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Management Discussion and Analysis of the Company's Performance  
for the the six-month period ended 30 June 2022

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

<i>Baht Million</i>	<b>2022</b>	<b>2021</b>	<b>+/(-) </b>	<b>+/(-)%</b>
<i>Total revenues</i>	994.14	900.34	93.80	10.42%
<i>Total expenses</i>	(733.46)	(614.60)	118.85	19.34%
<i>Profit from operating activities</i>	260.68	285.74	(25.06)	(8.77%)
<i>Finance income</i>	0.24	0.70	(0.47)	(66.33%)
<i>Finance cost</i>	(149.14)	(99.48)	49.66	49.92%
<i>Income tax expenses</i>	(30.51)	(26.93)	3.59	13.32%
<b><i>Net profit</i></b>	<b>76.56</b>	<b>160.04</b>	<b>(83.47)</b>	<b>(52.16%)</b>
<i>Loss attributable to Non-controlling interests</i>	(13.97)	(0.76)	14.73	1,942.88%
<b><i>Profit attributable to owners of the parent company</i></b>	<b>90.53</b>	<b>160.79</b>	<b>(70.26)</b>	<b>(43.70%)</b>
<i>Net profit ratio (ROS)</i>	7.70%	17.77%		
<b><i>Earnings per share (Baht)</i></b>	<b>0.15</b>	<b>0.26</b>	<b>(0.11)</b>	<b>(42.31%)</b>
<b><i>Diluted earnings per share (Baht)</i></b>	<b>0.13</b>	<b>0.23</b>	<b>(0.10)</b>	<b>(44.46%)</b>

### **Total Revenue**

For the six-month period ended 30 June 2022, the Company and its subsidiaries earned a total revenue of THB 994.14 million, which increased by THB 93.80 million or 10.42% from the same period of previous year. The total revenue of each operating segments for the the six-month period ended 30 June 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 3.05% (2) Revenue from advertising and media services decreased 19.03% (3) Revenue from sales of products increased 882.87% (4) Other income increased 9.70 %.

### **Net profit**

For the six-month period ended 30 June 2022, the Company and its subsidiaries had net profits of THB 76.56 million which decreased by THB 83.47 million or 52.16% from the same period of previous year, mainly due to the increased in finance cost of THB 49.66 million or 49.92%, 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, the rise of selling and servicing expenses were mainly due to the 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 six-month period ended 30 June 2022 decreased to 7.70% from 17.77% in 2021. In addition, the total selling and admin expenses to total revenue ratio for the six-month period ended 30 June 2022 increased to 17.85% from 14.75% in 2021.

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 30 June 2022 was 4.58 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	+ / (-)	+ / (-) %
<b>1. Content Business</b>				
Revenue from sales of program rights	860.00	834.55	25.45	3.05%
- Domestic sales	790.66	583.07	207.59	35.60%
- Export sales	69.34	251.48	(182.14)	(72.43%)
Cost of program rights	(356.47)	(411.03)	(54.56)	(13.27%)
<b>Gross profit of content business</b>	<b>503.53</b>	<b>423.51</b>	<b>80.01</b>	<b>18.89%</b>
<b>Gross profit margin</b>	<b>58.55%</b>	<b>50.75%</b>		
<b>2. Advertising and Media Business</b>				
Revenue from services	10.37	12.84	(2.47)	(19.23%)
Cost of services	(162.00)	(65.71)	96.28	146.52%
<b>Gross loss of advertising and media business</b>	<b>(151.61)</b>	<b>(52.88)</b>	<b>(98.73)</b>	<b>(186.71%)</b>
<b>Gross loss margin</b>	<b>(1,462.44%)</b>	<b>(411.99%)</b>		
<b>3. Product sales Business</b>				
Revenue from sales of products	73.92	7.52	66.40	882.87%
Cost of product sales	(30.07)	(5.02)	25.05	498.65%
<b>Gross profit of product sales business</b>	<b>43.85</b>	<b>2.50</b>	<b>41.35</b>	<b>1,655.48%</b>
<b>Gross profit margin</b>	<b>59.32%</b>	<b>33.21%</b>		
<b>Total Gross profit</b>	<b>395.77</b>	<b>373.13</b>	<b>22.64</b>	<b>6.07%</b>
<b>Total Gross profit margin</b>	<b>41.91%</b>	<b>43.65%</b>		

### Content Business

For the six-month period ended 30 June 2022, the Company had revenue from program rights of THB 860.00 million which was composed of domestic sales amounting to THB 790.66 million and export sales about THB 69.34 million or accounted for 91.94% and 8.06% respectively (2021: 69.87% and 30.13%) of total revenue from program rights, which overall increased by THB 25.45 million or 3.05% from the same period of previous year. The increase in revenue program right was mainly from domestic sales of THB

207.59 million or 35.60% 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, the 2 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 182.14 million or 72.43%, 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	+/(-)	+/(-) %
<i>Rights to broadcast only one platform</i>				
<i>DTT</i>	43.65	266.27	(222.62)	(83.61%)
<i>Cabsat</i>	27.58	26.94	0.64	2.38%
<i>VOD</i>	-	0.24	(0.24)	(100.00%)
<b><i>Subtotal</i></b>	<b>71.23</b>	<b>236.32</b>	<b>(222.22)</b>	<b>(75.73%)</b>
<i>Rights to broadcast more than one platform</i>				
<i>DTT, Cabsat</i>	453.95	168.70	285.25	169.09%
<i>DTT, Cabsat, IPTV</i>	231.40	-	231.40	100.00%
<i>DTT, VOD</i>	35.25	27.04	8.21	30.36%
<i>Cabsat, VOD</i>	68.17	345.36	(277.19)	(80.26%)
<b><i>Subtotal</i></b>	<b>788.77</b>	<b>541.10</b>	<b>247.67</b>	<b>45.77%</b>
<b><i>Total revenue from sales of program rights by platform</i></b>	<b>860.00</b>	<b>834.55</b>	<b>25.45</b>	<b>3.05%</b>

For the six-month period ended 30 June 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 247.67 million.

For the backlog as of 30 June 2022 of THB 808.68 million which is composed of THB 196.00 million for the domestic sales and THB 612.68 million or USD 17.44 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 for the six-month period ended 30 June 2022 and 2021 totaling THB 356.47 million and THB 411.03 million respectively, in which decreased by 13.27%. 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 six-month period ended 30 June 2022 and 2021 in a total of THB 503.53 million and THB 423.51 million, respectively, in which increased by 18.89%. The gross profit margin for the six-month period ended 30 June 2022 and 2021 was 41.91% and 43.65%, respectively. This was mainly due to the decline of gross profit margin of advertising and media business.

### **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 that broadcast through digital TV station.

For the six-month period ended 30 June 2022, the Company and its subsidiaries earned service income totaled THB 10.37 million, the decrease of THB 2.47 million or 19.23% from the same period of previous year due to lower advertising revenue from JKN 18. However, the impact of Coronavirus decease 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 six-month period ended 30 June 2022, the Company and its subsidiaries earned revenue from product sales business of Baht 73.92 million which comprise the nutritional supplement products of Baht 18.29 million, Home shopping business of Baht 32.53 million and healthy drinks of Baht 22.80 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 six-month period ended 30 June 2022, other income and finance income were totaling THB 50.09 million, which increased by THB 3.94 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 2<sup>st</sup> quarter of 2022, resulting in gain on exchange rate totaled THB 30.86 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

<i>Baht Million</i>	<i>2022</i>	<i>2021</i>	<i>+ / (-)</i>	<i>+ / (-) %</i>
<i>Event expenses</i>	-	0.15	(0.15)	(100.00%)
<i>Advertising and marketing expenses</i>	51.07	23.21	27.86	120.04%
<i>Others</i>	25.35	6.11	19.24	314.92%
<b><i>Selling and service expenses</i></b>	<b>76.42</b>	<b>29.47</b>	<b>46.95</b>	<b>159.32%</b>

Selling and service expense for the six-month period ended 30 June 2022 increased by THB 46.95 million or 159.32% from the same period of previous year since the higher expenses from online-advertising, in which the Company used to focus 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.

### Administrative Expenses

<i>Baht Million</i>	<i>2022</i>	<i>2021</i>	<i>+ / (-)</i>	<i>+ / (-) %</i>
<i>Employee and executive expenses</i>	51.14	48.73	2.41	4.95%
<i>Advisor expenses</i>	7.19	7.07	0.12	1.76%
<i>Allowance for expected credit loss</i>	3.90	8.84	(4.94)	(55.88%)
<i>Loss on revalue of financial asset</i>	-	2.10	(2.10)	(100.00%)
<i>Depreciation and amortization expenses</i>	20.41	12.24	8.17	66.78%
<i>Others</i>	25.84	24.39	1.45	5.95%
<b><i>Administrative expenses</i></b>	<b>108.49</b>	<b>103.37</b>	<b>5.12</b>	<b>4.95%</b>

Administrative expense for the six-month period ended 30 June 2022 totaled THB 108.49 million, the increase of THB 5.12 million or 4.95% from same period of previous year. This was due to the Increase of depreciation and amortization expense which mainly from property and equipment and intangible assets which obtained from business acquisition during the previous year and JKN Hi Shopping Company Limited has changed from investment in joint ventures to a subsidiary during the second quarter of 2022.

### Financial Costs

For the six-month period ended 30 June 2022, the Company had financial costs in total of THB 149.14 million, an increase of THB 49.66 million or 49.92% 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 six-month period ended 30 June 2022 totaled THB 30.51 million, a increase of THB 3.59 million or 13.32% from the same period of previous year. In addition, the subsidiaries had income tax expenses arisen from the reversal of unused tax loss of THB 6.63 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	30 Jun 2022	31 Dec 2021	+/( -)	+/( -)%
<b>Assets</b>				
Cash, Cash equivalents	538.06	99.82	438.24	439.05%
Trade and other accounts receivable	1,918.43	1,765.09	153.33	8.69%
Other current financial assets	0.19	0.17	0.03	16.87%
Value added tax receivable	200.89	160.10	40.79	25.48%
Other current assets	163.71	127.45	36.26	28.45%
Plant property and equipment	409.92	415.00	(5.07)	(1.22)%
Right-of-use assets	46.59	45.48	1.11	2.44%
Advance payment for purchased program rights	343.00	347.81	(4.81)	(1.38)%
Program rights	4,290.35	3,465.20	825.15	23.81%
Goodwill	717.20	665.96	51.24	7.69%
Deferred tax assets	180.61	186.07	(5.46)	(2.93)%
Other non-current assets	138.40	130.14	8.26	6.35%
<b>Total assets</b>	<b>8,947.36</b>	<b>7,408.29</b>	<b>1,539.07</b>	<b>20.78%</b>
<b>Liabilities</b>				
Short-term loan from financial institution	100.00	100.00	-	-
Trade and other accounts payable	928.11	475.59	452.52	95.15%
Short-term debentures	299.98	297.62	2.36	0.79%
Current portion of long-term loan from financial institution	269.26	282.00	(12.74)	(4.52)%
Current portion of debentures	1,295.73	596.35	699.38	117.28%
Current portion of lease liabilities	19.56	13.17	6.39	48.47%
Current portion of liabilities under the transfer of claims agreement	62.28	60.79	1.49	2.45%
Other current liabilities	68.76	35.62	33.15	93.07%
Convertible debentures - liability component	1,069.29	1,010.62	0.76	0.08%
Long-term loan from financial institution - net of current portion	278.31	400.82	(122.51)	(30.56)%
Debentures - net of current portion	1,467.70	1,292.06	175.63	13.59%
Long-term lease liabilities - net of current portion	24.77	29.74	(4.97)	(16.72)%
Liabilities under the transfer of claims agreement - net of current portion	56.19	87.72	(31.53)	(35.95)%
Other non-current liabilities	22.85	16.45	6.40	38.93%
<b>Total liabilities</b>	<b>5,962.79</b>	<b>4,698.56</b>	<b>1,264.23</b>	<b>26.91%</b>
<b>Shareholders' equity</b>				
Equity attributable to owners of the Company	3,015.65	2,691.04	324.61	12.06%
Non-controlling interests of the subsidiary	(31.07)	18.69	(49.76)	(266.26)%
<b>Total shareholders' equity</b>	<b>2,984.58</b>	<b>2,709.73</b>	<b>274.85</b>	<b>10.14%</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,947.36</b>	<b>7,408.29</b>	<b>1,539.07</b>	<b>20.78%</b>



## Total Assets

The Company and its subsidiaries had total assets as at 30 June 2022 of THB 8,947.36 million, an increase of THB 1,539.07 million from 31 December 2021 or 20.78%, due to the followings:

- (1) Cash and cash equivalents increased by THB 438.24 million or 439.05%. There were net cash flow used in operating activities amounting to THB 95.99 million and net cash used in investing activities amounting to THB 642.26 million, from the purchase of program rights. On the other hand, there was net cash flow from financing activities THB 984.51 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 153.33 million or 8.69% mainly from the increase in accounts receivable from sales of program right. However, the Company and its subsidiaries has been able to make partial collection of approximately Baht 398 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 June 30, 2022 in the amount of Baht 1,918 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 (As at June 30, 2022, allowance for expected credit losses per the overdue account receivables is 4.85%). As the situation is in the ordinary course of business, although there is payment due date but major customers are likely to wait and get paid from the program right before making the payment to the company. 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 40.79 million or 25.48% which in line with an increase of trade account payables from purchasing program rights from local suppliers.
- (4) Program rights increased by THB 825.15 million or 23.81%. During this period, the Company had invested by purchasing the program rights of THB 1,278.56 million that can be categorized as follow: (1) Acquisition of the program rights to sale in Thailand amounting to THB 895.56 million and (2) Acquisition of the program rights to export sales amounting to THB 382.99 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 453.41 million.

### **Total Liabilities**

The Company and its subsidiaries had total liabilities as at 30 June 2022 of THB 5,962.79 million, an increase of THB 1,264.23 million or 26.91% 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 677.55 million. Normally, the Company had to made an advance payment for the acquisition of program rights before making a download. However, the Company was able to negotiate with some licensor in order to obtain credit for payments, the balance of trade payable therefore 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 30 June 2022, the Company and its subsidiaries had total shareholders equity of THB 2,984.58 million which consist of equity attributable to owners of the Company and an accumulated loss of Non-controlling interests of the subsidiary amounting to THB 3,015.65 million and THB 31.07 million, respectively, in which increased by THB 274.85 million. The increase was due to the normal operating profit of the Company and its subsidiaries amounting to THB 90.53 million, the Company's other comprehensive expense about THB 1.12 million and an decrease of non-controlling interests of the amounting to THB 49.77 million, The increase of capital and share premium from conversion convertible debentures to ordinary shares during the current period amounting to THB 22.24 million and THB 199.48 million and the increase of convertible debentures - equity component from Issued convertible debentures during the current period amounting to THB 11.25 million

### **Liquidity and capital adequacy**

As at 30 June 2022 and 31 December 2021, the current ratio of the Company and its subsidiaries were 0.93 times and 1.16 times, respectively, and the quick ratio were 0.81 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 are trade and other accounts payable, current portion from short-term loan and long-term loan form financial institution as described above. Nevertheless, the management is in confident that the Company could collect debt from the main customers based on the past experiences.

Moreover, the Debt to Equity ratio (D/E ratio) as at 30 June 2022 and 31 December 2021 were 2.00 times and 1.73 times, respectively, due to the creditors arising from the purchase of program rights and from short-term loan from financial institution, including debentures issuance during the period in purpose of working capital and investing in program rights acquisition.