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### 3Q 2021 KEY FINANCIAL HIGHLIGHTS

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- **Total revenue recorded was THB 1,194mn, increasing by 3.6% YoY** predominantly due to gains from the disposal of investments in subsidiaries and gains from the exchange rate. The increase was partially offset by a decrease in revenue from the disposal of overseas hotels.
- **EBITDA stood at THB 410mn, increasing THB 203mn or 98% YoY. EBITDA margin was 34.4%, rising from 18% in 3Q 2020.** The increase in EBITDA and EBITDA Margin was mainly from the increase in revenue and supported by lower operating costs, selling and servicing expenses, and administrative expenses.
- **Reported net loss of THB (364)mn, improving from a net loss of THB (750)mn in 3Q 2020.** The reduced loss was driven mainly by the increase in revenue, reduction in expenses, depreciation, and financial costs resulting from the investment restructuring by the partial disposal of the European asset portfolio, capital increase, partial loan repayment, and a lower share of loss from joint ventures.
- **Total assets as of 30 September 2021 stood at THB 59,030mn, decreasing by 6.1% or THB 3,814mn from 31 December 2020.** Assets decreased primarily from the partial disposal of the European asset portfolio.
- **The Net Interest-Bearing Debt to equity ratio at the end of 3Q 2021 stood at 0.06x, a decrease from 1.00x on 31 December 2020.**

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### 3Q 2021 SIGNIFICANT EVENTS

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**18 August 2021**, the Company sold 2 plots of land in Pak Chong District, Nakhon Ratchasima Province, a total area of 38 rai 2 ngan 78 square wah, for THB 36,760,250.

**20 August 2021**, Vienna House Capital GmbH (“VHC”) (a subsidiary of the Company) and Lombard Estate Holdings Limited (“LEH”) (a subsidiary of the Company) entered Heads of Terms for the sale of Vienna House group hotel business.

**26 August 2021**, the Board of Directors’ Meeting No. 7/2021 approved the disposal of ordinary shares in associated companies which carries out hotel management business to HRG München Holdings GmbH (“HRG”) or any authorised person of HRG (“HRG Group”) for a total purchase price of EUR 6,000,000 (or equivalent to Baht 233,580,000). The disposal comprised 40% of the total registered capital of Absolute Hotel Services Company Limited (“AHS”) and 9.81% of the total paid-up capital of Absolute Hotel Services Hong Kong Limited (“AHSHK”). After completing the ordinary shares disposal transaction, the Company’s shareholding proportion in AHS shall be equivalent to 10%, and the shareholding proportion in AHSHK shall be equivalent to 2.45%. AHS and AHSHK then cease to be associated companies of the Company.

(For more details, please see the news in the SET U.SET 019/2021)

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26 August 2021, the Board of Directors' Meeting No. 7/2021 approved

(1) the investments in Jay Mart Public Company Limited (“JMART”) by subscribing for the newly issued ordinary shares of JMART and the acquisition of warrants to purchase the newly issued ordinary shares of JMART, representing the total value of THB 4,129,459,910.82, or 9.90% of total voting rights in JMART.

(2) the investments in Singer Thailand Public Company Limited (“SINGER”) by subscribing for the newly issued ordinary shares of SINGER and the acquisition of warrants to purchase the newly issued ordinary shares of SINGER, representing the total value of THB 7,155,144,219.15, or 24.90% of total voting rights in SINGER.

(3) the investment in Advance Life Assurance Public Company Limited (“A LIFE”) by purchasing ordinary shares, subordinated debentures, and newly issued capital increase shares, representing the total value of THB 2,222,295,139.59, or 75.00% of the total issued shares in A LIFE.

(For more details, please see the news in the SET U.SET 020/2021)

27 August 2021, the Board of Directors of the Company, represented by Mr. Kavin Kanjanapas, and the Chief Executive Officer of BTS Group Holdings Public Company Limited, announced the revision of the Company’s long-term business direction to move into the financial services sector and to exit the hospitality and real estate business. This is intended to steer the Company towards higher return on equity businesses with a better and more predictable growth outlook. A key part of this strategy will see the Company benefit from new alliances under BTS Group’s 3M (MOVE, MIX, and MATCH) strategy.

### 3Q 2021 PERFORMANCE

#### 3Q 2021 P&L SNAPSHOT AND ANALYSIS

(THB mn)	3Q 2021	3Q 2020 <sup>2</sup> (Restated)	% YoY	2Q 2021	% QoQ
Operating revenues	824.8	1,073.7	(23.2%)	427.3	93.0%
Other revenues	368.7	78.7	368.4%	642.6	(42.6%)
<b>Total Revenue</b>	<b>1,193.5</b>	<b>1,152.4</b>	<b>3.6%</b>	<b>1,069.9</b>	<b>11.6%</b>
Operating expenses	(305.9)	(421.0)	(27.3%)	(170.2)	79.7%
Selling and administrative expenses <sup>1</sup>	(432.1)	(524.0)	(17.5%)	(400.2)	8.0%
Asset's write-off and Impairments	(45.3)	(0.1)	66,606.7%	(0.6)	7017%
<b>EBITDA</b>	<b>410.2</b>	<b>207.3</b>	<b>97.9%</b>	<b>498.9</b>	<b>(17.8%)</b>
Finance costs	(112.3)	(318.9)	(64.8%)	(201.8)	(44.4%)
Share of profit/(loss) from JVs/associates (equity income)	(122.5)	(233.2)	47.4%	(113.7)	(7.8%)
<b>Reported Net Profit/(Loss)</b>	<b>(363.6)</b>	<b>(750.3)</b>	<b>51.5%</b>	<b>(102.0)</b>	<b>(256.5%)</b>
<b>GOP margin (%)</b>	<b>62.9%</b>	<b>60.8%</b>		<b>60.2%</b>	
<b>EBITDA margin (%)</b>	<b>34.4%</b>	<b>18.0%</b>		<b>46.6%</b>	
<b>Operating EBITDA margin (%)<sup>1</sup></b>	<b>22.0%</b>	<b>25.6%</b>		<b>21.4%</b>	
<b>Reported Net profit margin (%)</b>	<b>(30.5%)</b>	<b>(65.1%)</b>		<b>(9.5%)</b>	

<sup>1</sup> Exclude FX gain/(loss), impairments, and profit from disposal of investment in subsidiary

<sup>2</sup> Restated according to the reclassification of "assets held for sale"

The Company reported **total consolidated revenue** of THB 1,194mn in 3Q 2021, representing an increase of THB 41mn (or 3.6%) YoY from THB 1,152mn in the same quarter of the previous year. The increase in total revenue was chiefly attributed to (i) a gain on disposal of investments in subsidiaries from the partial disposal of the European hotel portfolio amounted to THB 232mn, (ii) a gain from the exchange rate of THB 42mn (up THB 110mn YoY). The increase was partially offset by (iii) the reduction of hotel revenue (from the aforementioned partial disposal) by THB 234mn (or 25.5%) to THB 681mn, and (iv) a decrease of THB 23mn (or 35.7%) YoY in other revenues to 42mn.

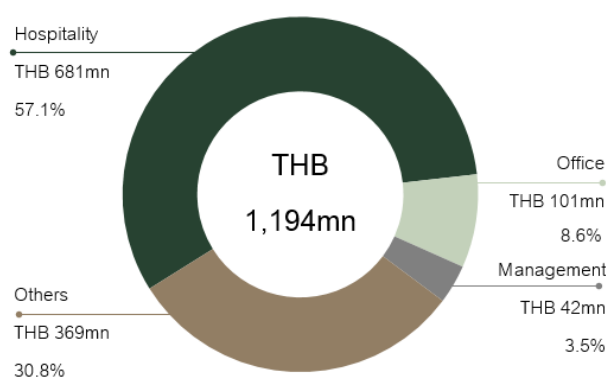
**Total consolidated expenses** were THB 738mn in 3Q 2021, decreasing by THB 207mn (or 21.9%) compared with last year's same period. The decrease was contributed mainly by (i) the decrease of operating costs by THB 115mn (or 27.3%) from the partial disposal of the European hotel asset portfolio (ii) the implementation of cost-savings measures as part of a response plan to the COVID-19 situation which reduced the administrative, selling and servicing expenses by THB 92mn (or 17.5%) YoY, this decrease was partially offset by (iii) THB 45mn asset write-offs and impairments (from the partial disposal of vacant land adjacent to Rama 9 road). The reported **share of loss from associates/JVs** was THB (123)mn, compared with the share of loss THB (233)mn reported on the same period of last year. The share of loss comprised of (i) THB (60)mn share of loss from Sansiri JV and Noble JV, and (ii) THB (63)mn share of loss in other associates/JVs.

Finance costs were THB 112mn, decreasing by THB 207mn, or 64.8% YoY. The decrease stemmed from a net loan repayment of THB 11,044mn for the nine months of 2021, which significantly benefited the Company by reducing the interest costs.

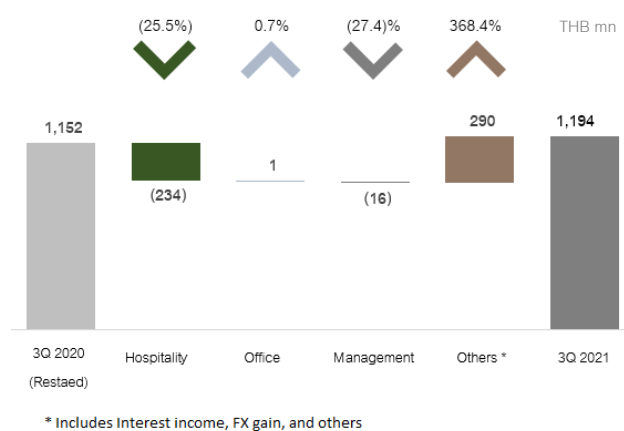
Net loss was THB (364)mn and the net margin was (30.5%), improving compared to 3Q 2020 which had a net loss (restated) of THB (750)mn.

## SEGMENTAL PERFORMANCE

3Q 2021 REVENUE CONTRIBUTION BY SEGMENT



3Q 2021 REVENUE GROWTH CONTRIBUTION



In 3Q 2021, the hospitality segment contributed 57.1% of revenue, the office segment 8.6%, management income at 3.5%, and other revenues at 30.8% of the total revenue.

Within the **hospitality segment**, revenue decreased by THB 234mn or 25.5% YoY to THB 681mn. The decrease was predominantly from (i) the absence of revenue of the European hotels disposed during the 1<sup>st</sup> half of 2021.

Within the **office and commercial unit buildings segment**, revenue slightly increased by THB 1mn or 0.7% YoY to THB 101mn.

**Management income** slightly decreased to THB 42mn or 27.4% YoY.

**Other income** increased by 368.4% YoY or THB 290mn to THB 368.7mn. The increase was chiefly attributed to (i) gain on sales in a subsidiary company of THB 232mn, (ii) gain from the exchange rate of THB 42mn, and (iii) the increase in interest income of THB 2mn to THB 35mn.

## HOSPITALITY SEGMENT

	No. of Keys			ADR (THB/night) *			Occupancy (%) *			RevPAR (THB/night) *		
	3Q 2021	3Q 2020	+/-	3Q 2021	3Q 2020	+/-	3Q 2021	3Q 2020	+/-	3Q 2021	3Q 2020	+/-
Owned	3,967	3,889	78	2,706	2,611	95	38.5%	29.4%	9.1%	1,043	768	275
Leased	684	3,347	(2,663)	2,593	3,078	(485)	44.4%	39.6%	4.8%	1,152	1,220	(68)
Managed	4,414	3,768	646	6,424	2,067	4,357	44.7%	27.9%	16.8%	2,870	576	2,294
<b>Total Operational</b>	<b>9,065</b>	<b>11,004</b>	<b>(1,939)</b>	<b>3,585</b>	<b>2,752</b>	<b>833</b>	<b>40.6%</b>	<b>33.0%</b>	<b>7.6%</b>	<b>1,455</b>	<b>909</b>	<b>546</b>
Hotels in Pipeline	18,713	17,614	1,099									
<b>Grand Total</b>	<b>27,778</b>	<b>28,618</b>	<b>(840)</b>									

\* Excludes ADR, Occupancy, and RevPAR of AHS managed hotels

In 3Q 2021, total net **operational keys** were 9,065 keys, a net decrease of 1,939 keys from 3Q 2020, mainly from (i) the reduction of 2,663 keys relating to the disposal of operating leased hotels in Europe, which was offset by (ii) 646 keys increase from new management contracts and (iii) the net increase of 78 keys from owned hotels, Vienna House Easy Airport Bucharest.

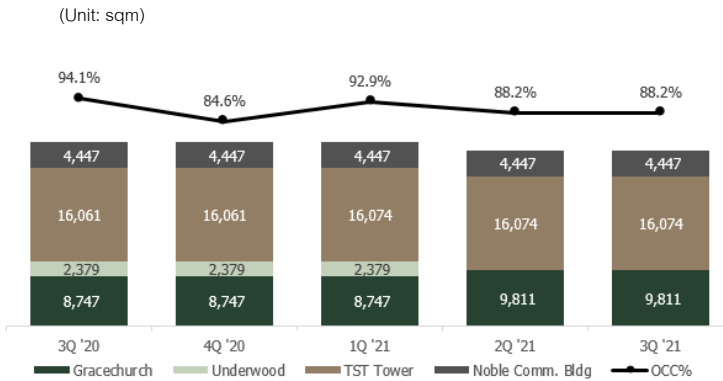
The **Average Daily Rate (ADR)** was THB 3,585 per night in 3Q 2021, increasing by THB 833 per night as (i) hotel reopened back to near normal operation with fewer restrictions, (ii) the THB depreciation against EUR (THB depreciated from 36.98 THB/EUR in 3Q 2020 to 38.99 THB/EUR in 3Q 2021) since the majority of the Company's hotel revenues are received in Euros. The increase was partially offset by (iii) the change in ADR mix from the disposal of operating leased hotels in Europe.

The overall **Occupancy Rate (OCC)** was 40.6% (increasing by 7.6%). The **Revenue per Available Room (RevPAR)** was at THB 1,455 per night in 3Q 2021, (increasing by THB 546 per night), once again benefiting from the COVID rebound effect. Following the good progress of vaccination as well as the general reduction in infections, European governments removed some travel and social restrictions, which led to a rebound in both business and tourist travel. The Thai government also eased some travel and social restricts from 1 November 2021 onwards.

The overall number of **hotel keys in the pipeline** stood at 18,713 keys, a net increase of 1,099 keys from 3Q 2020, mainly driven by (i) the net increase of 5,956 keys from managed hotels, (ii) the decrease of 6 keys from a leased hotel, and (iii) 4,851 keys from the managed hotels which have been opened.

OFFICE SEGMENT

BLENDEN OFFICE PERFORMANCE METRICS  
NET FLOOR AREA (NFA) & OCCUPANCY RATE



OFFICE BUILDINGS



In 3Q 2021, the overall Net Floor Area (NFA) and occupancy rate remained the same as the previous quarter. The overall occupancy rate for the office segment in this quarter was 88.2%. The Gracechurch Street office building remained at 63%, while the other office buildings, including the Noble commercial building and the TST Tower, remained fully occupied in 3Q 2021.

COMMERCIAL UNIT BUILDINGS

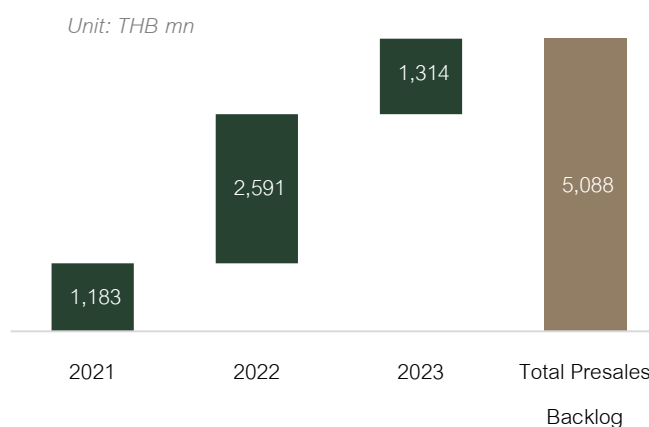
The Group invests in various commercial units in buildings in Bangkok to increase its recurring revenue. The commercial units, a total net rental area of 9,173 sqm, are fully occupied and generate approximately THB 61mn per annum revenue. The overall occupancy rate for Commercial unit buildings remained the same as the previous quarter at 100%.

## RESIDENTIAL SEGMENT

### JV WITH SANSIRI: PROJECTS EXPECTED TO TRANSFER IN 2021

Project	Presales Backlog (THB mn)
KHUN By Yoo	267
THE BASE Saphanmai	393
THE LINE Phahonyothin Park	523
<b>Total</b>	<b>1,183</b>

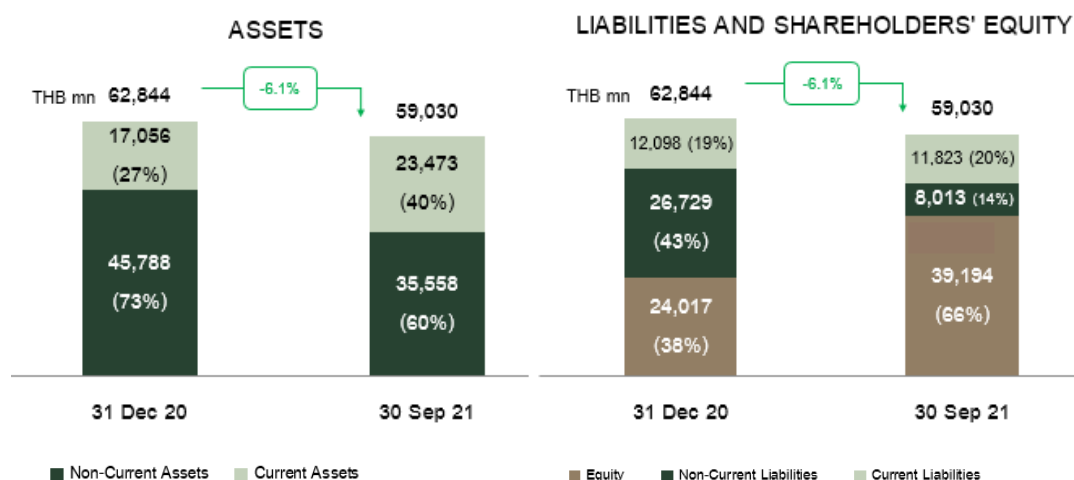
### JV WITH SANSIRI AND NOBLE: TOTAL PRESALES BACKLOG



**JV Projects with Sansiri:** in 3Q 2021, there were 3 condominium projects on sale. KHUN By Yoo and The BASE Saphanmai are ready-to-move-in condominium projects. The LINE Phahonyothin Park is under construction and is expected to be complete and ready to transfer in December 2022. During 2021 – 2023, the presales backlog of the 3 condominium projects was THB 3,967mn.

**JV Projects with Noble:** presales backlog was THB 1,121mn from Nue Noble Ratchada – Lat Phrao project, with transfers expected to begin in 2023.

## FINANCIAL POSITION



Total Assets as of 30 September 2021 were THB 59,030mn, decreasing THB 3,814mn, or 6.1% from 31 December 2020. The decrease was attributed chiefly to (i) a net decrease in assets due to the disposal of the European hotel portfolio and the sale of the Underwood Street building, (ii) a decrease in the right-of-use asset of hotels under the operating lease agreement in Europe. The decrease was partially offset by (iii) increasing cash and cash equivalents, mainly from the sale of the newly issued preferred shares.

Total Equity stood at THB 39,194mn at the end of 3Q 2021, increasing THB 15,177mn, or 63.2%, from THB 24,017mn at the end of 2020. The increase was predominantly from the sales of newly issued preferred shares.

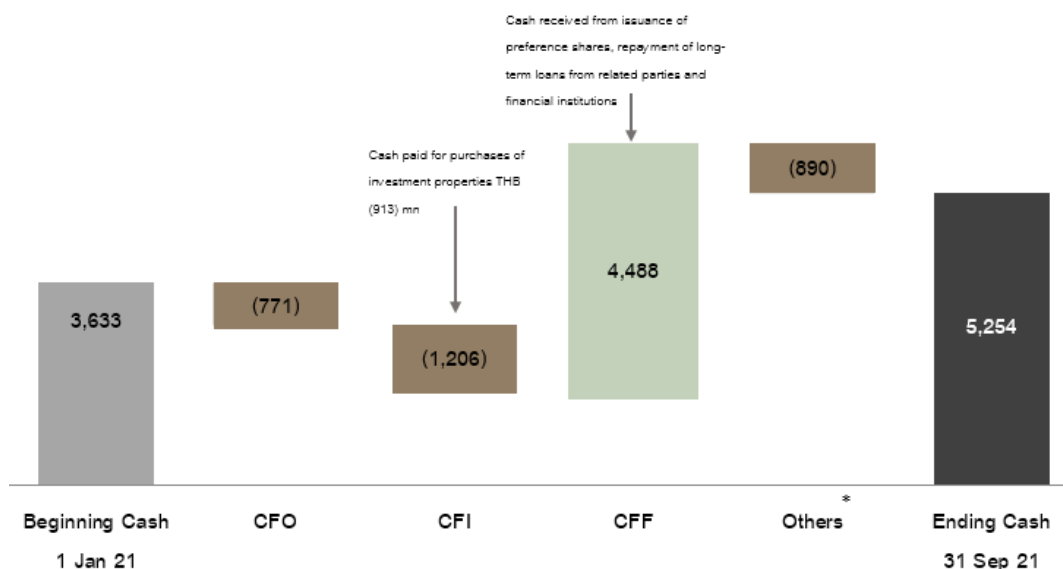
## CAPITAL STRUCTURE

As of 30 September 2021, U City's total interest-bearing debt was THB 7,976mn, decreasing THB 19,810mn from THB 27,786mn at the end of 2020. The decrease resulted from the net repayment of long-term loans from financial institutions. The net interest-bearing debt to equity ratio was 0.06x, significantly decreasing from last year at 1.00x.

In 3Q 2021, the Company spent THB 278mn on capital expenditures and investments (for the nine months of 2021 equal to THB 1,237mn), primarily for the purchases of investment properties and property, plant & equipment.

## CASH FLOW





As of 30 September 2021, cash and cash equivalents were THB 5,254mn, increasing from THB 3,633mn at the beginning of the year. For 3Q 2021, cash used in operating activities was THB (771)mn. This was derived from loss before tax THB (689)mn, being compensated by non-cash reconciling items THB 745mn and changes in net working capital THB (25)mn. After deducting cash paid for interest expenses THB (678)mn and cash paid for income tax THB (124)mn, **net cash used in operating activities** was THB (771)mn.

**Net cash from investing activities** was THB (1,206)mn. The key activities were: (i) cash paid for investment properties THB (913)mn, (ii) purchase price adjustment of a divestment transaction THB (199)mn, and (iii) purchases of property, plant, and equipment THB (172)mn.

**Net cash used in financing activities** was THB 4,488mn. The key components were: (i) cash proceeds from the capital increase in preferred shares for a total of THB 15,725mn. The increase was partially offset by (ii) the net repayment of loans from financial institutions THB (7,005)mn, (iii) the net repayment of loans from related parties THB (5,024)mn, and (iv) repayment of liabilities under the lease agreements THB (127)mn.

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## COVID-19: IMPACTS AND RESPONSE PLAN

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11 October 2021, the Thailand prime minister ordered the Center for COVID-19 Situation Administration (CCSA) and the Ministry of Public Health to accept travel to Thailand without quarantine for those who have completed the full dose of vaccination from over 20 countries worldwide, starting from 1 November 2021. Moreover, on 1 December 2021, they will consider permitting the consumption of alcoholic beverages and recreational activities in restaurants and allow entertainment venues to be open for service under appropriate public health measures. This relaxation will support and stimulate the tourism sector, leisure, and entertainment, during the New Years' celebration.

### Capital Restructuring and Asset Divestment

Due to the significant ongoing losses and uncertainty in the timing of the recovery from the COVID-19 pandemic, the Company has revisited its long-term business direction. The shareholders approved the Company's capital restructuring and asset divestments in the Annual General Meeting on 31 March 2021, paving the way to re-invest in the higher growth, higher return business which has also proven to be more resilient.

The Company made the decision to exit the real estate business and enter into the financial services business. It is expected that the Company and BTS Group will both benefit incrementally from synergies across distribution, cross selling and customer reach under BTS Group's 3M (MOVE, MIX, and MATCH) strategy. **Initially, the Company will focus on Life insurance business for retail clients (including micro-insurance) and investments in JMART and SINGER (consumer finance and bad debt management).** Still, it will expand further into other financial services sectors. Some detail on the initial investments can be shared as follows: -

(1) The Company acquired 75% of the shares in A LIFE. A LIFE currently has a market share of approximately 0.3%, but the Company aims to expand its market share through various strategies consisting of the introduction of easy-to-access micro life Insurance products, cross-selling of life insurance products under BTS Group partner companies, as well as expanding our distribution channels together with new alliances under the BTS Group's MOVE, MIX and MATCH networks. A LIFE will also have a stronger capital base and be able to expand its product sales in the future.

(2) The Company's investments in other financial businesses include the investments in JMART and SINGER. JMART is a holding company that invests in a variety of businesses, together with SINGER's future growth prospects from products and services such as electric appliances, hire purchase services, car for cash, other financial services, and life insurance and insurance brokerage business. In addition, SINGER's branches and personnel can also help distribute A LIFE's insurance sales to wider coverage. These will supplement the Company's financial performance and fortify the Companies business to withstand down cycles.

### Hospitality Business

The Company continues to sell its hotel portfolio and related real estate. We expect to fully liquidate all our hotels in Thailand and abroad within the next 3 years. Moreover, we will negotiate under the terms and prices that generate profits for the Company. In case

that the Company is unable to do so within the expected time frame, we may consider establishing a Real Estate Investment Trust (REIT) and offer it to potential prospects or affiliates of the Company. Eventually, we intend to fully exit the real estate business.

#### Office Business

The Office building business has been less affected by COVID-19 (compared to the Hospitality business) as most tenants entered long-term leases. Although some companies are starting to incorporate Work-From-Home (WFH) policies, the Company believes this is mainly a temporary dislocation. Once the vaccine is widely available, employers and employees will largely revert to normal work from office routines.

#### Residential and Others

The Bank of Thailand has assessed that one avenue of economic stimulus can be achieved through the real estate sector. As a result, they decided to ease stricter Loan-to-Value (LTV) measures temporarily. Which it is hoped will have a knock-on effect on other business sectors.

#### COVID-19 Infection Prevention Measures and Business Continuity Plan

The Company prioritises the safety and hygiene of customers, tenants, and employees. For example, in the office buildings, the Company conducts health screening at the entrance of the buildings, provides hand sanitizers, limits the number of passengers in a lift, and sets the policy that all tenants wear face masks.

The Company is also implementing safe work practices to limit exposure to COVID-19, e.g., reducing physical contact between employees, virtual meetings, providing sanitary and washing equipment, sanitizing the office regularly.

Since the COVID-19 epidemic in early 2020, the Company has implemented a business continuity plan to minimise disruptions and ensure that the business remains viable during the virus outbreak. These measures have been set as new standards for the business operation of the Company and its subsidiaries.

- Perform stress tests to evaluate the impact on the business, financial performance, and financial position
- Assess the impact that a further disruption of activities would have on the business and identify which areas should be prioritised when taking steps towards resuming activities
- Continuously review and adjust business development plans by focusing on the Company's main assets to adapt to the current economic situation
- Implement a 'Work from Home' policy and put in place IT infrastructure to support working from home
- Ensure that a robust communication strategy is in place to provide up-to-date information to employees, suppliers, and customers

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## BUSINESS PLAN AND OUTLOOK

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In Europe and the UK, the COVID-19 situation has gradually improved due to the rapid vaccine distribution and Government subsidy measures provided to the private sectors. On the other hand, Thailand has started to accept travel into the country without quarantine for those who have completed the full dose of vaccination since 1 November 2021. This relaxation has been merited due to the nationwide vaccination rate reaching 67% and the Bangkok metropolitan double vaccination rate surpassing 80% (as of 11 November 2021) after Thailand was able to accelerate to more than 700,000 vaccinations per day. Moreover, on 1 December 2021, Thailand will consider permitting the consumption of alcoholic beverages and recreational activities in restaurants and allow entertainment venues to be open for service under appropriate public health measures. This relaxation will support and stimulate the tourism sector, leisure, and entertainment, during the New Years' celebration. We believe this will significantly benefit our remaining hospitality business in Thailand.

As for our Projects in Development, as of 30 September 2021, the construction of The Unicorn was 52% completed. The restoration of the Customs House or the Roi Chak Sam was 6% completed.

COVID-19 has catalysed changes in consumer behavior, and the Company has had to respond accordingly. For U City, this has resulted in the Company changing its long-term business direction. It has refocused its capital and resources on the financial services industry, with a higher return and resilience than the hospitality and real estate business. Additionally, it is driven by the continued deep losses and the lack of clarity of the hospitality recovery profile from the COVID-19 pandemic. As a result, the Company will allocate real estate divestment. Capital increase proceeds to expand the financial business with more potential and benefit more from new alliances under BTS Group's 3M (MOVE, MIX, and MATCH) strategy. The initial financial services investments, which include (1) Life insurance business for retail customers (micro-insurances) and (2) Investments in SINGER and JMART, are expected to be completed by the end of 2021. The Company expects to find further opportunities within this sector soon, and we believe that this turning point will make the Company take a step towards sustainable growth.

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(Ms. Soraya Satiangoset)

Director, Executive Director, Acting Chief Executive Officer,

and Chief Financial Officer