

- Translation -



Management Discussion and Analysis of the Company's Performance
for the the three-month period ended 31 March 2022

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

<i>Baht Million</i>	<i>2022</i>	<i>2021</i>	<i>+ / (-)</i>	<i>+ / (-) %</i>
<i>Total revenues</i>	465.92	442.53	23.40	5.29%
<i>Total expenses</i>	(330.85)	(273.75)	57.11	20.86%
<i>Profit from operating activities</i>	135.07	168.78	(33.71)	(19.98%)
<i>Finance income</i>	0.06	0.25	(0.19)	(76.83%)
<i>Finance cost</i>	(63.54)	(41.73)	21.81	52.28%
<i>Income tax expenses</i>	(17.91)	(27.90)	(9.99)	(35.79%)
<i>Net profit</i>	50.62	99.40	(48.78)	(44.45%)
<i>Loss attributable to Non-controlling interests</i>	(3.76)	(0.11)	(3.65)	3,352.29%
<i>Profit attributable to owners of the parent company</i>	54.38	99.51	(45.13)	(45.35%)
<i>Net profit ratio (ROS)</i>	10.86%	22.46%		
<i>Earnings per share (Baht)</i>	0.09	0.16	(0.07)	(44.05%)
<i>Diluted earnings per share (Baht)</i>	0.08	0.14	(0.06)	(42.39%)

Total Revenue

For the three-month period ended 31 March 2022, the Company and its subsidiaries earned a total revenue of THB 465.92 million, which increased by THB 23.40 million or 5.29% from the same period of previous year. The total revenue of each operating segments for the the three-month period ended 31 March 2022 of the Company and its subsidiaries had changed from same period of previous year as follows (1) Revenue from sales of program rights increased 5.56% (2) Revenue from advertising and media services decreased 49.54% (3) Revenue from sales of products increased 100% (4) Other income decreased 79.62 %.

Net profit

For the three-month period ended 31 March 2022, the Company and its subsidiaries had net profits of THB 50.62 million which decreased by THB 48.78 million or 49.08% from the same period of previous year, mainly due to the increased of THB 21.81 million or 52.28% in finance cost, arisen from short-term loans from financial institution, including the debentures that had been issued during the previous year for the purpose of the acquisition of new business in the last year. Moreover, an arisen from Selling and servicing expenses mainly due to subsidiaries had been publicized it's products to raise brand awareness to the consumers.

From the reason mentioned above, total revenue to net profit ratio (net profit margin) for the three-month period ended 31 March 2022 decreased from 22.46% to 10.86%. In addition, the total selling and admin expense to total revenue ratio for the three-month period ended 31 March 2022 increased from 12.01% to 16.43.

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 March 2022 was 6.9 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	2022	2021	+ / (-)	+ / (-) %
1. Content Business				
Revenue from sales of program rights	437.02	414.00	23.02	5.56%
- Domestic sales	396.94	162.52	234.42	144.23%
- Export sales	40.08	251.48	(211.40)	(84.06%)
Cost of program rights	(172.08)	(201.56)	(29.48)	(14.63%)
Gross profit of content business	264.94	212.44	52.50	24.71%
Gross profit margin	60.62%	51.31%		
2. Advertising and Media Business				
Revenue from services	4.54	9.00	(4.46)	(49.54%)
Cost of services	(69.65)	(19.05)	50.60	265.70%
Gross loss of advertising and media business	(65.11)	(10.04)	(55.07)	(548.32%)
Gross loss margin	(1,433.22%)	(111.54%)		
3. Product sales Business				
Revenue from sales of products	20.38	-	20.38	100.00%
Cost of product sales	(12.56)	-	12.56	100.00%
Gross profit of product sales business	7.82	-	7.82	100.00%
Gross profit margin	38.37%	-		
Total Gross profit	207.65	202.40	5.25	2.60%
Total Gross profit margin	44.95%	47.85%		

Content Business

For the three-month period ended 31 March 2022, the Company had revenue from program rights of THB 437.02 million which was composed of domestic sales amounting to THB 396.94 million and export sales about THB 40.08 million or accounted for 90.83% and 9.17% (2021: 39.25% and 60.75%) of total

revenue from program rights, which overall increased by THB 23.02 million or 5.56% from the same period of previous year. The increase in revenue program right mainly from domestic sales of THB 234.42 million or 144.23% due to the reorder from a major customer with more volume for digital television (DDT) broadcasting and Cabsat in this period and renewing the expired license. Moreover, major customers purchased more of rights to broadcast on Internet Protocol television (IPTV) which is the new platform license that the Company had purchased during the end of year 2021. While export sales of revenue program right decreased by THB 211.40 million or 84.06%, mainly due to decline of orders from major customers who broadcast via cable and satellite (Cabsat) as the license year of program rights were not expired and there were still enough to be broadcasted on their channels.

Baht Million	2022	2021	+ / (-)	+ / (-) %
Rights to broadcast only one platform				
DTT	-	209.24	(209.24)	(100.00%)
Cabsat	27.58	26.84	0.74	2.76%
VOD	-	0.24	(0.24)	(100.00%)
Subtotal	27.58	236.32	(208.74)	(88.33%)
Rights to broadcast more than one platform				
DTT, Cabsat	212.50	0.62	211.88	34,174.19%
DTT, Cabsat, IPTV	121.60	-	121.60	100.00%
DTT, VOD	35.25	14.54	20.71	142.43%
Cabsat, VOD	40.08	162.52	(122.44)	(75.34%)
Subtotal	409.43	177.68	231.75	130.43%
Total revenue from sales of program rights by platform	437.01	414.00	23.01	5.56%

For the three-month period ended 31 March 2022, 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) decreased from the same period of previous year due to the demand from most of customers has changed to 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 Video on demand (DTT, Cabsat, VOD). Moreover, the Company sold more of rights to broadcast on Internet Protocol television (IPTV) during this period. As a result, revenue from sales of program rights to broadcast more than one platform increased of THB 231.75 million.

For the backlog as of 31 March 2022 of THB 967.86 million which is composed of THB 331.58 million for the domestic sales and THB 636.28 million or USD 19.20 million for the export sales.

Costs of program rights business mainly consist of amortization, dubbing and translation costs. The Company had costs of program rights business totaling THB 172.08 million and THB 201.56 million for the three-month period ended 31 March 2022 and 2021 respectively, in which decrease of 14.63%. 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 and its subsidiaries earned gross profits from program rights business for the three-month period ended 31 March 2022 and 2021 in a total of THB 264.94 million and THB 212.44 million, respectively, an increase of 24.71%. The gross profit margin for the three-month period ended 31 March 2022 and 2021 was 60.62% and 51.31%, 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 18" that broadcast through digital TV station or known as NEW18 in the past (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 three-month period ended 31 March 2022, the Company and its subsidiaries earned service income totaled THB 4.54 million, the decrease of THB 4.46 million or 49.54% from the same period of previous 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, JKN 18 channel's 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 three-month period ended 31 March 2022, the Company and its subsidiaries earned revenue from product sales business of Baht 20.38 million which comprise the nutritional supplement products of Baht 7.80 million and healthy drinks of Baht 12.58 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 three-month period ended 31 March 2022, other income and finance income were totaling THB 4.04 million, which decreased by THB 15.73 million from the same period of previous year. As a result of the fact that the Thai

Baht value depreciated against US Dollar during the 1st quarter of 2021, resulting in gain on exchange rate totaled THB 13.03 million.

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	2022	2021	+ / (-)	+ / (-) %
Event expenses	-	0.15	(0.15)	(100.00%)
Advertising and marketing expenses	20.62	10.81	9.81	90.79%
Others	7.94	1.49	6.45	432.95%
Selling and service expenses	28.57	12.45	16.12	129.44%

Selling and service expense for the three-month period ended 31 March 2022 increased by THB 16.12 million or 129.44% from the same period of previous year since the higher expenses from online-advertising. 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 awarenesss to the consumers.

Administrative Expenses

Baht Million	2022	2021	+ / (-)	+ / (-) %
Employee and executive expenses	16.61	24.19	(7.58)	(31.35%)
Advisor expenses	3.18	1.61	1.57	97.24%
Loss on exchange rate	1.26	-	1.26	100.00%
Allowance for expected credit loss	7.34	0.79	6.55	828.59%
Loss on revalue of financial asset	-	0.62	(0.62)	(100.00%)
Depreciation and amortization expenses	9.27	6.08	3.19	52.58%
Others	10.35	7.40	2.95	39.80%
Administrative expenses	48.00	40.69	7.31	17.96%

Administrative expense for the three-month period ended 31 March 2022 totaled THB 48 million, the increase of THB 7.31 million or 17.96% from same period of previous year. This was due to the following reasons (1) Increase of allowance for expected credit loss according to the rise of outstanding balance of trade receivables. (2) Increase of depreciation and amortization expense which mainly from property and equipment and intangible assets which obtained from business acquisition during the previous year.



Financial Costs

For the three-month period ended 31 March 2022, the Company had financial costs in total of THB 63.54 million, an increase of THB 21.81 million or 52.58% from 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 for the purpose of acquisition the new business during the previous year.

Income tax expense

Income tax expense for the three-month period ended 31 March 2022 totaled THB 17.91 million, a decrease of THB 9.99 million or 35.79% from the same period of previous year in line with the decreasing in net profit during the period. In addition, the subsidiaries had income tax expenses arisen from the reversal of unused tax loss of THB 7.96 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 Mar 2022	31 Dec 2021	+ / (-)	+ / (-)%
Assets				
Cash, Cash equivalents	135.19	99.82	35.38	35.44%
Trade and other accounts receivable	1,861.83	1,765.09	96.74	5.48%
Other current financial assets	0.18	0.17	0.01	7.23%
Value added tax receivable	207.74	160.10	47.64	29.75%
Other current assets	125.14	127.45	(2.31)	(1.81)%
Plant property and equipment	408.16	415.00	(6.84)	(1.65)%
Right-of-use assets	42.15	45.48	(3.34)	(7.33)%
Advance payment for purchased program rights	367.86	347.81	20.05	5.76%
Program rights	3,965.33	3,465.20	500.13	14.43%
Goodwill	665.96	665.96	-	-
Deferred tax assets	179.87	186.07	(6.19)	(3.33)%
Other non-current assets	126.11	130.14	(4.03)	(3.10)%
Total assets	8,085.52	7,408.29	677.23	9.14%
Liabilities				
Short-term loan from financial institution	199.46	100.00	99.46	99.46%
Trade and other accounts payable	788.94	475.59	313.35	65.89%
Short-term debentures	298.62	297.62	0.99	0.33%
Current portion of long-term loan from financial institution	273.66	282.00	(8.34)	(2.96)%
Current portion of debentures	895.65	596.35	299.30	50.19%
Current portion of lease liabilities	13.35	13.17	0.17	1.31%
Current portion of liabilities under the transfer of claims agreement	61.53	60.79	0.73	1.20%
Other current liabilities	41.51	35.62	5.90	16.56%
Convertible debentures - liability component	1,011.38	1,010.62	0.76	0.08%
long-term loan from financial institution - net of current portion	335.53	400.82	(65.29)	(16.29)%
Debentures - net of current portion	1,292.18	1,292.06	0.12	0.01%
Long-term lease liabilities - net of current portion	26.41	29.74	(3.34)	(11.22)%
liabilities under the transfer of claims agreement - net of current portion	72.03	87.72	(15.69)	(17.88)%
Other non-current liabilities	15.94	16.45	(0.50)	(3.05)%
Total liabilities	5,326.19	4,698.56	627.63	13.36%
Shareholders' equity				
Equity attributable to owners of the Company	2,744.40	2,691.04	53.36	1.98%
Non-controlling interests of the subsidiary	14.93	18.69	(3.76)	(20.13)%
Total shareholders' equity	2,759.33	2,709.73	49.60	1.83%
Total liabilities and shareholders' equity	8,085.52	7,408.29	677.23	9.14%

Total Assets

The Company and its subsidiaries had total assets as at 31 March 2022 of THB 8,085.52 million, an increase of THB 677.23 million from 31 December 2021 or 9.14%, due to as follows:

- (1) Cash and cash equivalents increased THB 35.38 million or 35.44%. There were net cash flow used in operating activities amounting to THB 137.48 million and net cash used in investing activities amounting to THB 145.24 million, which was mostly composed of payment for long-term loan from financial institutions and purchased program rights. On the other hand, there was net cash flow from financing activities THB 396.46 million which mainly came from short-term loan from financial institution including the debenture issued during the period.
- (2) Trade and other accounts receivable increased THB 96.74 million or 5.48% in line with the increasing in revenue from sale of copy right. However, the Company and its subsidiaries has been able to make partial collection of approximately Baht 180 million from major customers after the period-end.

Refer to an emphasis of matter from the independent auditor report, the Company and its subsidiaries had accounts receivable as presented in the consolidated statement of financial position as at March 31, 2022 in the amount of Baht 1,862 million. Such outstanding amount of accounts receivable was significant to the financial statements and the amount of trade accounts receivable is more than the program rights revenue which is the main revenue shows that most trade accounts receivable of the Company and its subsidiaries are overdue accounts receivable According to the management's assessment, there is no need to provide an allowance for expected credit losses apart from the allowance set aside in accordance with the Group's policy because the management is confident that payments from all these receivables will be collected based on the management's experience in this business and the best estimates under current conditions, in which there were no uncollectible debt from account receivable from the company's past experience.

- (3) Value added tax receivable increased by THB 47.64 million or 29.75% which in line with an increase of trade account payables from purchasing program rights from local suppliers.
- (4) Advance payment for purchased program rights increased THB 20.05 million or 5.76% because of the payment for reservation in content rights to support the growth of the business amounting to THB 158.44 million and the acquisition of program rights by transfer from this account amounting to THB 137.88 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 122.96 million and (3) Advance payment for reserve the program rights to export sales amounting to THB 243.57 million to support the growth of the export sales of program rights of the Company.

- (5) Program rights increased THB 500.13 million or 14.43%. During this period, the Company had invested by purchase the program rights of THB 709.97 million that can be categorized as follow: (1) Acquisition the program rights to sale in Thailand amounting to THB 522.08 million and (2) Acquisition the program rights to export sales amounting to THB 187.89 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 209.84 million.

Total Liabilities

The Company and its subsidiaries had total liabilities as at 31 March 2022 of THB 5,326.19 million, an increase of THB 627.63 million or 13.36% 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 353.76 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, the balance of trade payable increased. (2) The increase in short-term loan from financial institution, including debentures issuance during this period in purpose of the working capital and investing in program rights acquisition.

Shareholders' equity

As at 31 March 2022, the Company and its subsidiaries had total shareholders equity of THB 2,759.33 million which consist of equity attributable to owners of the Company and Non-controlling interests of the subsidiary amounting to THB 2,744.40 million and THB 14.93 million, respectively, an increase of THB 49.60 million. The increase was due to the normal operating profit of the Company and its subsidiaries amounting to THB 54.38 million, the Company's other comprehensive expense about THB 1.02 million and an decrease of non-controlling interests of the subsidiary due to investment in a subsidiary amounting to THB 3.76 million.

Liquidity and capital adequacy

As at 31 March 2022 and 31 December 2021, the current ratio of the Company and its subsidiaries were 0.91 times and 1.16 times, respectively, and the quick ratio were 0.78 times and 1.00 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 form 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 March 2022 and 31 December 2021 were 1.93 times and 1.73 times, respectively, due to the creditors arising from the purchased of program rights and from short-term loan from financial institution, including debentures issuance during the period in purpose of working capial and investing in program rights acquisition.