

AJA.003/2023

 February 24<sup>th</sup>, 2023

Subject Management Discussion and Analysis of the Consolidated Financial Statements Year 2022

 To Committee and Manager  
 The Stock Exchange of Thailand

As the resolution of Board of Director Meeting of AJ Advance Technology Public Co., Ltd. (“the Company”) No. 1/2023 on February 24<sup>th</sup>, 2023 approved the financial statement for year 2022 for the period ended December 31<sup>st</sup> 2022 which had the net loss attributable to owners of the parent at 145.46 million Baht decrease at 6.55 million Baht or 4.31 percent. If compared with the operation result of same period last year, the Company had the net loss at 152.01 million baht.

Performance for 2022 compared to 2021

| Unit : million Baht  | Year<br>2022  | Year<br>2021  | Increase<br>(Decrease) | Change<br>percentage |
|--|---------------|---------------|------------------------|----------------------|
| <b>Revenue from sales of goods and rendering of services</b> |               |               |                        |                      |
| Revenue from sales of goods                                  | 223.93        | 220.77        | 3.16                   | 1.43                 |
| Revenue from sales of Bitcoin Mining                         | 0.72          | -             | 0.72                   | 100.00               |
| Revenue from rendering of services                           | 67.71         | 71.98         | (4.27)                 | (5.93)               |
| Revenue Bitcoin Mining                                       | 28.64         | -             | 28.64                  | 100.00               |
| Other Income   | 28.49         | 16.01         | 12.48                  | 77.95                |
| <b>Total Income</b>  | <b>349.49</b> | <b>308.76</b> | <b>40.73</b>           | <b>13.19</b>         |
| <b>Cost of sales</b>   |               |               |                        |                      |
| Cost of sales  | 188.39        | 217.64        | (29.25)                | (13.44)              |
| Cost of sales – Bitcoin Mining                               | 0.49          | -             | 0.49                   | 100.00               |
| Cost of rendering services                                   | 55.08         | 48.97         | 6.11                   | 12.48                |
| Cost of Bitcoin Mining                                       | 47.61         | -             | 47.61                  | 100.00               |

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|   |                 |                 |             |               |
|---|-----------------|-----------------|-------------|---------------|
| Distribution costs  | 43.57           | 61.73           | (18.16)     | (29.42)       |
| Administrative expenses   | 118.96          | 124.45          | (5.49)      | (4.41)        |
| Loss for impairment of crypto-currency assets                                     | 40.48           | -               | 40.48       | 100.00        |
| <b>Profit (loss) for the period</b>   | <b>(146.87)</b> | <b>(148.41)</b> | <b>1.54</b> | <b>(1.04)</b> |
| <b>Profit (loss) for the period attributable to equity holders of the Company</b> | <b>(145.46)</b> | <b>(152.01)</b> | <b>6.55</b> | <b>(4.31)</b> |

The Company would like to report the operation result year 2022 as of December 31<sup>st</sup> 2022 about the change that more than 20 percent when compared with same period of last year. The main reasons are as follows.

1. Total income was 349.49 million Baht which increase at 40.73 million Baht or 13.19 percent when compared with same period of last year at 308.76 million Baht. Total income had changed by income categories as follows.

- Revenue from sales of goods was 224.65 million Baht, an increased at 3.89 million Baht or an increase of 1.76 percent when compared to the same period of last year was 220.77 million Baht, caused decrease by electrical appliances product at 96.69 million Baht, increase by electric motorcycle products at 52.32 million Baht and increase in sport sneakers product at 51.81 million Baht.
- Revenue Bitcoin Mining in the amount of 32.482731230 Bitcoin, amounting at 28.64 million Baht, an increase in the whole amount or an increase of 100 percent compared to the same period of last year. Because the Company started Bitcoin mining business in early 2022.
- Other Income was 28.49 million Baht an increase at 12.48 million Baht or 77.95 percent when compared to the same period of last year was 16.01 million Baht, caused Income from reversal and long - standing foreign creditors and accrued expenses long - standing at 10.99 million Baht and Gain on sale of cryptocurrency assets at 2.33 million Baht.

2. Cost of Bitcoin mining was 47.61 million Baht, an increase in the whole amount or an increase of 100 percent compared to the same period last year. Because the Company started Bitcoin mining business in early 2022.

3. Distribution costs was 43.57 million Baht, a decrease of 18.16 million Baht or 29.42 percent when compared to the same period of the previous year, at 61.73 million Baht due to the Company's ineffective

cost reduction. As a result, sales-related expenses were reduced, such as salaries and commissions for salespeople, transportation costs, advertising costs and promotional expenses.

4. Loss for impairment of crypto-currency assets was 40.48 million Baht due to impairment of coins at fair value (market price), an increase in whole amount or an increase of 100% compared to the same period of the previous year.

Please be informed accordingly.

Sincerely Yours,

(Mrs. Prangthip Chanvisitsak)

Company Secretary