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

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## 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>	1,617.38	1,405.97	211.41	15.04%
<i>Total expenses</i>	(1,172.30)	(1,027.74)	144.56	14.07%
<i>Profit from operating activities</i>	445.08	285.74	66.85	17.67%
<i>Finance income</i>	0.26	0.76	(0.50)	(65.97%)
<i>Finance cost</i>	(237.18)	(157.14)	80.05	50.94%
<i>Income tax expenses</i>	(51.78)	(28.83)	22.95	79.59%
<b><i>Net profit</i></b>	<b>151.67</b>	<b>193.03</b>	<b>(41.36)</b>	<b>(21.43%)</b>
<i>Loss attributable to Non-controlling interests</i>	(23.80)	(2.41)	26.21	1,088.09%
<b><i>Profit attributable to owners of the parent company</i></b>	<b>175.47</b>	<b>195.44</b>	<b>(19.96)</b>	<b>(10.22%)</b>
<i>Net profit ratio (ROS)</i>	9.38%	13.73%		
<b><i>Earnings per share (Baht)</i></b>	<b>0.27</b>	<b>0.32</b>	<b>(0.05)</b>	<b>(14.12%)</b>
<b><i>Diluted earnings per share (Baht)</i></b>	<b>0.24</b>	<b>0.28</b>	<b>(0.04)</b>	<b>(13.29%)</b>

### **Total Revenue**

For the nine-month period ended 30 September 2022, the Company and its subsidiaries earned a total revenue of THB 1,617.38 million, which increased by THB 211.40 million or 15.04% from the same period of previous year. The total revenue of each operating segments for the the nine-month period ended 30 September 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 7.19% (2) Revenue from advertising and media services decreased 37.36% (3) Revenue from sales of products increased 436.12% (4) Other income increased 17.89%.

### **Net profit**

For the nine-month period ended 30 September 2022, the Company and its subsidiaries had net profits of THB 151.67 million which decreased by THB 41.36 million or 21.43% from the same period of previous year, mainly due to the increased in finance cost of THB 80.05 million or 50.94%, 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 during the year 2021. Moreover, the rise of selling and servicing expenses were mainly due to the subsidiaries had been publicized it's products to raise brand awarenesss to the consumers.

From the reason mentioned above, total revenue to net profit ratio (net profit margin) for the nine-month period ended 30 September 2022 decreased to 9.38% from 13.73% in 2021. In addition, the total selling and admin expenses to total revenue ratio for the nine-month period ended 30 September 2022 increased to 19.43% from 19.18% 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 September 2022 was 3.60 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	1,356.67	1,265.65	91.03	7.19%
- Domestic sales	1,159.14	759.00	400.14	52.72%
- Export sales	197.54	506.65	(309.11)	(61.01%)
Cost of program rights	(551.81)	(610.28)	(58.47)	(9.58%)
<b>Gross profit of content business</b>	<b>804.87</b>	<b>655.37</b>	<b>149.50</b>	<b>22.81%</b>
<b>Gross profit margin</b>	<b>59.33%</b>	<b>51.78%</b>		
<b>2. Advertising and Media Business</b>				
Revenue from services	13.76	21.96	(8.21)	(37.36%)
Cost of services	(259.91)	(128.96)	130.95	101.54%
<b>Gross loss of advertising and media business</b>	<b>(246.15)</b>	<b>(107.00)</b>	<b>(139.15)</b>	<b>(130.06%)</b>
<b>Gross loss margin</b>	<b>(1,789.27%)</b>	<b>(487.16%)</b>		
<b>3. Product sales Business</b>				
Revenue from sales of products	137.69	25.68	112.01	436.12%
Cost of product sales	(46.40)	(18.88)	27.52	145.74%
<b>Gross profit of product sales business</b>	<b>91.30</b>	<b>6.80</b>	<b>84.49</b>	<b>1,242.00%</b>
<b>Gross profit margin</b>	<b>66.30%</b>	<b>26.49%</b>		
<b>Total Gross profit</b>	<b>650.01</b>	<b>555.18</b>	<b>94.84</b>	<b>17.08%</b>
<b>Total Gross profit margin</b>	<b>43.10%</b>	<b>42.27%</b>		

### Content Business

For the nine-month period ended 30 September 2022, the Company had revenue from program rights of THB 1,356.67 million which was composed of domestic sales amounting to THB 1,159.14 million and export sales about THB 197.54 million or accounted for 85.44% and 14.56% respectively (2021: 59.97% and 40.03%) of total revenue from program rights, which overall increased by THB 91.03 million or 7.19%

from the same period of previous year. The increase in revenue program right was mainly from domestic sales of THB 400.14 million or 52.72% 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 309.11 million or 61.01%, 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.

<i>Baht Million</i>	<i>2022</i>	<i>2021</i>	<i>+ / (-)</i>	<i>+ / (-) %</i>
<b><i>Rights to broadcast only one platform</i></b>				
<i>DTT</i>	90.45	293.66	(203.21)	(69.20%)
<i>Cabsat</i>	27.58	26.69	0.89	3.33%
<i>VOD</i>	-	25.17	(25.17)	(100.00%)
<b><i>Subtotal</i></b>	<b>118.03</b>	<b>345.52</b>	<b>(227.49)</b>	<b>(65.84%)</b>
<b><i>Rights to broadcast more than one platform</i></b>				
<i>DTT, Cabsat</i>	546.93	331.40	215.53	65.04%
<i>DTT, Cabsat, VOD</i>	294.26	-	294.26	100.00%
<i>DTT, Cabsat, IPTV</i>	324.10	-	324.10	100.00%
<i>DTT, VOD</i>	35.25	82.11	(46.86)	(57.07%)
<i>Cabsat, VOD</i>	38.10	506.62	(468.52)	(92.48%)
<b><i>Subtotal</i></b>	<b>1,238.64</b>	<b>920.13</b>	<b>318.51</b>	<b>34.62%</b>
<b><i>Total revenue from sales of program rights by platform</i></b>	<b>1,356.67</b>	<b>1,265.65</b>	<b>91.02</b>	<b>7.19%</b>

For the nine-month period ended 30 September 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 318.51 million.

For the backlog as of 30 September 2022 of THB 932.38 million which is composed of THB 359.30 million for the domestic sales and THB 573.08 million or USD 15.18 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 nine-month period ended 30 September 2022 and 2021 totaling THB 551.81 million and THB 610.28 million respectively, in which decreased by 9.58%. 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 nine-month period ended 30 September 2022 and 2021 in a total of THB 650.01 million and THB 555.18 million, respectively, in which increased by 17.08%. The gross profit margin for the nine-month period ended 30 September 2022 and 2021 was 43.10% and 42.27%, respectively. This was mainly due to the increase of gross profit margin of content business and product sales 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 nine-month period ended 30 September 2022, the Company and its subsidiaries earned service income totaled THB 13.76 million, the decrease of THB 8.21 million or 37.36% from the same period of previous year due to lower advertising revenue from JKN 18. However, the directly and indirectly impact 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 nine-month period ended 30 September 2022, the Company and its subsidiaries earned revenue from product sales business of Baht 137.69 million which comprise the nutritional supplement products of Baht 26.71 million, Home shopping business of Baht 77.87 million and healthy drinks of Baht 33.11 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 2022, other income and finance income were totaling THB 109.26 million, which increased by THB 16.58 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 3<sup>rd</sup> quarter of 2022, resulting in gain on exchange rate totaled THB 23.92 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)	(98.78%)
<i>Advertising and marketing expenses</i>	77.94	91.78	(13.84)	(15.08%)
<i>Others</i>	43.02	11.48	31.54	274.70%
<b><i>Selling and service expenses</i></b>	<b>120.96</b>	<b>103.41</b>	<b>17.56</b>	<b>16.98%</b>

Selling and service expense for the nine-month period ended 30 September 2022 increased by THB 17.56 million or 16.98% from the same period of previous year since JKN Hi Shopping Company Limited has changed from investment in joint ventures to a subsidiary during the second quarter of 2022. As a result, the increase of transportation expenses and call center service expense.

### Administrative Expenses

<i>Baht Million</i>	<i>2022</i>	<i>2021</i>	<i>+ / (-)</i>	<i>+ / (-) %</i>
<i>Employee and executive expenses</i>	85.79	80.18	5.61	7.00%
<i>Advisor expenses</i>	14.62	15.19	(0.57)	(3.75%)
<i>Allowance for expected credit loss</i>	(18.99)	5.15	(24.14)	(468.76%)
<i>Loss on revalue of financial asset</i>	-	4.25	(4.25)	(100.00%)
<i>Depreciation and amortization expenses</i>	32.10	21.22	10.88	51.30%
<i>Others</i>	79.70	40.23	39.47	(3.53%)
<b><i>Administrative expenses</i></b>	<b>193.22</b>	<b>166.22</b>	<b>27.00</b>	<b>16.24%</b>

Administrative expense for the nine-month period ended 30 September 2022 totaled THB 193.22 million, the increase of THB 27.00 million or 16.24% from same period of previous year. This was due to 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. As a result, the increase of depreciation and amortization expenses which mainly from property and equipment and intangible assets. In addition, employee and executive expenses increase in line with the number of employees as well.

### Financial Costs

For the nine-month period ended 30 September 2022, the Company had financial costs in total of THB 237.18 million, an increase of THB 80.05 million or 50.94% 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 nine-month period ended 30 September 2022 totaled THB 51.78 million, a increase of THB 22.95 million or 79.59% 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 Sep 2022	31 Dec 2021	+/( -)	+/( -)%
<b>Assets</b>				
<i>Cash, Cash equivalents</i>	294.92	99.82	195.10	195.46%
<i>Trade and other accounts receivable</i>	1,333.84	1,765.09	153.33	8.69%
<i>Other current financial assets</i>	2.32	0.17	2.15	1296.39%
<i>Value added tax receivable</i>	230.64	160.10	70.54	44.06%
<i>Other current assets</i>	199.61	127.45	72.16	56.62%
<i>Plant property and equipment</i>	413.73	415.00	(1.26)	(0.30%)
<i>Right-of-use assets</i>	30.21	45.48	(15.27)	(33.57%)
<i>Advance payment for purchased program rights</i>	593.45	347.81	245.64	70.63%
<i>Program rights</i>	4,722.84	3,465.20	1,257.64	36.29%
<i>Goodwill</i>	717.96	665.96	52.00	7.81%
<i>Deferred tax assets</i>	143.75	186.07	(42.32)	(22.74%)
<i>Other non-current assets</i>	225.41	130.14	95.26	73.20%
<b>Total assets</b>	<b>8,908.68</b>	<b>7,408.29</b>	<b>1,500.39</b>	<b>20.25%</b>
<b>Liabilities</b>				
<i>Short-term loan from financial institution</i>	321.92	100.00	221.92	221.92%
<i>Trade and other accounts payable</i>	786.77	475.59	311.18	65.43%
<i>Short-term debentures</i>	-	297.62	(297.62)	(100.00%)
<i>Current portion of long-term loan from financial institution</i>	273.31	282.00	(8.69)	(3.08%)
<i>Current portion of debentures</i>	1,895.35	596.35	1,299.00	217.83%
<i>Current portion of lease liabilities</i>	8.18	13.17	(4.99)	(37.89%)
<i>Current portion of liabilities under the transfer of claims agreement</i>	63.04	60.79	2.25	3.69%
<i>Other current liabilities</i>	66.59	35.62	30.97	86.96%
<i>Convertible debentures - liability component</i>	1,049.33	1,010.62	38.71	3.83%
<i>long-term loan from financial institution - net of current portion</i>	208.97	400.82	(191.85)	(47.86%)
<i>Debentures - net of current portion</i>	871.44	1,292.06	(420.62)	(32.55%)
<i>Long-term lease liabilities - net of current portion</i>	17.84	29.74	(11.90)	(40.02%)
<i>liabilities under the transfer of claims agreement - net of current portion</i>	40.15	87.72	(47.57)	(54.23%)
<i>Other non-current liabilities</i>	26.69	16.45	10.24	62.29%
<b>Total liabilities</b>	<b>5,629.59</b>	<b>4,698.56</b>	<b>931.03</b>	<b>19.82%</b>
<b>Shareholders' equity</b>				
<i>Equity attributable to owners of the Company</i>	3,320.72	2,691.04	629.68	23.40%
<i>Non-controlling interests of the subsidiary</i>	(41.63)	18.69	(60.32)	(322.77%)
<b>Total shareholders' equity</b>	<b>3,279.09</b>	<b>2,709.73</b>	<b>569.36</b>	<b>21.01%</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,908.68</b>	<b>7,408.29</b>	<b>1,500.39</b>	<b>20.25%</b>



### Total Assets

The Company and its subsidiaries had total assets as at 30 September 2022 of THB 8,908.68 million, an increase of THB 1,500.39 million from 31 December 2021 or 20.25%, due to the followings:

- (1) Cash and cash equivalents increased by THB 195.10 million or 195.46%. There were net cash flow provided by operating activities amounting to THB 904.40 million and net cash used in investing activities amounting to THB 1,726.58 million, from the purchase of program rights. On the other hand, there was net cash flow from financing activities THB 1,017.28 million which mainly came from short-term loan from financial institution including the debenture issued during the period.
- (2) Trade and other accounts receivable decreased THB 431.25 million or 24.43% mainly from the Company and its subsidiaries has been able to make collection from major customers during the currently period.

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 September 30, 2022 in the amount of Baht 1,334 million. Such outstanding amount of accounts receivable was significant to the financial statements which 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 September 30, 2022, allowance for expected credit losses per the overdue account receivables is 3.07%). 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 70.54 million or 44.06% which in line with an increase of trade account payables from purchasing program rights from local suppliers.
- (4) Program rights increased by THB 1,257.64 million or 36.29%. During this period, the Company had invested by purchasing the program rights of THB 1,958.72 million that can be categorized as follow: (1) Acquisition of the program rights to sale in Thailand amounting to THB 1,375.18 million and (2) Acquisition of the program rights to export sales amounting to THB 583.54 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 701.08 million.

### Total Liabilities

The Company and its subsidiaries had total liabilities as at 30 September 2022 of THB 5,629.59 million, an increase of THB 931.03 million or 19.82% 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 311.18 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 September 2022, the Company and its subsidiaries had total shareholders equity of THB 3,279.09 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 3,320.72 million and THB 41.63 million, respectively, in which increased by THB 569.36 million. The increase was due to the normal operating profit of the Company and its subsidiaries amounting to THB 175.47 million, the Company's other comprehensive expense about THB 1.29 million and an decrease of non-controlling interests of the amounting to THB 60.32 million, The increase of capital and share premium from conversion convertible debentures to ordinary shares during the current period amounting to THB 52.11 million and THB 394.40 million and the increase of convertible debentures - equity component from Issued convertible debentures during the current period amounting to THB 6.41 million

### Liquidity and capital adequacy

As at 30 September 2022 and 31 December 2021, the current ratio of the Company and its subsidiaries were 0.60 times and 1.16 times, respectively, and the quick ratio were 0.48 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 September 2022 and 31 December 2021 were 1.72 times and 1.73 times, respectively, due to the increasing of Shareholders' equity as described above.