



Management Discussion and Analysis of the Company's Performance
for the nine-month period ended 30 September 2021

1. Overview of operating results of the Company and its subsidiaries

Baht Million	2021	2020	+ / (-)	+ / (-) %
Total revenues	1,405.97	1,326.94	79.03	5.96%
Total expenses	(1,027.74)	(869.02)	158.72	18.26%
Profit from operating activities	378.24	457.92	(79.69)	(17.40%)
Finance income	0.76	0.91	(0.15)	(16.19%)
Finance cost	(157.14)	(118.41)	38.73	32.71%
Income tax expenses	(28.83)	(76.17)	(47.34)	(62.15%)
Net profit	193.03	264.26	(71.23)	(26.96%)
Profit (loss) attributable to Non-controlling interests	(2.41)	-	(2.41)	100.00%
Profit attributable to owners of the parent company	195.44	264.26	(68.82)	(26.04%)
Net profit ratio (ROS)	13.73%	19.91%		
Earnings per share (Baht)	0.32	0.43	(0.11)	(25.58%)
Diluted earnings per share (Baht)	0.28	0.38	(0.10)	(26.32%)

Total Revenue

For the nine-month period ended 30 September 2021, the Company and its subsidiaries earned a total revenue of THB 1,405.97 million, a increase of THB 79.03 million or 5.96% from the same period of previous year. The total revenue of each operating segments for the nine-month period ended 30 September 2021 of the Company and its subsidiaries had changed from the previous period of last year as follows (1) Revenue from sales of program rights increased 1.27% (2) Revenue from advertising and media services decreased 4.54% (3) Revenue from sales of products increased 100% (4) Other income increased 71.09 %.

Net profit

For the nine-month period ended 30 September 2021, the Company and its subsidiaries had net profits of THB 193.03 million, a decrease of THB 71.23 million or 26.96% from the same period of previous year mainly due to finance cost for the nine-month period ended 30 September 2021 increased by THB 38.73 million or 32.71% from the last year, especially from the increase in short-term and long-term loans from financial institution including the debentures issued during the period for the purpose of the acquisition of new business.

As a result of above reason, the net profit ratio (ROS) for the nine-month period ended 30 September 2021 decreased from 19.91% to 13.73%. Moreover, the total selling and admin expense to total revenue ratio increased from 12.80% to 19.18% since the higher expenses from online-advertising that had started from the last year. In the past, the Company focused on public relations in the form of organizing events and publishing-advertising. Moreover, the Company and its subsidiaries had launched the distribution

of all products since April 2021, therefore the advertising media had been publicized the Company's products to raise brand awareness to the consumers.

About the earnings per share, when comparing the conversion price and the fair value of the Company's shares, the fair value was higher than the conversion price. (Based on the closing price of the Company's shares as at 30 September 2021 was 9.05 Baht per share, while the conversion price of the convertible debenture about 6.7 Baht per share). As a result, it is probable that the convertible debentures will be converted, the diluted earnings per share was calculated.

2. Summary of operating results by business type

Baht Million	2021	2020	+ / (-)	+ / (-) %
1. Content Business				
Revenue from sales of program rights	1,265.65	1,249.77	15.88	1.27%
- Domestic sales	758.99	796.34	(37.34)	(4.69%)
- Export sales	506.65	453.43	53.22	11.74%
Cost of program rights	(610.28)	(671.08)	(60.80)	(9.06%)
Gross profit of content business	655.37	578.69	76.68	13.25%
Gross profit margin	51.78%	46.30%		
2. Advertising and Media Business				
Revenue from services	21.96	23.01	(1.04)	(4.54%)
Cost of services	(128.96)	(28.10)	100.86	358.96%
Gross profit of advertising and media business	(107.00)	(5.09)	(101.91)	(2,001.67%)
Gross profit margin	(487.16%)	(22.13%)		
3. Product sales Business				
Revenue from sales of products	25.68	-	25.68	100.00%
Cost of product sales	(18.88)	-	18.88	100.00%
Gross profit of product sales business	6.80	-	6.80	100.00%
Gross profit margin	26.49%	-		
Total Gross profit	555.18	573.59	(18.42)	(3.21%)
Total Gross profit margin	42.27%	45.07%		

Content Business

For the nine-month period ended 30 September 2021, the Company had revenue from program rights of THB 1,265.65 million which was composed of domestic sales amounting to THB 758.99 million and export sales about THB 506.65 million or accounted for 59.97% and 40.03% (2020: 72.65% and 27.35%) of total revenue from program rights, a increase of THB 15.88 million or 1.27% from the same period of

previous year. As a result of expanding overseas markets by extended the rights to Egypt, Brunei and Sri Lanka, the export sales increased in the amount of THB 53.22 million or 11.74%.

However, domestic sales decreased by THB 37.34 million, this was mainly due to the fact that the decline of orders from two major domestic customers, who broadcast via cable and satellite (Cabsat) and digital television system (DTT), but they reduced their orders in this period because the license period of program rights were not expired and there were still enough to be broadcasted on their channels. On the other hand, there was one major customer who broadcast via digital television system (DTT) had more transaction with the Company in this period because the license period of old program rights were expired and then returned to purchase from the Company again.

<i>Baht Million</i>	<i>2021</i>	<i>2020</i>	<i>+ / (-)</i>	<i>+ / (-) %</i>
<i>Rights to broadcast only one platform</i>				
<i>DTT</i>	293.62	52.29	241.33	461.52%
<i>Cabsat</i>	26.84	121.99	(95.15)	(78.00%)
<i>VOD</i>	25.17	58.81	(33.64)	(57.20%)
<i>Subtotal</i>	345.63	233.09	112.54	48.28%
<i>Rights to broadcast more than one platform</i>				
<i>DTT, Cabsat</i>	331.20	3.12	328.08	10,515.38%
<i>DTT, Cabsat, VOD</i>	-	309.50	(309.50)	(100.00%)
<i>DTT, VOD</i>	82.11	231.19	(149.08)	(64.48%)
<i>Cabsat, VOD</i>	506.65	472.17	34.48	7.30%
<i>Subtotal</i>	919.96	1,015.98	(96.02)	(9.45%)
<i>Total revenue from sales of program rights by platform</i>	1,265.59	1,249.07	16.52	1.32%

Considering revenue from program rights based on type of platform given to the customer, the revenue from sales the program rights that broadcast only one platform on digital television (DTT) increased from the same period of previous year due to the Company had major transactions with a major customer who broadcasts via digital television system (DTT) since the license period of old program rights were expired. By the way, the revenue from sales the program rights to broadcast more than one platform, especially the sales of program rights which can broadcast on digital television, Cable and satellite and the Internet (DTT, Cabsat, VOD), decreased mainly due to one of the major customer had large transactions in last year and the license period of program rights were not expired and there were still enough to be broadcasted on their channels. As a result, this revenue from sales of this type decreased.

For the backlog as of 30 September 2021 of THB 819.77 million which is composed of THB 134.84 million for the domestic sales and THB 684.93 million or USD 20.29 million for the export sales. The outstanding backlog of this period increased from the backlog as of 30 September 2020, which was valued at THB 300.03 million (domestic was THB 156.31 million and export was THB 143.72 million or USD 4.54 million).

Costs of program rights business mainly consist of amortization, dubbing and translation costs. For the nine-month period ended 30 September 2021 and 2020, costs of program rights business totaled THB 610.28 million and THB 671.08 million, respectively, an decrease of 9.06%. As a result of the average license period increased from 3 years to 5 - 7 years, the decrease of amortization and costs of program rights.

The Company earned gross profits from program rights business for the nine-month period ended 30 September 2021 and 2020 in a total of THB 655.37 million and THB 578.69 million, respectively, an increase of 13.25%. The gross profit margin for the nine-month period ended 30 September 2021 and 2020 was 51.78% and 46.30%, respectively. This was mainly due to the decline of costs of program rights as mention above.

Advertising and Media Business

Advertising income is the income from the service by provide time to displaying the advertisement on the following platforms

- channel named "JKN Dramax" that broadcast through Cable and satellite TV station (Broadcast until October 2020).
- channel named "JKN TV" that broadcast through Cable and satellite TV station (Start broadcast from October 2020 and will be stopped in the beginning of May 2021).
- channel named "JKN 18" that broadcast through digital TV station or known as NEW18 in the past (rental air time for 1 month in March 2021 and acquire the whole station to operate by the Company since April 2021)
- available time during news programs under the brand JKN-CNBC and JKN NEWS that broadcast through digital TV station.

For the nine-month period ended 30 September 2021, the Company and its subsidiaries earned service income totaled THB 21.96 million, a decrease of THB 1.04 million or 4.54% from the same period of previous year due to the impact of Coronavirus disease 2019 pandemic that spread directly and indirectly to the various businesses in the country. Therefore, many companies in the country have been reduced their advertising expense to control the budget. Moreover, the Company acquired JKN 18 channel, formaly known as New 18, in the second quarter of 2021 in which the broadcast schedules are currently rearranged to build more interest and channel's rating.

Product Sales Business

The income from product sales contains the sales of nutritional supplement products, healthy drinks and cosmetics which had been distributed since April 2021.

For the nine-month period ended 30 September 2021, the Company and its subsidiaries earned revenue from product sales business of Baht 25.68 million which comprise the nutritional supplement products and cosmetic of Baht 8.74 million and healthy drinks of Baht 16.94 million.

Other Income and finance income

Other income of the Company and its subsidiaries consists of agent fee income (service income by distributes Thai contents to the worldwide), gain on exchange rate and gain on short-term investment. Moreover, the finance income of the Company and its subsidiaries is interest income. For the nine-month period ended 30 September 2021, other income and finance income totaled THB 91.78 million, a increase of THB 38.51 million.

As a result of the fact that the Thai Baht value significantly depreciated against US Dollar during the period comparing to the same period from the last year, resulting in gain on exchange rate increased.

However, the Company was well aware of the risk of exchange rate fluctuation and then the Company opening a credit limit for the forward contract to prevent such risks.

Expenses

Selling and service Expenses

Baht Million	2021	2020	+ / (-)	+ / (-) %
Event expenses	0.15	0.01	0.14	1,372.24%
Advertising and marketing expenses	91.78	20.40	71.38	349.88%
Others	11.48	4.83	6.65	137.72%
Selling and service expenses	103.41	25.24	78.17	309.69%

Selling and service expense for the nine-month period ended 30 September 2021 totaled THB 103.41 million, a increase of THB 78.17 million or 309.69% from the same period of previous year since the higher expenses from online-advertising that had started from the last year. In the past, the Company focused on public relations in the form of organizing events and publishing-advertising. Since the occurrence of Coronavirus disease 2019 pandemic (COVID-19) situation, the event to promote the contents had to be stopped and postponed. Moreover, the Company and its subsidiaries had launched the distribution of all products since April 2021, therefore the advertising media had been publicized the Company's products to raise brand awarenesss to the consumers.

Administrative Expenses

Baht Million	2021	2020	+ / (-)	+ / (-) %
Employee and executive expenses	80.18	81.69	(1.51)	(1.85%)
Advisor expenses	15.19	7.10	8.09	113.96%
Allowance for expected credit loss	5.15	-	5.15	100.00%
Loss on revalue of financial asset	4.25	13.14	(8.89)	(67.66%)
Others	61.45	42.67	18.78	44.01%
Administrative expenses	166.22	144.60	21.62	14.95%

Administrative expense for the nine-month period ended 30 September 2021 totaled THB 166.22 million, a increase of THB 21.62 million or 14.95% from the same period of previous year. This was due to

to (1) Increase of consultation fee mainly from financial and legal advisor used in the acquisition of business and legal fee to provide the review of purchase and sales agreement of content. (2) Increase of allowance for expected credit loss, since the Company had changed the method of estimation this expense to be in line with new financial reporting standards that was effective in the beginning of last year and resulting to recognised loss more than this period. (As at 10 November 2021, the Company received payment from the customer in the amount of THB 136.33 million). (3) Increase of depreciation and amortization expense which mainly from property and equipment and intangible assets which obtained from business acquisition.

Financial Costs

For the nine-month period ended 30 September 2021, the Company had financial costs in total of THB 157.14 million, an increase of THB 38.73 million or 32.71% from the same period of previous year according to the rise of balance of debentures, short-term and long-term loan from financial institution that the Company had entered into these agreement April 2021.

Income tax expense

Income tax expense for the nine-month period ended 30 September 2021 totaled THB 28.83 million, a decrease of THB 47.34 million or 62.12% from the same period of previous year in line with the decreasing in net profit during the year.

3. Summary of financial position of the group

Baht Million	31 Sep 2021	31 Dec 2020	+ / (-)	+ / (-)%
Assets				
Cash, Cash equivalents	66.49	807.09	(740.60)	(91.76%)
Trade and other accounts receivable	1,876.96	1,512.66	364.30	24.08%
Other current financial assets	0.17	0.17	-	-
Other current assets	307.91	145.18	162.73	112.09%
Plant property and equipment	277.90	64.43	213.47	331.31%
Right-of-use assets	38.35	41.13	(2.79)	(6.78%)
Cost of spectrum license	270.15	-	270.15	100.00%
Advance payment for purchased program rights	333.38	383.87	(50.49)	(13.15%)
Program rights	3,422.36	2,714.34	708.02	26.08%
Goodwill	738.50	-	738.50	100.00%
Other non-current assets	105.65	50.98	54.67	107.24%
Total assets	7,437.79	5,719.85	1,717.94	30.03%
Liabilities				
Short-term loan from financial institution	98.47	-	98.47	100.00%
Trade and other accounts payable	748.32	164.01	584.31	356.28%
Current portion of long-term loan from financial institution	254.91	127.80	127.11	99.46%
Current portion of debentures	-	398.75	(398.75)	(100.00%)
Current portion of lease liabilities	13.00	11.38	1.63	14.32%
Current portion of liabilities under the transfer of claims agreement	60.04	-	60.04	100.00%
Other current liabilities	31.34	69.19	(37.85)	(54.70%)
Convertible debentures - liability component	1,009.86	1,007.63	2.24	0.22%
long-term loan from financial institution - net of current portion	447.36	287.00	160.36	55.87%
Debentures - net of current portion	1,886.12	990.57	895.55	90.41%
Long-term lease liabilities - net of current portion	33.17	34.35	(1.18)	(3.43%)
liabilities under the transfer of claims agreement - net of current portion	103.19	-	103.19	100.00%
Other non-current liabilities	26.24	19.34	6.90	35.68%
Total liabilities	4,712.01	3,109.99	1,602.01	51.51%
Shareholders' equity				
Equity attributable to owners of the Company	2,711.41	2,609.86	101.56	3.89%
Non-controlling interests of the subsidiary	14.37	-	14.37	100.00%
Total shareholders' equity	2,725.78	2,609.86	115.93	4.44%
Total liabilities and shareholders' equity	7,437.79	5,719.85	1,717.94	30.03%

Total Assets

The Company and its subsidiaries had total assets as at 30 September 2021 of THB 7,437.79 million, an increase of THB 1,717.94 million from 31 December 2020 or 30.03%, due to as follows:

- (1) Cash and cash equivalents decreased THB 740.60 million or 91.76%. There were net cash flow from in operating activities amounting to THB 168.10 million and net cash used in investing activities amounting to THB 1,677.14 million, which was mostly composed of payment for acquired new business which is JKN 18, formally known as New 18, the business of manufacturing and distributing non-alcoholic beverages, purchased program rights and dividend payment to shareholders. On the other hand, there was net cash flow from financing activities THB 629.77 million which mainly came from short-term and long-term loan from financial institution including the debenture issued during the period. In addition, when considering the separate financial statements, it is found that the Company invested in a subsidiary company, which was newly incorporated in Thailand to production and distribution of non-alcoholic beverages, totaling THB 27 million. The amount of share invested was 51%. (this represents an investment in ordinary shares of Baht 17 million and a capital surplus of THB 10 million)
- (2) Trade and other accounts receivable increased THB 364.30 million or 24.08%. The balance of trade accounts receivable which was overdue by over 6 months was THB 400.70 million, it has been collected in total of THB 6.09 million and the trade accounts receivable which was overdue by lower 6 months has been collected in total of THB 130.24 million (up to 10 November 2021). Although the balance of trade accounts receivable was the main balance in total current assets, the management still believes that the Company could collect debt from the main customers based on the past experience.
- (3) Plant property and equipment significantly increased by THB 213.47 million or 331.31% which mainly due to plant property and equipment received at the business acquisition date of JKN 18, formally known as New 18 and the business of manufacturing and distributing non-alcoholic beverages. In addition, the depreciation expense was THB 23.53 million.
- (4) Advance payment for purchased program rights decrease THB 50.49 million or 13.15% because of the payment for reservation in content rights to support the growth of the business amounting to THB 658.37 million and the acquisition of program rights by transfer from this account amounting to THB 707.32 million. The balance of this account can be categorized as follow: (1) Advance payment for extend the program rights amounting THB 0.09 million (2) Advance payment for reserve the program rights to sale in Thailand amounting to THB 65.51 million and (3) Advance payment for reserve the program rights to export sales amounting to THB 267.77 million to support the growth of the export sales of program rights of the Company.

- (5) Program rights increased THB 708.02 million or 26.08%. During this period, the Company had invested by purchase the program rights of THB 1,311.91 million that can be categorized as follow: (1) Acquisition the program rights to sale in Thailand amounting to THB 400.17 million and (2) Acquisition the program rights to export sales amounting to THB 911.74 million to support the growth of the export sales of program rights both in Southeast Asia including South Asia. Moreover, the amortization expense was THB 603.90 million.
- (6) Cost of spectrum license increased THB 270.15 million or 100% mainly from the acquisition of right to use spectrum and operate television business to provide digital terrestrial television network service, which obtained as at business acquisition date from JKN 18, formally known as New 18.
- (7) Goodwill increased THB 738.49 million from the business acquisition of JKN 18, formally known as New 18 and the business of manufacturing and distributing non-alcoholic beverages. Presently the Company is currently in the process of valuation of the fair value of the assets acquired and liabilities received as at the acquisition date. This valuation is currently in the process of being prepared, which will be completed within the period of 12 months from the date of acquisition as stipulated in the financial reporting standards

Total Liabilities

The Company and its subsidiaries had total liabilities as at 30 September 2021 of THB 4,712.01 million, an increase of THB 1,602.01 million or 51.51% which mainly due to the following reasons (1) An increase in balance of trade and other accounts payable, especially creditors arising from the purchased of program rights amounting to THB 568.38 million. Normally, the Company had to made an advance payment for the purchased program rights before downloaded. However, the Company was able to negotiate with some licensor in order to credit for payments in this period, the balance of trade payable increased. (2) An increase in short-term loan and long-term loan from financial institution, including debentures issuance during the period in purpose of business acquisition of JKN 18, formally known as New 18 and the business of manufacturing and distributing non-alcoholic beverages.

Shareholders' equity

As at 30 September 2021, the Company and its subsidiaries had total shareholders' equity of THB 2,725.78 million which consist of equity attributable to owners of the Company and Non-controlling interests of the subsidiary amounting to THB 2,711.42 million and THB 14.37 million, respectively, an increase of THB 115.93 million. The increase was due to the normal operating profit of the Company and its subsidiaries amounting to THB 193.03 million, the Company's other comprehensive income about THB 31.84 million and an arising of non-controlling interests of the subsidiary due to investment in a subsidiary amounting to THB 16.78 million.

During the second quarter of the current year, the Company has paid dividend from the profit for the year 2020 of THB 0.2070 per shares, or a total of THB 125.7 million according to the Company's dividend declaration.

Liquidity and capital adequacy

As at 30 September 2021 and 31 December 2020, the current ratio of the Company and its subsidiaries were 1.87 times and 3.20 times, respectively, and the quick ratio were 1.61 times and 3.01 times, respectively. The main reason of the drop of those ratios was an arising of current liabilities. The major components of current liabilities is trade and other accounts payable, current portion from short-term loan and long-term loan from financial institution as described above. Nevertheless, the management still believes that the Company could collect debt from the main customers based on the past experience.

Moreover, the Debt to Equity ratio (D/E ratio) as at 30 September 2021 and 31 December 2020 were 1.74 times and 1.19 times, respectively, due to the creditors arising from the purchased of program rights and from short-term loan and long-term loan from financial institution, including debentures issuance during the period in purpose of business acquisition of JKN 18, formally known as New 18 and the business of manufacturing and distributing non-alcoholic beverages.