

2Q 2023 SIGNIFICANT EVENTS

5 April 2023, Rabbit Holdings PCL (“Rabbit Holdings” or “the Company”) reported the results of the first exercise of the conversion of RABBIT-P to RABBIT shares. The total converted shares were 1,262,527,417. Therefore, the outstanding shares after conversion were 6,876,246,110 RABBIT common shares and 24,942,924,873 RABBIT-P preferred shares.

27 April 2023, the Annual General Meeting of Shareholders for the year 2023 was convened and all proposed resolutions were approved.

(For more details, please see the news in the SET [RABBIT.SET 009/2023](#))

19 May 2023, the Unicorn, 51 levels of mixed-use building was officially launched. With direct access to the BTS Phayathai station, the Unicorn comprises of a luxurious 5-star hotel under the brand, Eastin Grand Hotel Phayathai, boasting a 21,220 sqm of meticulously crafted office spaces and 6,500 sqm of retail commercial units.

(For more details, please see the official Unicorn website <https://www.theunicornbangkok.com/>)

29 May 2023, the Company has successfully disposed of its ordinary shares in 4 non-operated subsidiaries, pursuant to the resolution of the Board of Directors’ Meeting No. 7/2022 held on November 2022. Therefore, the 4 non-operated subsidiaries shall cease to be subsidiaries of the Company.

(For more details, please see the news in the SET [RABBIT.SET 011/2023](#))

21 June 2023, the Company successfully disposed of its 40% shares in Absolute Hotel Services Co., Ltd. (“AHS”) and 9.81% in Absolute Hotel Services Hong Kong Limited, its hotel management platform, at the total purchase price of EUR 5.35mn (THB 200mn) and EUR 0.65mn (THB 24mn), respectively. This is part of the Company’s strategic exit and change in business direction to focus within the financial services business.

3 July 2023, the Company reported the results of the second exercise of the conversion of RABBIT-P to RABBIT shares. The total converted shares were 29,300. Therefore, the outstanding shares after conversion were 6,876,275,410 RABBIT common shares and 24,942,895,573 RABBIT-P preferred shares.

3 July 2023, RBH Ventures Co., Ltd., a subsidiary of Rabbit Holdings, has invested 62.5% in Prime Zone Asset Management Co., Ltd. at the total purchase price of THB 500mn. The purpose of the investment is to expand its spectrum in financial services business, increase the Company’s income base and customer group, and ultimately enhance the Company’s overall business value.

2Q 2023 PERFORMANCE

2Q 2023 P&L SNAPSHOT AND ANALYSIS

(THB mn)	2Q 2023	2Q 2022	% YoY	1Q 2023	% QoQ
Total consolidated revenue	1,599	2,360	(32.2%)	1,082	47.8%
Total consolidated expenses	(2,501)	(1,436)	74.1%	(949)	163.6%
EBITDA	(677)	1,061	n.a	327	n.a
Finance costs	(194)	(237)	(18.0%)	(216)	(10.3%)
Share of profit/(loss) from JVs/associates (equity income)	(658)	(65)	(915.6%)	(288)	(128.5%)
Reported Net Profit/(Loss)	(1,822)	563	n.a	(372)	(389.8%)
EBITDA margin (%)	(42.3%)	44.9%		30.2%	
Operating EBITDA margin (%)¹	21.9%	57.7%		21.8%	
Reported Net profit margin (%)	(113.9%)	23.9%		(34.4%)	

¹Exclude FX gain/(loss), impairments, profit/(loss) from the disposal of investment in subsidiary/associates/JV, profit/(loss) from disposal of assets, and profit/(loss) from change in value of investment in financial assets.

In 2Q 2023, the Company reported **total consolidated revenue** of THB 1,599mn, representing a decrease of THB 761mn or 32.2% YoY from THB 2,360mn in 2Q 2022. The decrease in total revenue was chiefly attributed to (i) lower revenue from hotel operations of THB 698mn YoY largely from the disposal of its European hotel portfolio held by Lombard Estate Capital GmbH ("LEC", previously known as Vienna House Capital GmbH) in 3Q 2022, (ii) lower insurance income of THB 185mn YoY due to decrease in premiums earned, especially from single premiums, and (iii) a decrease in other revenues of THB 495mn YoY. However, the decrease was partially offset by (iv) recognition of gain on exchange rate of THB 493mn and (v) higher rental income of THB 166mn or 137.4% YoY primarily from the renting of the European hotel properties.

Total consolidated expenses were THB 2,501mn in 2Q 2023, increasing by THB 1,065mn or 74.1% YoY. The increase was primarily from (i) an impairment loss on investment in Singer Thailand Public Company Limited ("SINGER") of THB 1,554mn. However, the increase was partially offset by (ii) the decrease in cost of hotel operation of THB 275mn or 66.6% YoY and (iii) the decrease in Selling, General, and Administrative ("SG&A") expenses of THB 173mn YoY, largely due to the disposal of the European hotel portfolio.

The reported **share of loss from associates/JVs** was THB (658)mn, compared with the share of loss of THB (65)mn in 2Q 2022. The share of loss in this quarter was comprised of (i) THB (583)mn share of loss from investment in SINGER, (ii) THB (69)mn share of loss from investment in other associates/JVs, and (iii) THB (5)mn share of loss from JV with Sansiri Public Company Limited ("Sansiri").

Finance costs were THB 194mn, decreasing by THB 43mn, or 18.0% YoY. The decrease stemmed from the repayment of long-term loans from financial institutions.

The Company reported a **Net loss** of THB (1,822)mn for 2Q 2023, with a net profit (loss) margin of (113.9%) this quarter. The net loss was largely contributed by the aforementioned impairment loss on investment in SINGER and a higher share of loss from investments in associates/JVs compared to 2Q 2022.

2Q 2023 SEGMENTAL PERFORMANCE

Revenue (THB mn)	2Q 2023	% of Total	2Q 2022	% of Total	% Change (YoY)
Financial services business²	190	11.9%	373	15.8%	(49.0%)
Real estate business	712	44.5%	1,264	53.6%	(43.7%)
Hotel	326	20.4%	1,023	43.4%	(68.2%)
Rental properties	287	18.0%	121	5.1%	137.4%
Property management	35	2.2%	70	3.0%	(49.3%)
Sale of real estate	64	4.0%	50	2.1%	26.9%
Other income	697	43.6%	723	30.6%	(3.6%)
Total Revenue	1,599		2,360		(32.2%)

² Revenue of Financial services business comprised of 1) insurance income 2) interest income, dividend income and other income related to insurance business.

FINANCIAL SERVICES BUSINESS

In 2Q 2023, the insurance segment was the main revenue contributor to **the financial services business**. Contribution of the revenue from the financial services to total revenue was 11.9%. The Company recognised total revenue from insurance segment of THB 190mn this quarter, decreasing by THB 182mn or 49.0% YoY. This is attributable mainly from the decrease in premiums earned.

Premiums earned for 2Q 2023 was THB 122mn, decreasing by 60.1% or THB 184mn YoY, mainly from the decrease in single premiums.

- First-year premiums rose by THB 4mn YoY to THB 43mn.
- Renewal premiums slightly increased by THB 1mn YoY to THB 79mn this year.
- Single premiums decreased by THB 188.8mn YoY to THB 0.2mn, mainly attributed to single insurance products sold in this quarter, which were classified under investment contracts compared to insurance contracts in the previous year. The investment contract was not recorded as insurance income under the statement of comprehensive income but as investment contract liabilities under the statement of financial position. However, the single premiums prior to the insurance contract classification (set by the Financial Reporting Standard No. 9 (TFRS 9)) in this quarter were THB 478mn.

Insurance segment performance (THB mn)	2Q 2023	2Q 2022	% Change
Premiums earned	122	306	(60.1%)
First-year premiums (FYP)	43	39	10.3%
Renewal premiums (RP)	79	78	1.3%
Single premiums (SP)	0	189	(99.9%)
Investment income and others	68	66	3.0%
Revenue from insurance segment	190	372	(49.0%)

Investment income and others were THB 68mn, increased by 3.0% or THB 2mn YoY.

The total cost from the insurance segment was THB 60mn, decreased by 41.7% or THB 43mn YoY, primarily from a decrease in insurance reserves for long-term insurance contracts from an increase of the risk-free rate.

In this quarter, the Company recorded a net loss in the insurance segment of THB (15mn) compared to net profit of THB 179mn YoY, mainly due to higher operating expenses and tax expenses.

At the end of June 2023, the Company's **Capital Adequacy Ratio (CAR)** was at 335%, higher than 314% at the end of June 2022 and higher than the minimum threshold of 140% set by the Office of Insurance Commission (OIC).

	As of 30 June 23	As of 30 June 22
Capital Adequacy Ratio	335% (reviewed)	314% (reviewed)

For **other financial investments** in the financial services business this quarter, the Company received dividend payments from JMART of THB 98mn, SINGER of THB 51mn and SGC of THB 8mn; totalling THB 157mn.

REAL ESTATE BUSINESS

The real estate portfolio comprises of 1) hotel business, 2) office and commercial units, 3) residential property, and 4) others. However, in terms of revenue contribution, the Company realised revenues under the real estate business as per the following segments, 1) hotel segment, 2) rental properties, 3) property management segment, and 4) sale of real estate segment.

In 2Q 2023, **the revenue of the real estate business** net decreased by THB 552mn or 43.7% YoY to THB 712mn, a contribution to total revenue of 44.5%. The decrease was owed to lower hotel segment revenue and lower property management segment revenue, which were partially offset by increased revenue from the rental properties segment.

Hotel segment revenue was THB 326mn, declined by 68.2% YoY mainly due to the disposal of the ordinary shares in European hotel business held by LEC and the disposal of investment in AHS, which led to a decrease in the number of operating rooms of managed hotels by

Hotel segment operation	2Q 2023	2Q 2022	+/-
Total operational keys	1,835	8,939	(7,104)
ADR (THB/ night)	2,813	3,008	(195)
Occupancy rate (%)	53.1	55.0	(1.90)
RevPAR (THB/ night)	1,494	1,654	(160)

4,356 keys and owned and leased hotels by 3,242 keys. However, the opening of the Eastin Grand Hotel Phayathai in May 2023, added 494 new keys, partially offsetting the overall decrease. The Average Daily Rate (ADR) and Occupancy Rate (OCC) in 2Q 2023 slightly decreased compared to the previous year.

Rental properties segment revenue grew by THB 166mn or 137.4% YoY to THB 287mn in this quarter. The increase was mainly due to additional rental revenue from renting the European hotel properties and the opening of office areas under The Unicorn. In this quarter, NFA increased by 21,220sqm to 51,552sqm from the opening of office

Office segment operation	2Q 2023	2Q 2022	+/-
Overall net floor area (NFA)	51,552	30,332	21,220
Occupancy rate (%)	53.3	88.4	(35.1)

areas under The Unicorn in May 2023. The Company remains committed to actively collaborating with prospective tenants with the goal of further elevating its business prospects.

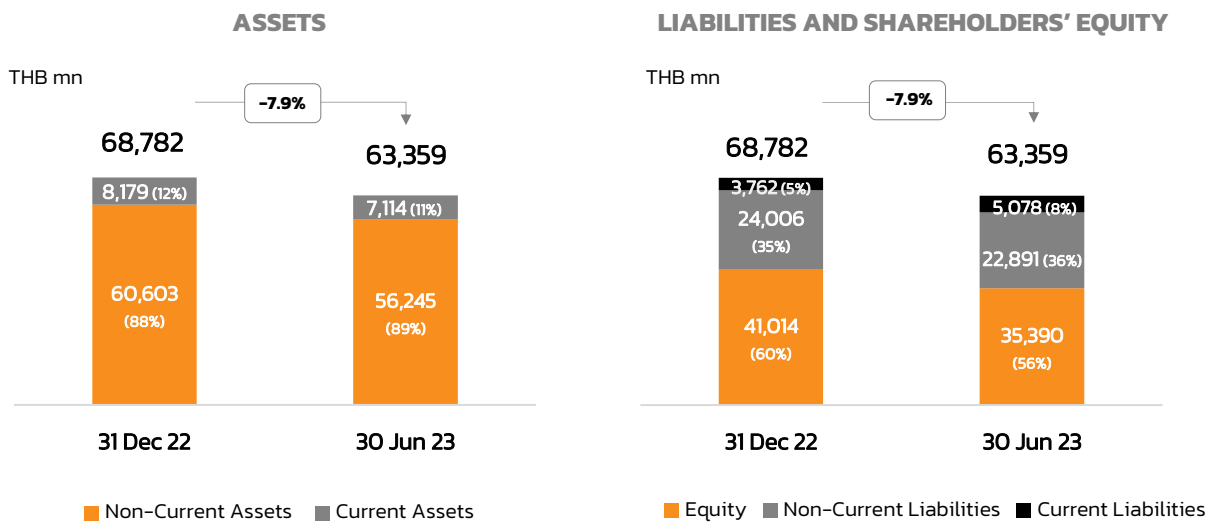
The Company invests in various commercial units in buildings across Bangkok to increase its recurring revenue. The commercial units have a total net rental area of 15,824 sqm. The overall occupancy rate for Commercial unit buildings remained the same as the previous quarter at 100.0% and generated revenue of approximately THB 134mn per annum.

Property management segment revenue decreased by THB 34mn or 49.3% YoY to THB 35mn, mainly from lower project management fees due to the disposal of JVs with Noble Public Company Limited (condominium projects). And this quarter, the Company recorded revenue from **the sale of real estate** of THB 64mn.

The Company has a residential property business under its real estate portfolio, which is JV projects with Sansiri. There are currently two condominium projects on sale which are ready-to-move-in, consisting of KHUN By Yoo and the LINE Phahonyothin Park. Lastly, there are two condominium projects under construction which are: The LINE Sathorn and The LINE Vibe. During the period of 2023 – 2026, the presales backlog was THB 1,676mn.

OTHER INCOME

In 2Q 2023, **other income** decreased by 3.6% or THB 26mn to THB 697mn. The decrease was mainly attributed to (i) the decrease in other income of THB 494mn YoY and (ii) lower dividend income of THB 38mn YoY. However, the decrease was offset with (iii) gains on exchange rate of THB 493mn in this quarter.

FINANCIAL POSITION


Total Assets as of 30 June 2023 were THB 63,359mn, decreasing by THB 5,423mn, or 7.9%, from 31 December 2022. The decrease was chiefly due to a decline in (i) other financial assets largely from fair value measurement of financial assets, (ii) investments in associate mainly due to the allowance for impairment loss on investment in SINGER, (iii) investment properties, (iv) right-of-use asset and (v) long-term loans to related parties and interest receivables mainly due to repayment of loans obtained from Thanulux Public Company Limited. However, the decrease was partially offset by an increase in (vi) property, plant, and equipment mainly from the Unicorn project and (vii) other current financial assets.

Total Liabilities as of 30 June 2023 were THB 27,969mn, slightly increased by 0.7% or THB 200mn from THB 27,768mn at the end of 2022. The increase was attributed chiefly to (i) an increase in net long-term investment contract liabilities largely from higher sale of single premiums classified under investment contracts, partially offset by (ii) a decrease in net long-term insurance contract liabilities and (iii) a decrease in net long-term loans from financial institutions.

Total Equity stood at THB 35,390mn at the end of June 2023, decreasing by THB 5,624mn, or 13.7%, from THB 41,014mn at the end of 2022. The decrease was chiefly from (i) a decrease in other components of shareholders' equity from mark-to-market on the financial investment portfolio and (ii) lower retained earnings resulting from the net loss during the period.

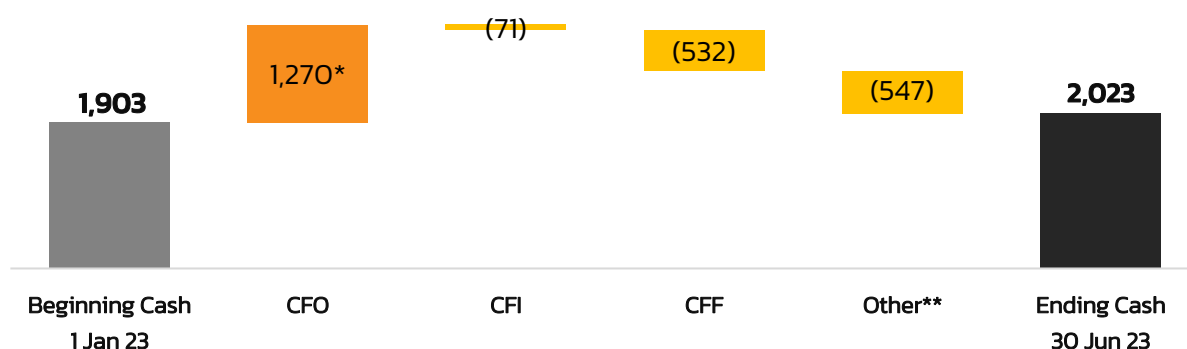
CAPITAL STRUCTURE

As of 30 June 2023, Rabbit Holdings' total interest-bearing debt was THB 18,145mn, net decreasing by THB 263mn from THB 18,408mn at the end of 2022. The net decrease resulted from the partial repayment of long-term loans from financial institutions. The interest-bearing debt to equity ratio was 0.51x, an increase from 0.45x at the end of 2022.

In 2Q 2023, the Company spent THB 2,475mn on capital expenditures and investments (six-months period of 2023 equal to THB 3,529mn), primarily for purchases in long-term financial assets, investment properties and property, plant, and equipment, as well as other investments.

CASH FLOW

THB mn



*CFO before income tax and net interest expenses was THB 1,662mn.

**Includes translation adjustment.

As of 30 June 2023, cash and cash equivalents were THB 2,023mn, increasing THB 120mn from THB 1,903mn at the beginning of the year.

Cash from operating activities before income tax and net interest expenses was THB 1,662mn. This was derived from a loss before tax of THB (2,124)mn, being supplemented by non-cash reconciling items of THB 2,384mn and net increase in working capital of THB 1,402mn. After deducting net cash paid for interest expenses of THB 375mn and net cash paid for income tax of THB 17mn, **net cash from operating activities** was THB 1,270mn.

Net cash used in investing activities was THB 71mn. The key activities were: (i) cash paid for investment properties of THB 1,053mn, largely due to an investment in The Unicorn (ii) cash paid for purchases of property, plant and equipment of THB 218mn and (iii) net cash paid for purchases of investments in financial assets of THB 210mn, partly offset with (iv) net decrease in long-term loans to related parties of THB 1,034mn mainly from Thanulux's loan repayments, (v) cash received from dividend of THB 164mn and (vi) cash received from interest of THB 143mn.

Net cash used in financing activities was THB 532mn. The key component was the net repayment of long-term loans from financial institutions of THB 519mn.

BUSINESS PLAN AND OUTLOOK

The Company continues to manage its transition to financial services, with the sector's revenue contribution reaching more than 10% of total revenue. The strategic investment in asset management business continues to progress well. The first transaction phase of investment in Prime Zone Asset Management Co., Ltd. has closed on 3 July 2023, and we expect to complete the investment transaction this year.

The Unicorn project has been an outstanding success since its opening in May 2023, exceeding the Company's expectations. Supported by a rebound in private consumption, steady growth in tourism and an optimally located and well-designed asset, The Unicorn's hotel under Eastin Grand brand has received an overwhelmingly positive response, boasting an occupancy rate above 66.3% and an average daily rate (ADR) of THB 4,500 – 5,000 (as of July 2023). Furthermore, the Company has taken a significant step forward by introducing a new service called "Unicorn HOP" by Rabbit Rewards. This innovative programme allows Rabbit members to earn points and enjoy exciting promotions during their stay at The Unicorn's premises. The programme also seamlessly integrates products and services within BTS Group's ecosystem, aligning perfectly with the Group and Company's philosophy of nurturing a Sharing Economy.

Regarding sustainable development towards its long-term success, Rabbit Holdings places a strong emphasis on ethical business practices. With the commitment and intention of the Company in conducting business on the basis of good governance, the Company has been certified as a member of the Collective Action Coalition of the Private Sector Against Corruption (CAC) for the second consecutive time. Apart from this, the Unicorn received the LEED Gold certification, designed as a green building aimed towards improving energy efficiency, reducing carbon emission and fostering a healthier environment for visitors.

Despite ongoing challenges of global economic markets and the domestic political landscape, the Company maintains a positive outlook. The Company remains committed to its real estate divestment journey while taking a cautious approach to its expansion into the financial services sector.

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(Ms. Soraya Satiangoset)

Director, Executive Director, Acting Chief Executive Officer,
and Chief Financial Officer