

2 April 2024

Subject Management Discussion and Analysis

To Director

The Stock Exchange of Thailand

BPS Technology Public Company Limited has submitted the financial statement for year-end 2023 as at 31 December 2023 that has been audited by the authorized auditor to The Stock Exchange of Thailand. The Company had net income of 20.09 Mil Baht, decreased by 2.00% compared to the financial statement for year-end 2022 which had net income of 20.50 Mil Baht. The major causes of changing in operation results are as following:

Unit : Mil Baht

Comprehensive Income Statement	2022 (Consolidated)		2023 (Consolidated)	
	Mil Baht	%	Mil Baht	%
Revenue				
Seles and service revenue	676.76	99.53	734.20	99.38
Other income	3.21	0.47	4.57	0.62
Total revenue	679.97	100.00	738.77	100.00
Expenses				
Cost of goods sold and service	575.88	84.69	629.26	85.18
Selling expenses	34.99	5.15	36.67	4.96
Administration Expenses	39.57	5.82	43.74	5.92
Financial cost	4.08	0.60	3.53	0.48
Total expenses	654.52	96.26	713.20	96.54
Earnings before tax	25.45	3.74	25.57	3.46
Tax Expenses	4.95	0.73	5.49	0.74
Net income	20.50	3.01	20.09	2.72
Adjustment for exchange rate	0.33	0.05	0.51	0.07
Comprehensive Income	20.17	2.97	19.58	2.65

Total revenues of the Company in 2023 increased by Baht 58.81 million or 8.65% mainly from: 1) the increase in sales from electricity connectivity products of Baht 11.45 million that was contributed from the increase in house-brand products 2) the increase in sales of solar rooftop products of Baht 31.68 that was from the sales to contractors 3) the increase in services of solar rooftop project of Baht 22.94 million as the Company

recognized the revenue from rendering the remained projects to private industrial user, and as the Company completed more solar rooftop projects in 2023.

Selling expenses in 2022 – 2023 amounted to Baht 34.99 million and Baht 36.67 million, respectively. Selling expenses in 2023 increased from the costs of employees and distribution expenses. The increase in costs of employees was from the increase in numbers of employees and the rate of salaries and bonuses. The increase in distribution expenses was higher in line with the increased sales.

Administration expenses in 2022 – 2023 were Baht 39.57 million and Baht 43.73 million. Administration expenses in 2023 rose by Baht 4.16 million mostly from the increase in consultant fee of Baht 2.23 million. The Company had higher consultant fee to prepare the Company for filing of IPO: legal fee, internal audit fee, and financial advisor fee.

Operation performance ending 31 December 2022 - 2023

Description		2022	2023
Total Asset	Million Baht	393.78	354.06
Total Liabilities	Million Baht	232.06	180.11
Total equities	Million Baht	161.72	173.94
Total revenue	Million Baht	679.97	738.77
Cost of sales	Million Baht	511.03	539.47
Cost of services	Million Baht	64.84	89.79
Net profit (loss)	Million Baht	20.50	20.09
Earnings per share ¹	Baht/share	33.06	0.16
Earnings per share (Fully diluted) ²	Baht/share	0.05	0.05
Return of Asset	%	0.05	0.05
Return of equity	%	0.14	0.12
Debt to Equity Ratio	Times	1.43	1.04
Gross Profit Margin	%	14.91	14.29
Net Profit Margin	%	3.01	2.72
Dividend payout ratio	%	-	412.17

Remark: ¹ Calculated from paid-up capital of Baht 62 million (620,000 shares) for year 2022 – 2023 and Baht 62 mil (124 million shares for year 2023 at par value THB 0.5.)

² Fully diluted, after IPO at 400 mil shares

Financial Status

Total Asset

The total assets of the Company at the end of 2022 – 2023 amounted to Baht 393.78 million and Baht 354.06 million, respectively. Current assets of the Company at the end of 2022 - 2023 amounted to Baht 244.61 million and Baht 204.19 million or 62.12% and 57.67% of total assets, respectively. Non-current assets of the Company at the end of 2022 – 2023 amounted to Baht 149.17 million and Baht 149.87 million or 37.88% and 42.33% of total assets.

Trade receivables and other receivables at the end of 2022 – 2023 amounted to Baht 139.70 million and Baht 95.60 million or 35.48% and 27.00% of total assets, respectively. Trade receivables and other receivables in 2023 decreased as most the decrease was attributed by the non-due and less-than-3-months due amounted to Baht 34.64 million and Baht 11.19 million, respectively, because of the decreased sales at the end of 2023.

Inventories at the end of 2022 – 2023 amounted to Baht 77.20 million and Baht 76.05 million or 19.61% and 21.48% of total assets. Inventories in 2023 decreased by Baht 1.15 million or 1.52% because the Company maintained high inventory balances in 2023 to prepare for solar rooftop project while the Company already delivered the project by the end of 2023.

Property, plant and equipment at the end of 2022 – 2023 amounted to Baht 141.26 million and Baht 142.33 million or 35.87% and 40.20% of total assets, respectively. property, plant and equipment in 2023 from the investment in fiber optic network, which the Company invested in developers' assets and managed and earned revenue sharing.

Liabilities

Total liabilities at the end of the years 2022 – 2023 amounted to Baht 232.06 million and Baht 180.11 million, respectively, representing 58.93% and 50.87% of total liabilities and shareholders' equity, respectively. Current liabilities at the end of 2022 – 2023 amounted to Baht 185.61 million and Baht 138.99 million or 47.08% and 39.26% of total liabilities and shareholders' equity, respectively. Non-current liabilities at the end of 2022-2023 amounted to Baht 46.65 million and Baht 41.13 million or 11.85% and 11.62% of total liabilities and shareholders' equity, respectively.

Trade payables and other payables in 2022 – 2023 amounted to Baht 161.73 million and Baht 115.42 million or 41.07% and 32.60% of total liabilities and shareholders' equity, respectively. The decrease of Baht 47.12 million was mainly from the repayment at the end of 2023.

Long-term borrowings from financial institutions in 2022 – 2023 amounted to Baht 30.00 million and Baht 27.00 million, respectively or 7.62% and 7.63% of total liabilities and shareholders' equity, respectively. Long-term borrowings from financial institutions decreased by Baht 3.00 million because the Company repaid the borrowings to the financial institution.

Lease liabilities in 2022 – 2023 amounted to Baht 14.50 and Baht 14.04 million or 3.68% and 3.69% of total liabilities and shareholders' equity, respectively. The decrease was mainly from the amortization per business as usual

The shareholders' equity at the end of the years 2022 - 2023, amounted to Baht 161.72 million and Baht 173.94 million, respectively, representing 41.07% and 49.13% of total liabilities and shareholders' equity, respectively. In 2023, the Company underwent the shareholding structure by paying dividends to shareholders and, subsequently, increasing paid-up capital. Most of the increase in shareholders' equity in 2023 came from the profit for the year.