



Management Discussion and Analysis

Quarter 2 ended June 30, 2025

Eureka Design Public Company Limited

Subject Profit and loss reporting for the second quarter of 2025 and explanation of more than 20 percent fluctuation in profit and loss compared to that of last year (Revised)

To Dear Directors and Managers

Stock Exchange of Thailand

Eureka Design Public Company Limited and its subsidiaries (“UREKA”) would like to inform the operating results for the second quarter of 2025 ending on June 30, 2025, details as follows:

Summary of UREKA's performance	EBIT 15.24 M.	Net profit 5.22 M.	Change -35.47 M.	Net profit margin 4.17%
Income Statement Unit: million baht	Year 2025	Year 2024	Change Million	Change (% yoy)
Revenues				
Revenue from sales and services	120.83	134.39	(13.56)	-10.09%
Other income	4.34	11.58	(7.24)	-62.52%
Total revenue	125.17	145.97	(20.80)	-14.25%
Expenses				
Cost of good sold	89.44	77.59	11.85	15.27%
Selling costs	0.17	0.57	(0.40)	-70.18%
Administrative expenses	20.32	16.32	4.00	24.51%
Interest expense	9.62	10.46	(0.84)	-8.03%
Total expenses	119.55	104.94	14.61	13.92%
Profit (loss) before income tax	5.62	41.03	(35.41)	-86.30%
Income (expenses) income tax	(0.40)	(0.34)	(0.06)	17.65%
Net profit (loss)	5.22	40.69	(35.47)	-87.17%
<i>Net profit margin</i>	<i>4.17%</i>	<i>27.88%</i>		

Business Overview of 2025

The overview of UREKA's consolidated profit and loss statement are as follows:

1. UREKA had revenue from sales and services for the second quarter of 2025 ended June 30, 2025, with sales and service income of 120.83 million baht, a decrease of 13.56 million baht or 10.09% from the same period last year with sales and service income of 134.39 million baht. However, the revenue from the production and distribution of recycled plastic pellets amounted to 69.26 million and revenue from the production and distribution of tap water to the Provincial Waterworks Authority according to the water purchase agreement to solve the water shortage problem at the Phan Thong water distribution station and Nong Ka Kha water distribution station was 51.57 million baht. The decrease in revenue from sales and services primarily stems from a slowdown in recycled plastic pellet demand—a direct reflection of weakened global economic conditions. Contributing external factors include trade policy uncertainty, U.S. import tariff hikes, decelerating economic growth in China, and intensifying competition in the plastics market.
2. UREKA had other income for the second quarter of 2025 ended June 30, 2025, other income was 4.34 million baht, a decrease of 7.24 million baht or a decrease of 62.52% from the same period last year. with other income of 11.58 million baht Due to the decrease in exchange rate profits.
3. UREKA had total revenue for the second quarter of 2025 ended June 30, 2025, with total revenue of 125.17 million baht, a decrease of 20.80 million baht or a decrease of 14.25% from the same period of the previous year which had total revenue of 145.97 million baht
4. UREKA had cost of sales and services for the second quarter of 2025 ended June 30, 2025, in the amount of 89.44 million baht, an increase of 11.85 million baht or an increase of 15.27% compared to the previous year with cost of sales and services of 77.59 million baht. This is a result of the increase in the cost of raw materials for production, but the company plans to continue improving its efficiency in controlling the cost of sales and services.
5. UREKA had distribution costs for the second quarter of 2025 ended June 30, 2025, in the amount of 0.17 million baht, a decrease of 0.40 million baht or a 70.18% reduction when compared to last year. The cost of distribution amounted to 0.57 million baht. The significant pressure on costs is attributed to the fragile global economic landscape and rising import-export tariffs across multiple markets, which have elevated raw material and production costs. Nonetheless, the Company continues to actively implement efficiency-enhancing measures to maintain a lean cost structure and enhance long-term competitiveness.

6. UREKA had financial costs for the second quarter of 2025 ended June 30, 2025, in the amount of 9.62 million baht, a decrease of 0.84 million baht or an increase of 8.03% compared to the same period of the previous year with financial cost of 10.46 million baht.
7. UREKA had administrative expenses for the second quarter of 2025 ended June 30, 2025, were 20.32 million baht, an increase of 4.00 million baht or an increase of 24.51% compared to the previous year's administrative expenses of 16.32 million baht due to Unrealized gain loss on exchange rate.
8. UREKA had net profit for the second quarter of 2025 ended June 30, 2025, which amounts to 5.22 million baht, a decrease of 35.47 million baht or a decrease of 87.17% compared to the same period last year when the net profit was 40.69 million baht. This quarter's steep decline in net profit results from numerous challenges confronting the business environment. These include a significant contraction in key market demand due to global economic instability and commodity market volatility, which severely impacted sales. Concurrently, rising raw material costs created clear upward pressure on the cost of sales. Import-export tariff increases and ongoing trade policy uncertainty further complicated cost management. Another critical factor dampening performance is volatile foreign exchange rates, which led to both realized and unrealized foreign exchange losses. Despite these obstacles, the Company has developed and is executing strategic measures to bolster operating stability and long-term business resilience.
9. In light of the persistent economic slowdown triggered by external factors, the Company recognized the strategic imperative of proactive risk management. Accordingly, it introduced targeted marketing promotions for select long-standing foreign customers with strong buying history and high growth potential. While this initiative resulted in a temporary gross loss of approximately THB 6.71 million from the sale of certain inventory lots during the quarter, it was deliberately implemented to preserve liquidity, optimize inventory levels, and maintain long-term commercial relationships with key partners. This initiative was thoroughly evaluated and approved under appropriate governance frameworks and forms a critical component of the Company's proactive management approach in uncertain economic conditions. Moreover, maintaining positive net profitability this quarter underscores the flexibility and robustness of the Company's business model. The Board remains confident that this strategic investment in foundational customer relationships will yield long-term benefits in revenue, customer loyalty, and sustainable growth. The outstanding payment from the customer, which had reached its due date, has been fully settled. The payment terms were in accordance with the same conditions applied to other customers, with a credit period of 120 days.
10. The short-term loan to other parties in the amount of THB 14.84 million was originally a loan granted by the Company to its former subsidiary. At present, the counterparty has entered into a compromise agreement with the Company in court, under which the counterparty has agreed to repay the full

principal amount together with interest. The court has subsequently issued an order allowing the withdrawal of the lawsuit.

Unit: million baht	Year	Year	Change	Change
Current assets	2025	2024	Million	(% yoy)
Non-current assets	208.39	189.43	18.96	10.01%
Total assets	1,669.29	1,679.65	(10.36)	-0.62%
Liability	1,877.68	1,869.08	8.60	0.46%
Equity	318.98	369.68	(50.70)	-13.71%
Liability and Equity	1,558.71	1,499.40	59.31	3.96%
Total Liability and Equity	1,877.69	1,869.08	8.61	0.46%

The overview of UREKA's consolidated financial statement are as follows:

1. UREKA had total assets as of June 30, 2025 of 1,877.69 million baht, divided into current assets of 208.39 million baht, of which the main components are cash and cash equivalents of 32.72 million baht and accrued receivables and accrued income totaling 175.67 million baht, and non-current assets of 1,669.29 million baht, of which the main components are property, buildings and equipment in the amount of 1,334.64 million baht. The Company had total assets as of June 30, 2025, decreased from December 31, 2024 in the amount of 8.60 million baht or a decrease of 0.46% The main reasons for this were a decrease in cash and cash equivalents and a decrease in inventories.
2. UREKA had liabilities as of June 30, 2025 in the amount of 318.98 million baht, a decrease of 50.70 million baht or 13.71% from liabilities as of December 31, 2024. The decline was primarily driven by a reduction in long-term borrowings from financial institutions, in line with the Company's strategic focus on deleveraging and strengthening its financial structure.
3. Shareholders' equity increased as a result of continued profitability. As of June 30, 2025, retained earnings stood at THB 139.21 million, up THB 3.07 million from THB 136.14 million as of December 31, 2024. This growth in retained earnings reflects the Company's sustained profit-generating capability, even amidst challenging economic conditions, and highlights its stable financial position.

Other key financial ratios as follows:

Key financial ratios	Q2/2025	Year 2024
Leverage Ratio		
D/E	0.20	0.25
Liquidity Ratio		
Current Ratio	1.20	1.47
Profitability Ratios		
Net Profit Margin	4%	28%

Please be informed accordingly and publish to investors

Best regards,

(Rinnatha Akeassavapirom)
Chief Executive Officer and Director