

# ASSETWISE

( - Unofficial Translation - )

November 9, 2023

Subject: Management Discussion and Analysis for Quarter 3/2023

Attention: President, The Stock Exchange of Thailand

AssetWise Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 3/2023 as follows:

## Overview of operating results

For the 3-month period ended 30 September 2023, the Group recorded sales and service revenue of THB 1,677.79 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 631.82 million, or equivalent to 35.43%. While selling expenses and administrative expenses was THB 230.65 million and THB 229.61 million, respectively. The Group recorded net profit of THB 188.73 million, or equivalent to 10.58% and profit attributed to parent of THB 168.45 million, or equivalent to 9.45%.

For the 9-month period ended 30 September 2023, the Group recorded sales and service revenue of THB 4,539.55 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 1,813.88 million, or equivalent to 37.80%. While selling expenses and administrative expenses was THB 577.29 million and THB 594.19 million, respectively. The Group recorded net profit of THB 720.29 million, or equivalent to 15.01% and profit attributed to parent of THB 608.24 million, or equivalent to 12.67%.

## Sales and service revenue

For the 3-month period in quarter 3/2023, the Group recorded sales and service revenue of THB 1,677.79 million which increased by THB 796.57 million or 90.39% from THB 881.22 million in quarter 3/2022. The real estate development for sales business increased by THB 1,571.66 million. Regarding revenue from properties for rent business, which operated under Treasure M and the real estate brokerage service business under Asset A Plus, the revenue these businesses also increased. The Group has revenue from services of THB 106.13 million. The main revenue was management fee charged to joint ventures THB 73.90 million.

For the 9-month period in quarter 3/2023, the Group recorded sales and service revenue of THB 4,539.55 million which increased by THB 931.34 million or 25.81% from THB 3,608.21 million in quarter 3/2022.

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## Sales of real estate

For the 3-month period in quarter 3/2023, the Group recorded sales of real estate at THB 1,571.66 million which decreased by THB 780.30 million or 98.60% from THB 791.36 million in quarter 3/2022. The Group recorded sales of real estate 651 units from their 17 projects; 15 condominium projects and 2 landed housing projects.

Revenue from sales of real estate and number of transferred units of condominium project and landed housing projects for the quarter 3/2023 are as follows:

Project Type	Transfer Value (Million Baht)	Number of units
Condominium Projects	1,526.98	645
Landed Housing Projects	44.68	6
<b>Total</b>	<b>1,571.66</b>	<b>651</b>

For the 3-month period in quarter 3/2023, the main project transferred units comprise of condominium projects such as Modiz Rhyme Hill, Atmoz Serene Sriracha, Atmoz Portrait Srisaman which construction completed in quarter 3/2023 and Kave Ava project which construction completed in quarter 4/2022. 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.

For the 9-month period in quarter 3/2023, the Group recorded sales of real estate at 4,269.76 million which increased by THB 854.68 million or 25.03% from THB 3,415.08 million in quarter 3/2022.

## Cost of real estate units sold

For the 3-month period in quarter 3/2023, the Group recorded their cost of real estate units sold at THB 981.15 million which increased by THB 479.50 million or 95.58% from THB 501.65 million in quarter 3/2022. 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.

For the 9-month period in quarter 3/2023, the Group recorded their cost of real estate units sold at THB 2,559.99 million which increased by THB 542.19 million or 26.87% from THB 2,017.80 million in quarter 3/2022.

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## Gross profit

For the 3-month period in quarter 3/2023, the Group had gross profit of THB 631.82 million which increased by THB 283.03 million or 81.14% from THB 348.79 million in quarter 3/2022, equivalent to the gross profit margin of 35.43%, higher than the gross profit margin of 33.30% in quarter 3/2022. The gross profits margin decreased because of a difference in products mix, transferred units of each period had different cost structure among each brand.

For the 9-month period in quarter 3/2023, the Group had gross profit of THB 1,813.88 million which increased by THB 289.16 million or 18.96% from THB 1,524.72 million in quarter 3/2022, equivalent to the gross profit margin of 37.80%, slightly lower than the gross profit margin of 38.75% in the same period of previous year.

## Other incomes

For the 3-month period in quarter 3/2023, the Group recorded other income of THB 99.79 million which decreased by THB 63.86 million or 39.02% from THB 163.65 million in quarter 3/2022.

For the 9-month period in quarter 3/2023, the Group had gross profit of THB 241.38 million which decreased by THB 79.16 million or 24.70% from THB 320.54 million in quarter 3/2022. The decrease was mainly from gain from disposal of investment in a subsidiary and gain from remeasurement of investment at fair value for THB 192.24 million and THB 277.67 million for 9-month period in quarter 3/2023 and quarter 3/2022, respectively.

## Distribution cost

For the 3-month period in quarter 3/2023, the Group recorded distribution cost of THB 230.65, increased THB 75.59 million or 48.76% from THB 155.06 million in quarter 3/2022. The distribution cost increased in line with sale from real estate while there is an increase in marketing and sale activities related to 11 new projects which launched in quarter 4/2022 to quarter 3/2023.

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The new launched projects are as follows:

Number	Project Name	Number of Unit	Project Value (THB million)	Project Launched
<b>Condominium</b>				
1	Kave Universe	245	520	Q4/2022
2	Kave Embryo Rangsit	514	780	Q1/2023
3	Kave Town Island	1,770	3,530	Q1/2023
4	Atmoz Season Ladkrabang	706	1,100	Q1/2023
5	Kave Pop salaya	237	499	Q3/2023
6	Atmoz Palacio Ladprao Wanghin	759	1,779.80	Q3/2023
7	Kave Coco Bangsean	974	2,067.40	Q3/2023
8	Modiz Vault Kaset Sripatum	798	2,275.20	Q3/2023
9	Modiz Avantgarde	751	1,871.67	Q3/2023
<b>Total Condominium</b>		<b>6,754</b>	<b>14,423</b>	
<b>Landed House</b>				
1	Esta Rangsit Klong 2	153	680	Q4/2022
2	The Arbor Donmueang - Chaengwathana	76	1,126.68	Q3/2023
<b>Total landed house</b>		<b>229</b>	<b>1,807</b>	
<b>Total</b>		<b>6,983</b>	<b>16,230</b>	

For the 9-month period in quarter 3/2023, the Group recorded distribution cost of THB 577.29, increased by THB 104.73 million or 22.16% from THB 472.56 million in quarter 3/2022.

## Administrative expenses

For the 3-month period in quarter 3/2023, the Group recorded administrative expenses of THB 229.61 which increased by THB 79.80 million or 53.27% from THB 149.81 million in quarter 3/2022. The main items are staff cost which increase from real estate development businesses especially for landed house and after-sale and common expenses of units of the completed projects owned by the Group.

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For the 9-month period in quarter 3/2022, the Group recorded administrative expenses of THB 594.19 which increased by THB 171.53 million or 40.58% from THB 422.66 million in quarter 3/2022.

## Share of gain (loss) from investments in joint ventures

For the 3-month period in quarter 3/2023, the Group recorded share of loss of THB 20.88 million which decreased by THB 55.85 million from share of profit of THB 34.97 million in quarter 3/2022. The major was from a joint venture project, Kave Coco Bangsaen, which had just recognized share of loss in this period.

For the 9-month period in quarter 3/2023, the Group recorded share of profit of THB 20.91 million which increased by THB 25.21 million from share of loss of THB 4.30 million in quarter 3/2022.

## Net profit attributed to the Parent

For the 3-month period in quarter 3/2023, the Group recorded net profit attributed to the Parent of THB 168.45 million which decreased by THB 22.53 million or 11.80% from THB 190.98 million in quarter 3/2022. The net profit margin in quarter 3/2023 and quarter 3/2022 were 9.45% and 18.23% respectively. The net profit decreased because of a difference in products mix, transferred units of each period had different cost structure among each brand. The administrative expenses increase from staff cost for landed house business expansion. However, 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.

For the 9-month period in quarter 3/2023, the Group recorded net profit attributable to the owner of the Company of THB 608.24 million which decreased by THB 81.23 million or 11.78% from THB 689.47 million in quarter 3/2022.

## Net profit

For the 3-month period in quarter 3/2023 and quarter 3/2022, the Group recorded net profit of THB 188.73 million and THB 226.00 million or equivalent to net profit rate 10.58% and 21.58%, respectively.

For the 9-month period in quarter 3/2023 and quarter 3/2022, the Group recorded net profit of THB 720.29 million and THB 790.76 million or equivalent to net profit rate 15.01% and 20.10%, respectively.

## Financial position

### Assets

As of period ended of quarter 3/2023, the Group recorded total assets of THB 22,482.55 million which increased by THB 6,945.94 million or 44.71% from THB 15,536.61 million as of year ended 2022 mainly due to an increase of inventories THB 4,230.72 million, and land held for development increased THB 1,214.38 million mainly was

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from lands acquisition and construction progressed as planned and also acquisition of Rhom Bho Property Public Company Limited (“TITLE”) during quarter 3/2023.

## Liabilities

As of period ended quarter 3/2023, the Group recorded total liabilities of THB 15,489.49 million which increased by THB 5,905.74 million or 61.62% from THB 9,583.75 million as of year ended 2022. The main reason was from Unrealised installment income increased THB 1,037.79 million, long-term loan from financial institutions increased THB 3,074.73 million and debentures increased THB 1,758.85 million which were used to support future projects.

## Shareholders' Equity

As of period ended quarter 3/2023, the Group recorded total shareholders' equity of THB 6,993.06 million; which increased by 1,040.20 million or 17.47% from THB 5,952.86 million as of year ended 2022. The change mainly was increased from share capital increase THB 361.20 million, and non-controlling interests increased THB 566.90 million; it mainly was from acquisition of TITLE in the quarter 3/2023.

Please be informed accordingly

Yours Sincerely

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(Mr. Kromchet Vipapong)

Chief Executive Officer