

(Translation)

REF: BSM 014/2023

November 9, 2023

Subject: Management Discussion and Analysis of Operation Results for the 3rd Quarter, ending September 30, 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 3rd Quarter, ending September 30, 2023, as follows:

1. Performance for Q3/2023, the Company and its subsidiaries had revenues from sales and services of 108.77 million Baht. By including other income, interest income, management fee and gain on foreign exchange, the total net income of the Company would be 109.32 million Baht, decreased by 62.42 million Baht or 36.35% compared to Q3/2022.

Construction Material business consisted of BuilderSmart.,Pcl. and Alloy Solutions Asia.,Ltd. (Changed name from “D&W (Asia) Co.,Ltd.”).The total sales of the both companies was 94.56 million Baht, decreased by 1.33 million Baht or 1.39% compared to Q3/2022, which is the result of uncertainty in the economic situation and the unrest situation in Israel-Gaza. As a result, many projects had to delay and postponed decision to spend more money on construction. Furthermore, investors and also many business owners are waiting to see the clearer resolve of the situation.

For Real Estate business consisted of Sansara Project and Teak Development Co., Ltd. Total sales of both companies was 14.21 million Baht, decreased by 78.35% compared to revenue from units transferred in Q3/2022.

- I. Sansara Project is a real estate project for senior citizens located in Hua – Hin, Prachuap Khiri Khan province, the revenue from unit selling and property management service of Sansara Project and service provider to residents of the project managing by Sansara Lifestyle Services, Ltd. There was no revenue from unit selling in this quarter. Most of revenue occurred from property management service of Sansara Project and service provider to residents of the project, which was slightly increase from Q3/2022. However, the total

revenue from Sansara in Q3/2023 was 6.62 million Baht, decreased by 18.44 million Baht or 73.60% from the same period of the previous year.

II. Teak Development, Ltd., ("TEAK") is a developer for condominium projects in central Bangkok area. The company has 2 projects; Teak-Sathorn and Teak-Ratchada, which are ready for sales and transfer by Q3/2023. The company has total sales revenue from units transferred of 7.60 million Baht, decreased by 33.02 million Baht or 81.29% from the same period of the previous year.

For the 9 months period of 2023, the Company and its subsidiaries had total sales of 365.35 million Baht, including other income, interest income, management fee, gain/loss on exchange rate, the total income equal to 369.45 million Baht. When compared to the first 9 months period of the previous year, the Company's total net income decreased 234.69 million Baht, which included selling Land plot of Teak amount of 139 million Baht in Q1/2022.

2. In Q3/2023, the Company's and its subsidiaries had cost of sales amounted 77.48 million Baht or equivalent to 71.23% of revenue from sales and services, decreased from Q3/2022 which was 78.61% as a result of better cost management in Construction materials business. However, the cost of sales of Real Estate business was at 85.07%, higher than Construction materials business which was at 69.23%. This caused the Company's gross profit margin to increase by 28.77%, from 21.39% in Q3/2022.

For the 9 months period of 2023, the company had an overall gross profit ratio from sales and services equal to 27.18%, which increased from 19.98% as the same period of previous year.

3. The selling & administrative expenses were 38.82 million Baht or equivalent to 35.69% of total revenues from sales and services, higher than Q3/2022 which was 42.04 million Baht, or 26.02% of total revenues from sales. To consider in detail, the reason that the increase of selling & administrative expenses was due to the rental of new head office at 1055 Rama 3 Road, an area of 984.60 square wa which its rental payment starting from December 2022, the increase of depreciation from new office renovation, and the increase of depreciation from Showroom @ Khao yai that was completed in end of Q3/2022. The expenses of the real estate business were also increased as expenses for the condominium juristic person amount of 3.97 million Baht.

For the 9 months period of 2023, the selling & administrative expenses were 114.53 million Baht or equivalent to 31.35% of the total revenues, increased from amount of 125.68 million Baht or 21.39% of the total revenues from the same period of previous year.

**BuilderSmart Public Company Limited**

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4. Financial cost was 7.42 million Baht, which decreased by 0.2 million Baht compared to Q3 of the previous year due to loan repayment of real estate business.

For the 9 months period of 2023, the financial cost is 22.19 million Baht, which increase by 2.64 million Baht from the same period the previous year. Overall, this is the result of higher interest rates compared to the same period of the previous year.

5. Tax expense was 1.75 million Baht, which increased by 0.28 million Baht compared to Q3/2022, For the 9 months period of 2023, the tax expense was 4.41 million Baht, decreased by 0.83 million Baht from the same period of the previous year.

6. For the period of Q3/2023, the Company and its subsidiaries had a net loss attributed to Equity holders of the Company equal to 16.16 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 7.15 million Baht.

For the 9 months period of 2023, the Company and its subsidiaries had net loss attributed to Equity holders of the Company equal to 37.86 million Baht, increasing compared to the same period of the previous year, which net loss attributed to Equity holders of the Company equal to 17.38 million Baht. The increase of loss was caused by the Condominium Selling Business unit which has not met the sales target.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit  
Chief Executive Officer