

Clarification on Percentage of Change More Than 20%

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2019 represented a profit attributable to owners of the parent of Baht 20.38 million. Excluding, the recognition of the excess of compensation from returning digital television license of Baht 331.35 million, gain on disposal of investment in associate amounting to Baht 180.36 million and impairment losses on assets and the allowance for doubtful accounts amounting to Baht 43.63 million, the Group incurred a net loss of Baht 447.70 million. Compared to the same period of 2018, the profit was Baht 215.20 million if excluding the reversal of impairment loss of assets and the allowance for doubtful accounts amounting of Baht 1,184.53 million, the Group incurred a net loss for the year 2018 of Baht 969.33 million, decreased loss of 54%. The Company would like to clarify a significance change of Group's operation results were summarized as follows

1. Revenue from sales of goods and rendering of services for the year 2019 decreased by 13% compared to the same period of 2018. The main reasons is from consumers have change behavior which affected circulation revenue decreased by 24% and advertising revenues decreased by 1%, **the Group has terminated the publishing of newspaper "The Nation" on 29 June 2019** whereas revenues from event increased by 93%.
2. Excess of compensation from returning digital television license increased of Baht 331.35 million due to on 11 April 2019, the National Council for Peace and Order ("NCPO") has released the order NO. 4/2562 in subject of a measure to solve the problems of the operations of the Television and Telecommunication. On 2 May 2019, the Office of the National Broadcasting and Telecommunications Commission ("NBTC") has released the order of criteria, procedures, and conditions for compensation as a result of the return of the license to use the spectrum to provide Digital Television Services. The service users who had intended to return the license was required to inform in writing within 10 May 2019. The request for a return of such license is considered a request to cancel the license.

A subsidiary has submitted for the returning of it Digital TV license to NBTC, and obtained letter of the approval of the returning on 27 June 2019 and the notice of the date of service termination on 15 August 2019. In this regard, the Group has recognized the excess of such compensation net of the carrying value of digital television license amounting to Baht 331.35 million. According to the notification letter on 26 July 2019, NBTC has issued to approve the compensation for the subsidiary amounting to Baht 890.83 million by deducting the payable of license fee instalment payments no.4 amounting to Baht 215.07 million (included VAT). Therefore, the remaining compensation would be received in amounting to Baht 675.76 million.

3. Gain on disposal of investment in associate increased amounting to Baht 180.36 million. Since the Company disposal of investment in an associate in the third quarter of 2019.
4. Costs and expenses for the year 2019 increased by 144% compared to the same period of 2018. The main reasons were
 - Cost and selling expense increased 7% due to cost of employee benefit expense and cost of event increased.
 - Administrative expense decreased 42% due to the Company had restructuring of the operations and continuously control the Group's expense. Resulting decreased administrative expense.
 - Impairment losses on assets increased 102% due to on 11 April 2019, the National Council for Peace and Order ("NCPO") has released the order NO. 4/2562 in subject of a measure to solve the problems of the operations of the Television and Telecommunication. On 2 May 2019, the Office of the National Broadcasting and Telecommunications Commission ("NBTC") has released the order of criteria, procedures, and conditions for compensation as a result of the return of the license to use the spectrum to provide Digital Television Services. The Group reversed impairment loss of digital television license in consolidated financial statements for the year ended 31 December 2018 amounting to Baht 1,130.36 million.

During 2020, the Group's business was affected by the Coronavirus Disease 2019 ("COVID-19") outbreak, resulting in significant decrease in revenue. However, management will put the great efforts to reduce such effects by restructuring of the Group's operations to serve the change of consumer behavior according to the current situation including the improvement of the operating processes, cost reduction and other options. The management consider to terminate the publishing of newspaper "KomChadLuek" on 9 April 2020.

Conclusion:

The Group reported a profit for the year ended 31 December 2019 represented a profit attributable to owners of the parent of Baht 20.38 million. Excluding, the recognition of the excess of compensation from returning digital television license of Baht 331.35 million, gain on disposal of investment in associate amounting to Baht 180.36 million and impairment losses on assets and the allowance for doubtful accounts amounting to Baht 43.63 million, the Group incurred a net loss of Baht 447.70 million. Compared to the same period of 2018, the profit was Baht 215.20 million if excluding the reversal of impairment loss of assets and the allowance for doubtful accounts amounting of Baht 1,184.53 million, the Group incurred a net loss for the year 2018 of Baht 969.33 million.