Presentation

How to Communicate Business Strategy to Investors
Disclaimer

The information (“Confidential Information”) contained in this presentation is strictly confidential and is provided by Ananda Development Public Company Limited (the “Company”) to you solely for your reference. Neither this presentation nor any part thereof may be (i) used or relied upon by any other party or for any other purpose; (ii) copied, photocopied, duplicated or otherwise reproduced in any form or by any means; or (iii) redistributed, passed on or otherwise disseminated, to any other person either in your organization or elsewhere, without the prior written consent of the Company. By attending this presentation, participants agree not to remove this document, or any materials provided in connection herewith, from the conference room where such documents are provided without express consent from the Company. Although care has been taken to ensure that the Confidential Information in this presentation is accurate, and that the opinions expressed are fair and reasonable, the Confidential Information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and it may not contain all material information concerning the Company. None of the Company, or any of their respective members, directors, officers, employees or affiliates nor any other person accepts any liability (in negligence, or otherwise) whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation for sale or subscription of or solicitation or invitation of any offer to or recommendation to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract, commitment or investment decision in relation thereto in Thailand, United States or any other jurisdiction. Any such purchase should be made solely on the basis of the information contained in the announcements to the Stock Exchange of Thailand relating to such securities. No reliance may be placed for any purposes whatsoever on the information set forth in this presentation or on its completeness.

This presentation contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the Company. You are cautioned not to place undue reliance on these forward looking statements. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Such forward-looking statements are not guarantees of future performance and accordingly, the actual results, financial condition, performance or achievements of the Company may differ materially from those forecasted and projected or in the forward-looking statements.
CHIEF STRATEGIC DEVELOPMENT OFFICER
ANANDA DEVELOPMENT PCL

- Chief Strategic Development Officer (CSDO)
  - Oversees new strategic lines of business. Launched Serviced Apartment line of business in 2016
  - Heads Investor Relations and won Stock Exchange of Thailand Best IR Award in 2014 and 2016
  - Heads Business Intelligence which digitized all company key performance indicators and made available in real time dashboards
  - Re-launched Ananda as UrbanTech company and leads company innovation strategy and investment
  - Part of Strategic Internal Organizational Development Team (Diamond Team)
- Founded Enterprise Accelerator Limited in Cambridge, UK in 2002
- Co-founder alongside John Snyder, Martin Bloom, Alexander Straub, David Cummings with most of Cambridge Angels as investors
  - Department of Trade and Industry (DTI) and National Endowment for Science, Technology and the Arts (NESTA) to take system national
  - NESTA ended up 25% shareholder
- Part of prize of Running the Gauntlet – Britain's biggest business plan competition
- Joined Foundation for Science and Technology Committee to advise House of Lords on innovation policy
- Speaker at Entrepreneurship program at Cambridge University Judge Business School
- Speaker at EDHEC (Nice) MBA program
- Speaker at numerous conferences
Ananda the UrbanTech Company

- Awarded Outstanding Achievement in Investor Relations at 2014 & 2016 and IR of the Year 2016 at SET Awards
- Nominated 2017 IR of the Year SE Asia Real Estate at IR Magazine Awards
- Aims to be the highest condo launches in Thailand for 2017
- Stock Exchange of Thailand listed SET 100 Index company.
- Multiple award winner including Mipimasia, Think of Living

![The Stock Exchange of Thailand]

### Strong Portfolio of Brands

<table>
<thead>
<tr>
<th>Categories</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury</td>
<td>ASHTON</td>
</tr>
<tr>
<td>High-end</td>
<td></td>
</tr>
<tr>
<td>Premium value</td>
<td>VENIO</td>
</tr>
<tr>
<td>Up-scale</td>
<td>VERVE</td>
</tr>
<tr>
<td></td>
<td>iDEO</td>
</tr>
<tr>
<td></td>
<td>MOBi</td>
</tr>
<tr>
<td>Mid-range</td>
<td>iDEO</td>
</tr>
<tr>
<td></td>
<td>MIX</td>
</tr>
<tr>
<td></td>
<td>BluCove</td>
</tr>
<tr>
<td>Low-range</td>
<td>ELIO</td>
</tr>
<tr>
<td>Super value-range</td>
<td>UNiO</td>
</tr>
</tbody>
</table>

ANAN is a leading real estate developer with a unique product mix and investment proposition

Note: Anan and BLS Research
5-Year Business Plan

Backlog
42.5 Bn Baht

73% of the next 9M2017 transfers secured by Backlog

7 years: 10 Times Growth

20% YoY
TRANSFERS 58,187

69% YoY
TRANSFERS 42,357

14% YoY
TRANSFERS 48,497

IPO

Note: The 5-year plan has assumption of no new capital and keeping net IDE ratio at 1:1
What is a communications strategy?

- It's not about what information you present and what you don’t.
- It's about how you bring audiences from not knowing, not believing, and not acting to knowing, believing, and acting.
- It's about the story you tell.
- The information and disclosure and media is secondary to the story.

Communication strategy
Role of IR and C Suite

❖ CEO talks just twice a year

❖ But needs a C-Suite. Ideally CFO

❖ In Ananda’s case its CSDO due to historical reasons and skill set
Routes to communicate

❖ IR Website
❖ IR App
❖ SET Releases
❖ Press Releases
❖ Analyst Meetings
❖ Opportunity Days

❖ Investor Meetings
  – Institutional
  – Retail
❖ Conferences
❖ Roadshows
❖ Press Conferences
❖ Press Lunch
❖ Analyst Lunch
❖ Speaking at Other Events
❖ Ecosystem Support Events
❖ Company Website
❖ Bloggers
All presentations archived and available
Use of Technology
The Main Communication Route is YOU

What kind of communicator are you?

• Every one has specific strengths and weaknesses and you should play to your strengths and minimise your weaknesses.
  – Listen to the feedback from the rest of your team and work on the ones they tell you.

• For example
  – if you are a person with excellent command of the details of what your company does
    ➢ A weakness could be a tendency to be over detailed so that people glaze over and miss the overall message,
    ➢ A strength is the ability to be convincing in explaining things. So make sure you understand what you’re actually trying to explain and explain that.

• Don’t try and identify the kind of speaker that you would like to be but the kind that you are.
  – If you’re not sure, ask people.
  – If your natural style is low key you’re unlikely to succeed trying to morph yourself into someone dynamic.
  – If your style is authoritative, attempts at humour are likely to be jarring.
  – If you’re not naturally warm, faking it looks insincere.
Know your audience

❖ People spend 99% of their brain power on themselves
   – Try and be part of the 99% instead of being squeezed into the 1% with everyone and everything else in the universe

❖ The key things you want to know about any audience
   – Who is in the audience – names and positions
   – What do they do – responsibilities and functions
   – What is their background – if its executive or technical or sales for example. All respond to different things
   – What does their company do – an understanding of their business
   – Why are they listening to the presentation – what do they hope to get from it. (Remember that nobody hopes to find a way to spend money. They are looking for ways to make money)
   – What are the recent decisions they’ve made

❖ The key thing is to try and understand what the audience wants and what they are likely to respond to. Only by understanding the listener is your presentation likely to achieve its goals.

❖ The listener doesn’t care about you or your company or your presentation. They only care about themselves and their own company. So you’re much more likely to get their attention and be successful if you pitch based on what they care about (themselves) rather than what you care about.
Know your audiences

- Customers
- Institutional investors
- Retail investors
- Media
- Regulators
- Rating Agencies

➢ Young and old
➢ Experienced and inexperienced
➢ Professional and amateur
➢ Optimistic and Pessimistic
➢ Thai and International
What needs to be disclosed and how much is sufficient?

- Follow regulations exactly

- Err on side of caution
  - Asymmetric results

The Stock Exchange of Thailand
What do IRO need to do to protect trade secrets and maintain the company’s competitiveness?

- If commercial secret – withhold
- If reveals operation of business model that competitors could use – withhold
- If it reveals commercial terms of agreement with another party – withhold
- If it reveals net profits – withhold

**Company competitive advantage comes before IR**

If company loses competitive advantage share price will decline anyway!
Understand Cognitive Bias
Causes of Cognitive Bias

1. Information-processing shortcuts (heuristics)
2. Noisy information processing (distortions in the process of storage in and retrieval from memory)
3. The brain's limited information processing capacity
4. Emotional and moral motivations
5. Social influence
Common Biases

• Illusory Correlation
  – Because A leads to B then B must lead to C
• Anchoring
  – 1 million or 100 to start
  – Can be very early
• Framing Effect
  – The frame affects the picture
• Distinction Bias
  – Two things together not the same as those two things apart
• Fundamental Attribution Error
  – Because someone I believe in said it, it must be true
• Self-serving Bias
  – Willingness to interpret information in a way that makes them seem good
Example

• “As you all correctly pointed out in your research we faced a challenge with housing transfers and you will likely also be correct in your analysis that our condo transfers will be unaffected.”
K.I.S.S

Keep It Simple Stupid

Don’t try to have too many take aways

People can only remember a few things

If you can’t explain it simply, you don’t understand it well enough.

– Albert Einstein
Pick A Take Away

✓ Ananda Number one in Mass Transit within 300 meters of existing station
✓ Ananda Number one in Mass Transit
✓ Ananda Biggest IPO of the Year
✓ Ananda Biggest Real Estate IPO in Thai History
✓ Ananda fastest growing in launches
✓ Ananda Number One in Condo Pre-sales
✓ Ananda Number One in Pre-sales 14-16
✓ Ananda Number 1 in new condo launches
✓ Ananda Second Largest Property Company in Thailand
✓ Ananda growing 10x in 7 years with no new capital and reducing debt to equity ratio
✓ Ananda growing 300% in 3 years 500% in 5 years
Repetition

- Constantly repeat in multiple settings the key takeaways you want people to leave with
- Example – “Ananda 300% growth in 3 years, 500% in 5 years”
  - Repeat on slides 7, 11, 14, 31. Opportunity on others as well
  - By the time the 5 year slide is reached its already embedded and not a surprise
A Typical Presentation

• A medium sized chair has advantages over chairs that are too large or too small

• Warm porridge is preferred by consumers to cold or hot porridge

• A well balanced level of firmness of mattress improves sleep over those with excess firmness or inadequate support.

• The market consists of a number of potential customer groups including male and female adult bears, juvenile bears and young girls with the key target market being young girls.

• Product adoption by the selected target market would be through consumer testing and preference of the product features
How to prepare the Presentation

• What is a Presentation?
  – A Presentation is a communication tool
  – Communicates the story of your company
  – Not a bunch of slides
  – If you don’t create the story your audience will
How to prepare the Presentation

• Know your audience
  ❖ Who is in the audience – names and positions
  ❖ What do they do - responsibilities and functions
  ❖ What is their background
  ❖ Why are they listening to this– what do they hope to get from it. (Remember that nobody hopes to find a way to spend money. They are looking for ways to make money)
  ❖ What are the recent decisions they’ve made – if its an investor find out what they’ve most recently invested in, if it’s a customer find out what they’ve recently bought, if it’s a colleague find out what projects they’re currently occupied with.
Gathering Information and Crafting IR Story

- Fixed timeline of deliverables everyone sticks to
- IR low priority to everyone else
How to prepare the Presentation

• Braindump
  – To explain anything you do not need to explain everything
  – Do it before not during
How to prepare the Presentation

❖ The story
  – This is where most people start
  – You now know
    • Who you’re presenting to
    • What they want from the presentation
    • All the info at your fingertips
How to prepare the Presentation

- Human brain understands narrative
  - Beginning, middle and end
  - One thing leads to another
  - Cause and effect

- If you lose the audience you’ve lost the audience
  - Can’t go back and check
  - “Well I’m not sure what he was talking about but I’ll invest anyway.”
How to prepare the Presentation

• A Presentation has to be Simple
  – Like Goldilocks and the three bears
Story Types

• The Hollywood movie
  – The evil problem rears its ugly head,
  – The good guys (you) ride into town on white horses (or an Aston Martin if you’d prefer to be James Bond) with your solution,
  – You beat up the bad guys
  – And then you end up riding off in to the sunset (or kissing Halle Berry)
Story Types

• The Hollywood Movie
  – Evil problem – Bad traffic eating everyone’s life
  – Solution – living close to mass transit
  – How your solutions beats up the bad guy – using technology to deliver urban living solutions
  – Sunset – financial results

  – Careful not to make the evil problem something your customer is doing
Story Types

❖ Opportunity Knocks
  – Good for complex situations
    • Rather than explain a complex situation
    • Focuses on what investors are interested in
      – Size of opportunity
      – How you exploit it
    • Example
      – Development of mass transit system and rise of Millennials changing real estate market
      – Exploited through technologically advanced mass transit condo development
Story Types

❖ Unlocking the door

– Works well when have multiple applications
  • E.g. mass transit build out has many effects on many demographics
  • The core is story identifies useful issues – changing living patterns
  • The core is the key that unlocks many doors
  • If don’t identify real core then will fall flat on your face.
  • Hub and spoke model
Story Types

• Flashbacks
  – Uses case studies to demonstrate value of product and usefulness of product
  – Good for new companies just starting to tell the story
  – Dual value of proving it all works and customers accept it plus makes everything more compelling due to use of real life examples
  – We used this a lot on IPO Roadshows
  – Do NOT try and say, “It will do this” as fabrications remove all credibility from everything
How to choose your story

- Might be obvious after audience research, braindump and grouping
- Start by writing slide titles only
- See if you can tell the story just from the titles
- If not try another story
- No right or wrong answer
Q&A

• Answer the Question!!!!
• Understand the Real Question – e.g. presales is really about market
• NEVER use the word conservative
• Use real life examples
• Never argue with the questioner
Q&A

• Preparation
  – The Fundamental Few
  – Make sure you understand the question
  – Answer the real question
  – Record all questions
  – Slides on repeated questions

“if they can’t understand the question…

how can they answer it?”
Positive Attitude

- Your investors want your business to succeed
- Your investors have a lot of experience and connections to add to your business
- Your investors are your future partners who believe in you so much that they are willing to give you their money and risk it on you.
- Final Takeaway – be Customer Centric
Thank You

Contact:
Dr. John Millar
Chief Strategic Development Officer
Ananda Development Public Company Limited
john@ananda.co.th
+662 056 2222  Mobile: +66 877 99 1946

Mr. Komsan Atthaphonphithak
Senior Investor Relations Manager
Ananda Development Public Company Limited
komsan@ananda.co.th
+662 056 2222  Mobile: +66 819 16 3755