

Date 12 May 2023

Subject: Management Discussion and Analysis of the Company's Performance from the Financial Reporting for the Three-Month Period Ended 31 March 2023

To: Director and Manager
The Stock Exchange of Thailand

Primo Service Solutions Public Company Limited (“the Company” or “PRI”) would like to submit the Management Discussion and Analysis for the Three-Month Period Ended 31 March 2023 as follows:

Operating Results for the Three-Month Period Ended 31 March 2023 are as follows

Items	For the Three-Month Periods Ended 31 March (MTHB)				Change	
	2022	%	2023	%	MTHB	%
Revenue from services and sales	169.4	99.4	395.8	100.0	226.4	133.6
Other Income	1.0	0.6	0.1	0.0	(0.9)	(90.0)
Total revenues	170.4	100.0	395.9	100.0	225.5	132.3
Cost of services and sales	(100.5)	(59.0)	(268.9)	(67.9)	(168.4)	167.6
Administrative expenses	(14.0)	(8.2)	(16.7)	(4.2)	(2.7)	19.3
Total expenses	(114.5)	(67.2)	(285.6)	(72.1)	(171.1)	149.4
Operating profit	55.9	32.8	110.3	27.9	54.4	97.3
Finance income	-	-	-	-	-	-
Finance cost	(0.1)	(0.1)	(0.1)	(0.0)	-	-
Profit before tax	55.8	32.7	110.2	27.8	54.4	97.5
Tax expenses	(11.4)	(6.7)	(22.3)	(5.6)	(10.9)	95.6
Profit for the year	44.4	26.1	87.9	22.2	43.5	98.0
Other comprehensive income	44.4	26.1	87.9	22.2	43.5	98.0

I Operating Income

For the three-month periods ended 31 March 2022 and 2023, the total revenues of the company were Baht 170.4 million baht, and 395.9 million baht, respectively increased by 225.5 million baht or equivalent to 132.3% as a result of increase in all groups. Details are as follows

Business Groups	For the Three-Month Periods Ended		Change	
	31 March (MTHB)		MTHB	%
	2022	2023		
Engineering Consulting and Design Business	24.4	49.1	24.7	101.2
Real Estate Management Business	76.1	121.4	45.3	59.5
Real Estate after Sales Service Business	69.7	225.4	155.7	223.4
Other Income	0.2	-	(0.2)	(100.0)
Total Revenue	170.4	395.9	225.5	132.3

- For the three-month periods ended 31 March 2023, Engineering Consulting and Design Business had increased revenue from the same period of previous year details as follow: 1) The revenue from consulting service, construction management and architectural design are increased as a consequence of increase in project number. And 2) an increase in training services (UPM Academy) as increasing of number and type of training courses.
- For the three-month periods ended 31 March 2023, Real Estate Management Business had increased revenue from the same period of the previous year details as follows: 1) an increase in juristic management for condominiums and housing estates, also residential properties and 2) an increase in brokerage services and JV deal makers.
- For the three-month periods ended 31 March 2023, Real Estate after Sales Service Business had increased revenue from the same period of the previous year due to an increase in interior design and installation services from expanding the business scope of design and decoration services to the common areas of real estate projects. Moreover, an increase in cleaning services as increasing in number of service contracts and one-time cleaning from sale promotions collaborated with real estate developers.

II Expense

1. Cost of services and sales

For the three-month periods ended 31 March 2022 and 2023, the Company's cost of services and sales were 100.5 million baht and 268.9 million baht, respectively which increased by 168.4 million baht or equivalent to 167.6%. The details are as follows

Business Groups	For the Three-Month Periods Ended 31 March (MTHB)		Change	
	2022	2023	MTHB	%
Engineering Consulting and Design Business	17.5	37.4	19.9	113.7
Real Estate Management Business	28.0	58.6	30.6	109.3
Real Estate after Sales Service Business	54.8	172.8	118.0	215.3
Other costs	0.2	0.1	(0.1)	(50.0)
Total Cost of services and sales	100.5	268.9	168.4	167.6

- For the three-month periods ended 31 March 2023, the Company had increased cost of services from the same period of the previous year due to an increase in employee benefit expenses from expanding business which was in line with the increase in revenue. In addition, an increase in cost of equipment for interior design which was in line with the increase in revenue.

2. Administrative Expenses

Administrative expenses of the Company mainly consist of employee benefit expenses, audit fee depreciation & amortization expense and other expenses such as advisory fee and other fees. For the three-month periods ended 31 March 2022 and 2023, the Company's administrative expense were 14.0 million baht and 16.7 million baht, respectively which increased by 2.7 million or equivalent to 19.3%.

III Profit for the year

For the three-month periods ended 31 March 2022 and 2023, the Company's net profit were 44.4 million baht and 87.9 million baht, respectively which increased by 43.5 million baht or equivalent 98.0%. The reason was increasing in revenues of current business and expanding new services.

VI Statement of Financial Position

Items	As of 31 December, 2022	As of 31 March, 2023	Change	
	(MTHB)	(MTHB)	MTHB	%
Total Assets	1,635.8	1,867.6	231.8	14.2
Total Liabilities	152.5	294.9	142.4	93.4
Total Equity	1,483.3	1,572.7	89.4	6.0

1. Total Assets

Major assets comprised cash and cash equivalents, trade account and other receivables, inventory, and other current assets. Total assets as at 31 March 2023, was 1,867.6 million baht, which increased from year ended 2022 by 14.2% as a result of expansion of business and client's credit term.

2. Total Liabilities

Major liabilities comprised trade account and other payables, accrued income taxes, other current liabilities, and lease liabilities. Total liabilities as at 31 March 2023 was 294.9 million baht, which increased from year ended 2022 by 93.4% due to increase in account payables along with the business expansion.

3. Total Equity

As at 31 December 2022 and as at 31 March 2023, the equity of the company were 1,483.3 million baht and 1,572.7 million baht, respectively increased by 6% due to which was mainly a result of increasing in retained earnings from the net profit for the period ended 31 March 2023.

Please be informed accordingly,

Sincerely yours,

Miss Jatuporn Wilaikaew
Chief Executive Officer