31.13%	-	0.00%
Premium on ordinary shares	519.69	63.66%	519.69	75.25%	-	0.00%
Deficit of business combination	(460.92)	-56.46%	(460.92)	-66.74%	-	0.00%
Share based Payment	17.67	2.17%	17.67	2.56%	-	0.00%
RE-Legal Reserved	21.50	2.63%	21.50	3.11%	-	0.00%
RE-Unappropriated	212.22	26.00%	203.62	29.48%	8.60	4.22%
Total shareholders' equity	525.17	64.33%	516.57	74.80%	8.60	1.66%
Total Liabilities and shareholder's equity	816.33	100.00%	690.63	100.00%	125.70	18.20%

## Liabilities

As of 30 September 2022, company and its subsidiaries had total liabilities 291.17 million baht, increasing by 117.11 million baht or 67.28 percent from 31 December 2021, mainly from the net effect as follows:

- Bank overdraft and short-term loans up 15.00 million baht or 100.00 percent mainly from bank overdraft for operation.
- Trade and other payables increased by 20.84 million baht or 47.44 percent due to accrued expenses.
- Loans from financial institutions increased by 86.31 million baht or 93.81 percent due from withdrawing loans to pay for the construction of a new head office building during the year, the Company had loan repayment of 12.86 million baht and drawdown 99 million baht.

## Shareholders' equity

As of 30 September 2022, company and its subsidiaries had total shareholders' equity 525.17 million baht, by 0.63 million baht or 0.12 percent from 31 December 2021, due to during 2022, the company has paid dividend at the rate of 0.06 baht per share, totaling 25.80 million baht, while the six months of 2022, net profit according to the financial statement was 25.18 million baht.

Yours Sincerely,

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Mr. Boonsak Kiatjaroonlert

Chief Executive Officer

Kumwell Corporation Public Company Limited