

Date 29 November 2022

Subject: Discussion and Analysis of the Company's Performance from the Interim Financial Reporting

For the Nine-Month Period Ended 30 September 2022

To: President of the Stock Exchange of Thailand

Primo Service Solutions Public Company Limited ("**the Company**" or "**PRI**") would like to submit the Nine-Month Period Ended 30 September 2022.

Total Sales and Service Revenue

For the nine-month periods ended 30 September 2022, the Company's revenue from services and sales was 604.26 million baht, an increase of 295.84 million baht or 95.92% from the same period of the previous year which increased from the 3 business groups.

Business Groups	For the Nine-Month Periods Ended 30 September (MTHB)		Change	
	2021	2022	MTHB	%
Engineering Consulting and Design Business	24.28	77.18	52.90	217.87
Real Estate Management Business	120.11	277.01	156.90	130.63
Real Estate after Sales Service Business	163.81	249.81	86.00	52.50
Others	0.22	0.26	0.04	18.18
Total Sales and Service Revenue	308.42	604.26	295.84	95.92

- For the Nine-Month Periods ended 30 September 2022, Engineering consulting and design business had increased revenue from the same period of the previous year details as follows: (1) an increase in construction supervision works. (2) The Company had expanded the scope of architectural design during the 4th quarter of year 2021 and (3) an increase in training services (UPM Academy) as increasing of number and type of training courses.
- For the Nine-Month Periods ended 30 September 2022, 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 JD deal makers as a result of real estate sector has recovered and Land & Building tax ACT B.E. 2562 (2019) was fully tax effective in year 2022 which encourage buying-selling of condominiums and lands.
- For the Nine-Month Periods ended 30 September 2022, Real Estate after Sales Service Business had increased revenue from the same period of the previous year details as follows: (1) 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 and (2) an increase in cleaning services as increasing in number of service contracts and one-time cleaning from sale promotions collaborated with real estate developers.

Cost of Services and Goods Sold

For the nine-month periods ended 30 September 2022, the Company's cost of services and goods sold was 347.22 million baht, an increase of 162.09 million baht or 87.55% from the same period of the previous year which increased from the 3 business groups.

Business Groups	For the Nine-Month Periods Ended 30 September (MTHB)		Change	
	2021	2022	MTHB	%
Engineering Consulting and Design Business	12.43	60.78	48.35	388.98
Real Estate Management Business	63.84	94.32	30.48	47.74
Real Estate after Sales Service Business	108.27	191.52	83.25	76.89
Other costs	0.59	0.60	0.01	1.69
Total Cost of Services and Goods Sold	185.13	347.22	162.09	87.55

- For the Nine-Month Periods ended 30 September 2022, Engineering consulting and design business had increased cost of services from the same period of the previous year due to an increase in employee benefit expenses from expanding business. In addition, an increase in cost of architectural design from expanding the scope of architectural design during the 4th quarter of year 2021.
- For the Nine-Month Periods ended 30 September 2022, Real Estate Management Business 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.
- For the Nine-Month Periods ended 30 September 2022, Real Estate after Sales Service Business had increased cost of services and goods sold from the same period of the previous year due to an increase in cost of equipment for interior design which was in line with the increase in revenue.

Gross Profit and Gross Profit Margin

For the Nine-Month Periods ended 30 September 2022, the Company's gross profit of 257.38 million baht, representing a gross margin of 42.61%, increased from the same period of the previous year which had a gross profit of 123.67 million baht and representing a gross margin of 40.12%. Overall, there is no significant change in the gross profit margin and detail of each business's gross profit margin as follows.

Business Groups	For the Nine-Month Periods Ended 30 September 2021		For the Nine-Month Periods Ended 30 September 2022	
	Gross Profit (MTHB)	Gross Profit Margin (%)	Gross Profit (MTHB)	Gross Profit Margin (%)
Engineering Consulting and Design Business	11.85	48.81	16.41	21.26
Real Estate Management Business	56.28	46.85	182.69	65.95
Real Estate after Sales Service Business	55.54	33.90	58.28	23.33
Total Gross Profit	123.67	40.12	257.38	42.61

- For the Nine-Month Periods ended 30 September 2022, Engineering consulting and design business had decreasing in gross profit margin from the same period of the previous year due to hiring outsourced staffs for expanding the scope of some architectural design projects.
- For the Nine-Month Periods ended 30 September 2022, Real Estate Management Business had increasing in gross profit margin from the same period of the previous year because of an increase in brokerage services and JV deal maker's revenues which are high gross profit margin services.
- For the Nine-Month Periods ended 30 September 2022, Real Estate after Sales Service Business had decreasing in gross profit margin due to restructuring business group by moving all brokerage services which are high margin service to Real Estate Management Business during 4th quarter of year 2021.

Administrative Expense

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 Nine-Month Periods ended 30 September 2021 and 2022, the Company's administrative expense were 33.01 million baht and 56.77 million baht respectively, increased by 23.76 million baht or increased 71.96%.

Financial cost

For the Nine-Month Periods ended 30 September 2021 and 2022, the Company had no significant financial cost because of no interest bearing debt. The only financial cost was a long-term office building lease agreement which must be recorded as a liability in accordance with Thai Financial Reporting Standard No. 16 (TFRS16).

Net Profit

For the Nine-Month Periods ended 30 September 2021 and 2022, the Company's net profit were 68.38 million baht and 156.02 million baht respectively, increased by 87.64 million baht or representing an increase of 128.17%. The reason was increasing in revenues of all 3 business groups as mentioned above.

Total Assets

Major assets comprised cash and cash equivalents, trade account and other receivables, inventories, and other current assets. Total assets as at 30 September 2022 was 454.38 million baht, which increased from year ended 2021 by 189.00 million baht, mainly due to the increasing in cash and cash equivalent, trade account and other receivables and inventory, which were accordingly to the increasing in revenue from sales of goods and services.

Total Liabilities

Major liabilities comprised trade account and other payables, accrued income taxes, other current liabilities, and lease liabilities. Total liabilities as at 30 September 2022 was 109.98 million baht, which increased from year ended 2021 by 33.66 million baht, mainly due to the increasing in trade account and other payables, accrued income taxes, other current liabilities, which were accordingly to the increasing in revenue from sales of goods and services.

Equity

The equity as at 30 September 2022 was 344.40 million baht, which was increase from year ended 2021 by 155.34 million baht, which was mainly a result of increasing in retained earnings from the net profit for the period ended 30 September 2022 together with increasing of the Company's paid-up capital from 53.50 million baht to be 120.00 million baht, offset with interim dividend payment of 67.2 million baht.

In addition, after financial statement for the period ended 30 September 2022, the Board of Directors Meeting No. 3/2565 held on November 9, 2022, approved a dividend payment from company's retained earnings of 108 million baht to shareholders. Please noted that the dividend payment mention above will be paid to only the existing shareholders of the Company before IPO, causing the new investors who buy the Company's ordinary shares from this IPO will be excluded in receiving such dividends.

Business Performance

Consolidated statement of comprehensive income	For the Nine-Month Periods Ended 30 September (MTHB)		Change	
	2021	2022	MTHB	%
Revenue from services and sales	308.02	603.19	295.17	95.83
Other income	0.40	1.07	0.67	167.50
Total revenue	308.42	604.26	295.84	95.92
Cost of services and goods sold	(185.13)	(347.22)	(162.09)	(87.55)
Administrative expense	(33.01)	(56.77)	(23.76)	(71.98)
Total expense	(218.15)	(403.99)	(185.84)	(85.19)
Operating profit	90.27	200.28	110.01	121.87
Financial income	0.01	0.03	0.02	200.00
Financial cost	(0.40)	(0.32)	0.08	20.00
Operating profit before tax	89.89	199.98	110.09	122.47
Tax expense	(21.51)	(43.96)	(22.45)	(104.37)
Net income	68.38	156.02	87.64	128.17

Financial Position

Consolidated Financial Statements	For the Years Ended 31 December 2021 (MTHB)	For the Nine-Month Periods Ended 2022 (MTHB)	Change	
			MTHB	%
Total Assets	265.38	454.38	189.00	71.22
Total Liabilities	76.32	109.98	33.66	44.10
Total Equity	189.06	344.40	155.34	82.16

Please be informed accordingly,

Sincerely yours,

Miss Nucharee Jitardhun
Chief Financial Officer