

Ref. TPS.SET 2022/1101

November 10, 2022

Subject Interim Management's Discussion and Analysis for 3 months & 9 months ended 30 September 2022

To The President  
The Stock Exchange of Thailand

Management's Discussion and Analysis of The Practical Solution Public Company Limited ("the Company") and subsidiaries for 3 months ended 30 September 2022, details are as follows.

Performance	3 Months 2021		3 Months 2022		Change
	MB	%	MB	%	%
<b>Revenue from Sales and Services</b>					
1. Revenue from IT System Sale	93.46	64.72	183.28	67.53	96.11
2. Revenue from Maintenance Services	47.11	32.62	68.21	25.13	44.79
3. Revenue from Other IT Services	2.47	1.71	17.28	6.37	599.60
<b>Total Revenue from Sales and Services</b>	<b>143.04</b>	<b>99.05</b>	<b>268.77</b>	<b>99.02</b>	<b>87.90</b>
Interest income	0.81	0.56	1.51	0.56	86.78
Other Revenue*	0.56	0.39	1.15	0.42	104.14
<b>Total Revenue</b>	<b>144.41</b>	<b>100.00</b>	<b>271.42</b>	<b>100.00</b>	<b>87.96</b>
Cost of sales and services	95.47	66.74	188.98	70.31	97.94
Selling expenses	7.74	5.36	10.82	3.98	39.69
Administrative expenses	29.93	20.73	33.47	12.33	11.82
<b>Total Cost</b>	<b>133.14</b>	<b>92.20</b>	<b>233.26</b>	<b>85.94</b>	<b>75.20</b>
<b>Gross Profit</b>	<b>47.57</b>	<b>33.26</b>	<b>79.79</b>	<b>29.69</b>	<b>67.74</b>
<b>Operating Profit</b>	<b>11.27</b>	<b>7.80</b>	<b>38.16</b>	<b>14.06</b>	<b>238.75</b>
Financial cost	0.12	0.08	0.39	0.14	231.27
Earnings before Taxes	11.15	7.72	37.77	13.92	238.82
Taxes	2.00	17.94	8.15	21.59	307.76
<b>Net Profit</b>	<b>9.15</b>	<b>6.34</b>	<b>29.62</b>	<b>10.91</b>	<b>223.76</b>
Profit (loss) attributable to:					
<b>Shareholders of the parent company</b>	<b>9.77</b>	<b>6.77</b>	<b>30.42</b>	<b>11.21</b>	<b>211.26</b>
Non-controlling interests	-0.62	-0.43	-0.80	-0.30	28.53
	<b>9.15</b>	<b>6.34</b>	<b>29.62</b>	<b>10.91</b>	<b>223.62</b>

Note: \* Other revenue includes gains from sales of assets and gains from exchange rate etc.

Type of Customer	3 Months 2021		3 Months 2022		Change
	MB	%	MB	%	%
1. Private Companies	91.24	63.79	231.35	86.08	153.55
2. Government Agencies	51.80	36.21	37.42	13.92	-27.75
<b>Total</b>	<b>143.04</b>	<b>100.00</b>	<b>268.77</b>	<b>100.00</b>	<b>87.90</b>

#### Revenue from sales and services

For the 3 months period ended September 30, 2022, the company revenue from sales and services to 268.77 MB increased 125.73 MB or increased 87.90% compared with the same period last year. The proportion of revenue from IT systems sales included installation and revenue from after-sales services was approximately 68% to 25%. Revenue increasing was mainly due to the closure of large projects worth more than 5MB. The total increased was 120.64 MB or 158%

#### Cost of sales and services Gross profit and Gross profit margin

For the 3 months period ended September 30, 2022, the cost of sales and services increased by 93.51 MB or 97.94% from the same period last year in accordance with the increase in revenue from sales and services, as a result, the company's gross profit increased to by 79.79 MB, but the gross profit margin decrease to 29.69%.

#### Selling and Administrative expenses Operating profit and Operating profit margin

For the 3 months period ended September 30, 2022, selling expenses increased 3.07 MB or 39.69% from the same period of the previous year. The main reason came from an increase in commission according to the increase in sales revenue. Administrative expenses increased 3.54 MB or 11.82% from the same period last year caused by increase in employee compensation and operating expenses in the part of the subsidiary. As a result, the profit from the company operations increased to 38.16 MB and the operating profit margin increased to 14.06%.

#### Net profit and Net profit margin

For the first 3 months period ended September 30, 2022, the net profit attributable to the parent company was 30.42 MB increasing 211.26% from the previous year due to the increased in revenue.

Management's Discussion and Analysis of The Practical Solution Public Company Limited ("the Company") and subsidiaries for 9 months ended 30 September 2022, details are as follows.

Performance	9 Months 2021		9 Months 2022		Change
	MB	%	MB	%	%
<b>Revenue from Sales and Services</b>					
1. Revenue from IT System Sale	236.63	60.37	445.22	67.87	88.15
2. Revenue from Maintenance Services	134.40	34.29	169.45	25.83	26.08
3. Revenue from Other IT Services	16.34	4.17	33.25	5.07	103.49
<b>Total Revenue from Sales and Services</b>	<b>387.37</b>	<b>98.82</b>	<b>647.92</b>	<b>98.77</b>	<b>67.26</b>
Interest income	2.52	0.64	4.33	0.66	71.64
Other Revenue*	2.11	0.54	3.71	0.57	75.36
<b>Total Revenue</b>	<b>392.00</b>	<b>100.00</b>	<b>655.96</b>	<b>100.00</b>	<b>67.34</b>
Cost of sales and services	257.34	66.43	455.22	70.26	76.90
Selling expenses	20.65	5.27	30.18	4.60	46.14
Administrative expenses	85.48	21.81	99.88	15.23	16.85
<b>Total Cost</b>	<b>363.46</b>	<b>92.72</b>	<b>585.28</b>	<b>89.23</b>	<b>61.03</b>
<b>Gross Profit</b>	<b>130.03</b>	<b>33.57</b>	<b>192.70</b>	<b>29.74</b>	<b>48.19</b>
<b>Operating Profit</b>	<b>28.53</b>	<b>7.28</b>	<b>70.68</b>	<b>10.77</b>	<b>147.71</b>
Financial cost	0.35	0.09	0.75	0.11	116.11
Earnings before Taxes	28.19	7.19	69.93	10.66	148.10
Taxes	5.78	20.50	15.36	21.97	165.91
<b>Net Profit</b>	<b>22.41</b>	<b>5.72</b>	<b>54.57</b>	<b>8.32</b>	<b>143.51</b>
Profit (loss) attributable to:					
<b>Shareholders of the parent company</b>	<b>23.61</b>	<b>6.02</b>	<b>57.06</b>	<b>8.70</b>	<b>141.66</b>
Non-controlling interests	-1.20	-0.31	-2.49	-0.38	108.20
	<b>22.41</b>	<b>5.72</b>	<b>54.57</b>	<b>8.32</b>	<b>143.45</b>

Note: \* Other revenue includes gains from sales of assets and gains from exchange rate etc.

Type of Customer	9 Months 2021		9 Months 2022		Change
	MB	%	MB	%	%
1.Private Companies	266.83	68.88	472.95	72.99	77.25
2.Government Agencies	120.53	31.12	174.97	27.01	45.16
<b>Total</b>	<b>387.37</b>	<b>100.00</b>	<b>647.92</b>	<b>100.00</b>	<b>67.26</b>

### Revenue from sales and services

For the 9 months period ended September 30, 2022, the company revenue from sales and services to 647.92 MB increased 260.55 MB or increased 67.26% comparing with the same period last year. The proportion of revenue from IT systems sales included installation and revenue from after-sales services was approximately 68% to 26%. Revenue increasing was mainly due to the closure of large projects worth more than 5MB. The total increased was 345.89 MB or 130%

### Cost of sales and services Gross profit and Gross profit margin

For the 9 months period ended September 30, 2022, the cost of sales and services increased by 197.89 MB or 76.90% from the same period last year in accordance with the increase in revenue from sales and services, as a result, the company's gross profit increased to by 192.70 MB, but the gross profit margin decrease to 29.74%.

### Selling and Administrative expenses Operating profit and Operating profit margin

For the 9 months period ended September 30, 2022, selling expenses increased 9.53 MB or 46.14% from the same period of the previous year. The main reason came from an increase in commission according to the increase in sales revenue. Administrative expenses increased 14.40 MB or 16.85% from the same period last year caused by increase in employee compensation and operating expenses in the part of the subsidiary. As a result, the profit from the company operations increased to 70.68 MB and the operating profit margin increased to 10.77%

### Net profit and Net profit margin

For the first 9 months period ended September 30, 2022, the net profit attributable to the parent company was 57.06 MB increasing 141.66% from the previous year due to the increased in revenue.

Please be informed accordingly,

Yours Sincerely,

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(Mr. Bunsom Kitkasetsthaporn)

Chief Executive Officer