



NO. PROS 2023-013

May 12, 2023

Re: Management Discussion and Analysis (MD&A) for the First Quarter of 2023

To: President
The Stock Exchange of Thailand

Prosper Engineering Public Company Limited "PROS" view the overall business in 2023 that expected to improve from the previous year. According to the government economic stimulus measures for Infrastructure investment will stimulate the overall economy and domestic investment which the private sector has gradually started to launch more new projects. We believe that after the COVID-19 situation has been resolved, it will be a positive factor for the Company's operations

The business plan of PROS in 2023, we will move forward with caution and prudence, expand cooperation with our partners and expand new opportunities in business. Currently, the company has expanded into 4 engineering-related businesses as follows.

1. **Construction business**, which is the core business Including supply, installation Including the design of the engineering system, structural and architectural work operated by *PROS* and the subsidiaries named *Prosper Titan*.
2. **High voltage substation & renewable energy business**, such as the construction of substations and solar roof systems, operated by the subsidiaries named *Prosnext*.
3. **New Technology & Trading Business**, including the installation of EV Charger systems, as well as investing in Power Wissen Co., Ltd. "*PowerWissen*" to distribute engineering system equipment.
4. **Healthcare Business** such as investment in a specialized hospital business with advanced medical technology. Currently, more than 80% of the construction work has been progressed and expected to be completed by the end of 2023.

As per the aforesaid business plan, the management expects that it will result in the Company have the ability to take on more works and recognize revenue and profits better for good returns in the long run.

Prosper Engineering Public Company Limited ("the Company") and its subsidiaries ("the Group") provide the Management Discussion and Analysis of changes to our operations for 3 month-periods ending March 31, 2023 as follows:

Revenue from construction and services

For the first three-month of 2023, the Group had construction and service income of Baht 237.95 million, decreasing of Baht 25.59 million from the same period of 2022 or 9.71 percent decrease. The major 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 ASPIRE ERAWAN PRIME project and other groups from the INNSIDE BANGKOK SUKHUMVIT project which were preparing to deliver the work in the first three-month of the year 2023.

However, the Group has other new groups that can recognition income according to the success state of construction from other groups from the Lak Chai Muang Yang power station construction project, the Girder factory construction project for double track railway, and the SMART PARK Industrial Estate construction project.

Other income

Other income of the Group mainly consists of sales of scraps. The Group has other income in three-month of 2023 in the amount of Baht 1.04 million accounting for 0.43 percent of the total income.

Cost of construction and gross profit

For the first three-month of 2023, the Group has construction and service costs of Baht 221.99 million, decreasing from the three-month of 2022 by Baht 49.48 million, equivalent to 18.23 percent decrease. The gross profit in three-





month of 2023 Baht 15.96 million and three-month of 2022 Baht -7.94 million or 6.71 percent and -3.01 percent respectively. The increase in gross profit margin was caused from the existing projects are infrastructure, department stores and retailers which are the group of customers that the Group are expertise for construction planning, construction estimates as well as expertise for allocation of workers to the construction projects.

Selling and administrative expenses

Selling and administrative expenses for the first three-month of 2023 and the first three-month of 2022 amounted to Baht 21.86 million and Baht 18.66 million, respectively. The proportion of selling and administrative expenses to total revenue from construction and services are 9.19 percent and 7.08 percent respectively. Comparing to same period of the previous year, the Group had selling and administrative expenses increased by Baht 3.20 million or 17.14 percent, mainly caused by expenses for computers and information systems and administrative expenses for group of companies that have been mainly increased

Net profit

For the first three-month of 2023, the Group has a net loss of Baht 6.67 million, decrease from three-month of 2022 by Baht 13.61 million or a decrease of 67.10 percent. There are major reasons is from the decreased of cost of construction and cost of services.

Financial position

As of March 31, 2023, the Group had increased in total assets compared to total assets as of December 31, 2022 in the amount of Baht 24.53 million. The major reason for the increase was from the property, plant and equipment.

As of March 31, 2023, the Group had total liabilities of Baht 755.78 million or 65.52 percent of total liabilities and equity. The majors reason is from short-term loans from the financial institutions amounting to Baht 228.62 million or 19.82 percent of total liabilities and equity.

The equity of the Group as of March 31, 2023 was Baht 397.74 million, increased of Baht 9.01 million compared to the equity as of December 31, 2022, which was mainly due to the increase in paid-up capital of Baht 15.68 million.

Liquidity ratio

For the three-month of 2023, the liquidity ratio of the Group at 1.19 times, compared to the three-month of 2022 at 1.25 times from the decrease of trade and other receivables.

Please be informed accordingly

Yours sincerely,

(Mr. Pongthep Ratanaseangsuang)

Chief Executive Officer

