

### **3Q 2023 SIGNIFICANT EVENTS**

**3 July 2023**, RBH Ventures Co., Ltd. (“RBV”), a subsidiary of Rabbit Holdings, has invested 62.5% in Prime Zone Asset Management Co., Ltd. (“Prime Zone”) 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. Later, **12 October 2023**, RBV purchased additional shares at total value of THB 200mn, bringing the shareholding in Prime Zone to 70.0%.

(For more details, please see the news in the SET [RABBIT.SET 005/2023](#))

**3 July 2023**, Rabbit Holdings PCL (“Rabbit Holdings” or “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.

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

**2 October 2023**, the Company reported the results of the third exercise of the conversion of RABBIT-P to RABBIT shares. The total converted shares were 25,446,400. Therefore, the outstanding shares after conversion were 6,901,721,810 RABBIT common shares and 24,917,449,173 RABBIT-P preferred shares.

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

**4 October 2023**, RBV has entered into a share subscription agreement with Metha Asset Management Co., Ltd. (“Metha”), a private fund management company, for 300,000 shares of Metha after its capital increase. The total purchase price is THB 70mn and the investment is equivalent to 50.0% of the total issued shares. The purpose of the investment is to foster the further growth and expansion of the Company’s financial services business. The transaction is expected to be completed by 30 November 2023.

(For more details, please see the news in the SET [RABBIT.SET 015/2023](#))

### 3Q 2023 PERFORMANCE

#### 3Q 2023 P&L SNAPSHOT AND ANALYSIS

(THB mn)	3Q 2023	3Q 2022	% YoY	2Q 2023	% QoQ
Total consolidated revenue	1,255	2,137	(41.3%)	1,599	(21.5%)
Total consolidated expenses	(1,291)	(2,011)	(35.8%)	(2,501)	(48.4%)
<b>EBITDA</b>	<b>215</b>	<b>512</b>	<b>(58.1%)</b>	<b>(677)</b>	<b>n.a.</b>
Finance costs	(239)	(228)	4.5%	(194)	23.0%
Share of profit/(loss) from JVs/associates (equity income)	(58)	(58)	(0.7%)	(658)	91.2%
<b>Reported Net Profit/(Loss)</b>	<b>(411)</b>	<b>(266)</b>	<b>(54.7%)</b>	<b>(1,822)</b>	<b>77.4%</b>
<b>EBITDA margin (%)</b>	<b>17.1%</b>	<b>23.9%</b>		<b>(42.3%)</b>	
<b>Operating EBITDA margin (%)<sup>1</sup></b>	<b>48.9%</b>	<b>16.9%</b>		<b>21.9%</b>	
<b>Reported Net profit margin (%)</b>	<b>(32.8%)</b>	<b>(12.4%)</b>		<b>(113.9%)</b>	

<sup>1</sup> Exclude 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 3Q 2023, the Company reported **total consolidated revenue** of THB 1,255mn, representing a decrease of THB 882mn or 41.3% YoY from THB 2,137mn in the previous year. The decrease in total revenue was chiefly attributed to (i) lower revenue from hotel operations of THB 361mn YoY largely from the disposal of its hotel management platform in Europe under Lombard Estate Capital GmbH ("LEC", previously known as Vienna House Capital GmbH). Conversely, the assets (hotels) in Europe were shifted to a leasing model, where the decline was partially offset by higher rental income of THB 150mn or 133.4% YoY, (ii) no repeat gain on sales of investments from the disposal of the aforementioned hotel management platform of THB 263mn and (iii) lower insurance income of THB 182mn due to decrease in premiums earned, especially from single premiums.

**Total consolidated expenses** were THB 1,291mn in 3Q 2023, decreasing by THB 720mn or 35.8% YoY. The decrease was primarily from (i) the decrease in cost of hotel operations of THB 137mn or 34.6% YoY, (ii) the decrease in Selling, General, and Administrative ("SG&A") expenses of THB 407mn YoY (the lower cost of hotel operation and SG&A is largely due to aforementioned disposal of our European hotel portfolio and (iii) the decrease in insurance expenses of THB 245mn, mainly from lower insurance reserves for long-term insurance contracts. However, the decrease was partially offset by (iv) loss on impairment of assets of THB 181mn from hotel in Europe and (v) unrealised loss from exchange rate of THB 162mn.

The reported **share of loss from associates/JVs** was THB 58mn, slightly down by 0.7% YoY compared to share of loss of in 2Q 2022. The share of loss in this year was comprised of (i) THB 23mn share of loss from JV with Sansiri Public Company Limited, (ii) THB 1mn share of loss from Singer Thailand Public Company Limited ("SINGER") and (iii) THB 34mn share of loss from investment in other associates/JVs.

**Finance costs** were THB 239mn, increasing by THB 11mn, or 4.5% YoY.

The Company reported a **Net loss** of THB 411mn for 3Q 2023, with a net margin of -32.8% this quarter. Aside from the above-mentioned factors, a recognition of impairment of assets from our hotel in Europe and unrealised loss from exchange rate contributed to the net loss.

### 3Q 2023 SEGMENTAL PERFORMANCE

Revenue (THB mn)	3Q 2023	% of Total	3Q 2022	% of Total	% Change (YoY)
<b>Financial services business</b>	<b>277</b>	<b>22.0%</b>	<b>434</b>	<b>20.3%</b>	<b>(36.3%)</b>
Insurance <sup>2</sup>	257	20.4%	434	20.3%	(40.9%)
NPL & NPA Management	20	1.6%	n.a.	n.a.	n.a.
<b>Real estate business</b>	<b>917</b>	<b>73.1%</b>	<b>1,232</b>	<b>57.7%</b>	<b>(25.6%)</b>
Hotel	610	48.7%	972	45.5%	(37.2%)
Rental properties	263	20.9%	112	5.3%	133.4%
Property management	36	2.8%	70	3.3%	(49.2%)
Sale of real estate	8	0.7%	78	3.6%	(89.3%)
<b>Other income</b>	<b>61</b>	<b>4.9%</b>	<b>471</b>	<b>22.0%</b>	<b>(87.0%)</b>
<b>Total Revenue</b>	<b>1,255</b>		<b>2,137</b>		<b>(41.3%)</b>

<sup>2</sup>Revenue of Insurance business comprised of 1) insurance income 2) interest income, dividend income and other income related to insurance business.

### FINANCIAL SERVICES BUSINESS

Our financial services business comprises of 1) a life insurance business under Rabbit Life, 2) other financial investments business and 3) NPL & NPA management business under Prime Zone, which was consolidated since 3 July 2023.

In 3Q 2023, the revenue of the financial services business was THB 277mn (contributing 22.0% of the total revenue) decreasing by THB 157mn or 36.3% YoY from lower life insurance revenue.

**Life insurance** revenue in 3Q 2023 was THB 257mn, decreasing by 40.8% or THB 177mn YoY. This was mainly from lower premiums earned, which decreased by 49.2% or THB 182mn YoY to THB 188mn, mainly on account of the decrease in single premiums.

Insurance segment performance (THB mn)	3Q 2023	3Q 2022	% Change
<b>Premiums earned</b>	<b>188</b>	<b>370</b>	<b>(49.2%)</b>
First-year premiums (FYP)	100	70	42.9%
Renewal premiums (RP)	84	76	10.5%
Single premiums (SP)	4	224	(98.2%)
<b>Investment income and other income</b>	<b>69</b>	<b>64</b>	<b>7.8%</b>
<b>Revenue from insurance segment</b>	<b>257</b>	<b>434</b>	<b>(40.8%)</b>

- First-year premiums was THB 100mn, increasing by 42.9% compared to the previous quarter.
- Renewal premiums rose to THB 84mn this quarter, increasing by 10.5% or THB 8mn YoY.
- Single premiums decreased by THB 220mn YoY to THB 4mn, attributed to mostly 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.

Investment income and other income was THB 69mn, slightly increased by 7.8% or THB 5mn YoY.

**Total costs and expenses from the insurance segment** was THB 29mn, decreasing by 90.2% or THB 267mn compared to THB 296mn in the previous year, primarily from a decrease in insurance reserves for long-term insurance contracts and decrease in operating expenses.

In this quarter, the Company recorded **a net profit** in the insurance segment of THB 164mn, increasing by 67.3% or THB 66mn YoY, mainly due to a decrease in insurance reserves.

At the end of September 2023, the Company's **Capital Adequacy Ratio (CAR)** was at 303%, lower than 322% at the end of September 2022 mainly from the decline in the value of investments in financial assets, particularly mark-to-market loss

	As of 30 September 23	As of 30 September 22
Capital Adequacy Ratio	303%	322%
	(unaudited)	(unaudited)

on debentures and government bonds value, resulted from rise in interest rates. However, the CAR Ratio in this period was higher than the minimum threshold of 140% set by the Office of Insurance Commission (OIC).

### **NPL & NPA MANAGEMENT SEGMENT**

In 3Q 2023, the Company recognised revenue from NPL & NPA management business of THB 20mn from the consolidation of Prime Zone since 3 July 2023.

In 3Q 2023, Prime Zone joined the bidding of certain NPL portfolios and successfully acquired NPLs with the principal balance of THB 192mn. As of 30 September 2023 – Prime Zone's NPL portfolio was valued at THB 997mn. Further, Prime Zone recorded total cash collections from its NPL portfolio in the amount of THB 24mn.

Prime Zone's NPL Portfolio (THB mn)	As of 30 September 2023
Total NPL	997
Total collateral assets	902
Total NPL acquisition costs <sup>(1)</sup>	586

<sup>(1)</sup> The cumulative acquisition value of all NPL portfolios.

### **REAL ESTATE BUSINESS**

Our 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 3Q 2023, **the revenue of the real estate business** was THB 917mn (contributing 73.1% of total revenue), decreasing by THB 315mn or 25.6% YoY. The decrease was owed to lower hotel segment revenue and lower property management segment revenue.

**Hotel segment** revenue was THB 610mn, declining by THB 361mn or 37.2% YoY mainly due to the disposal of the ordinary shares in European hotel business held by LEC and the disposal of 40% investment in Absolute Hotel Services Co. Ltd. This resulted to a decrease in the number of managed hotels by 2,871 keys and owned and leased hotels by 2,168 keys. However, the opening of the Eastin Grand Hotel Phayathai in May 2023, added 494 new keys, partially offsetting the overall decrease. The Occupancy Rates (OCC) in 3Q 2023 increased compared to the previous year, but the Average Daily Rate (ADR) slightly decreased from the previous year due to the change in ADR mix from the aforementioned divestments.

Hotel segment operation	3Q 2023	3Q 2022	+/-
Total operational keys	1,835	6,380	(4,545)
ADR (THB/ night)	2,941	2,989	(48)
Occupancy rate (%)	67.4	57.7	9.7
RevPAR (THB/ night)	1,984	1,725	259

**Rental properties segment** revenue grew by THB 150mn or 133.4% YoY to THB 263mn in this quarter. The increase was mainly due to additional rental revenue from renting our European hotel properties and the opening of office areas under The Unicorn. In this quarter, NFA increased by 21,170sqm to 51,552sqm from the opening of office areas under The Unicorn since 2Q 2023. Looking ahead, the Company aims to continue to actively seek out new potential tenants for the remaining office buildings to further enhance its business prospects.

Office segment operation	3Q 2023	3Q 2022	+/-
Overall net floor area (NFA)	51,552	30,382	21,170
Occupancy rate (%)	55.9	87.9	(31.9)

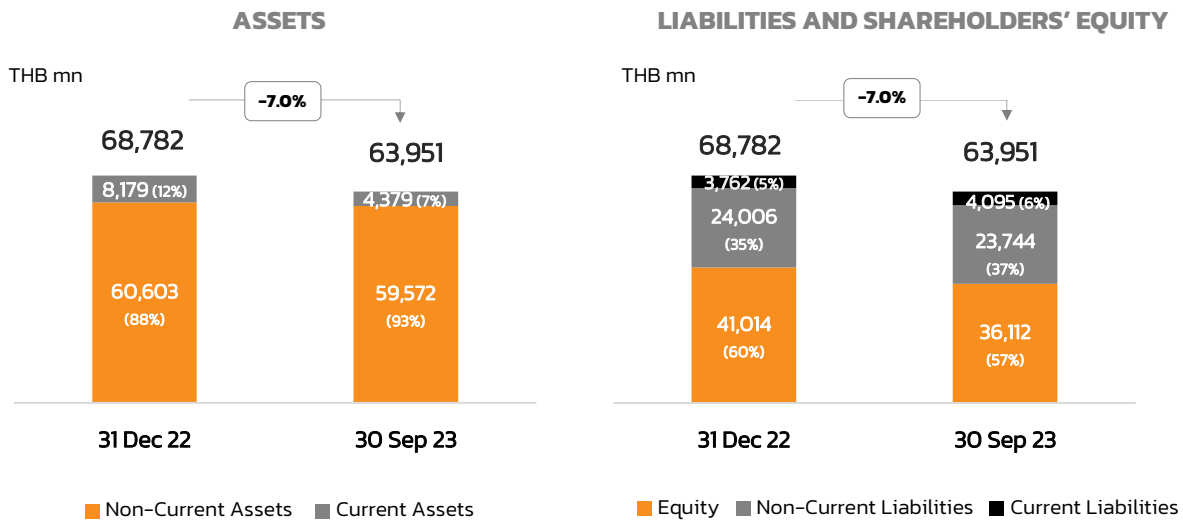
The Company has invested in various commercial units in buildings across Bangkok to increase its recurring revenue. The commercial units have a total net rental area of 15,824 sqm. The overall occupancy rate for Commercial unit buildings remained the same as the previous quarter at 100.0% and generated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

**Property management segment** revenue decreased by THB 35mn or 49.2% YoY to THB 36mn, mainly from lower project management fees from JVs due to the disposal of JVs with Noble Public Company Limited (condominium projects). Moreover, in this quarter, the Company recorded revenue from **the sale of real estate** of THB 8mn.

The Company also has a residential property business, comprising of JV projects with Sansiri PCL. There are currently two condominium projects on sale which are ready-to-move in, namely 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 2,189mn.

## OTHER INCOME

In 3Q 2023, **other income** decreased by 87.0% or THB 410mn to THB 61mn. The decrease was mainly attributed to (i) no repeat gain on sales of investments of THB 263mn from the disposal of ordinary shares in LEC in 3Q 2022, (ii) lower dividend income of THB 62mn YoY, (iii) lower interest income of THB 33mn YoY and (iv) the decrease in other income of THB 27mn YoY.

**FINANCIAL POSITION**


**Total Assets** as of 30 September 2023 were THB 63,951mn, decreasing by THB 4,831mn, or 7.0%, 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 associates mainly due to the allowance for impairment loss on investment in SINGER, (iii) investment properties, (iv) right-of-use assets, (v) real estate projects under development and (vi) long-term loans to related parties and interest receivables mainly due to repayment of loans. However, the decrease was partially offset by an increase in (vii) property, plant, and equipment mainly from the Unicorn project, (viii) loan purchased of receivables from consolidation of Prime Zone and (ix) deferred tax assets.

**Total Liabilities** as of 30 September 2023 were THB 27,839mn, slightly increased by 0.3% or THB 71mn 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 from higher sale of single premiums classified under investment contracts, (ii) an increase in provision for transaction under equity method of investment in joint venture, partially offset by (iii) a decrease in net long-term insurance contract liabilities and (iv) a decrease in net long-term loans from financial institutions.

**Total Equity** stood at THB 36,112mn at the end of September 2023, decreasing by THB 4,902mn, or 12.0%, from THB 41,014mn at the end of 2022. The decrease was chiefly from (i) lower retained earnings resulting from a net loss in 3Q 2023 and (ii) a decrease in other components of shareholders' equity from mark-to-market on the financial investment portfolio. The decrease was partially offset by an increase in non-controlling interests of the subsidiaries from consolidation of 70.0% shareholding in Prime Zone.

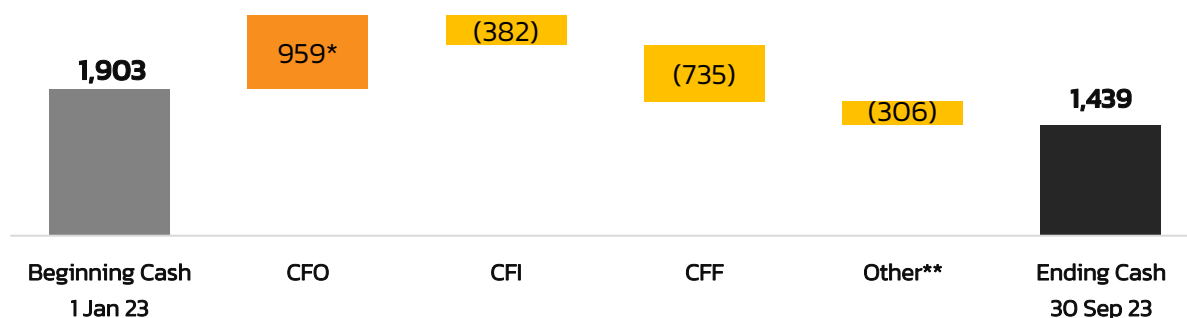
## **CAPITAL STRUCTURE**

As of 30 September 2023, Rabbit Holdings' total interest-bearing debt was THB 18,069mn, net decreasing by THB 339mn 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 0.50x, an increase from 0.45x at the end of 2022.

In 3Q 2023, the Company spent THB 1,101mn on capital expenditures and investments (nine-months period of 2023 equal to THB 4,630mn), primarily for purchases in investment properties, long-term financial assets, and property, plant, and equipment, as well as other investments.

## **CASH FLOW**

THB mn



\*CFO before income tax and net interest expenses was THB 1,587mn.

\*\*Includes translation adjustment.

As of 30 September 2023, cash and cash equivalents were THB 1,439mn, decreasing by THB 464mn from THB 1,903mn at the beginning of the year.

Cash from operating activities before income tax and net interest expenses was THB 1,587mn. This was derived from a loss before tax of THB 2,456mn, being supplemented by non-cash reconciling items of THB 3,756mn and net increase in working capital of THB 288mn. After deducting net cash paid for interest expenses of THB 555mn and net cash paid for income tax of THB 74mn, **net cash from operating activities** was THB 959mn.

**Net cash used from investing activities** was THB 382mn. The key activities were: (i) cash paid for investment properties of THB 1,317mn, largely due to the investment in The Unicorn project, (ii) cash paid for purchases of property, plant and equipment of THB 287mn and (iii) cash paid for short-term loans from related parties of THB 200mn, partly offset with (iv) decrease in long-term loans to related parties of THB 1,247mn mainly from loan repayments, (v) cash received from dividend of THB 166mn and (vi) cash received from interest of THB 164mn.

**Net cash used in financing activities** was THB 735mn. The key component was the net repayment of long-term loans from financial institutions of THB 717mn.

**BUSINESS PLAN AND OUTLOOK**

As we approach the end of 2023, our optimism is bolstered by the political stability achieved through the successful establishment of Thailand's new government. Furthermore, we are encouraged by the robust resurgence of the tourism sector in Thailand, which has welcomed over 17.9 million visitors in the first eight months of 2023, a significant increase from the 4.4 million visitors in the previous year. These developments have contributed to the consistent growth of private consumption, benefiting both our financial services and real estate businesses.

During the current quarter, our life insurance business, Rabbit Life, has made a progress and recorded a net profit. This is attributed to the seasonality of the insurance industry, with the Thai populace engaging in tax-planning activities. As a result of this positive sentiment, Rabbit Life has reached THB 1,673 million in revenue within the first nine months of 2023, which represents 67% of total targeted gross premiums. We anticipate continued growth trend in our insurance business. Furthermore, the acquisition of Prime Zone Asset Management Co., Ltd. (our NPL & NPA management business) has already contributed to the Company's net profit since we consolidated its performances from 3 July 2023. Meanwhile, the Unicorn project continues to thrive following its successful opening, supported by the increase in tourism and private consumption levels. In October, the Unicorn's hotel, under Eastin Grand Phayathai, has achieved an 75% occupancy rate.

In line with its business direction to expand into financial services, the Company has announced its intention to invest in a private fund management business through Metha Asset Management Co., Ltd. This transaction is anticipated to be finalised by the fourth quarter of 2023. Looking ahead, the Company will maintain a prudent approach and unwavering commitment to its pursuits in the financial services. Lastly, the real estate asset divestment plans are progressing as planned.

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(Ms. Soraya Satiangoset)

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