



Management Discussion and Analysis of the Company's Performance
for the year ended 31 December 2021

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

<i>Baht Million</i>	2021	2020	+/(-) 	+/(-)%
<i>Total revenues</i>	1,804.91	1,701.74	103.17	6.06%
<i>Total expenses</i>	(1,346.49)	(1,143.30)	203.19	17.77%
<i>Profit from operating activities</i>	458.41	558.43	(100.02)	(17.91%)
<i>Finance income</i>	0.89	1.27	(0.38)	(30.28%)
<i>Finance cost</i>	(218.84)	(159.33)	59.51	37.35%
<i>Income tax expenses</i>	(60.68)	(87.90)	(27.23)	(30.97%)
<i>Net profit</i>	173.58	312.47	(138.89)	(44.45%)
<i>Profit (loss) attributable to Non-controlling interests</i>	(5.77)	-	(5.77)	100.00%
<i>Profit attributable to owners of the parent company</i>	179.35	312.47	(133.13)	(42.60%)
<i>Net profit ratio (ROS)</i>	9.62%	18.36%		
<i>Earnings per share (Baht)</i>	0.30	0.51	(0.21)	(41.18%)
<i>Diluted earnings per share (Baht)</i>	0.27	0.44	(0.17)	(38.64%)

Total Revenue

For the year ended 31 December 2021, the Company and its subsidiaries earned a total revenue of THB 1,804.91 million, which increased by THB 103.17 million or 6.06% from last year. The total revenue of each operating segments for the year ended 31 December 2021 of the Company and its subsidiaries had changed from the last year as follows (1) Revenue from sales of program rights increased 2.06% (2) Revenue from advertising and media services increased 1.41% (3) Revenue from sales of products increased 100% (4) Other income increased 57.59 %.

Net profit

For the year ended 31 December 2021, the Company and its subsidiaries had net profits of THB 173.58 million which decreased by THB 138.89 million or 44.45% from last year, mainly due to the increase of THB 59.51 million or 37.35% in finance cost, arisen from short-term and long-term loans from financial institution, including the debentures that had been issued during the year for the purpose of the acquisition of new business.

From the reason mentioned above, total revenue to net profit ratio (net profit margin) for the year ended 31 December 2021 decreased from 18.36% to 9.62%. Moreover, the total selling and admin expense to total revenue ratio for the year ended 31 December 2021 increased from 13.59% to 21.42%, due to higher expense in online-advertising since the Company had launched advertisement to promote the products. As this is the first year that the Company started to distribute various products such as dietary

supplements and healthy drinks, etc., the advertising media therefore had been publicized the Company's products to raise brand awareness to the consumers.

For 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 31 December 2021 was 8.10 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	1,661.93	1,628.34	33.59	2.06%
- Domestic sales	1,036.86	963.72	73.14	7.59%
- Export sales	625.07	664.62	(39.55)	(5.95%)
Cost of program rights	(793.85)	(869.52)	(75.66)	(8.70%)
Gross profit of content business	868.07	758.82	109.25	14.40%
Gross profit margin	52.23%	46.60%		
2. Advertising and Media Business				
Revenue from services	27.42	27.04	0.38	1.41%
Cost of services	(135.73)	(42.57)	93.17	218.87%
Gross profit of advertising and media business	(108.31)	(15.53)	(92.79)	(597.57%)
Gross profit margin	(395.02%)	(57.42%)		
3. Product sales Business				
Revenue from sales of products	42.51	-	42.51	100.00%
Cost of product sales	(30.24)	-	30.24	100.00%
Gross profit of product sales business	12.27	-	12.27	100.00%
Gross profit margin	28.86%	-		
Total Gross profit	772.03	743.30	28.73	3.87%
Total Gross profit margin	44.58%	44.90%		

Content Business

For the year ended 31 December 2021, the Company had revenue from program rights of THB 1,661.93 million which was composed of domestic sales amounting to THB 1,036.86 million and export sales about THB 625.07 million or accounted for 62.39% and 37.61% (2020: 72.65% and 27.35%) of total revenue from program rights, which overall increased by THB 33.59 million or 2.06% from last year. The increase in revenue program right mainly from domestic sales of THB 73.14 million or 7.59% due to the reorder from major customers with more volume for digital television (DDT) broadcasting in this year and

renewing the expired license. While export sales of revenue program right decreased by THB 39.55 million or 5.95%, mainly due to decline of orders from major customers who broadcast via cable and satellite (Cabsat) and video on demand (VOD) as the license year of program rights were not expired and there were still enough to be broadcasted on their channels. However, the Company had expanded overseas markets by extended the rights to Egypt, Brunei and Sri Lanka in this year.

<i>Baht Million</i>	2021	2020	+/(-) 	+/(-) %
<i>Rights to broadcast only one platform</i>				
<i>DTT</i>	293.66	184.83	108.83	58.88%
<i>Cabsat</i>	173.76	123.65	50.11	40.53%
<i>VOD</i>	25.31	64.17	(38.86)	(60.56%)
<i>Subtotal</i>	492.73	372.65	120.08	32.22%
<i>Rights to broadcast more than one platform</i>				
<i>DTT, Cabsat</i>	454.52	4.03	450.49	11,178.41%
<i>DTT, Cabsat, VOD</i>	7.50	328.06	(320.20)	(97.71%)
<i>DTT, VOD</i>	82.11	240.56	(158.45)	(65.87%)
<i>Cabsat, VOD</i>	625.07	683.04	(57.97)	(8.49%)
<i>Subtotal</i>	1,169.20	1,255.69	(86.49)	(6.89%)
<i>Total revenue from sales of program rights by platform</i>	1,661.93	1,628.34	33.59	2.06%

For the year ended 31 December 2021, 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 last year due to the reorder from major customers who broadcasts via digital television system (DTT) since the license year of old program rights were expired. On the other hand, 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 less order from one of the major customer in this year as the license year 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 31 December 2021 of THB 806.35 million which is composed of THB 143.33 million for the domestic sales and THB 663.02 million or USD 19.94 million for the export sales. The outstanding backlog of this year increased from the backlog as of 31 December 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. The Company had costs of program rights business totaling THB 793.85 million and THB 869.52 million for the year ended 31 December 2021 and 2020 respectively, in which decrease of 8.70%. As a result of the average license year increased from 3 years to 5 - 7 years, the amortization and costs of program rights therefore decreased.

The Company earned gross profits from program rights business for the year ended 31 December 2021 and 2020 in a total of THB 868.07 million and THB 758.82 million, respectively, an increase of 14.40%. The gross profit margin for the year ended 31 December 2021 and 2020 was 52.23% and 46.60%, respectively. This was mainly due to the decline of costs of program rights as mentioned 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 year ended 31 December 2021, the Company and its subsidiaries earned service income totaled THB 27.42 million, the increase of THB 0.42 million or 1.41% from last year due to higher advertising revenue from JKN 18. However, 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, formally 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 and healthy drinks which had been distributed since April 2021.

For the year ended 31 December 2021, the Company and its subsidiaries earned revenue from product sales business of Baht 42.51 million which comprise the nutritional supplement products of Baht 12.51 million and healthy drinks of Baht 30.00 million, which the Company started distribute all the products since April 2021 onwards.

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 year ended 31 December 2021, other income and finance income were totaling THB 73.94 million, which increased by THB 26.31 million from prior year.

As a result of the fact that the Thai Baht value significantly depreciated against US Dollar during the year comparing to the same year 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

<i>Baht Million</i>	2021	2020	+ / (-)	+ / (-) %
<i>Event expenses</i>	0.15	1.71	(1.56)	(91.39%)
<i>Advertising and marketing expenses</i>	158.09	33.51	124.58	371.77%
<i>Others</i>	19.36	6.24	13.12	210.22%
<i>Selling and service expenses</i>	177.59	41.46	136.13	328.35%

Selling and service expense for the year ended 31 December 2021 increased by THB 136.13 million or 328.35% from last 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

<i>Baht Million</i>	2021	2020	+ / (-)	+ / (-) %
<i>Employee and executive expenses</i>	96.20	97.99	(1.79)	(1.82%)
<i>Advisor expenses</i>	19.63	5.78	13.85	239.68%
<i>Allowance for expected credit loss</i>	3.83	30.60	(26.77)	(87.48%)
<i>Loss on revalue of financial asset</i>	2.75	-	2.75	100.00%
<i>Depreciation and amortization expenses</i>	29.82	20.11	9.71	48.28%
<i>Others</i>	89.40	55.39	34.01	61.40%
<i>Administrative expenses</i>	209.07	189.76	19.31	10.18%

Administrative expense for the year ended 31 December 2021 totaled THB 209.07 million, the increase of THB 19.31 million or 10.18% from last 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 depreciation and amortization expense which mainly from property and equipment and intangible assets which obtained from business acquisition.

Financial Costs

For the year ended 31 December 2021, the Company had financial costs in total of THB 218.84 million, an increase of THB 59.51 million or 37.35% from last 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 during the year for the purpose of acquisition the new business.

Income tax expense

Income tax expense for the year ended 31 December 2021 totaled THB 60.68 million, a decrease of THB 27.23 million or 30.97% from last year in line with the decreasing in net profit during the year. While the Company and its subsidiaries had income tax expenses arisen from the reversal of unused tax loss of THB 34.93 million, which was recognised as deferred tax assets when it is probable that the Company will have sufficient tax profit to utilize in the future.

3. Summary of financial position of the group

Baht Million	31 Dec 2021	31 Dec 2020	+/(-)	+/(-) %
Assets				
Cash, Cash equivalents	99.82	807.09	(707.27)	(87.63%)
Trade and other accounts receivable	1,765.09	1,512.66	252.43	16.69%
Other current financial assets	0.17	0.17	0.00	0.37%
Value added tax receivable	160.10	128.39	31.71	24.70%
Other current assets	127.45	16.79	110.66	659.13%
Plant property and equipment	415.00	58.03	356.97	615.20%
Right-of-use assets	45.48	47.54	(2.06)	(4.32%)
Advance payment for purchased program rights	347.81	383.87	(36.06)	(9.39%)
Program rights	3,465.20	2,714.34	750.86	27.66%
Goodwill	665.96	-	665.96	100.00%
Deferred tax assets	186.07	9.83	176.24	1793.25%
Other non-current assets	130.14	41.15	88.99	216.27%
Total assets	7,408.29	5,719.85	1,688.44	29.52%
Liabilities				
Short-term loan from financial institution	100.00	-	100.00	100.00%
Trade and other accounts payable	475.59	164.01	311.59	189.99%
Short-term debentures	297.62	-	297.62	100.00%
Current portion of long-term loan from financial institution	282.00	127.80	154.20	120.66%
Current portion of debentures	596.35	398.75	197.60	49.55%
Current portion of lease liabilities	13.17	11.38	1.80	15.82%
Current portion of liabilities under the transfer of claims agreement	60.79	-	60.79	100.00%
Other current liabilities	35.62	69.19	(33.57)	(48.52%)
Convertible debentures - liability component	1,010.62	1,007.63	2.99	0.30%
long-term loan from financial institution - net of current portion	400.82	287.00	113.82	39.66%
Debentures - net of current portion	1,292.06	990.57	301.50	30.44%
Long-term lease liabilities - net of current portion	29.74	34.35	(4.60)	(13.40%)
liabilities under the transfer of claims agreement - net of current portion	87.72	-	87.72	100.00%
Other non-current liabilities	16.45	19.34	(2.89)	(14.95%)
Total liabilities	4,698.56	3,109.99	1,588.57	51.08%
Shareholders' equity				
Equity attributable to owners of the Company	2,691.04	2,609.86	81.18	3.11%
Non-controlling interests of the subsidiary	18.69	-	18.69	100.00%
Total shareholders' equity	2,709.73	2,609.86	99.87	3.83%
Total liabilities and shareholders' equity	7,408.29	5,719.85	1,688.44	29.52%

Total Assets

The Company and its subsidiaries had total assets as at 31 December 2021 of THB 7,408.29 million, an increase of THB 1,688.44 million from 31 December 2020 or 29.52%, due to as follows:

- (1) Cash and cash equivalents decreased THB 707.27 million or 87.63%. There were net cash flow from in operating activities amounting to THB 512.29 million and net cash used in investing activities amounting to THB 2,260.16 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 1,015.57 million which mainly came from short-term and long-term loan from financial institution including the debenture issued during the year. In addition, when considering the separate financial statements, the Company had 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 252.43 million or 16.69%. The balance of trade accounts receivable which was overdue by over 6 months was THB 524.58 million, it has been collected in total of THB 115.26 million and the trade accounts receivable which was overdue by lower 6 months has been collected in total of THB 6.63 million (up to 25 February 2022). Although the balance of trade accounts receivable as at 31 December 2021 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 356.97 million or 615.20% 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 47.18 million.
- (4) Advance payment for purchased program rights decrease THB 36.06 million or 9.39% because of the payment for reservation in content rights to support the growth of the business amounting to THB 677.04 million and the acquisition of program rights by transfer from this account amounting to THB 878.29 million. The balance of this account can be categorized as follow: (1) Advance payment for extend the program rights amounting THB 1.33 million (2) Advance payment for reserve the program rights to sale in Thailand amounting to THB 40.48 million and (3) Advance payment for reserve the program rights to export sales amounting to THB 305.99 million to support the growth of the export sales of program rights of the Company.

- (5) Program rights increased THB 750.86 million or 27.66%. During this year, the Company had invested by purchase the program rights of THB 1,555.33 million that can be categorized as follow: (1) Acquisition the program rights to sale in Thailand amounting to THB 523.59 million and (2) Acquisition the program rights to export sales amounting to THB 1,031.74 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 804.47 million.
- (6) Goodwill increased THB 665.96 million from the business acquisition of JKN 18, formally known as New 18, and the business of manufacturing and distributing non-alcoholic beverages. The Group has prepared and completed the fair value measurement of identifiable assets and liabilities as at the acquisition date during the year 2021.
- (7) Deferred tax assets increased by THB 176.24 million mainly from the recognition of deferred tax relating to tax loss acquired from JKN 18 as at business acquisition date, in which it is probable that the Company will have sufficient tax profit to utilize in the future.

Total Liabilities

The Company and its subsidiaries had total liabilities as at 31 December 2021 of THB 4,698.56 million, an increase of THB 1,588.57 million or 51.08% 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 300.14 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 year, 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 year in purpose of business acquisition of JKN 18, formally known as New 18, the business of manufacturing and distributing non-alcoholic beverages and home shopping business.

Shareholders' equity

As at 31 December 2021, the Company and its subsidiaries had total shareholders equity of THB 2,709.73 million which consist of equity attributable to owners of the Company and Non-controlling interests of the subsidiary amounting to THB 2,691.04 million and THB 18.69 million, respectively, an increase of THB 99.87 million. The increase was due to the normal operating profit of the Company and its subsidiaries amounting to THB 173.58 million, the Company's other comprehensive income about THB 27.56 million and an arising of non-controlling interests of the subsidiary due to investment in a subsidiary amounting to THB 24.45 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 31 December 2021 and 31 December 2020, the current ratio of the Company and its subsidiaries were 1.16 times and 3.20 times, respectively, and the quick ratio were 1.00 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 31 December 2021 and 31 December 2020 were 1.73 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 year in purpose of business acquisition of JKN 18, formally known as New 18, the business of manufacturing and distributing non-alcoholic beverages and home shopping business.