

ASSETwise

(- Unofficial Translation -)

May 11, 2023

Subject: Management Discussion and Analysis for Quarter 1/ 2023

Attention: President, The Stock Exchange of Thailand

AssetWise Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 1/ 2023 as follows:

Overview of operating results

For the period ended 31 March 2023, the Group recorded sales and service revenue of THB 1,611.27 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 668.57 million, or equivalent to 38.36%. While selling expenses and administrative expenses was THB 168.35 million and THB 189.68 million, respectively. The Group recorded net profit of THB 326.83 million, or equivalent to 18.75% and profit attributed to parent of THB 282.98 million, or equivalent to 16.24%.

Sales and service revenue

In quarter 1/2023, the Group recorded sales and service revenue of THB 1,611.27 million which increased by THB 493.18 million or 44.11% from THB 1,118.09 million in quarter 1/2022. The real estate development for sales business increased by THB 463.22 million. This business contributed main income which were recognized when the Group had completely transferred the ownership to their customers. Regarding revenue from rental and services from the real estate for rent business, which operated under Treasure M increased by THB 5.57 million and the real estate brokerage service business under Asset A Plus and revenue from management fee charged to a joint ventures increased by THB 24.39 million.

Sales of real estate

In quarter 1, 2023, the Group recorded sales of real estate at THB 1,513.41 million which increased by THB 463.22 million or 44.11% from THB 1,050.19 million in quarter 1/2022. The Group recorded sales of real estate 593 units from their 15 projects; 13 condominium projects and 2 landed housing projects.

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Revenue from sales of real estate and number of transferred units of condominium project and landed housing projects for the quarter 1/2023 are as follows:

Project Type	Transfer Value (Million Baht)	Number of units
Condominium Projects	1,462.94	587
Landed Housing Projects	50.47	6
Total	1,513.41	593

In quarter 1/2023, the main project transferred units comprise of condominium projects such as Modiz Launch project which construction completed in quarter 1/2023 and Kave Ava project which construction completed in previous quarter. Most customers decided to transfer during the period because the Group developed products to meet target customers' need and changed marketing strategy to fit with customers' behavior such as launching new promotion campaigns and offering promotions to customers to support presale value and unit transfer value. Consequently, the unit transfer value was higher comparing to the quarter 1/2022.

Cost of real estate units sold

In quarter 1/2023, the Group recorded their cost of real estate units sold at THB 900.37 million which increased by THB 257.96 million or 40.16% from THB 642.41 million in quarter 1/2022. The amount increased in line with an increase in sales of real estate. The cost of real estate comprised cost of land and land improvement, construction 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.

Gross profit

In quarter 1/2023, the Group had gross profit of THB 668.57 million which increased by THB 210.57 million or 45.98% from THB 458.00 million in quarter 1/2022, equivalent to the gross profit margin of 38.36%, higher than the gross profit margin of 36.06% in quarter 1/2022. The gross profits were in line with the sales of real estate which were the main income. The Group was able to maintain good gross profit margin over time because their emphasis in the sales pricing policy and monitor cost control activities especially for land selection and project development cost control process.

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Other income

In quarter 1/2023, the Group recorded other income of THB 126.67 million which decreased by THB 23.85 million or 15.85% from THB 150.52 million in quarter 1/2022. The other income decrease was mainly from transaction related to gain on disposal of investment in a subsidiary which the Group disposed investment in share of a subsidiary which developed Atmoz Flow Minburi project to a business partner.

Distribution cost

In quarter 1/2023, the Group recorded distribution cost of THB 168.35, increased THB 31.71 million or 23.21% from THB 136.64 million in quarter 1/2022. The distribution cost increase in line with sale from real estate and mainly increase from marketing and sale activities related to 9 new projects which launched in quarter 2/2022 to quarter 1/2023. The new launched projects are as follows:

Number	Project Name	Number of Unit	Project Value (THB million)	Project Launched	Project Type
1	Atmoz Portrait Srisaman	680	1,150	Q2/2022	Condominium
2	Atmoz Flow Minburi	739	1,350	Q2/2022	Condominium
3	Kave Town Colony	1,083	1,800	Q2/2022	Condominium
4	Kave Seed Kaset	600	1,350	Q3/2022	Condominium
5	Kave Universe	245	520	Q4/2022	Condominium
6	Esta Rangsit Klong 2	153	680	Q4/2022	Landed Housing
7	Kave Embryo Rangsit	514	780	Q1/2023	Condominium
8	Kave Town Island	1,770	3,530	Q1/2023	Condominium
9	Atmoz Season Ladkrabang	706	1,100	Q1/2023	Condominium
	Total	6,490	12,260		

Administrative expenses

In quarter 1/2023, the Group recorded administrative expenses of THB 189.68 which increased by THB 55.73 million or 41.60% from THB 133.96 million in quarter 1/2022. The main items are salaries, wages, office expenses, utilities expenses and after-sale and common expenses of units of the completed projects owned by the Group.

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Share of loss from investments in joint ventures and associates

In 2022, the Group recorded share of loss from investments of THB 38.59 million. The majority was from share of loss distributed from 4 joint ventures which their projects were under construction.

In quarter 1/2023, the Group disposed investment in a subsidiary, Wise Estate8 Co., Ltd., which developed Atmoz Flow Minburi project to a business partner to expand their opportunity and increase the Group's profit. The investment in share of the company was classified as investment in joint venture in quarter 1/2022.

Net profit

In quarter 1/2023, the Group recorded net profit attributed to the Parent of THB 282.98 million which increased by THB 57.08 million or 25.27% from THB 225.90 million in quarter 1/2022. The net profit margin in quarter 1/2023 and quarter 1/2022 were 16.24% and 17.79% respectively. The Group was able to maintain profit margin because the Group focused on sourcing potential development sites and had effective cost control management especially for construction cost.

Financial position

Assets

As of period ended of quarter 1/2023, the Group recorded total assets of THB 16,813.83 million which increased by THB 1,277.22 million or 8.22% from THB 15,536.61 million as of year ended 2022 mainly due to an increase of cash and cash equivalent THB 624.47 million resulting from newly issued debentures, trade and other receivable increased THB 200.52 million resulting from redeem cheque receivable collected from customers who transferred units during the period ended, and investment in joint ventures increased THB 233.65 million mainly was from capital injection of joint ventures.

Liabilities

As of period ended quarter 1/2023, the Group recorded total liabilities of THB 10,591.71 million which increased by THB 1,007.96 million or 10.52 % from THB 9,583.75 million as of year ended 2022. The main reason was from newly issued debentures increased THB 1,324.42 million which were used to support future projects.

Shareholders' Equity

As of period ended quarter 1/2023, the Group recorded total shareholders' equity of THB 6,222.12 million; which increased by 269.26 million or 4.52% from THB 5,952.86 million as of year ended 2022. The increase mainly was from net profit for quarter 1/2023.

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Please be informed accordingly

Yours Sincerely

(Mr. Kromchet Vipapong)
Chief Executive Officer