

(Translation)

REF: BSM 010/2023

May 11, 2023

Subject: Management Discussion and Analysis of Operation Results for the 1st Quarter, ending March 31, 2023

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 1st Quarter, ending March 31, 2023, as follows:

1. Performance for Q1/2023, Company and its subsidiaries had revenues from sales and services of 112.91 million baht when included with other income, interest, gain on foreign exchange; net total income equal to 113.79 million baht. Compared with the first quarter of the previous year, the company's total net income decreased by 175.41 million baht or 60.65% due to the land sales of a subsidiary company amount of 139 million baht in previous 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 of the 2 companies was 87.20 million baht, increased by 2.91 million baht or 3.45% compared to Q1 of previous year. The reason for revenues from sales and services increasing is because of the return of business expansion including construction business after the spread of COVID-19 pandemic cause 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 25.72 million baht, decreased by 174.55 million baht because in the first quarter of last year; there was an income from land sales amount of 139 million baht and revenue from units transfer decreased by 35.55 million baht or 58.02% compared to the income from units transfer in the first quarter of last year.

I. Sansara Project is a real estate project for senior citizens located in Hua – Hin, Prachuap Khiri Khan province. Q1 sales were 7.10 million baht, decreased from the same quarter of the previous year by 41.37 million baht or 85.35% because of some backlog sales that will be able to recognize as revenue in Q2.

II. Teak Development Co.,Ltd. ("TEAK") is a developer for condominium projects in central Bangkok area; Teak-Sathorn and Teak-Ratchada. In Q1/2023, there was an income from the sale of condominiums totaling 18.62 million baht, increased by 5.82 million baht or 45.48% from previous year.

2. Cost of sales and services in Q1/2023 was 84.84 million baht or 75.13% of sales and service income. It was lower than the first quarter of the previous year with a proportion of 83.33% because the previous year the cost of land sold was higher than the cost of condominium units sold. The cost of selling land was 94.15%.

In Q1/2023, the overall of the company's gross profit margin increased from 16.67% to 24.87% compared to the 1st quarter of the previous year.

3. Distribution costs and administrative expenses equal to 37.83 million baht or 33.50% of sales and service income. Compared to the first quarter of the previous year, which was equal to 38.98 million baht or 13.69% of sales and service income. (Including income from land sales of subsidiaries) or 19.62% of income from sales and services. (Deduct income from sales of land of subsidiaries). The increased proportion is a result of the increase of administrative expenses in Q1/2023, which increased 10% of revenue from sales and services comparing to the same period of the previous year. Due to area rental of the new company's headquarters, No. 1055 Rama 3 Road, area 984.60 square wah and starting to pay the rental fee from December 2022, there were the increase of depreciation from the renovation of the new head office and the increase of depreciation From the Homestay Resort Project located in Khao Yai, Nakhon Ratchasima province. which was built completely in Q3-4 of the previous year and employee costs for salary adjustments and bonuses that have not been adjusted for more than 2 years during the coronavirus 2019 pandemic
4. Financial cost was 7.28 million baht, which increased by 0.84 million baht compared to the first quarter of the previous year due to the increase of the bank's interest rate by an average of 0.9% from the previous year and the subsidiary, Teak-Ratchada Project, ceased the record of the construction costs because the construction was completed and started transfer since end of the second quarter of the previous year.
5. Tax expenses were 1.55 million baht, an increase of 0.15 million baht compared to the first quarter of the previous year. The profit increase of a subsidiary, Alloy Solutions Asia Ltd, was profitable and all tax loss rights had been exercised.

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6. For Q1/2023, the company and its subsidiaries had a net loss attribution to Equity holders of the company equal to 17.76 million baht or 15.72%. A decrease of 22.67 million baht compared to Q1/2022 with a profit of 4.91 million baht. If considering of the construction materials business part, the company was able to contribute 9.09% net profit of the revenue of company group

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer