

Ref. No. PLAT 07/2023

May 9, 2023

Subject: Management Discussion and Analysis (MD&A) for the first quarter of 2023

To: The President  
The Stock Exchange of Thailand

The Platinum Group Public Company Limited and its subsidiaries (the “Company”) would like to report the operating results for the three-month period ended March 31, 2023 (first quarter of 2023). The details are as follows:

### 1. Total Revenues

The Company’s total revenues for the first quarter of 2023 were Baht 386 million, increased by Baht 278 million or 257% compared to the same period last year. The details are as follows:

Description	Q1 2023		Q1 2022		Change + / (-)	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	%
Revenues from Rental and Services	165	43%	65	60%	100	154%
Revenues from Hotel Operations	165	43%	24	22%	141	588%
Revenues from Food and Beverage	44	11%	13	12%	31	238%
Other Revenues	12	3%	6	6%	6	100%
<b>Total Revenues</b>	<b>386</b>	<b>100%</b>	<b>108</b>	<b>100%</b>	<b>278</b>	<b>257%</b>

#### 1.1 Revenues from Rental and Services

The Company generated revenue from rental and services in the first quarter of 2023 amounting to Baht 165 million, an increase of Baht 100 million or 154% compared to the same period last year. This was due to positive economic activities within the country, returning to normalcy after the cancellation of COVID-19 control measures. The tourism industry has also been continuously recovering, resulting in business targeting international tourists expanding, leading to more shops renting space within the Company's shopping center. Also, the Company has gradually reduced the rate of rental and service discounts for shops within the shopping center, resulting in a significant increase in revenue from rental and services.

## 1.2 Revenues from Hotel Operations

The Company generated revenue from hotel operations in the first quarter of 2023 amounting to Baht 165 million, an increase of Baht 141 million or 588% compared to the same period last year. This was due to the recovery of the tourism industry after the COVID-19 pandemic situation eased and the relaxation of travel restrictions among countries around the world. As a result, the Company saw a significant increase in foreign customers. The Novotel Bangkok Platinum Pratunam had an average occupancy rate of 91% for the first quarter of 2023. In addition, the Company also generated revenue from the opening of the Holiday Inn Resort Samui Bophut Beach since October 1, 2022.

## 1.3 Revenues from Food and Beverage

The Company generated revenue from food and beverage sales in the first quarter of 2023 amounting to Baht 44 million, an increase of Baht 31 million or 238% compared to the same period last year. This was due to the economic activities within the country returning to normal as a result of the lifting of COVID-19 control measures and the recovery of the tourism sector. This led to a significant increase in the number of both local and foreign customers, using the Company's food center services.

## 1.4 Other Revenues

The Company had other revenues of Baht 12 million for the first quarter of 2023, an increase of Baht 6 million or 100% compared to the same period last year. The main reason for the increase was due to forfeited deposit and penalty fee from late return of rental space from a tenant, totaling Baht 3.6 million, and revenue from sales of remaining steel scraps from construction work, totaling Baht 1.6 million.

## 2. Total Costs

The Company's total costs for the first quarter of 2023 were Baht 243 million, increased by Baht 95 million or 64% compared to the same period last year. The details are as follows:

Description	Q1 2023		Q1 2022		Change + / (-)	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	%
Cost of Rental and Services	125	51%	116	78%	9	8%
Cost of Hotel Operations	82	34%	20	14%	62	310%
Cost of Food and Beverage	36	15%	12	8%	24	200%
<b>Total Costs</b>	<b>243</b>	<b>100%</b>	<b>148</b>	<b>100%</b>	<b>95</b>	<b>64%</b>

## 2.1 Cost of Rental and Services

The Company's cost of rental and services for the first quarter of 2023 was Baht 125 million, slightly increased by Baht 9 million or 8% compared to the same period last year. The details are as follows:

- Depreciation and amortization cost was Baht 69 million, no change from the same period last year because it is fixed cost.
- Other costs of rental and services was Baht 56 million, increased by Baht 9 million or 19% compared to the same period last year, which is in line with the increase in revenue. However, the increase in costs is proportionately lower than the increase in revenue due to the Company's effective cost management and control of operational costs, such as utility costs, repair and maintenance costs, as well as outsourcing costs such as cleaning services, security expenses, and car parking management fees.

## 2.2 Cost of Hotel Operations

The Company's cost of hotel operations for the first quarter of 2023 was Baht 82 million, increased by Baht 62 million or 310% compared to the same period last year, which was in line with the increase in revenue. However, the increase in costs is proportionately lower than the increase in revenue because the Company efficiently controlled operating costs for maximum efficiency.

## 2.3 Cost of Food and Beverage

The Company's cost of food and beverage for the first quarter of 2023 was Baht 36 million, increased by Baht 24 million or 200% compared to the same period last year, which was in line with the increase in revenue. However, the increase in costs is proportionately lower than the increase in revenue because the Company efficiently controlled operating costs for maximum efficiency.

### 3. Expenses

Unit: Million Baht

Description	Q1 2023	Q1 2022	Change + / (-)	
Selling and Administrative Expenses	78	57	21	36%
Finance Cost	37	33	4	12%
Income Tax Expense	22	5	17	340%

#### 3.1 Selling and Administrative Expenses

The Company's selling and administrative expenses for the first quarter of 2023 were Baht 78 million, increased by Baht 21 million or 36% compared to the same period last year. The main reason for the increase was due to the increased sales and marketing expenses and administrative expenses of hotel business. The details are as follows:

- Sales & marketing and administrative expenses of Novotel Bangkok Platinum Pratunam increased by Baht 8 million compared to the same period last year, which was in line with the increase in revenue as the hotel returned to normal operations following the recovery of the tourism industry after the COVID-19 pandemic situation eased.
- Sales & marketing and administrative expenses of Holiday Inn Resort Samui Bophut Beach increased by Baht 14 million due to the hotel starting its operations in the fourth quarter of 2022.

#### 3.2 Finance Cost

The Company's finance cost for the first quarter of 2023 was Baht 37 million, slightly increased by Baht 4 million or 12% compared to the same period last year, mainly due to interest expense recognition according to TFRS16 on lease as well as higher interest paid on short-term loans from bank because of an increase in the principal amount of Baht 200 million and higher interest rate of the bank.

#### 3.3 Income Tax Expense

The Company's income tax expense for the first quarter of 2023 was Baht 22 million, increased by Baht 17 million or 340% compared to the same period last year because the Company had profit from the separate operating results for the first quarter of 2023, while in 2022 the Company had loss from the separate operating results.

#### 4. Profit (Loss) for the Period

Unit: Million Baht

Description	Q1 2023		Q1 2022		Change + / (-)	
	MB	Proportion	MB	Proportion	MB	%
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	163		(13)		176	1,354%
<b>Net Profit (Loss) for the Period</b>	<b>9</b>		<b>(135)</b>		<b>144</b>	<b>106%</b>

The Company had profit before depreciation, amortization, finance income & cost and income tax (EBITDA) of Baht 163 million for the first quarter of 2023, which is a turnaround from the loss in the same period last year, or increased by Baht 176 million equivalent to 1,354%.

The Company had a net profit for the first quarter of 2023 of Baht 9 million, which is a turnaround from a net loss in the same period last year, or increased by Baht 144 million equivalent to 106%. This is the first profitable quarter since the second quarter of 2020, after the COVID-19 pandemic that lasted more than two years, indicating a positive recovery of the Company's business after the situation of the COVID-19 pandemic has eased.

#### 5. Financial Position

Unit: Million Baht

Description	March 31, 2023		December 31, 2022		Change + / (-)	
	MB	Proportion	MB	Proportion	MB	%
Total Assets	11,960	100%	11,903	100%	57	0.5%
Total Liabilities	4,496	38%	4,448	37%	48	1%
Shareholder's Equity	7,464	62%	7,455	63%	9	0.1%

##### 5.1 Total Assets

As at March 31, 2023, the Company had total assets of Baht 11,960 million, slightly increased by Baht 57 million or 0.5% compared to December 31, 2022, mainly due to an increase in cash and cash equivalent, as the Company had a higher net cash inflow from its operations due to the positive recovery of its business.

## 5.2 Total Liabilities

As at March 31, 2023, the Company had total liabilities of Baht 4,496 million, slightly increased by Baht 48 million or 1% compared to December 31, 2022 due to an increase in short-term loans from bank by Baht 200 million, offset with a decrease in trade & other payables and other liabilities by Baht 152 million.

## 5.3 Shareholder's Equity

As at March 31, 2023, the Company's shareholder's equity increased to Baht 7,464 million, up from equity as at December 31, 2022 by Baht 9 million or 0.1% due to net profit for the period.

Please be informed accordingly.

Sincerely yours,

Mr. Suwit Wannasirisook

Chief Financial Officer

Authorized Person for Information Disclosure

Investor Relations

Tel: 02-121-9999 ext. 55