

13 May 2022

Subject: Management Discussion and Analysis of the Financial Statements for the First Quarter of 2022

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 2022 as follows,

Operation Performance Analysis

Statement of Comprehensive Income	Consolidated (Reviewed)			
	First Quarter of 2022		First Quarter of 2022	
	(Jan. – Mar.)		(Jan. – Mar.)	
	mn THB	%	mn THB	%
Revenue				
Sales Revenue	151.81	79.27%	164.19	80.22%
Rent and Service Revenue	39.71	20.73%	40.48	19.78%
Total Sales Rent and Service Revenue	191.52	100.00%	204.67	100.00%
Cost of Sales	-80.62	-42.09%	-98.71	-48.23%
Cost of Rent and Service	-23.89	-12.47%	-22.85	-11.17%
Total Cost	-104.51	-54.57%	-121.57	-59.40%
Gross Profit	87.01	45.43%	83.10	40.60%
Other Incomes	1.97	1.03%	2.14	1.04%
Selling Expenses	-25.30	-13.21%	-27.98	-13.67%
Administration Expenses	-51.52	-26.90%	-50.48	-24.66%
Earnings Before Interest and Tax	12.17	6.35%	6.78	3.31%
Finance cost	-4.39	-2.29%	-4.48	-2.19%
Earnings Before Tax	7.78	4.06%	2.30	1.12%
Tax Expenses	-2.06	-1.07%	-0.88	-0.43%
Net Profit for the Year	5.72	2.99%	1.42	0.69%
Attribution of net profit				
Equity-holder of the Company	3.84	2.00%	0.19	0.09%
Non- Controlling Interests	1.89	0.99%	1.23	0.60%

Revenue from Operation

Sales Revenue

In 1Q22 the Company and its subsidiaries had sales revenue decreased from the same period of the previous year by 12.38 million baht or 8.16%, mainly due to the situation of opening the country through the government sector. As a result, the country gradually economic recovery. Sales revenue increased in line with the domestic tourism.

Rent and Service Revenue

In 1Q22, the Company and its subsidiaries had rental and service income increased 0.77 million baht, or increased 1.93%, consisting of an increase in service income, swimming pool product group of 1.38 million baht and revenue from heater product group. Energy-saving hot water increased 0.07 million baht; kitchen product rental income increased by 0.61 million baht because of the better tourism situation in the country. As a result, hotel and restaurant customers have resumed their normal operations.

Gross Profit and Gross Profit Margin

In 1Q22, the Company and its subsidiaries had gross profit from sales of 65.48-million-baht, accounting for 37.99 percent of gross profit from sales, while the same period of the previous year, the Company and subsidiaries had gross profit from sales of 71.19 million. Million-baht, accounting for the gross profit margin from sales of 37.17 percent. The Company and its subsidiaries had lower gross profit margin. The Company and its subsidiaries had a lower gross profit margin from sales. due to raw materials, packaging and transportation costs increased This was due to the problem of the Thai economy on the supply side due to the sanctions on Russia. and the impact of energy prices and domestic inflation, resulting in higher selling costs.

In 1Q22, the Company and its subsidiaries had a gross profit from rental and service fees of Baht 17.62 million, or gross profit from rental and service fees of 8.61% while the same period of the previous year. The Company and its subsidiaries had a gross profit from rental and service fees of Baht 15.82 million, or the gross profit margin on rental and service expenses was of 8.26% due to the increase in gross margins from rental and service is because the company because the company has income for renting the washing machine for customers, hotels and restaurants are back to open as usual.

Selling and Administration Expenses

In 1Q22, the Company and its subsidiaries had distribution expenses of 27.98 million baht, an increase of 2.68 million baht from the same period of the previous year due to an increase in sales commission shipping cost on sale according to the increase in sales and service income.

In 1Q22, the Company and its subsidiaries had administrative expenses decreased from the same period of the previous year by 1.04 million baht or 2.02%, due to a decrease the reduction of the allowance for doubtful accounts and reduced from external consulting fees.

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

In 1Q22, The Company and its subsidiaries had a net profit of the Company's shareholders at 0.19 million baht or equivalent to a net profit margin of the Company's shareholders equity of 0.09 percent, a decrease from the same period of the previous year. Which had net profit in the Company's shareholders equity of 3.84 million baht or equivalent to 2.00 percent of the Company's shareholders equity. This was due to the impact of energy prices and domestic inflation, resulting in higher costs of raw materials, packaging, and transportation. And the current situation, the company's sales are starting to gradually improve.

Please be informed accordingly,

Best Regards,

Mr. Veerapong Luesakul

Chief Executive Officer