

AJA.018/2023

 Nov 10<sup>th</sup>, 2023

 Subject Management Discussion and Analysis of the Consolidated Financial Statements of  
 Quarter 3 Year 2023

 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.8/2023 on November 10<sup>th</sup>, 2023 approved the financial statement of Quarter 3 year 2023 for the Nine-month period ended September 30<sup>th</sup> 2023 which had the net loss attributable to owners of the parent at 25.73 million Baht loss decreased at 43.52 million Baht or 62.84 percent. If compared with the operation result of same period last year, the Company had the net loss at 69.25 million baht.

Nine – Month Period Performance for the third quarter comparison.

Unit : million Baht	Q.3 Year 2023	Q.3 Year 2022	Increase (Decrease)	Change percentage
<b>Revenue from sales of goods and rendering of services</b>				
Revenue from sales of goods	182.94	163.00	19.94	12.23
Revenue from rendering of services	13.65	14.80	(1.15)	(7.77)
Revenue Bitcoin Mining	6.60	22.01	(15.41)	(70.01)
Other Income - Reversal loss of impairment of cryptocurrency assets	14.19	-	14.19	100.00
Gain on sale of cryptocurrency assets	1.18	2.34	(1.16)	(49.57)
Other Income	15.56	17.94	(2.38)	(13.27)
<b>Total Income</b>	<b>234.12</b>	<b>220.09</b>	<b>14.03</b>	<b>6.37</b>

Cost of sales and rendering services	124.62	145.99	(21.37)	(14.64)
Cost of Bitcoin Mining	34.95	32.28	2.67	8.27
Distribution costs	40.99	26.55	14.44	54.39
Administrative expenses	55.26	56.05	(0.79)	(1.41)
Loss for impairment of crypto-currency assets	-	31.05	(31.05)	(100.00)
<b>Profit (loss) for the period</b>	<b>(25.80)</b>	<b>(70.22)</b>	<b>44.42</b>	<b>(63.26)</b>
<b>Profit (loss) for the period attributable to equity holders of the Company</b>	<b>(25.73)</b>	<b>(69.25)</b>	<b>43.52</b>	<b>(62.84)</b>

The Company would like to report the operation result of Quarter 3 year 2023 for the nine-month period ended September 30<sup>th</sup> 2023 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 234.12 million Baht which increased at 14.03 million Baht or 6.37 percent when compared with same period of last year at 220.09 million Baht. Total income had changed by income categories as follows.

- Revenue from sales of goods was 182.94 million Baht, an increased at 19.94 million Baht or an increased of 12.23 percent when compared to the same period of last year was 163.00 million Baht, caused decreased by electrical appliances product at 80.37 million Baht, increased by electric motorcycle products at 43.11 million Baht and increased in sport sneakers product at 54.74 million Baht.
- Revenue Bitcoin Mining in the amount of 6.775631030 Bitcoin, was 6.60 million Baht, an decrease of 15.41 million Baht or 70.01 percent when compared to the same period of last year. Because the Company opened some bitcoin mining machines. The reason is that the price of bitcoin has decreased a lot. and the cost of electricity is increased.
- Other Income - Reversal loss of impairment of cryptocurrency assets was 14.19 million Baht, an increasing in the whole amount. When compared to the same period of the last year because the fair value price is measured from the closing price at the end of the period on Sep 30, 2023 is higher than the closing price at the end of the last period.

2. Cost of Bitcoin Mining was 34.95 million Baht, an increased of 2.67 million Baht or 8.27 percent when compared to the same period of the previous year, at 32.38 million Baht. The main reason for the increase is the depreciation of bitcoin mining machine. Since the Company started mining bitcoin mining business in beginning of 2022 by gradually purchasing and installing bitcoin mining machines complete in the quarter 3/2022.

3. Distribution costs was 40.99 million Baht, increased of 14.44 million Baht or 54.39 percent when compared to the same period of the previous year, at 26.55 million Baht. This was mainly due to the business expansion of sports shoes and sports equipment in the subsidiaries, resulting in higher expenses related to employees and rental spaces for selling products.

Please be informed accordingly.

Sincerely Yours,

(Mrs. Prangthip Chanvisitsak)

Company Secretary