



KEY BUSINESS AND STRATEGIC UPDATES IN 3Q 2022

Expanding Retail business through a new business line and an additional service via strategic partnership.

- During 3Q 2022, the Company prepared to launch a new line of business known as “Turtle Coffee” which serves our house brand coffee, bakeries and ready-to-eat meals, from mid-October 2022 on 7 BTS stations including Chong Nonsi, Sala Daeng, Chit Lom, Asok, Phrom Phong, Thong Lo, and On Nut.
- On 23 September 2022, NINE established a joint venture named SuperRich Turtle Exchange Company Limited (“SuperRich Turtle”). SuperRich Turtle is a partnership between NINE (51.0%) and SuperRich Currency Exchange (1965) Company Limited (49.0%), Thailand’s leading money-changing services. SuperRich Turtle will provide currency exchange services along the BTS network and is expected to start the first location in early 2023.

CONSOLIDATED P&L SNAPSHOT

THB (mn)	3Q 2021	2Q 2022	3Q 2022	QoQ (%)	YoY (%)
Total revenues	17.69	38.44	84.95	121%	380%
Revenue from sales and services	17.69	33.69	35.34	5%	100%
Rental income	-	4.75	49.61	944%	100%
Cost of sales and services	(12.74)	(37.48)	(101.55)	171%	697%
Gross profit	4.95	0.96	(16.60)	-1,829%	-435%
SG&A	(20.53)	(45.93)	(39.66)	14%	93%
EBITDA	(11.43)	(24.41)	(34.27)	40%	200%
EBIT	(14.40)	(34.72)	(43.16)	24%	200%
Interest expenses	(0.26)	(1.42)	(0.35)	75%	35%
Tax	(1.70)	(0.03)	(0.31)	-933%	-82%
Net loss	(16.36)	(36.17)	(43.82)	21%	168%

Revenues Breakdown

THB (mn)	3Q 2021	2Q 2022	3Q 2022	QoQ (%)	YoY (%)
Publishing	17.69	24.54	22.29	-9%	26%
Retail	-	9.15	11.48	25%	100%
Merchandising space on BTS stations	-	4.75	51.18	977%	100%
Total revenues	17.69	38.44	84.95	121%	380%

% Contribution to Total Revenues

THB (mn)	3Q 2021	2Q 2022	3Q 2022
Publishing	100%	64%	26%
Retail	-	24%	14%
Merchandising space on BTS stations	-	12%	60%
Total revenues	100%	100%	100%



PERFORMANCE ANALYSIS (3Q 2022 vs 3Q 2021)

In 3Q 2022, the Company recorded **total revenues** of THB 84.95mn, an increase of 380% YoY. The significant growth was attributable from the increase in performance of all business units.

- Revenue from the **Publishing business** was THB 22.29mn, increased by 26% due to the higher sales from higher number of new titles launched each month, higher average price from box set launched since the second quarter and mini bookfair in August 2022.
- Revenue from the **Retail business** was recorded at THB 11.48mn from the operations of “Turtle Shop”, which started in December 2021. As of, 3Q 2022, NINE operates 3 Turtle Shops on BTS station: Saint Louis, Phloen Chit and Victory Monument.
- Revenue from providing **Merchandising Spaces on BTS stations** was THB 51.18mn. The revenue from this business unit was generated after the Company was granted the right to operate commercial areas on the BTS Green line from VGI since June 2022.

The expansion of the Company’s businesses also reflected in higher cost of sales and services and selling and administrative expenses in 3Q 2022, compared to the same period last year. This was mainly due to the following reasons:

- **Cost of sales and services** increased by 697% mainly from rental cost of merchandising spaces on BTS stations, manpower cost to support the Retail and Merchandising Spaces businesses as well as cost of merchandise sold at Turtle Shops.
- **Selling and administrative expenses** increased by 93% mainly from manpower cost and marketing activities to support the retail and merchandising space businesses.

In conclusion, the Company recorded **net loss** of THB 43.82mn.

FINANCIAL POSITION

ASSETS

	31 DECEMBER 2021		30 SEPTEMBER 2022	
	(THB mn)	% out of total	(THB mn)	% out of total
Current assets				
Cash and cash equivalents	257.37	51%	3,495.34	78%
Trade and other receivables	23.45	5%	123.33	3%
Inventories	19.43	4%	29.46	1%
Other current financial assets	9.02	2%	541.72	12%
Other current assets	13.40	3%	20.93	0%
Non-current assets				
Leasehold improvements and equipment	50.03	10%	118.83	3%
Right-of-use assets	96.99	19%	18.16	0%
Intangible assets	10.43	2%	12.70	0%
Estimated goodwill	0.00	0%	97.93	2%
Other non-current financial assets	19.73	4%	0.00	0%
Other non-current assets	1.92	0%	16.09	0%
Total assets	501.77	100%	4,473.95	100%

Total assets as of 30 September 2022 were THB 4,473.95mn, an increase of THB 3,972.18mn from THB 501.77mn as of 31 December 2021.

Total current assets were THB 4,210.78mn, increasing by THB 3,888.11mn, primarily from 1) remaining cash and cash equivalent from the capital increase in 2Q 2022, 2) treasury investment in other current financial assets and 3) rental income collected from tenants by VGI during transition in trade and other receivables.



Total non-current assets were THB 263.17mn, increasing by THB 84.07mn, primarily due to 1) an increase in leasehold improvements and equipment of 3 Turtle Shops and 2) estimated goodwill from acquisition in subsidiary, Groupwork Company Limited. Nevertheless, such increase was partially offset by the decrease in right-of-use assets due to the termination of the former lease agreement between the Company and VGI in 2Q 2022.

LIABILITIES AND SHAREHOLDERS' EQUITY

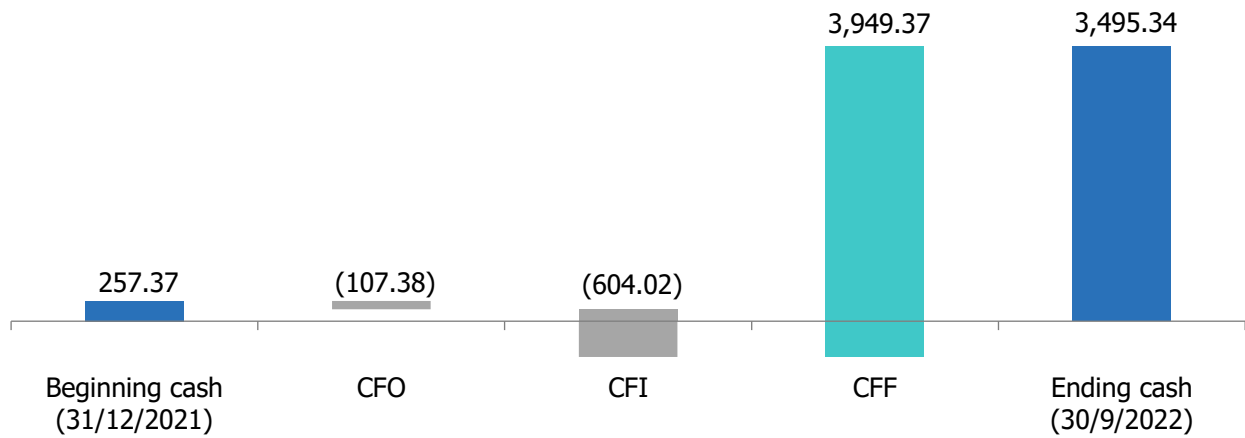
	31 DECEMBER 2021		30 SEPTEMBER 2022	
	(THB mn)	% out of total	(THB mn)	% out of total
Current liabilities				
Trade and other payables	52.19	10%	121.25	3%
Current portion of lease liabilities	6.35	1%	6.20	0%
Unearned revenues	0.29	0%	5.31	0%
Deposits received from rental spaces	0.00	0%	45.54	1%
Other current liabilities	4.12	1%	6.08	0%
Non-current liabilities				
Lease liabilities, net of current portion	92.51	18%	12.10	0%
Provision for long-term employee benefits	8.66	2%	11.70	0%
Other non-current liabilities	1.04	0%	5.94	0%
Total liabilities	165.16	33%	214.12	5%
Shareholders' equity	336.61	67%	4,259.83	95%
Total liabilities and equity	501.77	100%	4,473.95	100%

Total liabilities were THB 214.12mn, increasing by THB 48.96mn from THB 165.16mn as of 31 December 2021 mainly from an increase in 1) rental cost payables to VGI and 2) deposits received from rental spaces on BTS stations. However, such increase was offset by the decrease in lease liabilities due to the termination of the former lease agreement between the Company and VGI in 2Q 2022.

Total equity was THB 4,259.83mn, increasing by THB 3,923.22mn mainly due to the capital increase in 2Q 2022, net offset to operation loss for the period of nine-month period ended 30 September 2022.



LIQUIDITY AND CASHFLOW (THB mn)



For the nine months, ending 30 September 2022, **net cash used in operating activities** of THB 107.38mn. **Net cash used in investing activities** was THB 604.02mn, mainly from cash paid for 1) acquisition of other current financial assets of THB 507.69mn, 2) acquisitions of building improvements and equipment of THB 73.31mn and 3) net cash from purchase of investment in subsidiary of THB 21.35mn. **Net cash from financing activities** was THB 3,949.37mn, mainly from net cash received from issuance of ordinary shares in 2Q 2022.

.....
Kumpol Ruaypom
(Chief Financial Officer)
Nation International Edutainment Public Company Limited