



The ONE Enterprise Public Company Limited

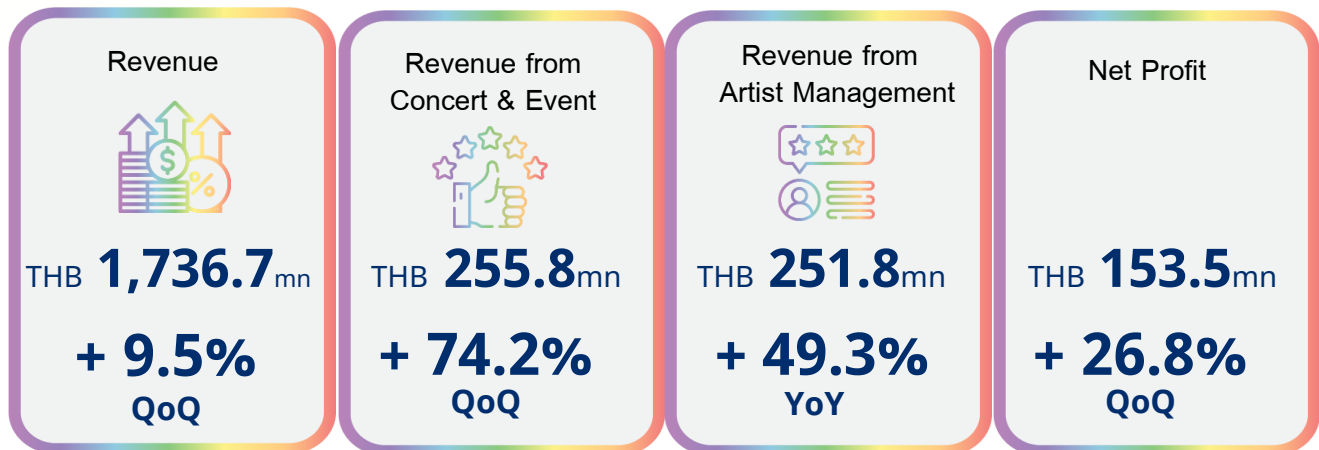
The ONE Enterprise Public Company Limited ("ONEE")

Management Discussion and Analysis

Quarter 3/2023

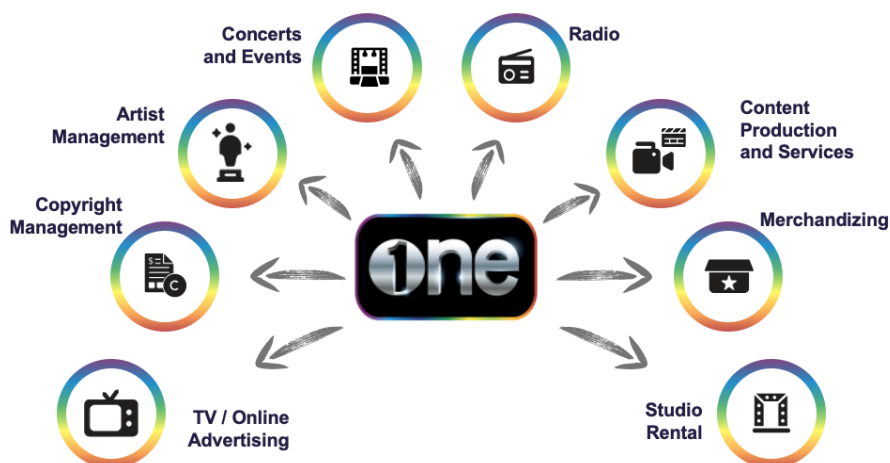
Ending 30 September 2023

Executive Summary and Important Events in Q3/23



- Net profit was 153.5mn, increasing by 26.8% QoQ.
- Operating revenue in Q3/23 (three-month period) was 1,736.7mn, increasing by 151.4mn or 9.5% QoQ, and increasing by 109.3mn or 6.7% YoY.
- Concerts and events revenue for Q3/23 was THB 255.8mn, posting a significant growth 74.2% QoQ and 49.5% YoY.
- Artist Management business had a revenue of THB 251.8mn, increasing by 12.3% QoQ and 49.3% YoY
- The revenue from TV media, considered conventional media, has undergone a proportional change, decreasing to 41.5% from 46.5% in the same period of last year. Despite reduced revenue in this segment, overall profit remains unaffected due to strategic adjustments. ONEE leveraged its strengths, effectively managed its actors, and generated new income streams from concert performances, countering the high volatility in the television media business.

Business Strategy



The Company positioning itself as a comprehensive Entertainment & Lifestyle business with a strategic focus on content as the key driver for generating revenue across TV, Online, Copyright & Licensing, and Production Services. These services are considered our strengths, along with Idol Marketing. We are on plans to create new artists and expand their presence on the international stage. ONEE's Idol Marketing ecosystem is a complete cycle. It's not only limited to managing showbiz or events alone but emphasizes a stronger connection with the fandom (Fan-Kingdom). With this business structure in place, the Company is confident in linking idols with partnerships and consumers from both domestic and international markets to create revenue growth in all channels.

Important Events in Q3/23

Content

In Q3/23, the Company unveiled drama content that spectacularly sparked widespread popularity, as highlighted below:



Phanom Naka

A love story intertwined with the mysterious legend of the Naga, this is a grand-scale drama and the latest directorial work by Sant Srikaewlor. It features the first collaboration of the leading actors, Tree Phornphat and Green Atsadaraporn. Premiering on 4 Sep 2023, soared to #1 on Netflix just two weeks after its release.



White Flower, the Supreme Thief

A prime-time action-fantasy on Channel One, featuring magic and a Robin Hood-like female thief. The plot revolves around a skilled policeman from the capital city tasked with capturing a sorceress thief who steals from the rich to help the poor. Starring Point-Chalavit and action heroine Nulek-Titinun, it premieres in Jul 2023, boasting a high rating of 7.21.



Microphone Moun Poun Rak

An evening musical-comedy drama on Channel One, the story unfolds in chaos when a band owner suddenly passes away, leading his daughter to plan on disbanding the group to settle debts. However, the father's spirit has other plans. Starring Kan Napattarakul, Bai Fern Anchasa, and Ekkachai Sriwichai, premieres on 15 Sep 2023.

Licensing

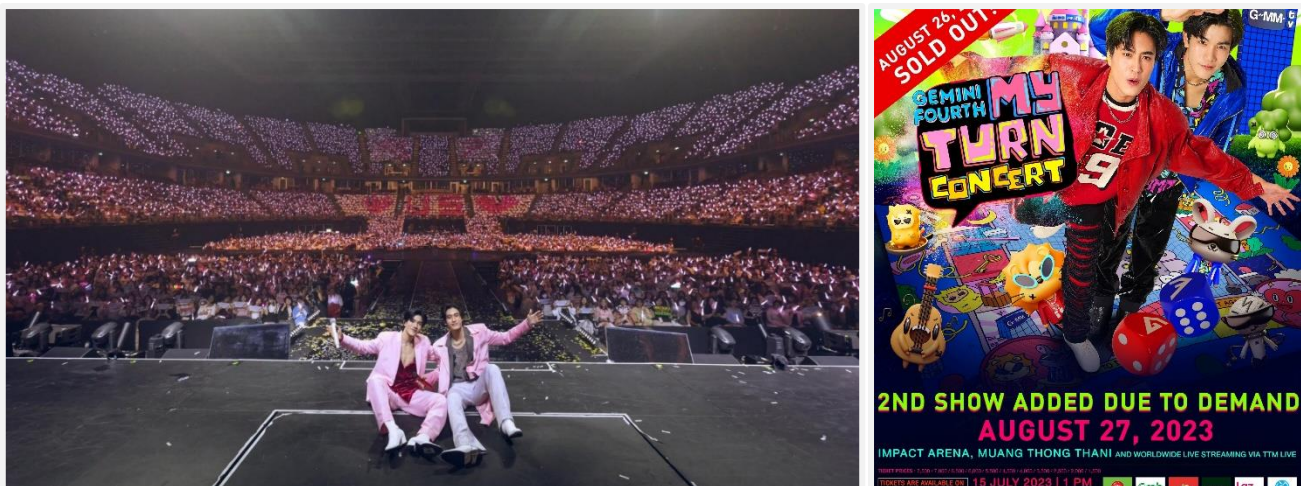
in Q3/23, the Company saw a 24.4% growth QoQ in revenue from **Copyright Management**. This growth was primarily due to the sale of drama and series rights for broadcasting on various OTT platforms worldwide. Additionally, the implementation of dynamic sales management, allocating broadcasting times across different channels, allowed for maximizing revenue from individual content pieces. Popular series in this quarter include "Enigma: Man, Magic, Myth" which aired on GMM25 and Prime Video, starting in July, and "Homeschool - Imprisoned Students" broadcast on Prime Video. Additionally, "Phanom Naka" and "Across the Sky" were aired on Channel one31 and Netflix.



Showbiz

The **Concert and Event** business saw a significant growth, with highlights receiving an overwhelming response, such as:

- **“Gemini Fourth My Turn Concert”** at the Impact Arena, with ticket prices ranging from 1,200 to 7,500 baht. All seats for both shows were sold out. Additionally, live stream tickets were sold at 1,500 baht each for online viewing of the performances.



- Another major concert this quarter was **“The Golden Song The Golden Show Concert”** at the Muang Thai Rachadalai Theater, with ticket prices ranging from 1,000 to 7,000 baht. All seats for all five shows were sold out.



Idol Marketing

The **Artist Management** business and **Merchandising** sales, featuring artist-related products, also experienced significant growth. The Company boasts famous idols in its roster, including both bands and solo actor-singers, who were especially popular this quarter. Examples include Tah-Uoo Offroad, Jam & Film, Bright, and many more. They engaged in various activities like public appearances, serving as brand ambassadors, concerts, and global fan-meet events.



WIN | STUNNING SERIES EXCLUSIVE PHOTOCARD SET
฿450.00
IN STOCK



ONE MORE CHANCE MEMORIES PHOTO SET
฿490.00
IN STOCK



NENDOROID TINE | นENDOROID ไทน์ (JAPAN COLLECTION)
฿1,900.00
IN STOCK

Economic Overview and Market Situation ¹

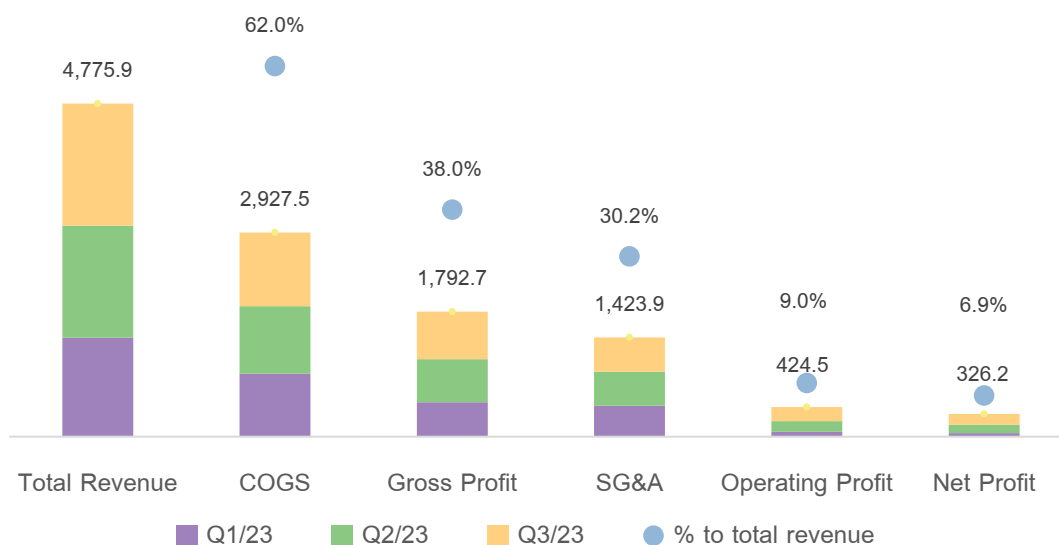
- The Business Confidence Index report, compiled by the Bank of Thailand, indicates that in October 2023, the overall confidence index decreased to 48.9 from 50.4 in the previous month. This decline is led by the confidence index in the manufacturing sector, particularly in the chemical, petroleum, rubber, and plastic industries. Confidence in business performance, production, and orders has significantly decreased. It is anticipated that the slowdown in the Chinese economy, which is recovering slowly, may be a contributing factor. Regarding the confidence index in sectors other than manufacturing, it has dropped below 50 due to reduced confidence in trade. The decline in confidence in the hotel and restaurant sectors could reflect concerns about the impact of the shooting incident in a shopping mall at the beginning of October.
- According to Nielsen data until July², the overall advertising budget in Thailand for the seven-month of 2023 amounted to a total value of THB 65,093mn, increasing by THB 284mn or 0.44% YoY. The advertising budget for television media amounted to THB 34,483 mn, showing a decrease of THB 2,222 mn or 6% YoY. The main contributing factor is the reduction in television advertising budgets in January 2023. Television media remains the advertising medium with the highest expenditure share, accounting for 57%. When focusing specifically at July 2023, the overall advertising expenditure increased by 3%, with a total value of THB 9,790mn.

The Company's Financial Performance

Statement of Comprehensive Income

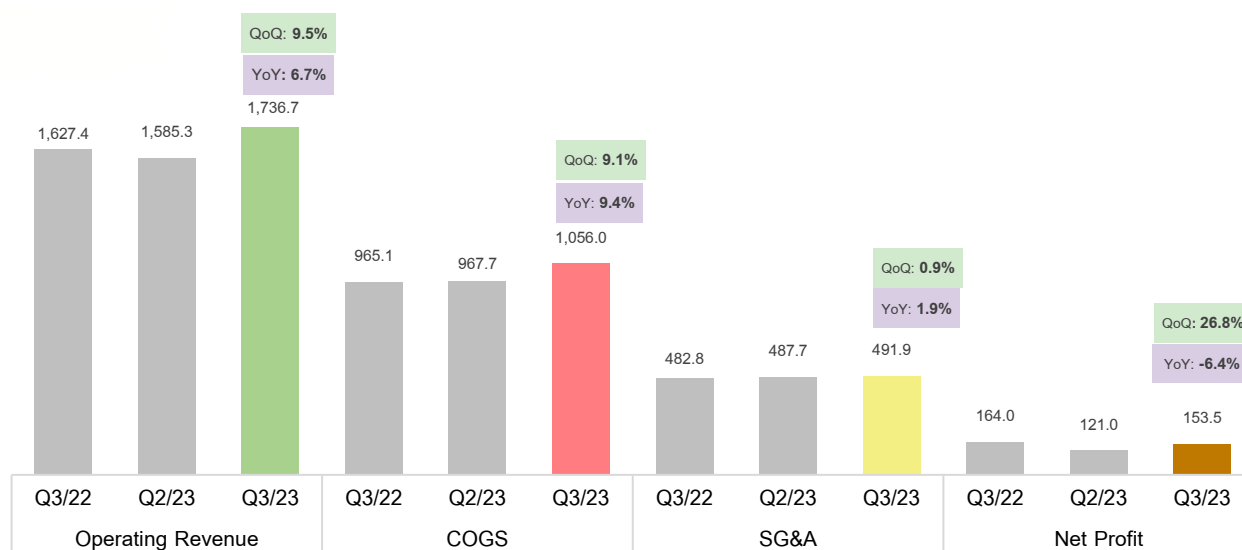
Summary of 9 months financial performance

(Unit: THB mn)



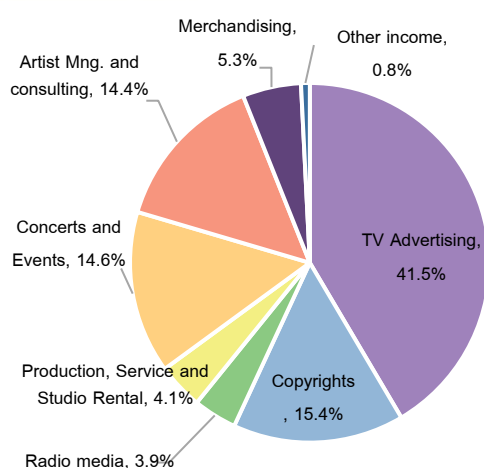
¹ Information from the Bank of Thailand, The Nielsen Company (Thailand) Limited, and Kasikorn Research Centre

² The Nielsen Company (Thailand) Limited has not disclosed advertising budget data in Thailand after July 2023.

Summary of financial performance of 2nd quarter, 3 months period, YoY and QoQ

Performance of Q/23, 3 month period

Revenue	Q3/22	Q2/23	Q3/23	Change		Change	
				THB mn	%QoQ	THB mn	%YoY
Revenue							
Revenue from Sales and Services	1,627.4	1,585.3	1,736.7	151.4	9.5%	109.2	6.7%
Other Income	27.5	22.5	13.8	(8.7)	(38.6%)	(13.7)	(49.8%)
Total Revenue	1,655.0	1,607.8	1,750.5	142.7	8.9%	95.5	5.8%
Cost of Sale and Services	965.1	967.7	1,056.0	88.3	9.1%	90.8	9.4%
Gross Profit	662.3	617.6	680.7	63.1	10.2%	18.4	2.8%
Selling and servicing expenses	75.5	98.4	107.5	9.2	9.3%	32.0	42.4%
Administrative expenses	407.3	389.3	384.4	(4.9)	(1.3%)	(22.9)	(5.6%)
Operating profit	207.1	152.5	202.6	50.1	32.9%	(4.5)	(2.2%)
Depreciation and Amortization	393.4	333.6	383.4	49.9	15.0%	(10.0)	(2.5%)
Share of profit (loss) from investment in associate	0.3	(0.1)	(7.2)	(7.1)	(7071.0%)	(7.5)	(2,293.0%)
EBITDA	387.3	333.6	377.4	43.8	13.1%	(9.9)	(2.6%)
Net financial cost (income)	1.1	(3.3)	(1.7)	1.6	48.4%	(2.8)	(257.5%)
Profit before tax income (expense)	206.3	155.7	197.1	41.5	26.6%	(9.2)	(4.5%)
Income tax	42.3	34.7	43.7	9.0	25.8%	1.3	3.1%
Net profit	164.0	121.0	153.5	32.5	26.8%	(10.5)	(6.4%)

Revenue for Q3/23



In Q3 / 23 , the Company had operating revenue of THB 1,736.7mn increased 151.4mn or 9.5% QoQ and increased THB 109.2mn or 6.7% YoY. The primary increase in revenue was mainly due to Concert and Event management, Artist management, and Merchandising, which includes artist-related products. The key activities that generated revenue for these three sectors, as mentioned earlier, are:

- 1) “Gemini Fourth My Turn Concert”
- 2) “The Golden Song The Golden Show Concert”
- 3) “Very Thai Music Festival” at Orange Island Park Shangsha, China, organized by TCP Red Bull in corporation with KuaiShou, the leading Content Community and Social Platform in China.

Revenue contribution Q3/23, 3 month period

Another revenue segment that showed significant growth this quarter is the income from **Copyrights management**, which involves the sale of drama and series rights to various OTT platforms around the world. The revenue from Copyrights management in this quarter grew by more than 24.4% QoQ. This is due to the Company's policy of emphasizing the production of quality content, combined with dynamic sales management that allocates broadcasting times across different channels, enabling the Company to generate higher revenue from each piece of content.

Revenue	Q3/22	Q2/23	Q3/23	Change	
				%QoQ	%YoY
Revenue from Advertising, Promotion, and Lease of Television Station	770.2	749.1	726.5	(3.0%)	(5.7%)
Revenues from Copyrights Management	309.1	216.8	269.8	24.4%	(12.7%)
Revenue from Radio Production	51.2	71.2	68.4	(3.9%)	33.8%
Revenue from Production and Service	89.0	78.4	65.1	(17.0%)	(26.9%)
Revenue from Concert and Event Business	171.1	146.9	255.8	74.2%	49.5%
Revenue from Artist Management and Consulting	168.5	224.1	251.8	12.3%	49.3%
Revenue from Sales of Goods	60.0	88.0	92.1	4.7%	53.6%
Revenue from Studio for Rental	8.4	10.8	7.2	(33.2%)	(13.7%)
Revenue from Sale and Services	1,627.5	1,585.3	1,736.7	9.5%	6.7%
Other Income	27.5	22.5	13.8	(38.7%)	(46.7%)
Total Revenue	1,655.0	1,607.8	1,750.5	8.9%	5.8%

For the revenue from **Radio Media** this quarter, although there was a QoQ decline, it was due to the previous quarter's special campaign projects from the Tourism Authority of Thailand (TAT), resulting in the higher revenue than usual. However, this quarter's revenue from radio program production grew by 33.8% YoY, an increase of THB 17.2 mn, as there was no longer a COVID-19 pandemic situation. This led to sponsors returning to their normal advertising routines on radio programs.

With the Company's radio channels being among the top in Thailand, such as Green Wave 106.5 and EFM 94.0, they have become top choices for product manufacturers, service providers, and various agencies for advertising.

For **TV Advertising** revenue, there was a decrease of 3.0% QoQ and 5.7% YoY, following the trend in the advertising industry where investment in this medium has decreased. However, the Company's revenue decline from this business was less than the industry average. Part of this is due to the Company's strategy of using its advertising budget for public relations and promoting its content through various outdoor media channels, such as BTS media, radio, and various billboards.

Revenue from **Content Production and Studio Rental** decreased this quarter both QoQ and YoY, due to the Company's strategic shift towards producing high-quality content. This shift enables the Company to fully manage the rights and related businesses to maximize benefits from self-produced content. As a result, the Company has chosen to utilize its resources for in-house content production within the group and has reduced production services for external clients.

Cost of Sale and Services

In Q3/23, the Company group had a cost of sales and services of THB 1,056.0mn, an increase of THB 88.3mn or 9.1% QoQ, and an increase of THB 90.9mn or 9.4% YoY. This increase aligns with the rise in revenue. Additionally, part of the increase in production costs was due to higher costs in producing series and dramas, aimed at matching international quality standards for global distribution on various platforms. Moreover, there were increased costs in organizing concerts and event management, as well as in hiring artists, which corresponded with the increased revenue from concert organization, event management, and artist management.

Selling and servicing expenses and Administrative expenses

In Q3/23, the Company group incurred sales and service expenses of THB 107.5mn, an increase of THB 9.2mn or 9.3% QoQ, and an increase of THB 32.0mn or 42.4% YoY. The primary cause for this increase was higher marketing and public relations expenses due to organizing major concerts, as mentioned earlier, and hosting events in collaboration with the Tourism Authority of Thailand. This includes organizing the "Phaya Srisattanakaraj Nakhon Phanom" ceremony before the start of the 2023 Nakhon Phanom traditional boat procession, promoting the country's soft power and creating tourism interest in the Mekong River basin provinces such as Nakhon Phanom, Mukdahan, Nong Khai, and Bueng Kan. Additionally, it supported the promotion of the drama "Phanom Naga," airing on ONE31 channel during Q3/23.

Administrative expenses in this quarter was THB 384.4mn, a decreased of 1.3% QoQ and 5.6% YoY due to the strategic adjustments in managing expenses within the Company group.

Net financial cost (income)

In Q3/23, the Company recorded a net financial income of THB 1.7mn, resulting from effective cash management which led to higher interest income from the Company's investments compared to the interest expenses, thus generating the aforementioned financial income.

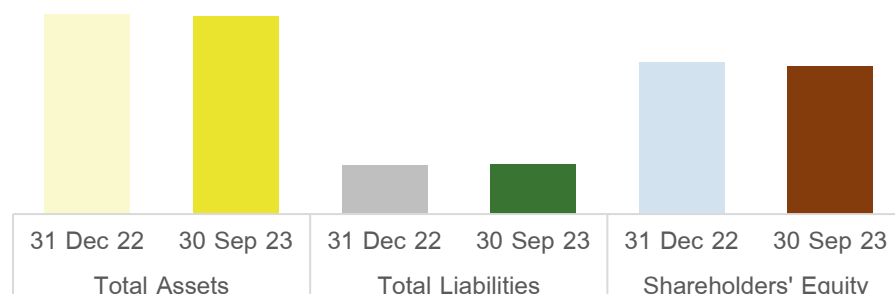
Net profit

In Q3/23, the Company reported a net profit of THB 153.5mn, an increase of THB 32.5mn or 26.8% QoQ, due to increased revenue combined with efforts in managing the cost of sales and services, as well as controlling expenses in sales, services, and internal administration within the group. However, the net profit decreased by THB 10.5mn or 6.4% YoY, as the

businesses contributing to this quarter's high revenue growth are operating under new strategies. The Company group is in the process of enhancing the efficiency of managing production costs for high-quality content, as mentioned earlier.

Statement of Financial Position

(unit: THB mn)



Total Assets

As of 30 September 2023, the total assets amounted to THB 9,291.1mn, a decrease of THB 103.5mn compared to the total assets of THB 9,394.6mn as of 31 December 2022. The primary reasons for this decrease include dividend payments and a decrease in the book value of land, buildings, and equipment by THB 72.0mn due to asset depreciation, net of the acquisition of new assets during the period. Additionally, the Company maintained a strong cash position, with cash, cash equivalents, and time deposits totaling THB 1,693.4mn at the end of the third quarter.

Total Liabilities

As of 30 September 2023, the total liabilities were THB 2,336.9mn, an increase of THB 70.4mn or 3.1% compared to the total liabilities of THB 2,266.5mn as of 31 December 2022. The main reason was the rise in trade payables and other liabilities, which corresponds with the increased organization of concerts and events throughout 2023. However, as of the end of the third quarter, the Company had a remaining interest-bearing loan balance of only THB 1.5mn.

Shareholders' Equity

As of 30 September 2023, the shareholders' equity was THB 6,954.2mn, down by THB 173.9mn or 2.4% from THB 7,128.1mn on 31 December 2022. This decrease was mainly due to dividend payments made on 26 May and 15 September 2023, following the 2022 second-half results, leading to increased accumulated losses in the financial statements.

Key Financial Ratios

	9M 2022	9M 2023
Gross Profit Margin	43.4%	38.0%
EBIT Margin	15.9%	8.9%
EBITDA Margin	38.6%	31.2%
Net Profit Margin	12.4%	6.8%
ROE	16.5%	6.8%
ROA	11.8%	5.8%
Interest-bearing debt/ shareholders' equity (times)	0.03	0.02

Sustainability Development



Environmental (E)

The Company operates and controls to prevent, reduce, manage, and ensure that the Company and its subsidiaries do not create or cause negative impacts on the environment. This includes covering the use of raw materials, energy consumption, and actively participating in achieving net zero emissions by the year 2050. In Q3/23, the company's activities for the environment are as follows:

- Participate in publishing articles that promote environmental conservation on the affiliate company's website at www.atime.live/greenwave/greenheart.
- Green Wave collaborated with 7 partners, including Bangkok Metropolitan Administration, CCIF Thailand Foundation for Children and Youth, and Srinakharinwirot University, among others, in the campaign "Green Charity Share for Art" to transform plastic waste into canvas painting frames and colour plates. The campaign has already delivered 100 canvas frames to underprivileged children in art camps across 25 provinces throughout the country.



Social (S)

The Company is aware of the importance of community and social responsibility. We have engaged in developing projects that genuinely benefit the community and actively participate in activities for public welfare, education, and the nation's progress. In Q3/23, the Company's activities are as follows:

- "Mama presents THE TIME MACHINE CONCERT" donates a portion of its proceeds to the "Public Eye Protection Foundation" to assist visually impaired individuals who are financially disadvantaged.
- Collaborated with the Tourism Authority of Thailand to promote tourism in the northeastern region through the "Phaya Naga Trail: Faith Leads the Way, Tourism Path" project. This initiative aims to stimulate tourism during the Buddhist Lent Festival, a significant celebration in the northeast, and to enhance the country's soft power.



Corporate Governance
(G)

The company's committee adopts the principles of good corporate governance based on the Corporate Governance Code (CG Code) of 2017 issued by the Stock Exchange of Thailand (SET) and the Thai Institute of Directors Association (IOD). From the 8 principles for directors' practice, the emphasize the following key aspects; 1) Being aware of the roles and responsibilities as leaders who create sustainable value for the business. 2) Implementing appropriate risk management and internal control systems; 3) Maintaining financial credibility and disclosure of information, and; 4) Supporting participation and communication with shareholders.

In September, the Company announced through the Stock Exchange of Thailand's news channels and on its website, inviting shareholders to propose meeting agendas and nominate individuals for consideration as company directors. This initiative was aimed at supporting shareholder participation and communication.

Furthermore, in the 2023 Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors (Thai IOD) with support from the Stock Exchange of Thailand, the results were announced on 31 October 2023. The company achieved a 5-star rating or an "Excellent" Corporate Governance Scoring.

Please be informed accordingly,

Respectfully yours,

(Mr. Unnop Senasuttipan)

Group Chief Financial Officer

Authorized Person for Information Disclosure