

14 May 2021

Subject: Management Discussion and Analysis of the Financial Statements for the First Quarter of 2021

To The President

Stock Exchange of Thailand

Peerapat Technology Public Company Limited (the “Company” or “PRAPAT”) would like to inform its operation performance for the First Quarter of 2021 as follows,

Operation Performance Analysis

Statement of Comprehensive Income	Consolidated (Reviewed)			
	First Quarter of 2020 (Jan. – Mar.)		First Quarter of 2021 (Jan. – Mar.)	
	mn THB	%	mn THB	%
Revenue				
Sales Revenue	211.29	82.93%	151.81	79.27%
Rent and Service Revenue	43.48	17.07%	39.71	20.73%
Total Sales Rent and Service Revenue	254.77	100.00%	191.52	100.00%
Cost of Sales	-109.72	-43.07%	-80.62	-42.09%
Cost of Rent and Service	-24.63	-9.67%	-23.89	-12.47%
Total Cost	-134.35	-52.73%	-104.51	-54.57%
Gross Profit	120.42	47.27%	87.01	45.43%
Other Incomes	2.36	0.93%	1.97	1.03%
Selling Expenses	-38.38	-15.07%	-25.30	-13.21%
Administration Expenses	-62.17	-24.40%	-51.52	-26.90%
Earnings Before Interest and Tax	22.23	8.72%	12.17	6.35%
Finance cost	-5.43	-2.13%	-4.39	-2.29%
Earnings Before Tax	16.80	6.59%	7.78	4.06%
Tax Expenses	-3.16	-1.24%	-2.06	-1.07%
Net Profit for the Year	13.64	5.35%	5.72	2.99%
Attribution of net profit				
Equity-holder of the Company	11.77	4.62%	3.84	2.00%
Non- Controlling Interests	1.87	0.73%	1.89	0.99%

Revenue from Operation

Sales Revenue

In 1Q21 the Company and its subsidiaries had sales revenue decreased from the same period of the previous year by 59.48 million baht or 28.15%, mainly due to the impact of the disease epidemic. A new wave of COVID-19 which is once again a negative impact on the Thai economy. By the impact that the country recovered slowly as a result, the revenue from the sale of the product group decreased while real estate development customers have slowed their investment.

Rent and Service Revenue

In 1Q21, the Company and its subsidiaries had rental and service income decreased 3.77 million baht, or decreased 8.67%, consisting of a decrease in service income, swimming pool product group of 0.10 million baht and revenue from heater product group. Energy-saving hot water decreased by 0.41 million baht, kitchen product rental income decreased by 4.26 million baht as a result of the new epidemic of COVID-19, hotel and restaurant customers temporarily shut down.

Gross Profit and Gross Profit Margin

In 1Q21, the Company and its subsidiaries had gross profit from sales of 71.19 million baht, accounting for 37.17 percent of gross profit from sales, while the same period of the previous year, the Company and subsidiaries had gross profit from sales of 101.57 million. Million baht, accounting for the gross profit margin from sales of 39.87 percent. The Company and its subsidiaries had lower gross profit margin. Since in the first quarter of 2020 there is a sales of sterile products Gels, alcohol disinfectants and household cleaning products ,There was a large volume of orders as a result of the first COVID-19 outbreak, which saw a high gross margin in 1Q21There are sales of sterile products. Less gels, disinfectants and household cleaning products decrease.

In 1Q21, the Company and its subsidiaries had a gross profit from rental and service fees of Baht 15.82 million, or gross profit from rental and service fees of 8.26% while the same period of the previous year. The Company and its subsidiaries had a gross profit from rental and service fees of Baht 18.85 million, or the gross profit margin on rental and service expenses was of 7.40% due to the decrease in gross margins from rental and service is because the company has waived the rental of utensil to customers in accordance with the measure to help customers in specific groups of hotels and restaurants. Therefore, the company has to recognize the average rental income according to the lower figure according to the accounting standard while

recording the depreciation cost of the automatic container washers the same And the impact of the revenue decline that was affected by the COVID-19 situation resulted in the inability to provide services for the swimming pool and heat pump maintenance work due to the hotels and resorts closed.

Selling and Administration Expenses

In 1Q21, the Company and its subsidiaries had distribution expenses of 25.30 million baht, a decrease of 13.09 million baht from the same period of the previous year due to a decrease in salaries and travel expenses. The sales commission is approximately 6 million baht following the decrease in revenue. Reduction of public relations expenses approximately 2Million baht, such as the cost of organizing exhibitions and marketing activities, etc.

In 1Q21, the Company and its subsidiaries had administrative expenses decreased from the same period of the previous year by Baht 10.65 million or 17.13%, due to a decrease in salary. Bonus and employee benefits of approximately 6 million baht to maintain the financial liquidity of the Group. From the corporate restructuring plan in 2020In addition, the allowance for doubtful accounts has been increased by approximately Baht 3 million as a result of the Financial Reporting Standard No. 9, causing the allowance for doubtful accounts to be gradually set up at the specified rate immediately. Even if it's not more than 365 days.

Net profit and net profit margin attribute to equity-holders of the Company

In 3Q20, The Company and its subsidiaries had a net profit of the Company's shareholders at 3.84 million baht or equivalent to a net profit margin of the Company's shareholders equity of 2 percent, a decrease from the same period of the previous year. Which had net profit in the Company's shareholders equity of 11.77 million baht or equivalent to 4.62 percent of the Company's shareholders equity as a result of the new round of COVID-19 situation, the income was reduced. Service gross margin decreased especially the gross profit margin from renting an automatic container washing machine in accordance with the measure to help customers in specific groups of restaurants except the rental fee but the depreciation expense is still recognized over time

Please be informed accordingly,

Best Regards,

Mr. Veerapong Luesakul

Chief Executive Officer