

(Translation)

Ref. MONO 015/2023

August 09, 2023

Subject: Notification of Operating Results and Submission of Report and Financial Statements for the Second Quarter of the Year 2023

To: President
The Stock Exchange of Thailand

Enclosures: 1) A copy of financial report and consolidated financial statements
2) A summary of the operating results of the listed company and subsidiaries for 2Q/2023 (F45)

Mono Next Public Company Limited (the “Company”) would like to submit a copy of the financial report and financial statements for 2Q/2023 (ended June 30, 2023) reviewed by the auditor and the meeting of the Audit and Corporate Governance Committee No. 4/2023 held on August 09, 2023. The financial report and financial statements were also approved by the meeting of the Board of Directors No. 6/2023 held on August 09, 2023. Details of the operating results are as follows:

Operating Results for the Six-Month Period

Unit: Million Baht

	6M66	6M65	YoY	
			Increase (Decrease)	Percent
Advertising Revenue	552.9	737.6	(184.7)	(25.0)
Content Service Revenue from MONOMAX/GIGATV	348.1	266.6	81.5	30.6
Product Sales Revenue (Home Shopping)	9.9	10.8	(0.9)	(8.3)
Other Revenue	5.4	11.5	(6.1)	(53.0)
Total Revenue	916.3	1,026.5	(110.2)	(10.7)
Cost of Sales and Services	625.8	753.6	(127.8)	(17.0)
Expense of Sales and Management	201.0	195.0	6.0	3.1
EBITDA	546.6	676.3	(129.7)	(19.2)
EBT	30.9	30.3	0.6	2.0
Net Profit (Loss)	24.8	32.5	(7.7)	(23.7)

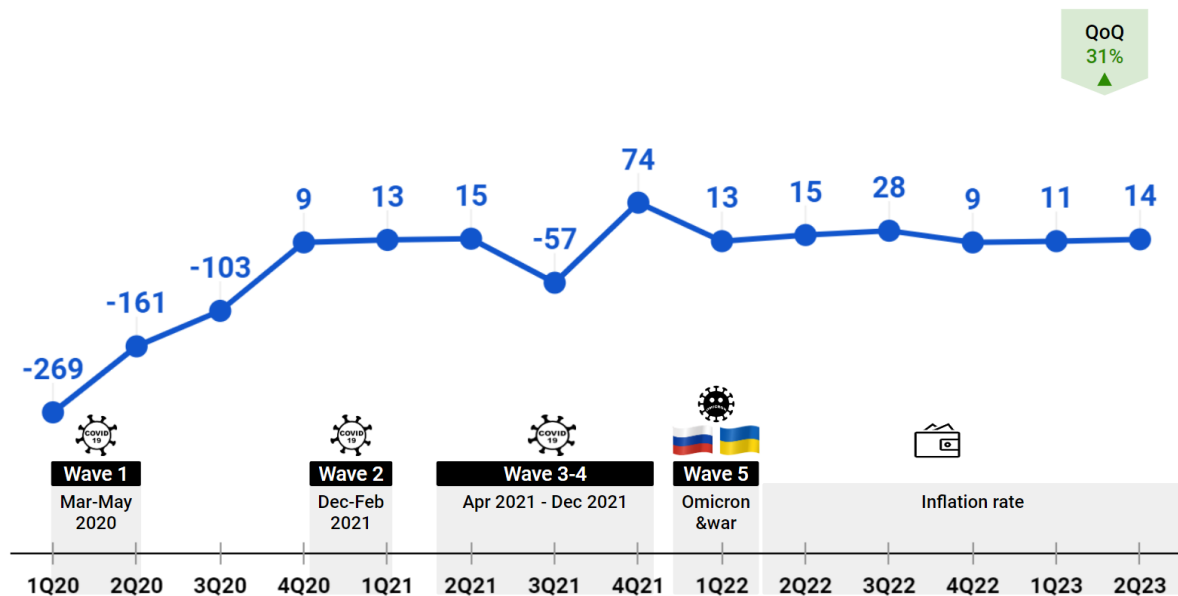
The operating results of the six-month period ended June 30, 2023, revealed a net profit amounting to 24.8 million Baht. Profit decreased by 7.7 million Baht or 23.7 percent compared to the previous year.

Operating Results for the Quarter

Unit: Million Baht

	2Q66	1Q66	2Q65	QoQ		YoY	
				Increase (Decrease)	Percent	Increase (Decrease)	Percent
Advertising Revenue	293.3	259.6	360.9	33.7	13.0	(67.6)	(18.7)
Content Service Revenue from MONOMAX/GIGATV	174.3	169.9	140.8	4.4	2.6	33.5	23.8
Product Sales Revenue (Home Shopping)	5.7	4.2	4.1	1.5	35.7	1.6	39.0
Other Revenue	4.4	4.9	7.3	(0.5)	(10.2)	(2.9)	(39.7)
Total Revenue	477.7	438.6	513.1	39.1	8.9	(35.4)	(6.9)
Cost of Sales and Services	316.8	309.0	359.1	7.8	2.5	(42.3)	(11.8)
Expense of Sales and Management	106.0	95.0	108.8	11.0	11.6	(2.8)	(2.6)
EBITDA	286.0	260.6	325.5	25.4	9.7	(39.5)	(12.1)
EBT	21.3	9.6	21.6	11.7	121.9	(0.3)	(1.4)
Net Profit (Loss)	14.1	10.8	21.3	3.3	30.6	(7.2)	(33.8)

The operating results of 2Q/2023 (ended June 30, 2023), revealed a net profit amounting to 14.1 million Baht. Profit decreased by 7.2 million Baht compared to the same quarter of the year 2022 and increased by 3.3 million Baht compared to 1Q/2023.



The diagram above illustrated a net profit (loss) in each accounting period indicating that the Company and its subsidiaries gained profit from the business operation consistently. During the second quarter of the year 2023, the Company still maintained the growth of revenue and generated profit despite pressing situations such as the World's economic slowdown and political uncertainty in Thailand. The overview of the advertising spending indicated that the values of advertising and TV advertising were poised for growth compared to the previous quarter; however, the overall media spending still declined when compared to the previous year. Nevertheless, the Company and its subsidiaries were able to generate revenue from the subscription video-on-demand service or MonoMax which supported the Company's financial statements and indicated a good sign of growth. Thus, the Company and its subsidiaries are committed to maintaining the growth of revenue as well as the values of our products and services to meet customers' demands. Simultaneously, operational cost and expenses management are also in place to enhance the efficiency of each business segment for building sustainable growth.

Comparisons on the cause of changes in operating results of the 2Q/2023 are as follows:

Total Revenue

- Total revenue in 2Q/2023 decreased by 35.4 million Baht or 6.9 percent compared to the same quarter of the previous year and increased by 39.1 million Baht or 8.9 percent compared to the previous quarter mainly due to the following reasons.
 - 1) Advertising revenue decreased by 67.6 million Baht or 18.7 percent compared to the same quarter of the previous year and increased by 33.7 million Baht or 13.0 percent compared to the previous quarter. Thus, the abovementioned results indicate the same way as the advertising industry's direction since TV advertising has slowly recovered.
 - 2) The revenue from the content-provider services like MonoMax and 3BB GIGATV increased by 33.5 million Baht or 23.8 percent compared to the same quarter of the previous year and increased by 4.4 million Baht or 2.6 percent compared to the previous quarter. The business's growth also correlated to changing behaviors of customers towards digital products and services consumption. Regarding the paid subscription, the total number of MonoMax's subscribers is 830,000 accounts as of June 30, 2023.

Cost and Expense

- Cost of sales and services in 2Q/2023 decreased by 42.3 million Baht or 11.8 percent compared to the same quarter of the previous year and increased by 7.8 million Baht or 2.5 percent compared to the previous quarter, mainly due to the cost of amortization following copyright-management policies.
- Expense of sales and administration in 2Q/2023 decreased by 2.8 million Baht or 2.6 percent compared to the same quarter of the previous year and increased by 11.0 million Baht or 11.6 percent compared to the previous quarter, mainly due to the loss from currency exchange rate compared to the previous quarter. Thus, the Company adopted risk management policies to mitigate the risk of changes in foreign exchange by considering using proper risk management tools to prevent any potential risks as per situation.

2023 Business Plan

For the second half of the year 2023, Thailand's economy has still faced risks from both international and domestic factors due to the World's economic slowdown, risks of geopolitics, as well as political uncertainty in Thailand. However, the Company are committed to building business growth for every business in our ecosystem. Details of the business plan for the second half of the year 2023 are as follows:

1) TV Digital Business or MONO29

The Company considers the trend in the digital TV industry and comes to the conclusion that the overall performance of this market maintains stable, mainly due to a surge in inflation rates; thus, many products and service owners decide to carefully control advertising spending. Details of the business plan for the TV business are as follows:

- The Company adopts a strategy to maintain our loyal customers who prefer action and fantasy movies while offering a wide range of movies other than from Hollywood such as Bollywood-India, Russian, Chinese, and Korean TV series where the feedback is well received.
- The Company commits to increase more entertainment contents to serve another level of customer experience including a world-entertainment news which covers both Chinese and Korean entertainment.
- The Company also engages in increasing its new customers base, especially an online platform.

2) Subscription Video On-Demand Service Business or MonoMax

The Company believes that a bright future should lie ahead for MonoMax since the majority of customers become aware of copyright matters and decide to purchase subscriptions to watch licensing contents more than in the past, and the SVOD users have an average of four to five streaming services per person among the challenge like the cost competitive advantage. Details of MonoMax's strategies are as follows:

- Seeking to maintain loyal customers with premium Chinese TV series which are the mainstream of revenue for MonoMax, proudly presenting the premium TV series in the second quarter of this year with "Back from the Brink" and "The Legend of Anle" in the third quarter.

- Increasing new customers base by producing our own original Thai contents that truly meet the taste of Thais under Mono Original where the person who have a highest responsibility in production is Khun Daeng-Nedpanit Potarakul or Thanya Wachirabunjong. Details of our original contents that will be aired in the third quarter are as follows:
 - “My Next Doll”, a sexy comedy movie
 - “Risk Lust Love”, a TV series mirroring society, love, and materialism
 - “Hangout”, a TV series mirroring lives of common family problems
 - “See You Again”, an age difference and love TV series
 - “Bromise” and “Ded Duang Jone”, action series, airing at the end of the year.

Above original contents are expected to generate the growth for MonoMax by 15 – 25 percent referring to the statistics from “My Sex Doll” and “The Lost Hero of Ayodhya”, our previous original contents.

- Engaging in building strong partnership to enhance the point of sales while joining forces with telecommunication companies like AIS, True, and NT where the Company believes that a strong partnership with those companies can generate growth for MonoMax as we can clearly see from our collaboration with AIS where we jointly offer packages for mobile and the Internet customers generating the growth for MonoMax by 2.5 percent during the second quarter, and the growth is expected to grow continuously amounting to 5-10 percent in the third quarter. Moreover, we also join hands with marketplaces like Shopee, Lazada, Line Shopping which can benefit customers who would like to try our service on a short-term basis, leading to a long-term subscription.

3) Artificial Intelligence Development

The Company is in progress to adopt AI for developing and improving our contents including services on MonoMax where we strive to serve our state-of-the-art services for customers and reduce the cost of operation and time spending simultaneously since AI has an ability to analyze customer behaviors cleverly such as an intelligent search, intelligent translation system, dubbings, subtitles, news anchoring, and an automated customer service.

Please be informed accordingly.

Yours sincerely,

(Mr. Patompong Sirachairat)
Chief Executive Officer