**Mono Next Public Company Limited and its subsidiaries**

**Notes to the interim consolidated financial statements**

**For the three-month period ended 31 March 2022**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

**1.2 Basis of consolidation**

The interim consolidated financial statements include the financial statements of Mono Next Public Company Limited (the “Company”) and its subsidiary companies (the “subsidiaries”) (collectively referred to as the “Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021. There were no significant changes in the composition of the Group during the period.

**1.3 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies   
and methods of computation as were used for the financial statements for the year ended   
31 December 2021.

The revised financial reporting standards, which are effective for fiscal years beginning on   
or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

**2. Related party transactions**

The Group had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group companies and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Related party transactions are summarised below.

| (Unit: Million Baht) | | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2022 | 2021 | 2022 | 2021 |
| Transactions with the subsidiaries |  |  |  |  |
| (eliminated from the consolidated financial statements) | | | | |
| Interest income | - | - | 2 | 8 |
| Other income - management fees | - | - | 29 | 27 |
| Service revenue sharing payments | - | - | 40 | 42 |
| Rental and service expenses | - | - | 1 | - |
| Transactions with related companies | | | | |
| Revenue from contracts with customers | 104 | 135 | 41 | 41 |
| Cost of sales and services | 8 | 10 | - | 1 |
| Other expenses | 1 | 1 | - | - |
| Acquisitions of intangible assets | 9 | - | - | - |

The balances of the accounts between the Group companies and those related parties   
are as follows:

| (Unit: Million Baht) | | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 31 March  2022 | 31 December 2021 | 31 March  2022 | 31 December 2021 |
|  |  | (Audited) |  | (Audited) |
| **Trade receivables - related parties (Note 3)** |  |  |  |  |
| Related companies (related  by common shareholders and directors) | 479 | 466 | 173 | 162 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Accrued revenues - related parties** |  |  |  |  |
| Subsidiaries | - | - | 11 | 9 |
| Related companies (related  by common shareholders and directors) | 24 | 5 | - | - |
| Total accrued revenues - related parties | 24 | 5 | 11 | 9 |
| **Other receivables - related parties** |  |  |  |  |
| Subsidiaries | - | - | 33 | 14 |
| **Trade payables - related parties** |  |  |  |  |
| Subsidiaries | - | - | 168 | 156 |
| Related companies (related  by common shareholders and directors) | 5 | 9 | - | - |
| Total trade payables - related parties | 5 | 9 | 168 | 156 |
| **Other payables - related parties** |  |  |  |  |
| Subsidiaries | - | - | 80 | 80 |
| Related companies (related  by common shareholders and directors) | 2 | 1 | - | - |
| Total other payables - related parties | 2 | 1 | 80 | 80 |
| **Accrued expenses - related parties** |  |  |  |  |
| Related companies (related  by common shareholders and directors) | 43 | 30 | 2 | 1 |
| **Accounts payable for purchases of assets  - related parties** |  |  |  |  |
| Related company (related by common shareholders and directors) | 6 | 6 | - | - |
| **Unearned revenues - related parties** |  |  |  |  |
| Related company (related  by common shareholders and directors) | 1 | 1 | - | - |

Loans to subsidiaries

During the period, there were no movements of loans to subsidiaries.

| (Unit: Million Baht) | | |
| --- | --- | --- |
|  | Separate financial statements | |
|  | 31 March  2022 | 31 December 2021 |
|  |  | (Audited) |
| Mono Production Company Limited | 122 | 122 |
| Mono Info Systems Company Limited | 4 | 4 |
| Total | 126 | 126 |
| Less: Allowance for expected credit losses | (2) | (2) |
| Loans to subsidiaries - net | 124 | 124 |

Directors and management’s benefits

During the periods, the Group had employee benefit expenses payable to their directors and management as below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Million Baht) | | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2022 | 2021 | 2022 | 2021 |
| Short-term employee benefits | 8 | 8 | 6 | 6 |
| Post-employment benefits | 5 | 4 | 4 | 3 |
| Total | 13 | 12 | 10 | 9 |

**3. Trade and other receivables**

| (Unit: Million Baht) | | | | |
| --- | --- | --- | --- | --- |
| Age of receivables | Consolidated  financial statements | | Separate  financial statements | |
|  | 31 March  2022 | 31 December 2021 | 31 March  2022 | 31 December 2021 |
|  |  | (Audited) |  | (Audited) |
| **Trade receivables - related parties** |  |  |  |  |
| Not yet due | 87 | 93 | 43 | 29 |
| Past due |  |  |  |  |
| Up to 3 months | 98 | 117 | 29 | 14 |
| 3 - 6 months | 98 | 113 | 14 | 44 |
| 6 - 12 months | 196 | 143 | 87 | 75 |
| Total trade receivables - related parties (Note 2) | 479 | 466 | 173 | 162 |
| **Trade receivables - unrelated parties** |  |  |  |  |
| Not yet due | 37 | 32 | 2 | 2 |
| Past due |  |  |  |  |
| Up to 3 months | 14 | 19 | - | - |
| 3 - 6 months | - | 3 | - | - |
| Over 12 months | 8 | 8 | - | - |
| Total | 59 | 62 | 2 | 2 |
| Less: Allowance for sales return | (8) | (8) | - | - |
| Total trade receivables - unrelated parties - net | 51 | 54 | 2 | 2 |
| Total trade receivables - net | 530 | 520 | 175 | 164 |
| Other receivables | - | 10 | 33 | 14 |
| Total trade and other receivables - net | 530 | 530 | 208 | 178 |

**4. Investments in subsidiaries**

As at 31 March 2022, the net asset value of the subsidiaries was Baht 308 million lower than the carrying amount of the investments in the separate financial statements. The Company did not record a further allowance for impairment loss on such investments since its management determined that it was not of a permanent nature.

**5. Property, plant and equipment**

| (Unit: Million Baht) | | |
| --- | --- | --- |
|  | Consolidated financial statements | Separate  financial statements |
| Net book value as at 1 January 2022 | 602 | 6 |
| Acquisitions during the period - at cost | 5 | - |
| Depreciation for the period | (14) | (1) |
| Net book value as at 31 March 2022 | 593 | 5 |

A subsidiary has mortgaged its land with structures thereon with a net book value of   
Baht 519 million as collateral against a long-term loan facility of Baht 519 million from a bank.

**6. Intangible assets**

| (Unit: Million Baht) | | |
| --- | --- | --- |
|  | Consolidated financial statements | Separate  financial statements |
| Net book value as at 1 January 2022 | 1,798 | 8 |
| Acquisitions during the period - at cost | 238 | 1 |
| Amortisation for the period | (288) | (1) |
| Net book value as at 31 March 2022 | 1,748 | 8 |

**7. Long-term loans from banks**

| (Unit: Million Baht) | |
| --- | --- |
|  | Consolidated  financial statements |
| Balance as at 1 January 2022 | 1,703 |
| Less: Repayments | (11) |
| Add: Amortisation of front-end fees | 1 |
| Balance as at 31 March 2022 | 1,693 |
| Less: Current portion | (463) |
| Long-term loans from banks - net | 1,230 |

The subsidiaries’ loans are secured by the mortgage of a subsidiary’s land with structures thereon, the pledge of the subsidiary’s savings account, the assignment of rights to receive all space service income via that savings account, and the provision of guarantees   
by the Company.

The loan agreements stipulate certain performance requirements and covenants, relating   
to matters such as the maintenance of certain debt-to-equity ratios and debt service coverage ratios prescribed in the agreements and maintenance of the shareholdings of current shareholders.

**8. Share capital**

On 25 April 2022, the 2022 Annual General Meeting of the Company’s shareholders passed a resolution to approve a decrease of Baht 34.7 million in the Company’s registered share capital, from Baht 381,805,404 (3,818,054,038 ordinary shares of Baht 0.1 each) to   
Baht 347,105,404 (3,471,054,038 ordinary shares of Baht 0.1 each), by cancelling 347 million unissued ordinary shares with a par value of Baht 0.1 each to accommodate the increase   
of the Company’s share capital under a general mandate. The Company registered   
the decrease in share capital with the Ministry of Commerce on 9 May 2022.

**9. Revenue from contracts with customers**

| (Unit: Million Baht) | | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2022 | 2021 | 2022 | 2021 |
| **Type of services:** |  |  |  |  |
| Advertising services | 377 | 391 | - | 1 |
| Subscription services | 84 | 75 | 4 | 9 |
| Content services | 51 | 97 | 41 | 41 |
| Total revenue from contracts with customers | 512 | 563 | 45 | 51 |

**10. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year, which was summarised below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Million Baht) | | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2022 | 2021 | 2022 | 2021 |
| **Current income tax:** |  |  |  |  |
| Withholding tax written off (reversal) | - | (1) | - | - |
| **Deferred tax:** |  |  |  |  |
| Relating to origination and reversal  of temporary differences | (3) | 5 | 1 | - |
| **Income tax expenses (income) reported  in profit or loss** | (3) | 4 | 1 | - |

**11. Segment information**

The following tables present revenue and profit (loss) information regarding the Group’s operating segments for the periods.

| (Unit: Million Baht) | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Media business | | Content and entertainment business | | Adjustments and eliminations | | Consolidation | |
|  | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue from contracts with customers |  |  |  |  |  |  |  |  |
| Revenue from external customers | 461 | 484 | 51 | 79 | - | - | 512 | 563 |
| Inter-segment revenues | - | - | 62 | 69 | (62) | (69) | - | - |
| Total revenues | 461 | 484 | 113 | 148 | (62) | (69) | 512 | 563 |
| Segment profit (loss) | 161 | 159 | (44) | (23) |  |  | 117 | 136 |
| Unallocated income and expenses - net |  |  |  |  |  |  | (108) | (119) |
| Profit before income tax |  |  |  |  |  |  | 9 | 17 |

**12. Commitments and contingent liabilities**

**12.1 Capital commitments**

As at 31 March 2022, the subsidiaries had capital commitments of Baht 146 million, relating to the purchases of movie rights.

**12.2 Guarantees**

a) The Company has guaranteed bank credit facilities of its subsidiaries (exclusive of guarantees provided for bank guarantees as described in Note 12.2 c) to the interim consolidated financial statements) totaling Baht 2,275 million.

b) The subsidiaries have guaranteed bank credit facilities of the Company amounting   
to Baht 35 million.

c) As at 31 March 2022, the subsidiaries had outstanding bank guarantees of Baht 7 million and USD 18 million issued by banks on behalf of the subsidiaries to guarantee contractual performance. The bank guarantees are secured by guarantees provided by the Group and the pledge of the subsidiaries’ bank deposits.

**12.3 Service commitments**

As at 31 March 2022, the subsidiaries had outstanding payment commitments in respect of service agreements amounting to Baht 156 million. The terms of the agreements were generally between 1 and 8 years.

**13. Fair value of financial instrument**

Most of the Group’s financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

**14. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company’s Board   
of Directors on 13 May 2022.