

(Translation)

REF: BSM 002/2023

February 23, 2023

Subject: Management Discussion and Analysis of Operation Results for the Year, ending December 31, 2022

To: The President
The Stock Exchange of Thailand

BuilderSmart Public Company Limited (“the Company”) would like to clarify the performance of the Company and its subsidiaries for the Year, ending December 31, 2022, as follows:

- 1) For 2023 performance, Company and its subsidiaries had revenues from sales and services of 743.25 million Baht, increased by 12.39 million Baht or 21.08% compared to last year. Construction Material business consisted of BuilderSmart Pcl and Alloy Solutions Asia Ltd. (changed name from the previous name “D&W (Asia) Co.,Ltd.”) Total sales and services of the 2 companies were 369.02 million Baht, increased by 34.48 million Baht or 10.31% compared to last year, which showing signs of good returns of business expansion after the pandemic of COVID-19 caused majority recession of the businesses for more than 2 years.

For Real Estate business consisted of Sansara Project and Teak Development Co.,Ltd. Total sales of the 2 companies was 355.70 million Baht, increased by 85.17 million Baht or 31.48% compared to the previous year.

The details are as follows:

- I. Sansara Project is a real estate project for senior citizens located in Hua – Hin, Prachuap Khiri Khan province. The increasing of foreign travelers in Thailand caused more transfer of units sold or lease and more new sales units of Sansara project to the foreign customers. For Sansara Lifestyle Services, Ltd., the property manager of Sansara Project and service provider to residents of the project, had more Long Stay guests which caused the increase in service revenue. Total revenue from sales and services of the 2 companies in Year 2022 was 108.45 million Baht, increased by 66.16 million Baht or 156.44% compared to the previous year which had the revenues of 42.29 million Baht.

II. Teak Development, Ltd., (“TEAK”) is a developer for condominium projects in central Bangkok area. Teak-Sathorn and Teak-Ratchada completed the construction and started transferring the condominium units by the ended of June 2022, which brought the total income in Year 2022 amount of 247.25 million Baht, comprised of selling land plot amount of 139 million Baht and the condominium units transfer from Teak-Sathorn and Teak-Ratchada 108.25 million Baht comparing to total sales revenue from units transferred 48.56 million Baht in the previous year or increased 56.69 million Baht, equivalent to **116.7%** .

2. In Year 2022, the Company's and its subsidiaries had cost of sales and services amount of 575.32 million Baht or equivalent to 77.41% of revenue from sales and services, decreased from Year 2021 which was 83.66% because of high Land cost of sales in previous year comparing to the cost condominium units transfer.

The Company had gross profit margin of 20.62%, increased from 15.13%, caused from loss of 10.03 million Baht from selling land plot of Teak Development, Ltd. In the previous year.

3. The selling and administrative expenses in Year 2022 was 166.73 million Baht or equivalent to 23.01% of total revenues from sales and services, increased by 150.67 million Baht comparing to the previous year, which was related to the increase of revenues. Comparing to the proportion to revenue from sales and services, it slightly decreased from the previous year with the proportion equal to 24.90%.

In terms of the proportion of distribution costs and administrative expenses to revenue from sales and services slightly decreased because the cost of distribution of real estate business was higher than the business of selling construction materials in the term of expenses and specific business tax on the real estate transferring. However, the company group had plan for controlling cost and strictly controlled in expenses since the pandemic of COVID-19.

4. Financial cost in Year 2022 was 26.77 million Baht, which decreased by 8.71 million Baht compared to the previous year due to closing the outstanding loan of Teak Sathorn and partially of Teak Ratchada loan to the bank, according to mortgage releasement and room transferring in both of Sansara and Teak project.

5. Tax expense in Year 2022 was 4.97 million Baht, which was the tax expenses paid from the performance of Alloy Solutions Asia Co., Ltd.

6. For the above reasons, the Company and its subsidiaries had Net loss attributed to Equity holders of the Company equal to 31.17 million Baht compared to the same period of the previous year, which had the Net loss attributable to Equity holders of the Company equal to 83.75 million Baht. Represented the positive signs compared to the previous year.

7. According to 31 December 2022, the company and its subsidiaries had Net loss which was not unappropriated retained losses of 122.58 million Baht compared to the same period of the previous year of 91.41 million Baht. The situation occurred from Net loss of subsidiaries, which operating in residence of senior citizens business project and developed condominium project.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer