



Ref. MEB CS 03/2024 **Subject: Management Discussion and Analysis for the year ended 31 December 2023**

28 February 2024 To: President
 The Stock Exchange of Thailand

Meb Corporation Public Company Limited (the “**Company**”) would like to clarify Management Discussion and Analysis for the operating results of the year ended 31 December 2023.

Please be informed accordingly,

Sincerely,

-signed-

(Mr. Phantep Luangwiriya)

Chief Financial Officer

Meb Corporation Public Company Limited

A summary of the key financial information

Profit & Loss Statement	For year ended 31 December			
	2022		2023	
	THB million	%	THB million	%
Net merchandise value (NMV) ⁽¹⁾	1,928.12		2,177.86	
Revenue from Sales of Goods and Services ⁽²⁾	1,711.74	99.20	1,915.94	98.80
Total Revenue ⁽²⁾	1,725.50	100.00	1,939.19	100.00
Cost of Sales and Services ⁽³⁾	1,197.58	69.96	1,326.04	69.21
Gross Profit ⁽³⁾	514.16	30.04	589.91	30.79
Operating Profit ⁽²⁾	413.03	23.94	485.77	25.05
Profit for the year ⁽²⁾	330.89	19.18	387.42	19.98

Remark: (1) Net merchandise value (NMV) shows sales revenue before deducting writer contribution (according to management report)

(2) Percentage of Total Revenue

(3) Percentage of Revenue from Sales & Services

Total Revenue

For the year ended 31 December 2022 and 2023, the Company had total revenue of THB 1,725.50 million and THB 1,939.19 million, respectively, representing an increase of 12.38% in 2023 when comparing to previous year. Most of the total revenue come from revenue from the sales of goods and rendering of services, which accounted for 99.20% and 98.80% of total revenue for 31 December 2022 and 2023, respectively. Therefore, the increase in the total revenue of the Company was mainly a result of an increase in revenue from sales and services.

Total Revenue	For year ended 31 December			
	2022		2023	
	THB million	%	THB million	%
Net merchandise value (NMV) ⁽¹⁾	1,928.12		2,177.86	
1. Revenue from sales of goods and rendering of services				
1.1 E-Book ⁽²⁾	1,576.55	91.37	1,743.42	89.90
- Fiction	1,306.03	75.69	1,461.95	75.39
- Other categories ⁽³⁾	270.52	15.68	281.47	14.51
1.2 readAwrite Platform ⁽⁴⁾	83.58	4.84	109.80	5.66
1.3 Others ⁽⁵⁾	51.61	2.99	62.72	3.23
Total Revenue from sales of goods and rendering of services	1,711.74	99.20	1,915.94	98.80
2. Investment income	1.43	0.08	13.59	0.70
3. Other income	12.34	0.71	9.66	0.50
Total Revenue	1,725.50	100.00	1,939.19	100.00

Remark: (1) Net merchandise value (NMV) shows sales revenue before deducting writer contribution (according to management report)

(2) Revenue from the sale of E-Books from meb, Hytexs and Hibrary platforms is the income before deducting writer contribution.

(3) such as Cartoon, Light novels, Magazines, and Newspapers

(4) Revenue from the readAwrite platform is net revenue after deducting writer contribution

(5) such as revenue from E-Buffer, Audio Book and E-Reader, etc.



Net Merchandise Value (NMV)* and Revenue from Sales of Goods and Services

In 2023, the Company had NMV amounted of THB 2,177.86 million, increased by THB 249.74 million or 12.95% compared to previous year. The Company's revenue from sales and services was at THB 1,915.94 million, increased by THB 204.20 million, or an increase of 11.93% from last year which was mainly from the increase in sale of electronic books (E-Book) from both fiction category and other categories due to an increase of Monthly Active User (MAU) of both meb platform and readAwrite platform. In 2023, meb platform's MAU increased from 0.59 million users/month to 0.68 million users/month and readAwrite platform's MAU increased from 5.64 million users/month to 5.74 million users/month from last year. Moreover, increasing in revenue from sales and services in 2023 resulted from an increase in number of contents and success of marketing campaigns during the year 2023, such as MEB E-book Fair in March to April and in October. In addition, revenue from sales and services from readAwrite platform increased by 31.38% from last year, resulting to an increase of sales of readAwrite platform proportion to total revenue from 4.84% to 5.66%.

*Net merchandise value (NMV) shows sales revenue before deducting writer contribution (according to management report)

Monthly Active User (MAU)

Monthly Active User (MAU) ⁽¹⁾	Q4'22	Q4'23	2022	2023
meb Platform (Million MAU/month)	0.62	0.70	0.59	0.68
readAwrite Platform (Million MAU/month)	5.43	5.65	5.64	5.74

Revenue per MAU for the period ⁽²⁾ (THB per person)

Revenue per MAU for the period ⁽²⁾ (THB per MAU)	Q4'22	Q4'23	2022	2023
meb Platform ⁽³⁾	682	675	2,687	2,560
readAwrite Platform ⁽⁴⁾	4	5	15	19

Remark: (1) Monthly average of data

(2) Calculated from revenue for the period divided by the Monthly Active Users for the relevant period

(3) Calculated from the sale of E-books which includes revenue from meb Hytexts and Hibrary platforms divided by meb's MAU

(4) Revenue of readAwrite is data according to the Company's financial statements, which is the revenue after deducting the contribution to the author

Cost of Sales & Services, Gross Profit and Gross Profit Margin

Items	Unit	For year ended 31 December	
		2022	2023
Cost of Sales and Services	THB million	1,197.58	1,326.04
Gross Profit	THB million	514.16	589.91
Gross Profit Margin	%	30.04	30.79

For year ended 31 December 2022 and 2023, the Company's cost of sales and services were equal to THB 1,197.58 million and THB 1,326.04 million respectively, accounting for 69.96% and 69.21% of revenue from sales and services, respectively.



The Company's cost of sales and services mainly includes Publishers and Writers Compensation and other costs such as employee benefit expenses, mainly for programmer employees, server cost, and literary translation fees, etc.

In 2023, cost of sales and services of the Company increased by THB 128.45 million or equivalent to an increase of 10.73% from last year. This was mainly due to an increase in publishers' and writers' remuneration and is in accordance with the increase in revenue from sales and services. The Company's gross profit margin for the years 2022 and 2023 increased from 30.04% to 30.79%, respectively, which was mainly due to an increase of revenue from sales and services from readAwrite platform, and some semi-fixed expense that did not increase in the same proportion as revenue from sales and services, such as employee benefit expenses which is in line with the nature of the Company's business.

Selling and Administrative Expenses (SG&A)

For year ended 31 December 2022 and 2023, the Company's SG&A were equal to THB 114.88 million and THB 127.38 million respectively, accounting for 6.66% and 6.57% of total revenue, respectively. In 2023, SG&A increased by THB 12.50 million or equivalent to an increase of 10.88% from last year. This was mainly due to an increase in selling expenses by THB 9.73 million, as an increase of revenue from sales and services and an increase in administrative expenses by THB 2.76 million. This was mainly due to the increase in employee benefit expenses to support the business expansion plan.

Net Profit for the year and Net Profit Margin

Items	Unit	For the year ended 31 December	
		2022	2023
Net Profit for the year	THB million	330.89	387.42
Net Profit Margin	%	19.18	19.98

For the year ended 31 December 2022 and 2023, the Company's net profit for the period was THB 330.89 million and THB 387.42 million respectively, representing a net profit margin of 19.18% and 19.98% respectively.

In 2023, the Company's profit for the year increased by THB 56.53 million, representing an increase of 17.09% from last year, mainly due to an increase of sales and service income and higher gross profit margin.

Financial Positions

Total Assets

Balance Sheet	As of 31 December			
	2022		2023	
	THB million	%	THB million	%
Assets				
Current Assets				
Cash and cash equivalents	482.03	85.97	1,345.81	92.29
Trade receivables	44.75	7.98	73.11	5.01
Other receivables	15.31	2.73	13.29	0.91
Inventories	3.03	0.54	6.29	0.43
Total Current Assets	545.12	97.22	1,438.50	98.65
Total Non-Current Assets	15.58	2.78	19.74	1.35
Total Assets	560.70	100.00	1,458.24	100.00

As of 31 December 2022, and 2023, the Company has total assets of THB 560.70 million and THB 1,458.24 million, respectively. Total assets mainly consisted of cash and cash equivalents, trade receivables, and other receivables representing 96.68% and 98.21% of total assets, respectively.

Total Liabilities

Balance Sheet	As of 31 December			
	2022		2023	
	THB million	% ⁽¹⁾	THB million	% ⁽¹⁾
Liabilities				
Current Liabilities				
Trade payables	132.79	35.23	145.65	53.18
Other payables	154.77	41.06	29.45	10.75
Contract liabilities	29.36	7.79	35.70	13.03
Current portion of lease liabilities	2.65	0.70	2.93	1.07
Income tax payable	48.65	12.91	52.43	19.14
Total Current Liabilities	368.23	97.70	266.16	97.18
Total Non-Current Liabilities	8.67	2.30	7.73	2.82
Total Liabilities	376.90	100.00	273.89	100.00

Remark: (1) Percentage of total liabilities

As of 31 December 2022, and 2023, the Company has total liabilities of THB 376.90 million and THB 273.89 million, respectively. Total liabilities mainly consisted of trade payables, income tax payable, contract liabilities, and other payables accounting for 97.00% and 96.11% of total liabilities, respectively.



Equity

As of 31 December 2022, and 2023, the Company equity was THB 183.80 million and THB 1,184.35 million, respectively.

Shareholders' equity as of as of 31 December 2023 increased by THB 1,000.55 million, or equivalent to an increase of 544.37% from 31 December 2022, mainly due to an increase in retained earnings from the capital increase from IPO and net profit of this year.