

(Translation)

Ref. MONO 019/2023

November 08, 2023

Subject: Notification of Operating Results and Submission of Report and Financial Statements for the Third 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 3Q/2023 (F45)

Mono Next Public Company Limited (the “Company”) would like to submit a copy of the financial report and financial statements for 3Q/2023 (ended September 30, 2023) reviewed by the auditor and the meeting of the Audit and Corporate Governance Committee No. 5/2023 held on November 08, 2023. The financial report and financial statements were also approved by the meeting of the Board of Directors No. 7/2023 held on November 08, 2023. Details of the operating results are as follows:

Operating Results for the Nine-Month Period

Unit: Million Baht

	9M23	9M22	YoY	
			Increase (Decrease)	Percent
Advertising Revenue	832.4	1,098.6	(266.2)	(24.2)
Content Service Revenue from MONOMAX/GIGATV	522.3	415.5	106.8	25.7
Product Sales Revenue (Home Shopping)	19.9	15.4	4.5	29.2
Other Revenue	11.9	17.4	(5.5)	(31.6)
Total Revenue	1,386.5	1,546.9	(160.4)	(10.4)
Cost of Sales and Services	936.2	1,097.7	(161.5)	(14.7)
Expense of Sales and Management	346.2	305.9	40.3	13.2
EBITDA	785.0	1,004.5	(219.5)	(21.9)
EBT	12.6	72.5	(59.9)	(82.6)
Net Profit	8.7	60.3	(51.6)	(85.6)

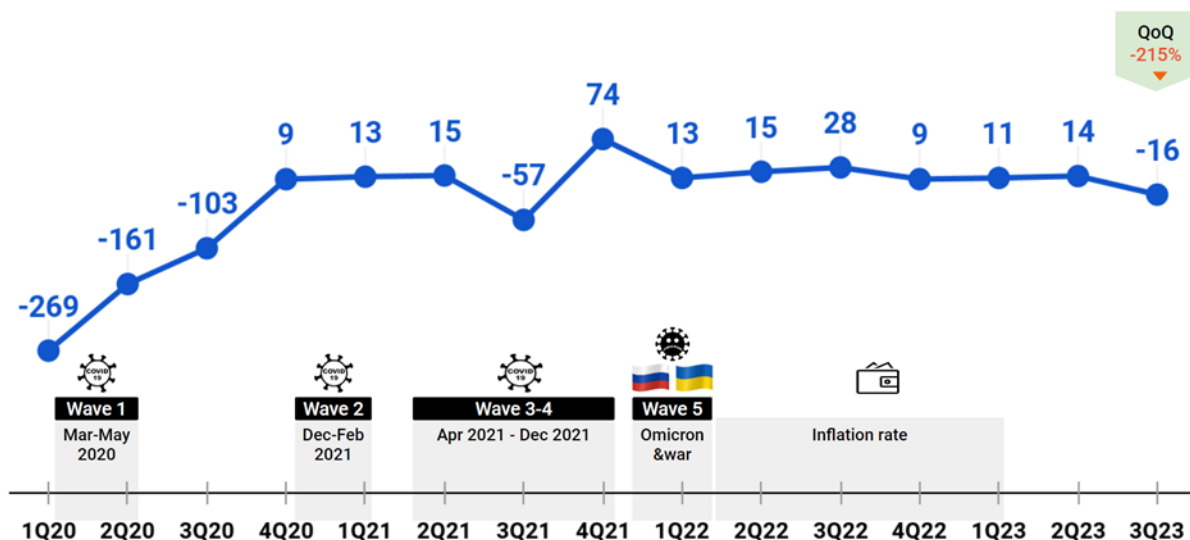
The operating results of the nine-month period ended September 30, 2023, revealed a net profit amounting to 8.7 million Baht. Profit decreased by 51.6 million Baht or 85.6 percent compared to the previous year.

Operating Results for the Quarter

Unit: Million Baht

	3Q23	2Q23	3Q22	QoQ		YoY	
				Increase (Decrease)	Percent	Increase (Decrease)	Percent
Advertising Revenue	279.5	293.3	361.0	(13.8)	(4.7)	(81.5)	(22.6)
Content Service Revenue from MONOMAX/GIGATV	178.0	174.3	149.0	3.7	2.1	29.0	19.5
Product Sales Revenue (Home Shopping)	9.9	5.7	4.6	4.2	73.7	5.3	115.2
Other Revenue	2.8	4.4	5.8	(1.6)	(36.4)	(3.0)	(51.7)
Total Revenue	470.2	477.7	520.4	(7.5)	(1.6)	(50.2)	(9.6)
Cost of Sales and Services	310.4	316.8	344.1	(6.4)	(2.0)	(33.7)	(9.8)
Expense of Sales and Management	145.2	106.0	110.9	39.2	37.0	34.3	30.9
EBITDA	238.4	286.0	328.2	(47.6)	(16.6)	(89.8)	(27.4)
EBT	(18.3)	21.3	42.3	(39.6)	(185.9)	(60.6)	(143.3)
Net Profit	(16.2)	14.1	27.8	(30.3)	(214.9)	(44.0)	(158.3)

The operating results of 3Q/2023 (ended September 30, 2023), revealed a net loss amounting to 16.2 million Baht. Profit decreased by 44.0 million Baht compared to the same quarter of the previous year, and Profit decreased by 30.3 million Baht compared to 2Q/2023.



From the graph above, it shows a net profit (loss) in each accounting period. It is evident that the Company and its subsidiaries have experienced profitability in several quarters in the past. However, in the third quarter of 2023, they incurred a loss due to a decrease in advertising revenue. This decrease was attributed to uncertain economic conditions, high-interest rates, and delayed consumer spending. Overall, the advertising revenue for this year decreased compared to the previous year. Nevertheless, the Company and its subsidiaries generated revenue from our content service, MONOMAX, which shows promising growth for the future. In this quarter, the Company employs proactive marketing strategy by increasing our advertising spending and marketing expenses to enhance brand recognition and promote MONO ORIGINAL series and movies available on the MONOMAX platform. The Company and its subsidiaries are focused on costs and expenses management to enhance efficiency. The main purpose of the increasing marketing expenses is to add value to our products and services, fostering sustainable revenue growth in the future.

Comparisons on the cause of changes in operating results of the 3Q/2023 are as follows:

Total Revenue

- Total revenue in 3Q/2023 decreased by 50.2 million Baht or 9.6 percent compared to the same quarter of the previous year and decreased by 7.5 million Baht or 1.6 percent compared to the previous quarter mainly due to the following reasons.
 - 1) Advertising revenue decreased by 81.5 million Baht or 22.6 percent compared to the same quarter of the previous year and decreased by 13.8 million Baht or 4.7 percent compared to the previous quarter. This trend mirrors the decline in television advertising revenue, which also decreased compared to the previous year, and television advertising is slowly recovering.

- 2) The revenue from the content-provider services like MonoMax and 3BB GIGATV increased by 29.0 million Baht or 19.5 percent compared to the same quarter of the previous year and increased by 3.7 million Baht or 2.1 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 at 0.86 million subscribers as of September 30, 2023.

Cost and Expense

- Cost of sales and services in 3Q/2023 decreased by 33.7 million Baht or 9.8 percent compared to the same quarter of the previous year and decreased by 6.4 million Baht or 2.0 percent compared to the previous quarter, mainly due to the cost of amortization following copyright-management policies.
- Expense of sales and administration in 3Q/2023 increased by 34.3 million Baht or 30.9 percent compared to the same quarter of the previous year and increased by 39.2 million Baht or 37.0 percent compared to the previous quarter, mainly due to 1) the expenses in sales based on proactive marketing strategy were incurred to build a strong brand awareness and promote MONO ORIGINAL series, which have recently started streaming on platforms. 2) The increased expenses related to additional staff in film production departments focused on in-house workforce to enhance skills and expertise, reducing external hiring.

2023 Business Plan

For the 4Q/2023, Thailand's economy has still faced risks from both international and domestic factors due to the World's economic slowdown, the overall advertising spending for the television industry has remained stable, while there are ongoing opportunities for growth in online advertising and video streaming. The business strategy for the latter half of the year continues to focus on retaining the customer base in the digital TV industry and emphasizing growth in all segments of the video streaming business. Additionally, efforts are being made to enhance efficiency and effectiveness of various parts of the businesses as follows:

1) TV Digital Business or MONO29

The Company considers the trend in the digital TV industry as the overall performance of this market maintains stable, mainly due to economic conditions and a surge in inflation rates; thus, many brand owners carefully control their advertising spendings for their various products. Details of the business plan for the TV business are as follows:

- The Company adopts a former strategy by offering action and fantasy genre movies and adding a diverse range of movies other than from Hollywood such as Bollywood- India, Russian, Chinese, and Korean contents. This approach has consistently yielded positive responses.
- The Company has adjusted news formats to present precise, interesting, and comprehensive news coverage from all dimensions throughout the day. The Company focuses on creative and latest news, capturing every social trend, under the slogan "Never Miss a Beat, Watch Mono News."

- The Company commits to increase more entertainment contents to serve another level of customer experience such as Thai and international entertainment news, covering Hollywood, Chinese (C-Drama), and Korean (K-Series) entertainment.
- Establish and measure cross-platform engagement with viewers by organizing activities through the television to involve viewers with our channel. These activities include Mono29 – drawing lots 2023, Mono29 World Trip – Asian movies and series destinations, which have been initiated since the end of the third quarter.

2) Subscription 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, 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 retain loyal customers with premium Chinese TV series which are the mainstream of revenue for MonoMax, proudly presenting the premium and outstanding TV series in this quarter with “The Legend of Anle”, which has generated the highest record-breaking sales.
- 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 Ms.Thanya Wachirabunjong. Details of our original contents that will be aired in the third quarter are as follows:
 - The series that reflects the reality of love and materialism “Risk Lust Love.”
 - The Sexy Comedy Movie “My Next Door”
 - The TV series that reflects the reality of family life “Hangout.”
 - The series that presents May-December romance “See You Again.”
 - “Bromise” and “Ded Duang Jone”, the action series

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.

The series “Risk Lust Love,” which started airing in August, has received a positive response, and has contributed to MONOMAX’s growth by 23%. Additionally, the feedback has yielded a positive response, particularly from customers who have taken the story to share it on TIKTOK.

- Engaging in building strong partnership to enhance the Point of Sales (POS) by joining forces with telecommunication companies like AIS, True, and NT (regarding our collaboration with AIS only: our packages for mobile and the Internet users can generate growth for MonoMax by 4.3 percent in 3Q/2023. It is anticipated that this growth will continue, reaching a range of 5% to 10% in the fourth quarter.) Moreover, the Company joins hands with e-commerce partnership. This has a positive impact on acquiring new customers or those with lower purchasing power, allowing them to try out our service for a short period before becoming familiar with it and subscribing for the long term.

3) Artificial Intelligence Development

The Company is currently integrating AI (Artificial Intelligence) into its contents on MONO29, MTHAI, and MONOMAX. Initially, we started offering news, forecasts, and movie samples with subtitles and foreign language dubbing, covering neighboring countries' languages like Chinese, Japanese, and English for international viewers. This also served the purpose of facilitating partnerships with international collaborators.

Furthermore, AI is utilized for data analysis and graphic creation, fostering convenience and a wide range of creative ideas.

Implementing AI in this manner results in cost savings and time efficiency of over 30%.

Please be informed accordingly.

Yours sincerely,

(Mr. Patompong Sirachairat)
Chief Executive Officer