



Management Discussion and Analysis of the Company's Performance
for the year ended 31 December 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>	2,669.56	1,804.91	864.65	47.91%
<i>Total expenses</i>	(1,684.38)	(1,346.49)	337.89	25.09%
<i>Profit from operating activities</i>	985.18	458.41	526.77	114.91%
<i>Finance income</i>	0.54	0.89	(0.35)	(39.16%)
<i>Finance cost</i>	(325.92)	(218.84)	107.08	48.93%
<i>Income tax expenses</i>	(71.79)	(60.68)	11.11	18.31%
<i>Net profit</i>	583.30	173.58	409.72	236.04%
<i>Loss attributable to Non-controlling interests</i>	(25.13)	(5.77)	(19.36)	(335.81)%
<i>Profit attributable to owners of the parent company</i>	608.43	179.35	429.08	239.25%
<i>Net profit ratio (ROS)</i>	21.85%	9.62%		
<i>Earnings per share (Baht)</i>	0.92	0.30	0.62	206.67%
<i>Diluted earnings per share (Baht)</i>	0.75	0.27	0.48	177.78%

Total Revenue

For the year ended 31 December 2022, the Company and its subsidiaries earned a total revenue of THB 2,669.56 million, which increased by THB 864.65 million or 47.91% from last year. The total revenue of each operating segments for the year ended 31 December 2022 of the Company and its subsidiaries had changed from last year as follows (1) Revenue from sales of program rights increased 17.86% (2) Revenue from advertising and media services decreased 34.81% (3) Revenue from sales of products increased 360.76% (4) Revenue from Miss Universe Organization's license Management increased 100% (5) Other income increased 547.08%.

Net profit

For the year ended 31 December 2022, the Company and its subsidiaries had net profits of THB 583.30 million which increased by THB 409.72 million or 236.04% from previous year, mainly due to the increased in revenue from from sales of program rights and sales of products which continuously growth. Moreover, the Company had gain on bargain purchase by THB 441.10 million from investing in Miss Universe organization.

From the reason mentioned above, total revenue to net profit ratio (net profit margin) for the year ended 31 December 2022 increased to 21.85% from 9.62% 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 31 December 2022 was 4.08 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	1,958.72	1,661.93	296.79	17.86%
- Domestic sales	1,637.99	1,036.86	601.13	57.98%
- Export sales	320.73	625.07	(304.34)	(48.69%)
Cost of program rights	(767.51)	(793.85)	(26.35)	(3.32%)
Gross profit of content business	1,191.21	868.07	323.14	37.22%
Gross profit margin	60.82%	52.23%		
2. Advertising and Media Business				
Revenue from services	17.88	27.42	(9.54)	(34.81%)
Cost of services	(365.87)	(135.73)	230.14	169.56%
Gross loss of advertising and media business	(347.99)	(108.31)	(239.69)	(221.29%)
Gross loss margin	(1,946.73%)	(395.02%)		
3. Product sales Business				
Revenue from sales of products	195.85	42.51	153.34	360.76%
Cost of product sales	(64.65)	(30.24)	34.41	113.78%
Gross profit of product sales business	131.20	12.27	118.94	969.64%
Gross profit margin	66.99%	28.86%		
4. Miss Universe Organization's License Management				
Revenue from sales of license	19.21	-	19.21	100.00%
Cost of license	(1.53)	-	(1.53)	100.00%
Gross profit of Miss Universe Organization's License Management	17.68	-	17.68	100.00%
Gross profit margin	92.03%	-		
Total Gross profit	992.10	772.03	220.07	28.51%
Total Gross profit margin	45.27%	44.58%		

Content Business

For the year ended 31 December 2022, the Company had revenue from program rights of THB 1,958.72 million which was composed of domestic sales amounting to THB 1,637.99 million and export sales about THB 320.73 million or accounted for 83.63% and 16.37% respectively (2021: 62.39% and 37.61%) of total revenue from program rights, which overall increased by THB 296.79 million or 17.86% from last year. The increase in revenue program right was mainly from domestic sales of THB 601.13 million or 57.98% 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 304.34 million or 48.69%, 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>
<i>Rights to broadcast only one platform</i>				
<i>DTT</i>	90.45	293.66	(203.21)	(69.20%)
<i>Cabsat</i>	27.58	173.76	(146.18)	(84.13%)
<i>VOD</i>	-	25.31	(25.31)	(100.00%)
<i>Subtotal</i>	118.03	492.73	(374.70)	(76.05%)
<i>Rights to broadcast more than one platform</i>				
<i>DTT, Cabsat</i>	1,094.40	454.52	639.88	140.78%
<i>DTT, Cabsat, VOD</i>	305.11	7.50	297.61	3,968.13%
<i>DTT, Cabsat, IPTV</i>	380.60	-	380.60	100.00%
<i>DTT, VOD</i>	35.25	82.11	(46.86)	(57.07%)
<i>Cabsat, VOD</i>	25.30	625.07	(599.77)	(95.95%)
<i>Subtotal</i>	1,840.66	1,169.20	671.46	57.43%
<i>Total revenue from sales of program rights by platform</i>	1,958.69	1,661.93	296.76	17.86%

For the year ended 31 December 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 last 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 671.46 million.

For the backlog as of 31 December 2022 of THB 998.95 million which is composed of THB 306.80 million for the domestic sales and THB 692.15 million or USD 20.13 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 year ended 31 December 2022 and 2021 totaling THB 767.51 million and THB 793.85 million respectively, in which decreased by 3.32%. 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 year ended 31 December 2022 and 2021 in a total of THB 1,191.21 million and THB 868.07 million, respectively, in which increased by 37.22%. The gross profit margin for the year ended 31 December 2022 and 2021 was 45.27% and 44.58%, 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 year ended 31 December 2022, the Company and its subsidiaries earned service income totaled THB 17.88 million, the decrease of THB 9.54 million or 34.81% from last 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 and home shopping business

For the year ended 31 December 2022, the Company and its subsidiaries earned revenue from product sales business of Baht 195.85 million which comprise the nutritional supplement products of Baht 33.98 million, home shopping business of Baht 120.17 million and healthy drinks of Baht 41.70 million.

Miss Universe Organization's License Management

From acquired of Miss Universe orgainzation during the the 4th quarter of 2022, the Company and its subsidiaries earned revenue from national director fee of THB 19.21 million, to organize a national beauty pageant to find a representative in their countries to join the Miss Universe final competition.

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 bargain purchase, 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 2022, other income and finance income were totaling THB 478.45 million, which increased by THB 401.51 million from last year. As a result of gain on bargain purchase totaling THB 441.10 THB from investing in Miss Universe orgainzation during the year.

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	5.39	0.15	5.25	3,563.39%
Advertising and marketing expenses	86.57	158.09	(71.52)	(45.24%)
Others	77.37	19.36	58.01	299.69%
Selling and service expenses	169.33	177.59	(8.26)	(4.65%)

Selling and service expense for the year ended 31 December 2022 decreased by THB 8.26 million or 4.65% from last year since 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 especially in the early states of selling products.

Administrative Expenses

Baht Million	2022	2021	+ / (-)	+ / (-) %
Employee and executive expenses	122.71	96.20	26.51	27.55%
Advisor expenses	49.11	19.63	29.48	150.13%
Loss on exchange rate	1.60	-	1.60	100.00%
Allowance for expected credit loss	(3.10)	3.83	(6.93)	(180.83%)
Loss on revalue of financial asset	4.82	2.75	2.07	75.23%
Depreciation and amortization expenses	43.25	29.82	13.43	45.04%
Others	97.10	56.83	40.27	70.86%
Administrative expenses	315.50	209.07	106.43	50.91%

Administrative expense for the year ended 31 December 2022 totaled THB 315.50 million, the increase of THB 106.43 million or 50.91% from last year. This was due to the acquisition of Miss Universe Organization during the 4th quarter of 2022 resulting in the increase of advisory fee which related to the business acquisition. Moreover, 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 year ended 31 December 2022, the Company had financial costs in total of THB 325.92 million, an increase of THB 107.08 million or 48.93% 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 for the purpose of investing in program rights and acquiring new business during the year.

Income tax expense

Income tax expense for the year ended 31 December 2022 totaled THB 71.79 million, a increase of THB 11.11 million or 18.31% from last year. Mainly due to the subsidiaries had income tax expenses arisen from the reversal of unused tax loss of THB 53.66 million which increased by THB 18.73 million from last year, 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 2022	31 Dec 2021	+/(-)	+/(-) %
Assets				
Cash, Cash equivalents	347.52	99.82	247.71	248.16%
Trade and other accounts receivable	1,620.10	1,765.09	(144.99)	(8.21)%
Other current financial assets	100.33	0.17	100.16	60,437.29%
Value added tax receivable	236.10	160.10	76.00	47.47%
Other current assets	262.93	142.05	120.87	85.09%
Plant property and equipment	437.38	415.00	22.38	5.39%
Right-of-use assets	30.51	45.48	(14.97)	(32.92)%
Advance payment for purchased program rights	497.91	347.81	150.10	43.16%
Program rights	5,073.02	3,465.20	1,607.82	46.40%
Trademark	1,335.42	26.26	1,309.16	4,985.27%
Goodwill	717.96	665.96	52.00	7.81%
Deferred tax assets	-	186.07	(186.07)	(100.00)%
Other non-current assets	68.56	89.82	(21.26)	(23.67)%
Total assets	10,727.74	7,408.29	3,319.45	44.81%
Liabilities				
Short-term loan from financial institution	340.46	100.00	240.46	240.46%
Trade and other accounts payable	917.78	475.59	422.19	92.98%
Short-term debentures	-	297.62	(297.62)	(100.00)%
Current portion of long-term loan from financial institution	323.17	282.00	41.17	14.60%
Current portion of debentures	1,297.73	596.35	701.38	117.61%
Current portion of lease liabilities	10.68	13.17	(2.50)	(18.95)%
Current portion of liabilities under the transfer of claims agreement	63.79	60.79	3.00	4.94%
Other current liabilities	457.36	35.62	421.74	1,184.12%
Convertible debentures - liability component	1,061.42	1,010.62	50.80	5.03%
long-term loan from financial institution - net of current portion	214.66	400.82	(186.16)	(46.44)%
Debentures - net of current portion	2,061.55	1,292.06	769.49	59.56%
Long-term lease liabilities - net of current portion	15.79	29.74	(13.95)	(46.91)%
liabilities under the transfer of claims agreement - net of current portion	23.93	87.72	(63.79)	(72.73)%
Deferred tax liabilities	141.74	-	141.74	100.00%
Other non-current liabilities	27.87	16.45	11.42	69.45%
Total liabilities	6,957.93	4,698.56	2,259.37	48.09%
Shareholders' equity				
Equity attributable to owners of the Company	3,812.77	2,691.04	1,121.73	23.40%
Non-controlling interests of the subsidiary	(42.96)	18.69	(61.64)	(322.77)%
Total shareholders' equity	3,769.81	2,709.73	1,060.08	21.01%
Total liabilities and shareholders' equity	10,727.74	7,408.29	3,319.45	44.81%

Total Assets

The Company and its subsidiaries had total assets as at 31 December 2022 of THB 10,724.74 million, an increase of THB 3,319.45 million from 31 December 2021 or 44.81%, due to the followings:

- (1) Cash and cash equivalents increased by THB 247.71 million or 248.16%. There were net cash flow provided by operating activities amounting to THB 1,117.82 million and net cash used in investing activities amounting to THB 2,486.80 million, from the purchase of program rights and investing in Miss Universe Organization. On the other hand, there was net cash flow from financing activities THB 1,976.69 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 144.99 million or 8.21% 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 December 31, 2022 in the amount of Baht 1,620 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 December 31, 2022, allowance for expected credit losses per the overdue account receivables is 6.73%). 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) Other current financial assets increased THB 100.16 million mainly from investing in trading security funds totaling THB 100 million during the year.
- (4) Value added tax receivable increased by THB 76.00 million or 47.47% which in line with an increase of trade account payables from purchasing program rights from local suppliers.
- (5) Other current assets increased THB 121.41 or 85.79% mainly due to the cash collection from customers related to sales of program rights during the year, As a result of, the Company and its subsidiaries had Whitholding tax awaiting for refund increased from last year. On the other hand, undue input value added tax of the Company and its subsidiaries increased from arisen of accrued sales from program rights which occurred nearly the end of current year.

- (6) Program rights increased by THB 1,607.82 million or 46.40%. During this period, the Company had invested by purchasing the program rights of THB 2,599.07 million that can be categorized as follow: (1) Acquisition of the program rights to domestic sales amounting to THB 1,546.63 million and (2) Acquisition of the program rights to export sales amounting to THB 1,052.44 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 991.25 million.
- (7) Trademark increased by THB 1,309.16 million mainly from the value of Miss Universe Organization's trademark which the Company acquired the business in the 4th quarter of 2022.
- (8) Deferred tax assets decreased by THB 186.07 million mainly from the subsidiaries had income tax expenses which arisen from the reversal of unused tax loss including of recording of deferred tax liability from arisen of fair value of Miss Universe Organization's trademark at the acquisition date.

Total Liabilities

The Company and its subsidiaries had total liabilities as at 31 December 2022 of THB 6,957.93 million, an increase of THB 2,259.37 million or 48.09% 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 442.19 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 investing in program rights and the new business during the year.

Shareholders' equity

As at 31 December 2022, the Company and its subsidiaries had total shareholders equity of THB 3,769.81 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 3,812.77 million and THB 42.96 million, respectively, in which increased by THB 1,060.08 million. The increase was due to the operating profit of the Company and its subsidiaries amounting to THB 608.43 million, the Company's other comprehensive expense about THB 12.92 million and an decrease of non-controlling interests of the amounting to THB 61.64 million, The increase of capital and share premium from conversion of convertible debentures to ordinary shares during the current period amounting to THB 59.00 million and THB 433.88 million and the increase of convertible debentures - equity component from issued convertible debentures during the current period amounting to THB 7.49 million

Liquidity and capital adequacy

As at 31 December 2022 and 31 December 2021, the current ratio of the Company and its subsidiaries were 0.75 times and 1.16 times, respectively, and the quick ratio were 0.61 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 from financial institution as described above. Nevertheless, the management is confident that the Company could collect debt from the major customers to repay the short-term liabilities based on the past experiences.

Moreover, the Debt to Equity ratio (D/E ratio) as at 31 December 2022 and 31 December 2021 were 1.85 times and 1.73 times, respectively, due to the increasing of trade and other accounts payable, especially creditors arising from the purchased of program rights and short-term loan from financial institution, including debentures issuance during the year as described above.