

# ASSETWISE

(- Unofficial Translation -)

November 11, 2021

Subject: Management Discussion and Analysis for Quarter 3/2021

Attention: President, The Stock Exchange of Thailand

AssetWise Public Group Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 3/2021 as follows:

## Overview of operating results

For the 3-month period ended 30 September 2021, the Group recorded sales and service revenue of THB 1,134.17 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 485.26 million, or equivalent to 42.63 %. While distribution costs and administrative expenses were THB 106.15 million and THB 106.29 million, respectively. The Group recorded net profit of THB 156.85 million, or equivalent to 13.78%.

For the 9-month period ended 30 September 2021, the Group recorded sales and service revenue of THB 3,415.14 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 1,579.04 million, or equivalent to 45.13%. While distribution costs and administrative expenses was THB 316.20 million and THB 314.14 million, respectively. The Group recorded net profit of THB 735.12 million, or equivalent to 21.01%.

## Sales and service revenue

For the 3-month period in quarter 2/2021, the Group recorded sales and service revenue of THB 1,134.17 million which increased by THB 459.76 million or 68.17 % from THB 674.41 million in quarter 3/2020. The real estate development for sales business contributed majority of revenue which were recognized when the Group had completely transferred the ownership to their customers. Regarding revenue from rent and services from the real estate for rent business, which operated under Treasure M Company and the real estate brokerage service business under Asset A Plus Company, the revenue these businesses also increased. In addition, in quarter 3/2021, the Group recorded sales and service revenue from revenue from project management of joint venture for THB 5.92 million.

For the 9-month period in quarter 3/2020, the Group recorded sales and service revenue of THB 3,415.14 million which increased by THB 1,238.60 million or 56.91 % from THB 2,176.54 million in quarter 3/2020.

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## Sales of real estate

For the 3-month period in quarter 3/2021, the Group recorded sales of real estate at THB 1,123.25 million which increased by THB 405.43 million or 66.95% from THB 672.82 million in quarter 3/2020. The Group recorded sales of real estate of 571 units of their 16 projects. In quarter 3/2021, sales increased because unit ownership transferring in many projects had continued. Kave brand had the highest transferred units. Kave TU that completed its construction in quarter 3/2021 and Kave Town Shift that completed its construction in quarter 1/2021 were transferred to customers continuously. And size of projects were large projects. Most customers decided to transfer during the period because the policy interest rate remains low, and discounts and promotions offered by the Group. Consequently, the unit transfer value was higher comparing to quarter 3/2020 despite the outbreak of coronavirus (COVID-19) pandemic.

For the 9-month period in quarter 3/2021, the Group recorded sales of real estate at THB 3,352.12 million which increased by THB 1,180.00 million or 54.32% from THB 2,172.12 million in quarter 3/2020.

## Cost of real estate units sold

For the 3-month period in quarter 3/2021, the Group recorded their cost of real estate units sold at THB 638.66 million which increased by THB 225.63 million or 54.63% from THB 413.02 million in quarter 3/2020. The amount increased due to the increase of sales of real estate which increased by 66.95%. The cost of real estate comprised cost of land and land improvement, project development costs, interest cost and other development expenses; for example, project and landscape design cost, construction consultant fees, and related license fees issued by the government authorities etc.

For the 9-month period in quarter 3/2021, the Group recorded their cost of real estate units sold at THB 1,800.96 million which increased by THB 513.49 million or 39.88% from THB 1,287.47 million in quarter 3/2020.

## Gross profit

For the 3-month period in quarter 3/2021, the Group had gross profit of THB 485.26 million which increased by THB 225.42 million or 86.75 % from THB 259.85 million in quarter 3/2020, equivalent to the gross profit margin of 42.63 %, higher than the gross profit margin of 38.09 % in the same period of previous year. The gross profits were in line with the sales of real estate which were the majority of the sales and service revenue. The gross profit margin had increased gradually over time because their emphasis in the sales pricing policy and cost control activities as planned during the project feasibility study phase. Moreover, the gross profit margin of projects completed since late of quarter 1/2020 onwards e.g. Kave Town Space, and Kave Town Shift and Kave TU were higher than past projects because they had lower portion of land cost from their effective vacant land selection process, project development cost control process, and lower interest rate of Project Finance loan although they had larger size and higher project value.

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For the 9-month period in quarter 3/2021, the Group had gross profit of THB 1,579.04 million which increased by THB 692.84 million or 78.18 % from THB 886.20 million in quarter 3/2020.

## Distribution cost

For the 3-month period in quarter 3/2021, the Group recorded distribution cost of THB 106.15 million, increased THB 19.08 million or 21.91% from THB 87.07 million in quarter 3/2020. The distribution cost increased because sales of real estate increased.

For the 9-month period in quarter 3/2021, the Group recorded distribution cost of THB 316.20 million, increased by THB 22.26 million or 7.57 % from THB 293.93 million in quarter 3/2020.

## Administrative expenses

For the 3-month period in quarter 3/2021, the Group recorded administrative expenses of THB 106.29 million which increased by THB 12.58 million or 13.42% from THB 93.71 million in quarter 3/2020. The increase was in line with business expansion. It mainly comprised of salaries and wages, office and utilities expenses, and after-sales and common expenses of units of the completed projects owned by the Group.

For the 9-month period in quarter 3/2021, the Group recorded administrative expenses of THB 314.14 million which increased by THB 64.32 million or 25.75% from THB 249.81 million in quarter 3/2020.

## Net profit

For the 3-month period in quarter 3/2021, the Group recorded net profit of THB 156.85 million which increased by THB 66.37 million or 73.36% from THB 90.48 million in quarter 3/2020, equivalent to the net profit margin of 13.78%, higher than the net profit margin of 13.26% in the same period of previous year. These numbers were in line with sales and gross profit of their real estate development business in each year. The higher amount was mainly driven by effective cost control management especially from cost of land and project development costs. In addition, selling and administrative expenses were consciously controlled during the outbreak of coronavirus (COVID-19) pandemic.

For the 9-month period in quarter 3/2021, the Group recorded net profit of THB 735.12 million which increased by THB 423.66 million or 136.02% from THB 311.47 million in quarter 3/2020.

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## Financial position

### Assets

As of period ended of quarter 3/2021, the Group recorded total assets of THB 10,523.15 million which increased by THB 2,363.16 million or 28.96 % from THB 8,160.00 million as of year ended 2020 mainly due to an increase of increase of inventory for THB 1,196.89 million. The increase in inventory was from construction projects in quarter 3/2021 such as Modiz Sukhumvit 50 which were large projects and their construction were nearly completed and transfer of lands.

### Liabilities

As of period ended quarter 3/2021, the Group recorded total liabilities of THB 5,986.74 million which increased by THB 123.43 million or 2.11% from THB 5,863.31 million as of year ended 2020. The main reasons were bank overdrafts and short-term borrowings from financial institutions, increased by THB 655.15 million from last year and long-term borrowings from financial institutions, increased by THB 317.59 million from last year even though current portion of long-term liabilities due within one year decreased by THB 801.04 million from last year.

### Shareholders' Equity

As of period ended quarter 3/2021, the Group recorded total shareholders' equity of THB 4,536.41 million which increased by 2,239.73 million or 97.52 % from THB 2,296.68 million as of year ended 2020 mainly from newly issued ordinary shares to the public for IPO in quarter 2/2021. Issued and paid-up share capital was increased by THB 206.00 million from last year, and share premium was increased by THB 1,754.87 million from last year. Moreover, there was retain earning unappropriated increased by THB 260.61 million from last year.

Please be informed accordingly

Yours Sincerely

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(Mr. Kromchet Vipapong)  
Chief Executive Officer