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Ref: MCOT/ 6154/344
February 21, 2023

The Stock Exchange of Thailand

Attn: The President

Re: Management's Discussion and Analysis (MD&A) on Company's Operating Results Ended December 31, 2022

On February 21, 2023, the Board of Directors of MCOT Public Company Limited, at the Meeting No. 4/2023, resolves to approve the Financial Statements ended December 31, 2022, which were reviewed by EY Company Limited and the Audit Committee of MCOT, the details of which are as follows:

Management's Discussion and Analysis (MD&A) on the Company's Operating Results Ended December 31, 2022

The Company's operating results in 2022 shows loss of 41 million Baht, a 125% change, compared to 2021, due to a 12% decrease in revenue from traditional media (TV and radio). Nevertheless, revenue from BNO and digital & new business increases 6% and 38% respectively. MCOT is able to carry out budgeting and cost control despite a record of amortized cost of license fee to operate ratio frequency, causing total expenses to increase 3%, compared to 2021.

Owing to mismatching of increased cost and decreased revenue, the Company's operating results show change of more than 20%, compared to 2021. Explanation of such change, detailed operations and ways to improve competitiveness from the Management are as follows:

Operating Results of MCOT Plc. and Subsidiaries

	Unit: Million Baht (Reviewed)		
	2022	2021	%YoY
Total Revenue	1,407	1,584	-11
Television	414	475	-13
Radio	361	402	-10
Broadcast Network Operator (BNO) + C-Band	496	466	+6
Digital and new business	115	84	+37
Others	21	85	-75
Fair value gains and losses of investment property	-	72	

At MCOT, we all work together towards a common goal of promoting transparency and anti-corruption to achieve sustainable development.

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Total Expense	1,419	1,408	+1
Financial income	1	2	-50
Financial cost	-30	-23	+30
Income tax expenses	-	-14	
Profit (loss) for the Period	-41	164	-125
Profit (loss) attributable to Parent Company	-38	165	-123
Profit (loss) attributable to non-controlling interests	-3	-1	-
Earning (loss) per Share	-0.06	0.24	-125

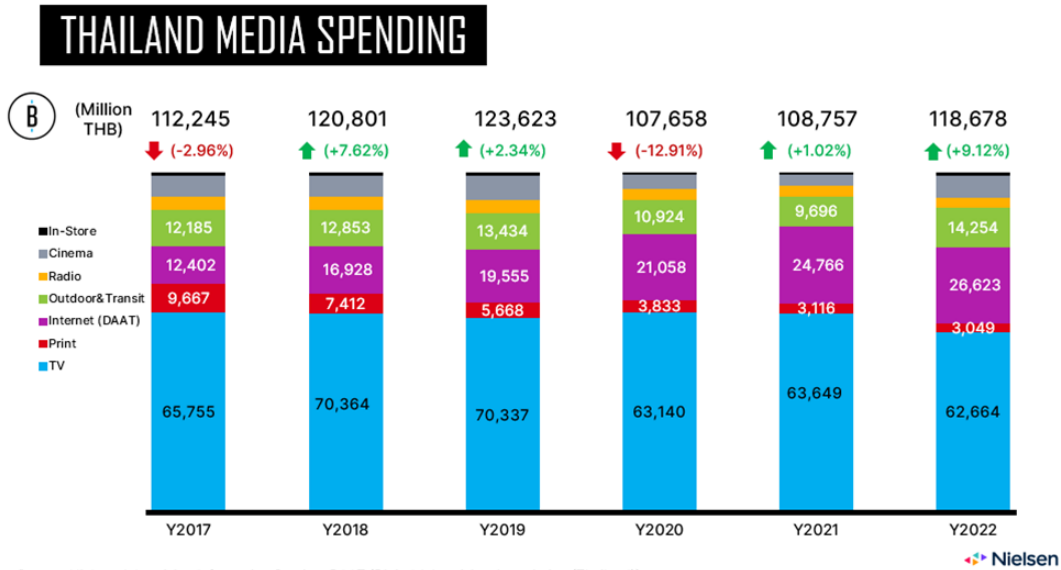
Significant Remarks in MCOT's Financial Statements

1. Due to service provided to broadcast T Sports 7, a public service channel operating since Q3-2022, BNO business is able to generate more revenue than TV and radio.
2. MCOT has won the auction for F.M. radio frequencies, thus acquired 47 frequencies to operate across the Country, for a period of 7 years, effective from April 4, 2022 to April 3, 2029. The 47 frequencies consist of:
 - 6 stations in Bangkok and vicinity and
 - 41 stations in regional areas
3. After winning the auction for F.M. radio frequencies on February 21, 2022, MCOT is required to pay the auction fee of 544 million Baht to the National Broadcasting and Telecommunication Commission on March 24, 2022, causing the Company's average monthly cost to rise 6 million Baht.
4. Rental of assets (studio and master control room) for broadcast of T Sports 7 is a new business whose revenue is recognized since the end of Q1-2022.
5. Although the deadline for utilization of 50 rais of land (new business) is extended, MCOT is able to generate revenue through leasing part of the land to CKST Joint Venture. Revenue is recognized in Q1-2023.

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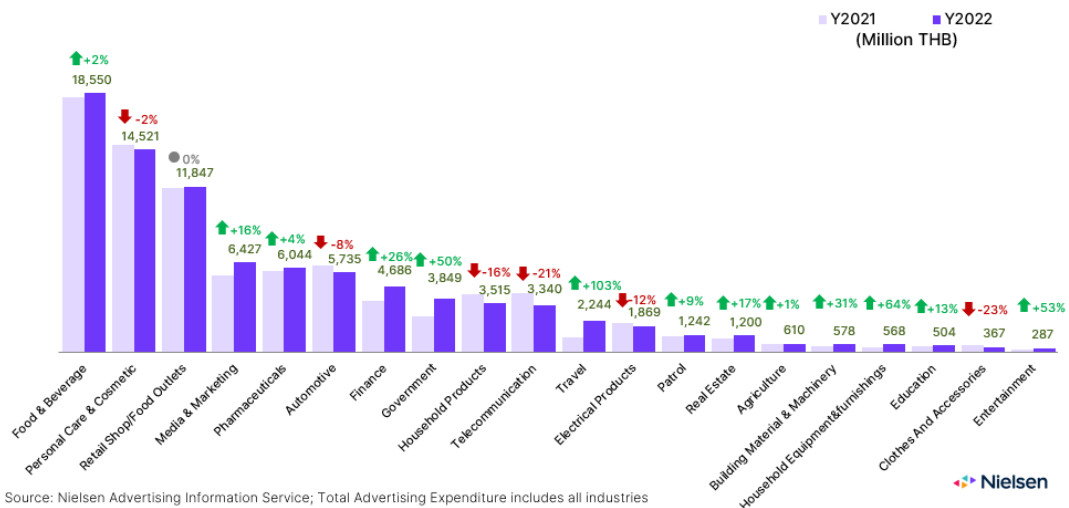
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Overall Industry



Nielsen Thailand reveals that Thailand’s advertising spending in 2022 valued at 118,678 million Baht increases, compared to 2021. TV remains the most spent medium among other media, accounting for 53% of the total spending. The overall spending in December 2022 decreases 2%, compared to the same period of 2021.

THAILAND MEDIA SPENDING BY INDUSTRY



According to advertising spending in 2022 (January - December), spending in media and marketing industry is worth 6,427 million Baht, a 16% increase. Finance industry spends 4,686 million Baht, a 26% increase, whereas telecommunication industry spends 3,340 million Baht, a 21% decrease.

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Advertising spending on various media is summarized below.

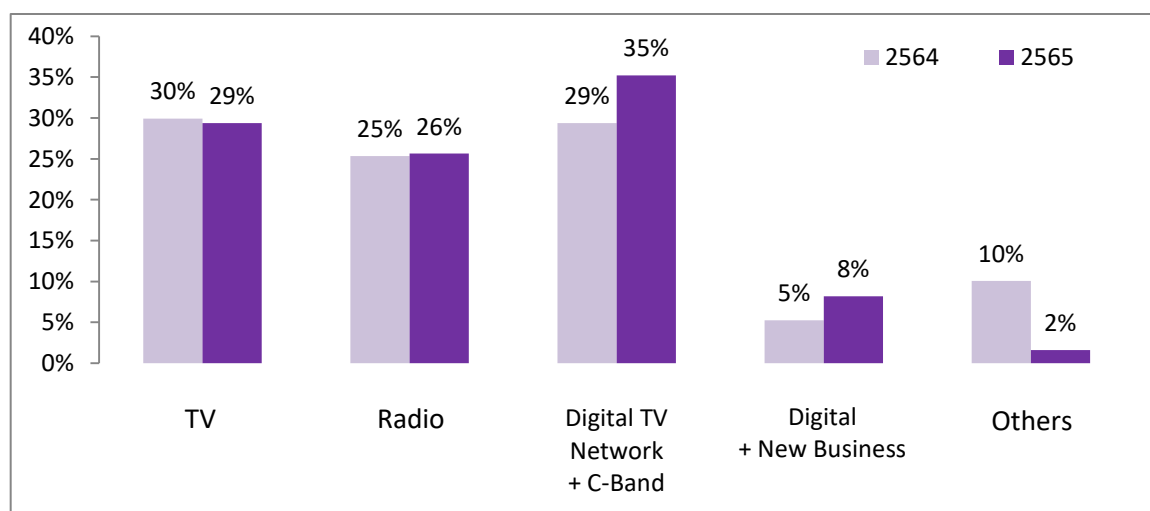
Media	%	% Change compared to 2021
TV accounts for 62,664 MB.	53	2% decrease
Internet accounts for 26,623 MB.	22	8% increase
Outdoor&transit account for 14,254 MB.	12	47% increase
Cinema accounts for 7,730 MB.	7	117% increase
Radio accounts for 3,456 MB.	3	5% increase
Printed media account for 3,049 MB.	3	2% decrease
In-store account for 902 MB.	1	32% increase

Total Revenue

In 2022, MCOT's total revenue is 1,408 million Baht, an 11% decrease, compared to 2021. Revenue structure is as follows:

1. Broadcast Network Operator and MCOT satellite network (35%)
2. TV (29%)
3. Radio (26%)
4. Digital and new business (8%)
5. Others (2%)

Revenue structure in comparison between 2022 and 2021



MCOT's total revenue in 2022 decreases 11%, compared to 2021, due to declined revenue from traditional media (TV and radio). In addition, the 2022 Financial Statements is revised in which a record of fair value gains and losses of investment property valued at 72 million Baht is added. This item, however, does not show numerical value from actual performance. In 2022, BNO business continues to generate most revenue for the Company.

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Details of revenue from each business are as follows:

- BNO revenue of 496 million Baht increases 6%, compared to the 2021, due to service provided to Sports Authority of Thailand for broadcast of T Sports 7, since July 2021.
- TV revenue of 414 million Baht decreases 13%, compared to 2021, due to decreased revenue from government's special projects promoted during news programs causing revenue from news programs to drop 22%. On the other hand, MCOT is able to generate revenue from air-time rental and host broadcaster operation for APEC 2022 and other special events.
- Radio revenue of 361 million Baht decreases 10%, compared to 2021 due to factors including 1) number of radio stations reducing to 47 and 2) customer hesitating to make decision on planning media for marketing events before the auction for F.M. radio frequency being held. Nevertheless, radio business shows a positive sign. In Q4-2022, revenue increases 11%, compared to the previous quarter. The highest revenue-generating station is F.M. 95 MHz. , followed by F.M. 100.5 MHz., 96.5 MHz. and MET 107 MHz.
- Revenue from digital and new business of 115 million Baht increases 37%, compared to 2021 due to an increase in advertising revenue from social platforms (YouTube and Facebook) and revenue sharing from selling products through Shop Mania program. Also, MCOT has begun to recognize revenue from rental of assets (studio and master control room) in Q1-2022.

Total Expenses

In 2022, total expenses are 1,449 million Baht, a 1% increase, compared to 2021, partly due to increased operation cost of TV, radio and BNO. Since Q2-2022, MCOT has begun to record amortized cost of the license fee (radio), causing the Company's average monthly expenses to rise 6 million Baht. The structure of expenses is as follows:

- Cost of sales and services 67%
- Amortized cost 6%
- Selling and distribution cost 9%
- Administrative cost 25%
- Financial cost 2%

Net Loss

The Company's operating results in 2022 shows loss of 41 million Baht. However, in Q4-2022, MCOT is able to resume profitability of 277 million Baht, compared to Q3-2022, due to increases revenue from traditional media (TV and radio). At the same time, the Company is able to manage and control expenses despite a record of amortized cost of radio license fee.

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Assets, Liabilities and Shareholder's Equity

Unit: Million Baht (Reviewed)

	December 31, 2022	December 31, 2021
Asset	10,092	9,909
Liabilities	3,316	3,142
Shareholder's equity	6,776	6,776

As of December 31, 2022, the Company had total assets of 10,092 million Baht, which increase from December 31, 2021, due to the following factors:

- 1) Decreased current assets by 161 million Baht, as a result of Decrease in cash and cash equivalent due to payment of license fees and increase in accounts receivable and debtors and unsettled payment of sponsorship for BNO rental from the NBTC.
- 2) Increased non-current assets to 344 million Baht, as a result of Increase in non-current assets including licenses to operate radio frequencies, music rights, and software and graphic systems.

Total liabilities are 3,316 million Baht, partly due to a long-term loan from a financial institute for the license fee payment and shareholder's equity are 6,776 million Baht.

MCOT has cash/cash equivalent and short-term investment totaling 222 million Baht. The Company also possesses land assets as shown in Statement of Financial Position (property for investment) worth 8,122 million Baht (3 plots of land with total area of 149 rais). This reflects the Company's financial and liquidity remains strong.

Liquidity and capital adequacy

MCOT consistently monitors liquidity risks and manages cash and cash equivalent. The management studies capital adequacy for business operations to be able to compete in the current business situation and to avoid fluctuations in cash flow. MCOT has cash/cash equivalent and short-term investment totaling 222 million Baht, comprising cash and cash equivalent of 135 million Baht, a 63% decrease compared to 2021 due to payment for radio license fee and current ratio of 1.47 times.

Factors Affecting Future Operations

MCOT studies and collects factors affecting future operations as follows:

1. MCOT consistently improves its programming. In 2023, to enable sustainable growth, MCOT will partner with program producers in producing creative and unique programs under the concept of "Trusted and Creative Content". 9 MCOT HD aims to achieve its place in top ten stations. MCOT is entrusted to be the Host Broadcaster of the APEC 2022 and broadcast many important events.
2. MCOT is one of the BNO operators. Currently, there are 4 clients including Thairath TV (HD channel), Parliament TV (public service channel), 9 MCOT HD (HD channel) and T-Sports (public service channel). In the future, if the regulator grants additional licenses to operate public service channels for operators, MCOT will be able to provide the services for the licensees and generate more revenue.

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3. MCOT is granted licenses to operate F.M. radio frequencies at the national level for a period of 7 years. Operating 47 stations across Thailand, MCOT is the sole broadcaster who owns most radio stations, consisting of 6 in Bangkok and vicinity and 41 in regional areas. In 2023, analysis of listeners will be conducted to improve programming and expand channels of listening as well as to arrange activities to engage fans of each station.
4. Property development: MCOT possesses 3 plots of land with a total area of 149 rais, which are being developed and classified into property for investment. The fair value in 2022 totals 8,122 million Baht. Development of the land on Time Ruam Mit road in Rachada Rama IX area (50-1-30.5 rais) is a pilot project for business development.
5. Digital and new businesses: In 2023, many projects are in the development process to generate new revenue. MCOT needs to explore additional investment in the businesses and is open for partnership to create opportunity in the future.

Sincerely yours,



(Mr. Pornchit Piamsri)
Vice President of Corporate Secretary Department
MCOT Public Company Limited
Authorized to sign on behalf of the company

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