

Ref. Simat 04-24

February 29th, 2024

Subject: Management Discussion and Analysis on operating result for the year 2023

To: Managing Director of Stock Exchange of Thailand

Simat Technologies Public Company Limited would like to report the variance in operating result for the year ended December 31, 2023 as follows:

Operating Results

unit : million Baht

Income statement	Year 2023		Year 2022		Increase (Decrease)	
					In amount	In Portion
Revenue from sales and services	871	100%	922	100%	(51)	(6%)
Cost of sales and services	(614)	(70%)	(608)	(66%)	6	5%
Gross Profit	256	29%	314	34%	(58)	(5%)
Other income	8	1%	7	1%	1	0%
Selling and administrative expenses	(201)	(23%)	(202)	(22%)	(1)	1%
Loss on impairment of assets	(23)	(3%)	(4)	(0%)	19	2%
Profit (Loss) before financial cost and income tax	39	4%	115	12%	(76)	(8%)
Financial cost	(19)	(2%)	(16)	(2%)	3	0%
Share of profit from associate	0	0%	1	0%	(1)	(0%)
Profit (Loss) before income tax	21	2%	100	11%	(79)	(8%)
Income tax	4	0%	(15)	(2%)	(19)	(2%)
Net profit (Loss) for the year	24	3%	85	9%	(61)	(6%)
Other comprehensive income (loss)	0	0%	1	0%	(1)	(0%)
Portion of non-controlling interest	0	0%	22	2%	(22)	(2%)
Portion of equity holder of the company	24	3%	64	7%	(40)	(4%)

The consolidated net profit (loss) (portion of the parent company) for the year 2023 and 2022 were Baht 24 million and Baht 64 million respectively due to Baht 51 million decreased in revenue from sales and services, Baht 6 million increased in cost of sales and services, Baht 19 million increased in loss on impairment of assets and Baht 19 million decreased in income tax.

unit : million Baht

Revenue / Cost structure by business	IT Business	Label product	Silkscreen printing	Government Project	Broadband internet	Renewable energy	Others	Total
Year 2023	2	236	194	271	56	44	68	871
Sales	1%	27%	22%	31%	6%	5%	8%	100%
Cost	4	162	124	175	57	32	60	614
Year 2022	3	239	338	271	57	0	14	922
Sales	0%	26%	37%	29%	6%	0%	2%	100%
Cost	6	155	213	164	59	0	11	608
Increase (Decrease)	(1)	(3)	(144)	0	(1)	44	54	(51)
Sales	(33%)	(1%)	(43%)	0%	(2%)	0%	386%	(6%)
Cost	(2)	7	(89)	11	(2)	32	49	6

- **Silkscreen printing**

The revenue from silkscreen printing business decreased due to global economic recession made the orders of customers in electric manufacturing industry decreased. Silkscreen printing business' customers are quite limited in electrical appliances and electronics manufacturing industries. Even though the company has tried to increase its market share among existing customers, it had not been able to do much due to the decline in demand for global electrical appliances.

During the relocation period between Q2 and Q3, the Company lost business opportunities in the production of parts for customers' new products.

- **Renewable energy**

In year 2023 the group has revenue from Sales, install and maintain engineering systems and electrical equipment, renewable energy.

- **Other business**

Other business in year 2023 increased due to the Group's trading project, as well as revenue recognition after delivery to the customers of subsidiaries.

- **Loss on impairment of assets**

Loss on impairment of assets in year 2023 increased from impairment of broadband internet business asset Baht 20 million.

- **Income tax**

Income tax in year 2023 decreased from recognition deferred tax asset.

Financial Position

unit : million Baht

Consolidated balance sheet	31 December 2023		31 December 2022		Increase (Decrease)	
Current assets	590	33%	646	38%	(56)	(5%)
Non-current assets	1,201	67%	1,038	62%	163	5%
Total assets	1,791	100%	1,684	100%	107	0%
Current liabilities	209	12%	327	19%	(118)	(8%)
Non-current liabilities	357	20%	103	6%	254	14%
Liabilities	566	32%	430	26%	136	6%
Shareholders' equity	1,225	68%	1,254	74%	(29)	(6%)
Total liabilities and shareholders	1,791	100%	1,684	100%	107	0%

Financial ratios

Item	Year 2023	Year 2022
1. Return on Assets (ROA)	1.41%	4.91%
2. Current Ratio	2.83 times	2.80 times
3. Debt to Equity Ratio (DE Ratio)	0.46 times	0.34 times

- **Return on Assets (ROA)**

For the year 2023, the company achieved a profit of 1.41% on the average total assets.

- **Current Ratio**

At the end of the year 2023, the company had ability to pay short-term obligations within one year for 2.83 times.

- **Debt to Equity Ratio (DE Ratio)**

At the end of the year 2023, the company used debt to finance its assets at 0.46 times relative to the value of shareholders' equity.

Cash Flow

unit : million Baht

Cash flow	Activities			Increase (decrease)
	Operating	Investing	Financing	
Year 2023	12	(412)	252	(148)
Year 2022	195	(78)	13	130

Cash flow of the company and its subsidiaries for the year 2023 has net decrease of Baht 148 million from end of year 2022.

Net cash flow from operations for the year 2023 was net cash inflow of Baht 12 million.

Net cash flow from investments for the year 2023 was net cash outflow of Baht 412 million due to the company bought 3% of HST shares back at Baht 52.5 million, and the subsidiaries bought equipment, building and assets for renewable energy business about Baht 294 million.

Net cash flow from financing for the year 2023 was net cash inflow of Baht 252 million due to short-term loan for working capital of the subsidiaries and long-term loan from financial institution for buying equipment, building and assets for renewable energy business of company group.

Best regards,

(Mr. Boonlerd lewporchai)

CEO