



BUSINESS HIGHLIGHTS IN 2022

In 2022, NINE has made a transition into retail and merchandising space lease management through the strategic partnership with VGI Public Company Limited (“VGI”).

- The Company recorded total revenues of THB 247mn, an increase of 157.3% YoY.
 - Revenue from Retail and Merchandising Spaces business were recorded at THB 145mn.
 - Revenue from Publishing business grew in response to the relaxation of COVID-19 measures, increasing by 6% YoY to THB 102mn.

KEY BUSINESS AND STRATEGIC UPDATES IN 2022

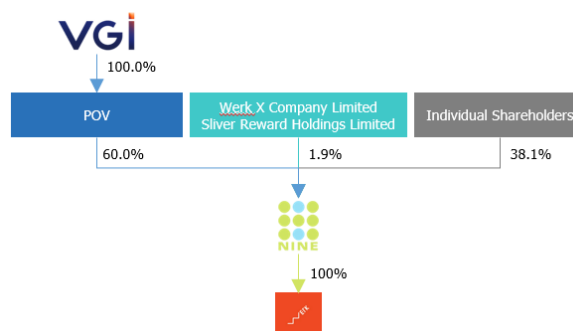
2022 marked an important milestone for NINE, as the Company successfully made strategic partnership with VGI through its wholly owned subsidiary, Point of View (POV) Media Group Company Limited (“POV”). After a 60.0% investment by VGI, NINE has expanded its business from solely, a Publishing business to 3 businesses, comprising of 1) Merchandising spaces rental business on BTS stations, 2) Retail business under the Turtle brand and 3) Publishing business.

Transitioning to Retail and Merchandising Spaces Lease Manager

On 2 March 2022, the Company’s Board of Directors approved significant transactions as follows: -

1. An entry into License to Manage and Operate Merchandising Space Agreement with VGI to manage and operate the merchandising spaces on 31 BTS stations under the ‘Turtle’ brand and sublease to other tenants.
2. An acquisition of 100.0% in Groupwork Company Limited (“Groupwork”), an operator of merchandising spaces on 5 stations of BTS Skytrain, at the total investment of THB 110mn.
3. An issuance and offering of 984mn newly issued shares through Private Placement to 1) POV, 2) Werk X Company Limited and 3) Sliver Reward Holdings Limited at an offering price of THB 3.30 per share, totalling THB 3,247mn.
4. An issuance and offering of 240mn newly issued shares through Rights Offering (RO) to the Company’s existing shareholders at the allocation ratio of 1.5232 existing shares to 1 newly issued ordinary share at the offering price of THB 3.30 per share, totalling THB 792mn.

- The above transactions were approved by the shareholders’ meeting held on 10 May 2022.
- Following this approval, the Company successfully entered into transactions no. 1 and 2, as well as the subscription of private placement by VGI in no. 3 which were completed on 22 June 2022. While, the subscription of rights offerings was completed on 30 June 2022.



Expanding products and services along the BTS Lines to serve consumer needs

- 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-exchange services. SuperRich Turtle will provide currency exchange services along the BTS network and has already opened its first location at BTS Asok station in February 2023.
- After the investment by VGI, NINE has continued to standardise and modernise merchandising areas along the BTS network. During 2022, NINE opened Turtle shops, a lifestyle retail store, and launched a new line of business known as ‘Turtle Coffee’, providing house brand coffee, bakeries and ready-to-eat meals. By the end of 2022, Turtle shops are available on 3 BTS stations comprising St. Louis, Ploen Chit and Victory Monument. While, Turtle Coffee shops are available on 7 BTS stations: Asok, Chit Lom, Chong Nonsi, On Nut, Phrom Phong, Sala Daeng and Thong Lo.



- To raise brand awareness among BTS passengers, in February 2023, NINE has opened 'Turtle taste!', a pop-up store where customers can taste Turtle house brand and top selling products. Turtle taste! is now available at BTS Ekkamai and Mo Chit stations.

SuperRich Turtle



Turtle Shop



Turtle Coffee



Turtle taste!



The Change in Paid-up Capital

- During July 2022, NINE raised funds through a Private Placement by VGI and Rights Offering by the existing shareholders at a total value of THB 4,039mn with newly issued ordinary shares of 1,224mn shares at an offering price of THB 3.30 per share. As a result, NINE's total shares increased to 1,590mn shares from 366mn shares.



CONSOLIDATED P&L SNAPSHOT

| THB (mn) | 2021 | 2022 | YoY (%) |
|------------------------------------------------------------|-----------|--------------|------------------|
| Total revenues | 96 | 247 | 157.3% |
| Revenue from sales and services | 96 | 142 | 47.9% |
| Rental income | - | 105 | 100.0% |
| Cost of sales and services | (58) | (277) | 377.6% |
| Gross profit | 38 | (30) | -178.9% |
| SG&A | (60) | (189) | 215.0% |
| EBITDA | 13 | (140) | -1,176.9% |
| EBIT | (1) | (178) | -17,700.0% |
| Interest expenses | (2) | (4) | 100.0% |
| Tax | 6 | - | -100.0% |
| Profit (loss) for the year from continued operation | 3 | (182) | -6,166.7% |
| Profit for the year from discontinued operation | 40 | - | -100.0% |
| Profit (loss) for the year | 43 | (182) | -523.3% |

Revenues Breakdown

| THB (mn) | 2021 | 2022 | YoY (%) |
|-------------------------------------|-----------|------------|---------------|
| Publishing | 96 | 102 | 6.3% |
| Retail | - | 39 | 100.0% |
| Merchandising space on BTS stations | - | 106 | 100.0% |
| Total revenues | 96 | 247 | 157.3% |

% Contribution to Total Revenues

| THB (mn) | 2021 | 2022 |
|-------------------------------------|---------------|---------------|
| Publishing | 100.0% | 41.3% |
| Retail | - | 15.8% |
| Merchandising space on BTS stations | - | 42.9% |
| Total revenues | 100.0% | 100.0% |

PERFORMANCE ANALYSIS (2022 vs 2021)

In 2022, the Company recorded **total revenues** of THB 247mn, an increase of 157.3% YoY. The significant growth was attributable from the increase in performance of all business units.

- Revenue from the **Publishing business** was THB 102mn, increased by 6.3% due to the higher sales from physical book fair events, the launch of new titles and higher average price from box sets launched.
- Revenue from the **Retail business** was recorded at THB 39mn from the operations of "Turtle Shop", which started in December 2021. By the end of 2022, NINE operates 3 Turtle Shops on BTS station: Saint Louis, Phloen Chit and Victory Monument and Turtle Coffees on 7 BTS stations: Asok, Chit Lom, Chong Nonsi, On Nut, Phrom Phong, Sala Daeng and Thong Lo.
- Revenue from providing **Merchandising Spaces on BTS stations** was THB 106mn. 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 2022. This was mainly due to the following reasons:

- **Cost of sales and services** increased by 377.6% mainly from rental cost of merchandising spaces on BTS stations, manpower cost to support all the businesses, cost of merchandise sold at Turtle Shops as well as cost of books.
- **Selling and administrative expenses** increased by 215.0% mainly from manpower cost and marketing activities to support the retail and merchandising space businesses.

In conclusion, the Company recorded **net loss** of THB 182mn.



FINANCIAL POSITION

ASSETS

| | 31 DECEMBER 2021 | | 31 DECEMBER 2022 | |
|--------------------------------------|------------------|---------------|------------------|---------------|
| | (THB mn) | % of total | (THB mn) | % of total |
| Current assets | 321 | 64.1% | 4,184 | 94.3% |
| Cash and cash equivalents | 257 | 51.2% | 2,897 | 65.3% |
| Trade and other receivables | 23 | 4.6% | 126 | 2.8% |
| Inventories | 19 | 3.8% | 37 | 0.8% |
| Other current financial assets | 9 | 1.8% | 1,097 | 24.7% |
| Other current assets | 13 | 2.7% | 27 | 0.7% |
| Non-current assets | 181 | 35.9% | 255 | 5.7% |
| Investment in joint venture | - | 0.0% | 5 | 0.1% |
| Leasehold improvements and equipment | 50 | 10.0% | 118 | 2.7% |
| Right-of-use assets | 97 | 19.3% | 19 | 0.4% |
| Intangible assets | 11 | 2.2% | 14 | 0.3% |
| Estimated goodwill | - | 0.0% | 82 | 1.8% |
| Other non-current financial assets | 20 | 4.0% | - | 0.0% |
| Other non-current assets | 3 | 0.4% | 17 | 0.4% |
| Total assets | 502 | 100.0% | 4,439 | 100.0% |

Total assets as of 31 December 2022 were THB 4,439, an increase of THB 3,937mn from THB 502mn as of 31 December 2021.

Total current assets were THB 4,184mn, increasing by THB 3,862mn, 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 255mn, increasing by THB 74mn, primarily due to 1) an increase in leasehold improvements and equipment of 3 Turtle Shops and 7 Turtle Coffees 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

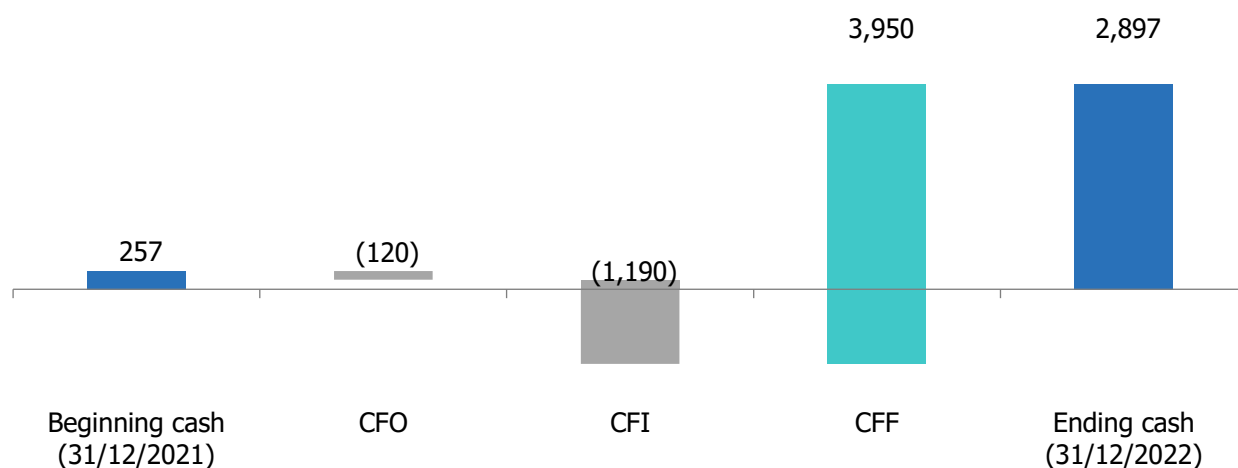
| | 31 DECEMBER 2021 | | 31 DECEMBER 2022 | |
|-------------------------------------------|------------------|---------------|------------------|---------------|
| | (THB mn) | % of total | (THB mn) | % of total |
| Current liabilities | 62 | 12.4% | 209 | 4.7% |
| Trade and other payables | 52 | 10.4% | 141 | 3.2% |
| Current portion of lease liabilities | 6 | 1.2% | 7 | 0.2% |
| Unearned revenues | - | 0.0% | 11 | 0.2% |
| Deposits received from rental spaces | - | 0.0% | 42 | 0.9% |
| Other current liabilities | 4 | 0.8% | 8 | 0.2% |
| Non-current liabilities | 103 | 20.5% | 40 | 0.9% |
| Lease liabilities, net of current portion | 93 | 18.5% | 13 | 0.3% |
| Provision for long-term employee benefits | 9 | 1.8% | 17 | 0.4% |
| Other non-current liabilities | 1 | 0.2% | 10 | 0.2% |
| Total liabilities | 165 | 32.9% | 249 | 5.6% |
| Shareholders' equity | 337 | 67.1% | 4,190 | 94.4% |
| Total liabilities and equity | 502 | 100.0% | 4,439 | 100.0% |



Total liabilities were THB 249mn, increasing by THB 84mn from THB 165mn 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 4,190mn, increasing by THB 3,853mn mainly due to the capital increase in 2Q 2022, net offset to operation loss for the period of nine-month period ended 31 December 2022.

LIQUIDITY AND CASHFLOW (THB mn)



For the twelve months, ending 31 December 2022, **net cash used in operating activities** of THB 120mn. **Net cash used in investing activities** was THB 1,190mn, mainly from cash paid for 1) net cash flow using in investing in other current financial assets of THB 1,043mn, 2) acquisitions of building improvements and equipment and intangible assets of THB 120mn and 3) net cash from purchase of investment in subsidiary of THB 22mn 4) investing in investment in joint venture of THB 5mn. **Net cash from financing activities** was THB 3,950mn, mainly from net cash received from issuance of ordinary shares in 2Q 2022.

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