

ASSETWISE

(- Unofficial Translation -)

February 22, 2024

Subject: Management Discussion and Analysis for the year 2023

Attention: President, The Stock Exchange of Thailand

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

Overview of operating results

Financial performance for the year ended 31 December 2023, the Group recorded sales and service revenue of THB 6,770.13 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 2,763.63 million, or equivalent to 38.52%. While distribution costs and administrative expenses were THB 843.70 million and THB 775.49 million, respectively. The Group recorded net profit of THB 1,092.22 million, or equivalent to 15.22%.

Sales and service revenue

In 2023, the Group recorded sales and service revenue of THB 6,770.13 million which increased by THB 1,286.78 million or increased 23.47% from THB 5,483.35 million in 2022. The real estate development for sales business contributed most of the revenue, which was recognized when the Group had completely transferred the ownership to their customers or revenue recognition criteria was met. Regarding revenue from rent and services from the real estate 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. In addition, the Group recorded sales and service revenue from revenue from project management of joint venture for THB 130.97 million in 2023, which increased from THB 213.29 million to THB 344.26 million.

Sales of real estate

In 2023, the Group recorded sales of real estate at THB 6,315.92 million which increased by THB 1,094.48 million or increased 20.96% from THB 5,221.44 million in 2022. The Group recorded sales of real estate from 2,705 transferred units of 23 projects; 18 condominium projects and 5 landed housing projects (2022: 2,167 transferred units of 27 projects; 22 condominium projects and 5 landed housing projects).

ASSETWISE

Revenue from sales of real estate by project type for the year 2023 and 2022 are as follows:

Project Type	Transfer Value (Million Baht)		Transferred unit (unit)	
	2023	2022	2023	2022
Condominium Projects	6,130.13	4,638.73	2,679	2,126
Landed Housing Projects	185.78	582.71	26	41
Total	6,315.92	5,221.44	2,705	2,167

In 2023, the main project transferred units comprise of condominium projects, such as Modiz Launch project Kave Colony project, Modiz Rhyme Hill project and Atmoz Srisaman project which construction completed in 2023 and Kave AVA project and Atmoz Ratchada - Huai Kwang project which construction completed in previous years and landed housing such as Esta Rangsit Klong 2 which continue transferring from previous year. Most customers decided to transfer during the period because the Group developed products to meet target customers' need and adjusted the marketing strategy to fit with customer behavior in the current situation 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 compared with to the year 2022.

Cost of real estate units sold

In 2023, the Group recorded their cost of real estate units sold at THB 3,774.89 million which increased by THB 785.06 million or increased 26.26% from THB 2,989.83 million in 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 2023, the Group had gross profit of THB 2,763.63 million which increased by THB 359.65 million or increased 14.96% from THB 2,403.98 million in 2022, equivalent to the gross profit margin of 38.52%, lower the gross profit margin of 40.20% in the previous year. The gross profit margin was in line with the sales of real estate, which was the main income of the Group. Sales of real estate increased 20.96% while the cost of real estate units sold increase 26.26%. The cost of real estate units sold of projects that started transferring in the year 2023, such as Modiz Launch project and Kave Colony project, had projects' size which was smaller than the projects that started transferring in the year 2022, such as Kave AVA project and Kave TU project, had projects' size which was bigger, and land cost was lower, which resulted in economies of scale of newly transferred projects of the year 2022 is higher than the year 2023. However, the Group was able to maintain gross profit

ASSETWISE

margin over the industry because of their emphasis in the sales pricing policy and monitor cost control activities especially for land selection and project development cost control process.

Other income

In 2023, the Group recorded other income of THB 376.75 million, decreased THB 108.36 million from THB 485.11 million in 2022. The other income increased because the Group disposed investment in subsidiaries, which develop condominium projects, to new business partners to develop Atmoz Flow Minburi project, Kave Coco Bangsaen project and Modiz Avantgarde project totaling of THB 274.05 million while the other income from gain on disposal of investment to the Joint-venture partners in the year 2022 was THB 430.52 million.

Distribution cost

In 2023, the Group recorded distribution cost of THB 843.70 million, increased THB 177.42 million or increased 26.63% from THB 666.28 million in 2022. In 2023, the distribution cost increased because sales of real estate increased and selling expense related 14 new launched projects, while there were 8 new launched projects with project value at THB 10,700 in the year 2022.

The new launched projects of the year 2023 are as follows:

Number	Project Name	Number of Unit	Project Value (THB million)	Project Launched	Project Type
1	Kave Embryo Rangsit	514	840.29	Q1/2023	Condominium
2	Kave Town Island	1,770	3,246.14	Q1/2023	Condominium
3	Atmoz Season Ladkrabang	706	1,165.83	Q1/2023	Condominium
4	Atmoz Palacio Ladprao Wanghin	759	1,781.14	Q2/2023	Condominium
5	Kave Coco Bangsaen	974	2,074.78	Q2/2023	Condominium
6	Kave Pop salaya	237	500.03	Q2/2023	Condominium
7	Modiz Vault Kaset Sripatum	798	2,277.03	Q2/2023	Condominium
8	Modiz Avantgarde	751	1,872.65	Q3/2023	Condominium
9	The Arbor Donmueang-Chaengwatthana	76	1,132.68	Q3/2023	Landed Housing
10	Atmoz Canvas Rayong	674	1,296.00	Q4/2023	Condominium
11	The Honor Yothinpattana	106	5,196.10	Q4/2023	Landed Housing
12	Kave Wonderland	1,424	2,742.91	Q4/2023	Condominium
13	Modiz Voyage Srinakarin	813	2,668.82	Q4/2023	Condominium
14	The Title Legendary Bangtao	637	4,500.00	Q4/2023	Condominium
	Total	10,239	31,294.40		

ASSETWISE

The Group disposed investment in subsidiaries to develop Kave Coco Bangsaen Project, and Modiz Avantgarde Project in Q3/2023 and Q4/2023 respectively.

Administrative expenses

In 2023, the Group recorded administrative expenses of THB 775.49 million which increased by THB 196.91 million or increased 34.03% from THB 578.58 million in 2022. The administrative expenses increase was in line with the Group's 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.

Share of loss from investments in joint ventures

In 2023, the Group disposed of investment in subsidiaries which were Wise Estate 8 Co., Ltd. ("W8"), Wise Estate 18 Co., Ltd., ("W18"), and Wise Estate 17 Co., Ltd. ("W17") which developed Atmoz Flow Minburi, project, Kave Coco Bangsaen project, and Modiz Avantgarde project respectively.

Share of loss from investment in associates and joint ventures for the year 2023 are as follows:

Type of investment	Share of profit(loss) [THB million]			
	Real Estate for sale business		Other businesses	Total
	Project under construction	Project construction completed		
บริษัทร่วม	n/a	n/a	(5.17)	(5.17)
กิจการร่วมค้า	(93.06)	81.74	n/a	(11.32)
รวม	(93.06)	81.74	(5.17)	(16.49)

ASSETWISE

Net profit

In 2023, the Group recorded net profit of THB 1,092.22 million which decreased by THB 26.30 million or decreased 2.35% from THB 1,118.52 million in 2022, equivalent to the net profit margin of 15.22% and 18.70% of the year 2023 and 2022 respectively. The Group was able to maintain their profit continually for the year 2023, net profit was THB 1,212.83 million or equivalent to the net profit margin of 16.90% decrease from THB 140.19 million or decreased 10.36%. The profit margin in the prior year was 1,353.02 or equivalent to the net profit margin of 22.63%. The net profit decreased because the cost of real estate units sold increase greater than sales of real estate, sales of real estate increased 20.96% while cost of real estate units sold increased 26.26. The main reason was from transferred units of each project during the period as explained in the gross profit. The higher profit margin was mainly driven by selective sourcing potential development sites and effective cost control management, especially for construction cost. In addition, the distribution cost, and administrative expenses for the year 2023 increased from the year 2022 to support business expansion for developed projects during the year 2023 at 26.63% and 33.91% respectively.

Financial position

Assets

As of the year ended 2023, the Group recorded total assets of THB 24,363.73 million which increased by THB 8,827.12 million or increased 56.81% from THB 15,536.61 million as of the year ended 2022. The main reasons come from increase in cash and cash equivalent THB 544.48 million, increase in inventory THB 5,038.98 million, increase in land under development THB 935.37, and increase in property plant and equipment THB 606.67 million. The main reasons were from the acquisition of Rhom Bho Property Public Company Limited (“TITLE”) and purchase of land and construction cost for developed projects. The increase in investment in joint ventures of THB 463.88 million. In addition, investment in joint ventures increased from change status from subsidiaries to joint ventures of 3 companies which develops condominium projects such as Atmoz Flow Minburi, project, Kave Coco Bangsaen project, and Modiz Avantgarde project which there was capital injection base on ownership interest of joint venture projects.

Liabilities

As of the year ended 2023, the Group recorded total liabilities of THB 16,879.89 million which increased by THB 7,296.14 million or increased 76.13% from THB 9,583.75 million as of the year ended 2022. The main reasons come from increase in long-term borrowings from financial institutions of THB 3661.31 million, increase in debentures of THB 1,762.55 million and increase in unrealized installment income of THB 1,998.81 million. The above-mentioned increase is financing activities to support project development and the acquisition of TITLE during the year.

ASSETwise

Shareholders' Equity

As of the year ended 2023, the Grouped recorded total shareholders' equity of THB 7,483.84 million which increased by 1,530.98 million or increased 25.72% from THB 5,952.86 million as of the year ended 2022. The main reasons come from an increase in unappropriated retain earning increased of THB 636.42 million resulted from performance of the Group's businesses, an increase in issued and paid-up share capital and share premium totaling of THB 361.20 million from the offering of ordinary shares through private placement and an increase in minority interest increase of THB 574.29 million mainly resulted from acquisition of TITLE.

Please be informed accordingly.

Yours Sincerely

(Mr. Kromchet Vipapong)

Chief Executive Officer