

11 November 2022

Subject: Management Discussion and Analysis (MD&A) for the Second 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 Third Quarter of 2022 as follows,

Operation Performance Analysis

Statement of Comprehensive Income	Consolidated (Reviewed)			
	The second Quarter of 2021 (Jul. – Sep.)		The second Quarter of 2022 (Jul. – Sep.)	
	MN THB	%	MN THB	%
Revenue				
Sales Revenue	143.15	84.72%	202.53	81.66%
Rent and Service Revenue	25.82	15.28%	45.50	18.34%
Total Sales Rent and Service Revenue	168.97	100.00%	248.03	100.00%
Cost of Sales	-83.13	-49.20%	-124.36	-50.14%
Cost of Rent and Service	-20.07	-11.88%	-27.12	-10.94%
Total Cost	-103.20	-61.07%	-151.48	-61.07%
Gross Profit	65.78	38.93%	96.55	38.93%
Other Incomes	2.69	1.59%	4.06	1.64%
Selling Expenses	-21.67	-12.82%	-31.42	-12.67%
Administration Expenses	-47.87	-28.33%	-52.78	-21.28%
Earnings Before Interest and Tax	-1.08	-0.64%	16.41	6.62%
Finance cost	-4.61	-2.73%	-4.70	-1.89%
Earnings Before Tax	-5.69	-3.37%	11.71	4.72%
Tax Expenses	-1.66	-0.98%	-1.50	-0.60%
Net Profit for the Year	-7.35	-4.35%	10.22	4.12%
Attribution of net profit				
Equity-holder of the Company	-9.00	-5.33%	9.34	3.76%
Non- Controlling Interests	1.66	0.98%	0.88	0.35%

Revenue from Operation

Sales Revenue

In 3Q22 the Company and its subsidiaries had sales revenue decreased from the same period of the previous year by 59.38 million baht or 41.48%, consisting of an increase in laundry product revenue of 19.13 million baht. Kitchen products revenue amounted to 21.58 million baht and income from pool products revenue amounted to 10.42 million baht, increasing with tourism and dining at the restaurant business, hotel business has increased sales.

Rent and Service Revenue

In 3Q22, the Company and its subsidiaries had rental and service income increased 19.67 million baht, or increased 76.17%, consisting of an increase in service income, swimming pool product group of 7.95 million baht and revenue from kitchen product rental income increased by 11.72 million baht because of the better economic situation in the country. As a result, hotel business and restaurant business have increased income.

Gross Profit and Gross Profit Margin

In 3Q22, the Company and its subsidiaries had gross profit from sales of 78.17-million-baht, accounting for 31.52 percent of gross profit from sales, while the same period of the previous year, the Company and subsidiaries had gross profit from sales of 70.02-million-baht, accounting for the gross profit margin from sales of 35.52 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 increased prices, packaging increased prices This was due to the problem of the Thai economy on the supply side. resulting in higher selling costs.

In 3Q22, the Company and its subsidiaries had a gross profit from rental and service fees of 18.37 million baht, or gross profit from rental and service fees of 7.41% in the same period of the previous year. The Company and its subsidiaries had a gross profit from rental and service fees of 5.76 million baht, or the gross profit margin on rental and service expenses was of 3.41% due to the increase in gross margins from rental and service is because the company because the company has income for renting the dishwasher machine for customers, hotels and restaurants are come back to order more.

Selling and Administration Expenses

In 3Q22, the Company and its subsidiaries had distribution expenses of 31.42 million baht, an increase of 9.75 million baht or 44.99% from the same period of the previous year due to an increase in sales commission of 3.16 million baht, an increase in transportation costs of 2.61-million-baht, travel expenses for sales of 1.06

million baht, and an increase in promotional expenses from an amount of 1.60 million baht. Sales increased by 0.56 million baht due to increased sales. As a result, there are activities to drive sales to meeting customers both domestically and internationally.

In 3Q22, the Company and its subsidiaries had administrative expenses increased from the same period of the previous year by 4.91 million baht or 10.26%, due to an increase salary expense by 1.74 million baht there are trips to visit partner factories both domestically and internationally, the travel expenses by 1.29 million baht, the depreciation expenses by 1.11 million baht increased from solar cells in the office side and QCM buildings. (Building for repairing various equipment)

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

In 3Q22, The Company and its subsidiaries had a net profit of the Company's shareholders at 9.34 million baht or equivalent to a net profit margin of the Company's shareholders equity of 3.76 percent, an increase from the same period of the previous year. Which had a net profit in the Company's shareholders' equity of -9.00 million baht or equivalent to -0.98 percent of the Company's shareholders equity. The company's sales are starting to gradually improve.

Please be informed accordingly,

Best Regards,

Mr. Veerapong Luesakul

Chief Executive Officer