



(TRANSLATION)

AF. 012 / 2024

February 26, 2024

Subject Management Discussion and Analysis for the year, ended December 31, 2023

To Managing Director

The Stock Exchange of Thailand

Pan Asia Footwear Public Company Limited would like to submit the report of Management Discussion and Analysis for the year ended 31 December 2023 which has been audited by the auditor this is caused by followings::

#### **Consolidated Financial Statement**

**Total revenues from the Company and its subsidiaries** amounted to 2,905.76 million baht a increase of 1,382.92 million baht or 90.81% from the previous year due to the revenue from sales of 2,848.64 million baht in 2023 a increase of 1,440.47 million baht from the previous year the main reason is the company's footwear business Other income in 2023 amounted to 40.22 million baht a decrease from the last year by 56.31 million baht or 58.34% the main reason for the decrease is because in 2022 the company has income from debt collection of Ban Pan Engineering and Holding Company Limited in the amount of 56.71 million baht.

**Total expenses of the company and its subsidiaries** amounted to 2,895.47 million baht a increase of 1,395.31 million baht from the last year or 93.01% the main reason is the cost of sales and manufacturing in 2023 in the amount of 2,736 million baht, compared to the year 2022 in the amount of 1,352.46 million baht, an increase of 1,383.53 million baht or 102.30% increasing in proportion to the increasing sales revenue. In 2023 distribution cost in the amount of 38.86 million baht increase from the last year by 12.29 million baht or 46.23% the main reason is because expenses for exporting shoes increased in proportion to increased sales and expenses for promotion of Brand Daybreak products, which is the company's brand. Share-based payment expenses amounted to 16.81 million baht caused by recording transactions according to financial reporting standards. As shown in the notes to the financial statements.

#### **Separate financial statements**

**Total revenues** of 2,151.94 million baht a increase of 1,477.23 million baht from the last year or 228.88% the main reason is the company's footwear business. Other Income in 2023 amounted to 23.04



million baht, decrease from the last year in the amount of 59.49 million baht or 72.09%. decrease from in 2022 income from debt collection Ban Pan Engineering and Holding Co., Ltd. in the amount of 56.71 million baht.

**Total Expenses** amounted to 2,135.13 million baht, an increase of 1,441.41 million baht from the previous year, or 207.78%, an increase from the cost of sales and hire of work 2,094.13 million baht in proportion to the increased sales. In 2023 distribution cost in the amount of 16.33 million baht increase from the last year by 7.96 million baht or 94.95% the main reason is because expenses for exporting shoes increased in proportion to increased sales

As a result of the aforementioned factors, The consolidated financial statements of the group of businesses pose net loss of 2.17 million baht. The net loss per share is calculated at 0.0048 baht per share. The separate financial statements shows the net profit of 11.15 million baht. The net profit per share is calculated at 0.0206 baht per share.

Please be informed accordingly.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director