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Ref: MCOT/ 6154/1749

August 10, 2023

The Stock Exchange of Thailand

Attn: The President

Re: Management's Discussion and Analysis (MD&A) on Company's Operating Results for 3-Month and 6-Month Periods Ended June 30, 2023

On August 10, 2023, the Board of Directors of MCOT Public Company Limited, at the Meeting No. 14/2023, resolves to approve the Financial Statements for 3-month and 6-month periods ended June 30, 2023, which are 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 for the 3-month and 6-month periods ended June 30, 2023, shows loss of 119 million Baht, which drops 120% compared to the same period of 2022, due to decrease in revenue from traditional business (TV and radio). To explain, revenue from TV and radio drops 5% and 3% respectively. Also, revenue from BNO drops 6%. Total expenses increase due to an increase in amortization of radio frequency license fee of 19 million Baht. Financial costs increase 9 million Baht due to increased interest rate. This results in 5% increase in overall expenses, compared to the same period of last year.

Such imbalance between decreased revenue and increased expenses has brought over 120% changes in the Company's operating results, compared to the same period of 2022. Explanation of such change, detailed operations and ways to improve competitiveness from the Management are as follows:

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Operating Results of MCOT Plc. and Subsidiaries

Unit: Million Baht (Reviewed)

	JAN-JUN 2023	JAN-JUN 2022	% YoY
Total Revenue	633	662	-4
Television	171	180	-5
Radio	161	166	-3
Broadcast Network Operator (BNO)	234	249	-6
Digital and new business	52	52	-
Others	15	15	-
Total Expense	752	716	+5
Profit Before Tax	(119)	(54)	-120
Profit (loss) for Period	(119)	(54)	-120
Profit (loss) per Share (Baht)	(0.17)	(0.08)	-113

Unit: Million Baht (Reviewed)

	APR-JUN 2023	APR-JUN 2022	% YoY	JAN-MAR 2023	% QoQ
Total Revenue	328	355	-8	305	+8
Television	94	101	-7	77	+22
Radio	90	88	+2	71	+27
Broadcast Network Operator(BNO)	111	125	-11	123	-10
Digital and new business	27	31	-13	25	+8
Others	6	10	-40	9	-33
Total Expense	388	366	+6	364	+7
Profit Before Tax	(60)	(11)	-445	(59)	-2
Profit (loss) for Period	(60)	(11)	-445	(59)	-2
Profit (loss) per Share (Baht)	(0.09)	(0.02)	-350	(0.09)	-

Significant Remarks in Operating Results in First 6 Months and Q2-2022

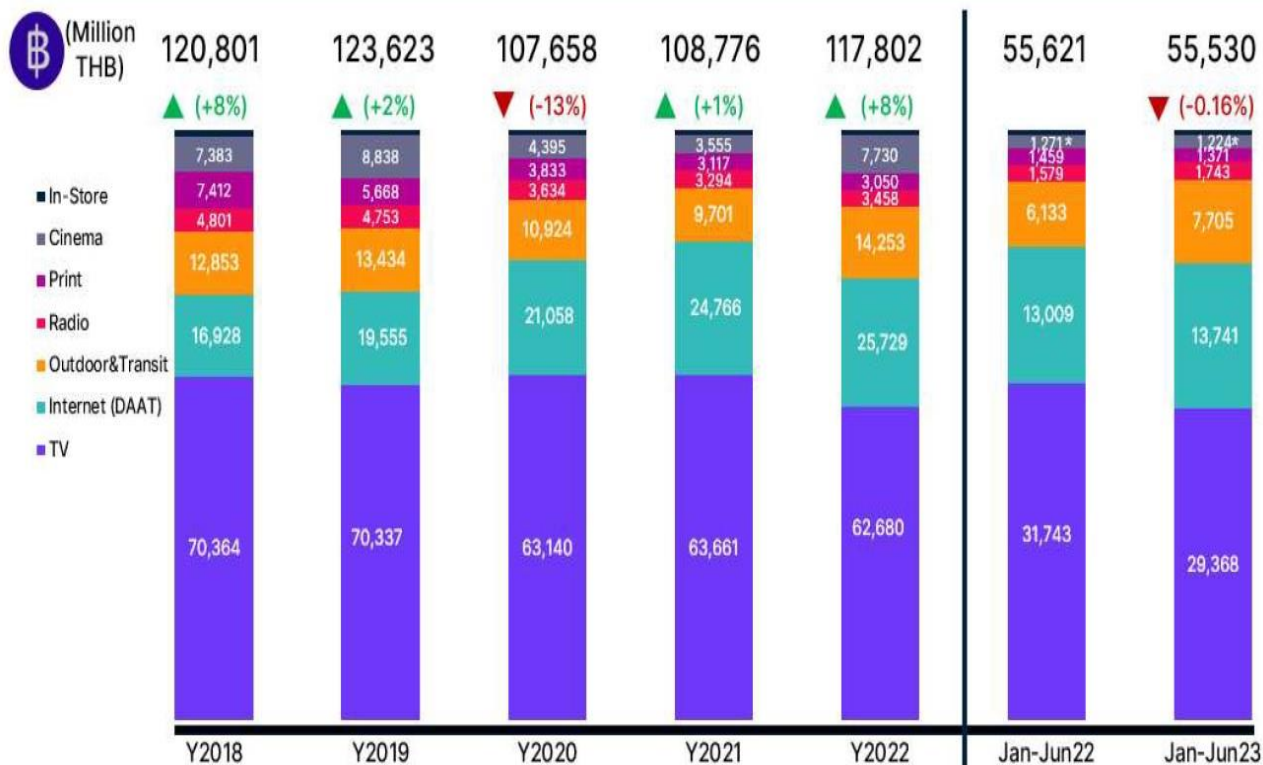
1. Revenue from BNO which exceeds that from TV and radio drops in 2023 following the NBTC's policy in reducing digital TV network fee for digital TV operators.
2. Costs on amortization of radio frequency fee (MCOT has won the licenses for a period of 7 years in the auction in 2022, effective April 4, 2022) increase 19 million Baht. Amortization of licenses to broadcast Chinese series and Doraemon is 10 million Baht. Cost of arranging on-ground activities to stimulate sales is 4 million Baht. In addition, financial cost increases 10 million Baht following the financial institution's increased interest rate for loan of radio frequency fee.

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Overall Industry

THAILAND MEDIA SPENDING



*เม็ดเงินโฆษณาสื่อภาพยนตร์เริ่มใช้ Rate Card ใหม่ตั้งแต่ ม.ค. 2566 (The new rate card of the cinema has been in use since January 2023)

**ปรับตัวเลขเม็ดเงินโฆษณาสื่อภาพยนตร์ปี 2022 โดยใช้ Rate Card ใหม่ (Applying the new rate of the cinema in 2022)

Source: Nielsen Advertising Information Service, DAAT (Digital Advertising Association (Thailand))



Nielsen Thailand reveals that advertising spending in the first 6 months of 2023 of 55,530 million Baht decreases 0.16%, compared to the same period of last year. TV remains the highest spent medium accounting for 53% of the total spending despite 7.5% decrease, compared to the same period of last year. The second-highest is Internet, followed by outdoor-transit and others respectively. Outdoor-transit is the fastest-growing medium among others.

The highest-spending industry is food & beverage (8,555 million Baht) followed by personal care & cosmetics (7,603 million Baht) and retail shop and food outlets (5,364 million Baht).

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Advertising spending on various media is summarized below.

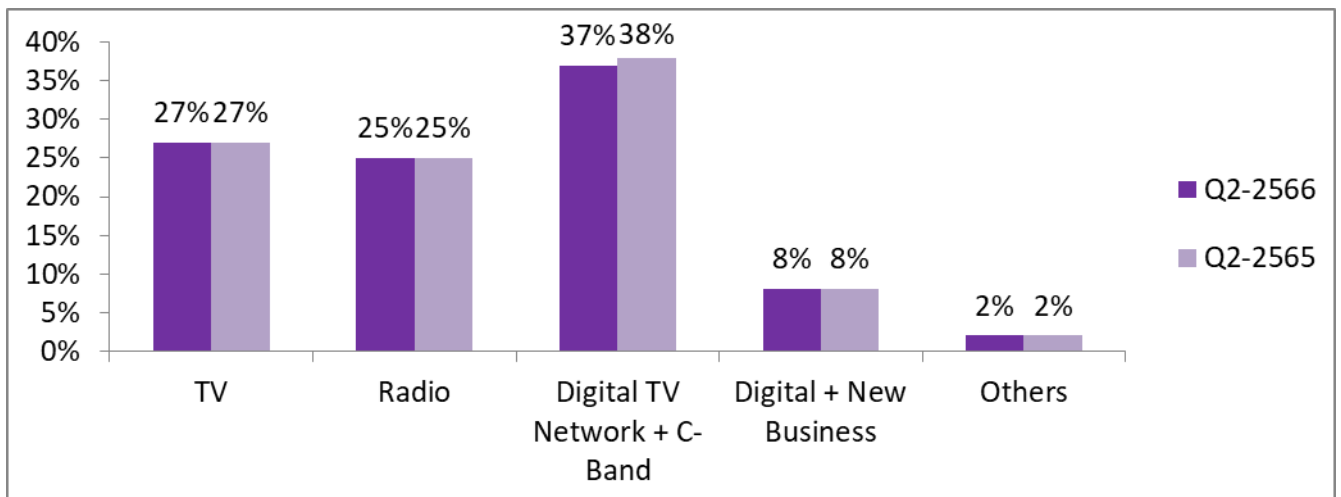
Media Category	Values (MB)	%	% Changes Compared to Same Period of Last Year	
			Increased / Decreased	%
TV	29,368	53	Decreased	7.48
Internet	13,741	25	Increased	5.63
Outdoor & Transit	7,705	14	Increased	25.63
Radio	1,743	3	Increased	10.39
Printed	1,371	2	Decreased	6.03
Cinema	1,224	2	Decreased	3.70
In-Store	378	1	Decreased	11.48
Total	55,530	100	Decreased	0.16

Total Revenue

In the first half of 2023, MCOT's total revenue is 633 million Baht, a 4% decrease, compared to the same period of last year. Revenue in Q2-2023 is 328 million, an 8% drop from Q2-2022, but increases 8% compared to Q1-2023. Revenue structure is as follows:

- Broadcast Network Operator and MCOT satellite network (37%)
- TV (27%)
- Radio (25%)
- Digital and new business (8%)
- Others (2%)

Revenue Structure in Q2-2-2023 (2566) Compared to Q2-2022 (2565)



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Total revenue in Q2-2023 drops 8%, compared to the same period of last year due to revenue from traditional media which is the Company's major business drops. Meanwhile, BNO continues to generate highest revenue and becomes the Company's largest source of revenue.

Details of revenue from each business are as follows:

- BNO revenue of 111 million Baht drops 11%, compared to the same period of last year due to the NBTC's scheme in reducing digital broadcast network license fee.
- TV revenue of 94 million Baht drops 7%, compared to the same period of last year, but increases 22%, compared to Q1-2023.
- Radio revenue of 90 million Baht increases 2%, compared to the same period of last year and increases 27%, compared to Q1-2023.
- Revenue from digital and new business of 27 million Baht decreases 13%, compared to the same period of last year, but increases 8% from Q1-2023.

Total Expenses

In the first 6 months of 2023, total expenses are 752 million Baht, a 5% increase, compared to the same period of last year. Expenses in Q2-2023 are 388 million Baht, a 6% increase from Q2-2022, due to increased costs on TV and radio production and BNO. From Q2-2022 on, MCOT starts recording amortization of license fee to operate radio frequency, which results in an increase in average monthly cost of 6 million Baht.

The structure of expenses is as follows:

- | | |
|------------------------------|-----|
| • Cost of sales and services | 66% |
| • Sales and amortized cost | 6% |
| • Administrative cost | 25% |
| • Financial cost | 3% |

Net Loss

The Company's operating results in Q2-2023 shows loss of 60 million Baht, a 2% decrease from Q1-2023, and 445% decrease from the same period of last year, due to decrease in TV and radio revenue which fail to meet the target. Also, increased amortized cost of license fee to broadcast Doraemon (10 million Baht) and increased cost on arranging on-ground activities are significant factors. However, MCOT will continue to develop content to meet the needs of its audiences.

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Assets, Liabilities and Shareholder's Equity

Unit: Million Baht (Reviewed)

	June 30, 2023	December 31, 2022
Asset	9,989	10,092
Liabilities	3,332	3,316
Shareholder's equity	6,657	6,776

As of June 30, 2023, the Company has total assets of 9,989 million Baht, which decrease 31% from December 31, 2022, due to decrease in current assets of 79 million Baht. Cash and cash equivalents decrease as a result of payment of installation fee of broadcast facilities at 10 relay stations . In addition, account receivables and other receivables decrease due to debt payment of the NBTC.

Total liabilities are 3,332 million Baht, partly due to increase in current assets of 15.55 million Baht. Shareholder's equity is 6,657 million Baht.

MCOT has cash/cash equivalent and short-term investment totaling 208 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.

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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