

NO. PROS 2565-016

November 11, 2022

Subject: The Management Discussion and Analysis for the Period Ending September 30, 2022

To: Director and Manager
The Stock Exchange of Thailand

Prosper Engineering Public Company Limited (“the Company”) and its subsidiaries (“the Group”) provide the Management Discussion and Analysis of changes to our operations for 9 month (3Q2022) period ending September 30, 2022 as follows:

Revenue from construction and services

For the nine-month 2022, the Group had construction and service income of 957.63 million baht, increase from nine-month 2021 196.59 million baht or 25.83 percent increase. The reasons are from recognition of income according to the success stage of construction from the existing backlog (especially customers in the real estate from the Privacy Chatuchak project, The department stores/retail stores group from the Lotus’s Hypermarket North Ratchaphruek (5K) , hospital groups from the renovation project of Nawamintrachinee building and Kakanang building, Chula hospital and other groups from the project, the construction of the SMART PARK Industrial Estate project, the INNSIDE BANGKOK SUKHUMVIT project, other.

Other income

Other income of the Group mainly consists of sales of scrap materials. The Group has other income in nine-month 2022 in the amount of 3.29 million baht accounting for 0.34 percent of the total income, respectively.

Cost of construction and gross profit

For the nine-month 2022, the Group has construction and service costs of 1,010.90 million baht, increase from the nine-month 2021 by 369.58 million baht or equivalent to a rate of 57.63 percent. The gross profit in nine-month 2021 -53.27 million baht and nine-month 2021 119.72 million baht or -5.56 percent and 15.73 percent respectively. The decrease in gross profit margin was cause by raise the price of material, equipment and labor costs increased due to labor shortages.

Selling and administrative expenses

Selling and administrative expenses for the nine-month 2022 and nine-month 2021 amounted to 62.22 million baht and 70.93 million baht, respectively. While considering the proportion of selling and administrative



expenses to revenue from construction and service work will find that the proportion will be 6.50 percent and 9.32 percent respectively. When compared with same period of the previous year The Company had selling and administrative expenses decreased by Baht 8.71 million or 12.28 percent, mainly due to employee income and employee welfare. Of the group of companies that have been mainly decreased

Net profit for the year

For the nine-month 2022, the Group has a net loss of 90.12 million baht, decrease from nine-month 2021 by 132.23 million baht or a decrease of 313.99 percent. There are important reasons is the decreased income and Improved gross profit margin has decrease.

Financial position

As of September 30, 2022, the Group had decrease in total assets compared to December 31, 2021 in the amount of 64.41 million baht. The main reason for the increase was mainly from trade receivables and the inventories.

As of September 30, 2022, the Group had total liabilities of 621.77 million baht or 59.13 percent of total liabilities and equity. The substantial liabilities are trade payables and other payables which comprise of material cost payable, accounts payable for performance guarantee. As of September 30, 2022, the Group has trade and other payables amounting to 340.58 million baht or 32.39 percent of total liabilities and equity.

The equity of the Group as of September 30, 2022 was 429.73 million baht, decrease of 104.89 million baht compared to the equity as of December 31, 2021, which was mainly due to the Group's operating loss of 90.12 million baht.

Liquidity ratio

For the nine-month 2022, the liquidity ratio of the Group at 1.41 times, decrease compared to the December 31, 2021 with 1.90 times, this was due to decrease in cash and cash equivalents.

Please be informed accordingly

Yours sincerely,

(Mr. Pongthep Ratanaseangsuang)

Chief Executive Officer

