



13 November 2023

Re: Management Discussion and Analysis (MD&A) for the Third 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 *Prosnex*.
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 95% 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 (MD&A) of changes to our operations for 9 month-periods ending 30 September 2023 as follows:



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**PROSPER ENGINEERING PCL.**

**Revenue from construction and services**

For the first nine-month of 2023, the Group had construction and service income of Baht 580.24 million, decreasing of Baht 377.40 million from the same period of 2022 or 39.41 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 Customers in the department store/retail department store group from Lotus's Hypermarket North Ratchapruk project, Residential condominium customers from The Privacy Chatuchak project project which were preparing to deliver the work in the first nine-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, Project to renovate the Nawamintrachini Building and the Kakhanang Building, Chulalongkorn Hospital. In the third quarter, the group of companies has a new project from the QuinTara Ratchada 12 etc.

**Other income**

Other income of the Group mainly consists of sales of scraps and selling electrical energy system equipment from solar energy. The Group has other income in nine-month of 2023 in the amount of Baht 6.06 million or 1.03 percent of the total income.

**Cost of construction and gross loss**

For the first nine-month of 2023, the Group has construction and service costs of Baht 721.62 million, decreasing from the nine-month of 2022 by Baht 289.28 million, equivalent to 28.62 percent decrease. The gross loss in nine-month of 2023 Baht 141.38 million and nine-month of 2022 Baht 53.27 million or -24.37 percent and -5.56 percent respectively. The increase in the gross loss rate was due to the increase in the price of materials and equipment and the increase in labor costs.

**Selling and administrative expenses**

Selling and administrative expenses for the first nine-month of 2023 and the first nine-month of 2022 amounted to Baht 64.62 million and Baht 62.22 million, respectively. The proportion of selling and administrative expenses to total revenue from construction and services are 11.14 percent and 6.50 percent respectively. Comparing to same period of the previous year, the Group had selling and administrative expenses increased by Baht 2.40 million or 3.86 percent, mainly caused by expenses for group of companies that have been mainly increased



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Net Loss

For the first nine-month of 2023, the Group has a net loss of Baht 204.95 million, increase from nine-month of 2022 by Baht 114.83 million or increase of 127.42 percent. There are major reasons is from the increased of cost of construction and cost of services.

Financial position

As of 30 September 2023, the Group had decreased in total assets compared to total assets as of 31 December 2022 in the amount of Baht 178.02 million. The major reason for the decrease was from the contract assets.

As of 30 September 2023, the Group had total liabilities of Baht 751.72 million or 79.05 percent of total liabilities and shareholders' equity. The major liability is from trade and other creditors of Baht 245.79 million or 25.85 percent of the total liabilities and shareholders' equity.

The shareholders' equity of the Group as of 30 September 2023 amounted to Baht 199.25 million. Comparing to the shareholders' equity as of 31 December 2022 that increased in the amount of Bath 189.48 million, mainly due to the loss from operations of the Group.

Liquidity ratio

For the nine-month of 2023, the liquidity ratio of the Group is at 0.94 times, compared to the liquidity ratio as of 31 December 2022 at 1.25 times. It's caused from the decrease of trade and other receivables.

Please be informed accordingly

Your sincerely,

(Mr. Pongthep Ratanaseangsuang)  
Chief Executive Officer



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