

- Translation -



Management Discussion and Analysis of the Company's Performance
for the period ended 30 June 2023

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

Baht Million	2023	2022	+ / (-)	+ / (-) %
Total revenues	1,500.11	994.14	505.97	50.89%
Total expense	(1,147.55)	(733.46)	414.09	56.46%
Profit from operating activities	352.56	260.68	91.87	35.24%
Finance income	-	0.24	(0.24)	(100.00%)
Finance cost	(177.96)	(149.14)	28.82	19.33%
Income tax expenses	(72.88)	(30.51)	42.37	138.85%
Net profit (1)	101.72	76.56	25.16	32.86%
Other comprehensive income for the period	(20.63)	1.12	(21.74)	(1,949.79%)
Total comprehensive income (3)	81.09	77.68	3.42	4.40%
Profit (loss) attributable to non-controlling interests of the subsidiary	(19.81)	(13.97)	(5.84)	(41.79%)
Profit (loss) attributable to equity holders of the Company (2)	121.52	90.53	30.99	34.24%
Net profit ratio (ROS) (1)	6.78%	7.70%		
Earnings per share (Baht)	0.08	0.15	(0.07)	(46.67%)
Diluted earnings per share (Baht)	0.07	0.13	(0.06)	(46.15%)

Total Revenue

For the six-month period ended 30 June 2023, the Company and its subsidiaries earned a total revenue of THB 1,500.11 million, which increased by THB 505.97 million or 50.89% from the same period of previous year. The total revenue of each operating segments for the period ended 30 June 2023 of the Company and its subsidiaries had changed from the same period of previous year as follows (1) Revenue from sales of program rights increased 32.16% (2) Revenue from advertising and media services decreased 85.81% (3) Revenue from sales of products increased 14.87% (4) Revenue from Miss Universe Organization's license Management increased 100% (5) Other income decreased 5.11%.

Net profit

For the six-month period ended 30 June 2023, the Company and its subsidiaries had net profits of THB 101.72 million which increased by THB 25.16 million or 32.86% from the same period of previous year, all business units have slightly growth including the Company have negotiated to extend the broadcasting right period that resulted to decrease the cost of program right, however the cost of organizing the 71st Miss Universe Competition on late of January 2023 and higher financial cost were resulted to net profit rate for the six-month period ended 30 June 2023.

According to the Miss Universe Organization's License Management, the Company had made several agreements related to MU events and competition. As at 30 June 2023, the Company have received the fees followed in payment term of those agreements, whereas all agreements had been recorded in Deferred Revenue amounting of THB 251 million and will realize as revenue within the year.

From the reason mentioned above, net profit margin for the six-month period ended 30 June 2023 decreased from 7.70% the same period of previous year to be 6.78% and the selling and administration expenses for the six-month period ending 30 June 2023 being 23.38% whereas being 18.60% in the same period of previous year.

For the earnings per share, the diluted earnings per share was calculated and presented in order to inform in case of the convertible debentures had been executed. However, when comparing the conversion price and the fair value of the Company's shares, the fair value was lower than the conversion price (based on the closing price of the Company's shares as at 30 June 2023 was 2.40 Baht per share, while the conversion price of the convertible debenture about 6.2316 baht per share) which the gap price regularly impacts to the probability of the execution of convertible debenture.

2. Summary of operating results by business type

Baht Million	2023	2022	+ / (-)	+ / (-) %
1. Content Business				
Revenue from sales of program rights	1,136.62	860.00	276.62	32.16%
- Domestic sales	770.29	790.66	(20.37)	(2.58%)
- Export sales	366.33	69.34	296.99	428.30%
Cost of program rights	(398.21)	(356.47)	41.74	11.71%
Gross profit of content business	738.41	503.53	234.88	46.65%
Gross profit margin	64.97%	58.55%		
2. Advertising and Media Business				
Revenue from services	1.47	10.37	(8.90)	(85.81%)
Cost of services	(125.29)	(162.00)	(36.70)	(22.66%)
Gross profit of advertising and media business	(123.82)	(151.63)	27.81	18.34%
Gross profit margin	(8,419.01%)	(1,462.61%)		
3. Product sales Business				
Revenue from sales of products	84.91	73.92	10.99	14.87%
Cost of product sales	(28.27)	(30.07)	(1.80)	(5.99%)
Gross profit of product sales business	56.64	43.85	12.79	29.16%
Gross profit margin	66.71%	59.32%		
4. License Business				
Revenue from sales of License	229.58	-	229.58	100.00%
Cost of License sales	(245.09)	-	245.09	100.00%
Gross profit of License sales business	(15.51)	-	(15.51)	100.00%
Gross profit margin	(6.76%)	-		
Total Gross profit	655.72	395.75	259.97	65.69%
Total Gross profit margin	45.14%	41.91%		

Content Business

For the six-month period ended 30 June 2023, the Company had revenue from program rights of THB 1,136.62 million which was composed of domestic sales amounting to THB 770.29 million and export sales about THB 366.33 million or accounted for decreased 2.58% and increased 428.30% respectively (2022: 91.94% and 8.06%) of total revenue from program rights, which overall increased by THB 276.62 million or 32.16% from the same period of previous year. The Company consider to a subsidiary company to operate and manage international markets considering from the communication skill and benefit to the Company and party to avoid the currency exchange risk. However, the Company still keep sale improvement in Thai territory. The customer trend has more interest in rights to broadcasting more than one platform including IPTV platform which keep grow up whereas VOD format has been declined.

Baht Million	2023	2022	+ / (-)	+ / (-) %
Rights to broadcast only one platform				
Cabsat	-	27.58	(27.58)	(100.00%)
IPTV	319.22	-	319.22	100.00%
DTT	-	43.65	(43.65)	(100.00%)
Subtotal revenue from sales of program rights which can broadcast only one platform	319.22	71.23	247.99	348.15%
Rights to broadcast more than one platform				
DTT, Cabsat	463.71	453.95	9.76	2.15%
DTT, Cabsat, VOD	46.89	-	46.89	100.00%
DTT, Cabsat, IPTV	122.00	231.40	(109.40)	(47.28%)
DTT, Cabsat, VOD, Home, Cinema	-	-	-	-
DTT, Cabsat, VOD, Home, Ancillary	-	-	-	-
DTT, VOD	-	35.25	(35.25)	(100.00%)
Cabsat, IPTV	184.80	-	184.80	100.00%
Cabsat, VOD	-	68.16	(68.16)	(100.00%)
VOD, Home	-	-	-	-
Subtotal revenue from sales of program rights which can broadcast more than one platform	817.40	788.76	28.64	3.63%
Total revenue from sales of program rights by platform	1,136.62	859.99	276.63	32.17%

For the six-month period ended 30 June 2023, 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) since last year. As a result, revenue from sales of program rights to broadcast more than one platform increased of THB 276.63 million.

For the backlog as of 30 June 2023 of THB 2,110.15 million which is composed of THB 1,006.53 million for the domestic sales and THB 1,103.62 million or USD 31.15 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 2023 and 2022 totaling THB 398.21 million and THB 356.47 million respectively, in which increased by 11.71% since the Company have negotiated to extend the period of broadcasting since those contents still be interested and able to sale to the market then the cost of program rights will be in line with revenue from program rights and growth of the content business.

The Company and its subsidiaries earned gross profits from program rights business for the six-month period ended 30 June 2023 and 2022 in a total of THB 738.41 million and THB 503.53 million, respectively, in which increased by 46.65%. The gross profit margin for the six-month period ended 30 June 2023 and 2022 was 64.97% and 58.55%, respectively. The Company still keep the net profit rate stability ever though the higher cost of program right.

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 2023, the Company and its subsidiaries earned service income totaled THB 1.47 million, the decrease of THB 8.90 million or 85.81% from the same period of 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 expenses to control the budget. Moreover, the customer also has more choices in order to do promotion and/or advertising which not only in Television media, but online and other new media or platform have provided.

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 had changed from affiliated company to subsidiary company since April 2022.

For the six-month period ended 30 June 2023, the Company and its subsidiaries earned revenue from product sales business of Baht 84.91 million which comprise the nutritional supplement products of Baht 14.62 million, home shopping business of Baht 61.18 million and healthy drinks of Baht 9.11 million.

Miss Universe Organization's License Management

From acquiring of Miss Universe organization on the organization 4th quarter of 2022, for the six-month period ended 30 June 2023 the Company and its subsidiary earned revenue from national director fee of THB 229.58 million, to organize a national beauty pageant to find a representative in their countries to join the 71st Miss Universe final competition on late January 2023. This year the 72nd Miss Universe final competition will be organized on November 2023 which the Company will realize the related revenue on that period.

Other Income and finance income

Other income of the Company and its subsidiaries consists of gain on bargain purchase, gain on exchange rate and gain on short-term investment. Moreover, the finance income of the Company and its subsidiaries are interest income. For the six-month period ended 30 June 2023, other income and finance income were totaling THB 47.52 million, which decreased by THB 2.56 million from the same period of prior year.

However, the Company was well aware of the risk of exchange rate fluctuation therefore the Company opening a credit limit for the forward contract to prevent such risks and keep cash in FDC.

Expenses

Selling and service Expenses

Baht Million	2023	2022	+/-	+/- %
Expense from Event	2.04	-	2.04	#DIV/0!
Advertising and marketing expenses	36.91	51.07	(14.16)	(27.73%)
Others	25.00	25.35	(0.35)	(1.39%)
Selling and service expenses	63.95	76.42	(12.47)	(16.32%)

Selling and service expense for the six-month period ended 30 June 2023, decreased by THB 12.47 million or 16.32% from the same period of prior year since the Company and its subsidiaries organized the Miss Universe Competition on January 2023.

Administrative Expenses

Baht Million	2023	2022	+/-	+/- %
Employee and executive expenses	125.78	51.14	74.64	145.95%
Advisor expenses	55.09	7.19	47.90	665.76%
Loss on exchange rate	(14.74)	-	(14.74)	(100.00%)
Allowance for expected credit loss	3.87	3.90	(0.03)	(0.78%)
Loss on revalue of financial asset	-	-	-	0.00%
Depreciation and amortization expense	21.79	20.41	1.38	6.74%
Others	116.73	46.26	69.10	267.37%
Administrative expenses	286.73	108.49	178.24	164.29%

Administrative expense for the six-month period ended 30 June 2023 totaled THB 286.73 million, the increase of THB 178.24 million or 164.29% from the same period of previous year. This was due to the acquisition of Miss Universe Organization during the 4th quarter of 2022 resulting in the increase of advisory fees which related to the business operation such as agreements and setup working system. Moreover, the fluctuation of FOREX rate impacted to higher costs and expense. In addition, employee and executive expenses increase in line with the number of employees as well.

Financial Costs

For the six-month period ended 30 June 2023, the Company had financial costs in total of THB 177.96 million, an increase of THB 28.82 million or 19.33% from the same period of previous year according to the addition of balance of debentures, short-term and long-term loan from financial institutions that the Company had entered into these agreement for the purpose of investing in program rights and acquiring new business during the year 2022.

Income tax expense

Income tax expense for the six-month period ended 30 June 2023 totaled THB 72.88 million, an increase of THB 42.37 million or 138.8% from the same period of previous year. Mainly due to the subsidiaries had performed well however the Company is in the process of re-structure the business in order to more efficiency performance, therefore the tax burden will be an incident during the novation period.

3. Summary of financial position of the group

Baht Million	2566	2565	+ / (-)	+ / (-)%
Assets				
Cash, Cash equivalents	112.50	347.52	(235.03)	(67.63%)
Trade and other accounts receivable	2,307.01	1,620.10	686.90	42.40%
Other current financial assets	0.78	100.33	(99.55)	(99.23%)
Value added tax receivable	246.63	236.10	10.53	4.46%
Other current assets	274.44	262.93	11.51	4.38%
Plant property and equipment	451.02	437.38	13.64	3.12%
Right-of-use assets	21.18	30.51	(9.33)	(30.58%)
Cost of spectrum license	-	-	-	-
Advance payment for purchased program rights	250.72	497.91	(247.20)	(49.65%)
Program rights	6,371.74	5,073.02	1,298.72	25.60%
Trademark	1,334.02	1,335.42	(1.40)	(0.10%)
Goodwill	717.96	717.96	-	-
Deferred tax assets	-	-	-	-
Other non-current assets	73.29	68.56	4.73	6.90%
Total assets	12,161.27	10,727.74	1,433.53	13.36%

Total Assets

The Company and its subsidiaries had total assets as at 30 June 2023 of THB 12,161.27 million, an increase of THB 1,433.53 million from 31 December 2022 or 13.36%, due to the followings:

- (1) Cash and cash equivalents decreased by THB 235.03 million or 67.63%. There were net cash in flow by operating activities amounting to THB 1,100.23 million. On the other hand, there were net cash in investing activities amounting to THB 1,589.18 million which mostly composed of payment for purchasing program rights and net cash flow from financing activities THB 263.78 million which mainly came from capital increase amounting to THB 800.49 million, from short-term loan from financial institution amounting to THB 518.44 million including the debenture issued during the period.

- (2) Trade and other accounts receivable increased THB 686.90 million or 42.40% mainly from sales of program rights during the first half period. The Company have contacted the outstanding account receivables to confirm the payment of outstanding balance which will start from October 2023 onwards. The Company and its subsidiaries have been able to make partial collection of approximately Baht 334.70 million from a major customer during July 2023.

The Company and its subsidiaries had accounts receivable as presented in the consolidated statement of financial position as at 30 June 2023, in the amount of THB 2,307.01 million consisted of trade account receivable amounting of THB 2,291.25 million and other receivables amounting of THB 15.76 million. Some 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 30 June 2023, allowance for expected credit losses per the overdue account receivables amounting of THB 66.38 million is approximately 3%). 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 decreased THB 100.16 million mainly from investing in trading security funds totaling THB 100 million during the previous year.
- (4) Value added tax receivable increased by THB 10.53 million or 0.73%.
- (5) Other current assets increased THB 4.73 or 6.90% mainly due to the cash collection from customers related to sales of program rights during the period, as a result of, the Company and its subsidiaries had Whit holding tax waiting for refund increased during the period. 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 period.

- (6) Program rights increased by THB 1,298.72 million or 25.60%. During this period, the Company had invested by purchasing the program rights of THB 1,334.82 million that can be categorized as acquisition of the program rights to domestic sales and acquisition of the program rights to export sales to support the growth of the export sales of program rights both in Southeast Asia including South Asia. Moreover, the amortization expense was THB 398.21 million.
- (7) Trademark decreased amounting of THB 1.4 million due to amortization.

Baht Million	2566	2565	+ / (-)	+ / (-) %
Liabilities				
Short-term loan from financial institution	443.21	340.46	102.75	30.18%
Trade and other accounts payable	1,431.48	917.78	513.70	55.97%
Short-term debentures	-	-	-	-
Current portion of long-term loan from financial institution	240.81	323.17	(82.36)	(25.49%)
Current portion of debentures	1,474.14	1,297.73	176.41	13.59%
Current portion of lease liabilities	5.79	10.68	(4.89)	(45.79%)
Current portion of liabilities under the transfer of claims agreement	56.19	63.79	(7.61)	(11.92%)
Other current liabilities	717.07	457.36	259.71	56.79%
Convertible debentures - liability component	1,015.30	1,061.42	(46.12)	(4.35%)
long-term loan from financial institution - net of current portion	125.00	214.66	(89.66)	(41.77%)
Debentures - net of current portion	1,711.44	2,061.55	(350.11)	(16.98%)
Long-term lease liabilities - net of current portion	10.96	15.79	(4.83)	(30.59%)
liabilities under the transfer of claims agreement - net of current portion	-	23.93	(23.93)	(100.00%)
Other non-current liabilities	167.35	169.61	(2.26)	(1.33%)
Total liabilities	7,398.74	6,957.93	440.81	6.34%
Shareholders' equity				
Equity attributable to owners of the Company	4,756.76	3,812.77	943.99	24.76%
Non-controlling interests of the subsidiary	5.78	(42.96)	48.74	(113.46%)
Total shareholders' equity	4,762.54	3,769.81	992.72	26.33%
Total liabilities and shareholders' equity	12,161.27	10,727.74	1,433.53	13.36%

Total Liabilities

The Company and its subsidiaries had total liabilities as at 30 June 2023 of THB 7,398.74 million, an increase of THB 440.81 million or 6.34% 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 513.70 million. (2) The increase in short-term loan from financial institution THB

102.75 million. (3) The decrease from bond payment amounting of THB 568.25 million during the period of the year.

Shareholders' equity

As at 30 June 2023, the Company and its subsidiaries had total shareholders equity of THB 4,762.54 which consist of equity attributable to owners of the Company and an accumulated profit of Non-controlling interests of the subsidiary amounting to THB 4,756.76 million and THB 5.78 million, respectively, in which increased by THB 992.72 million. The increase was due to the operating profit of the Company and its subsidiaries amounting to THB 101.72 million, the Company's other comprehensive expense about THB 20.63 million. The increase of capital and share premium from right offering and conversion of convertible debentures to ordinary shares during the current period amounting to THB 153.09 million and THB 766.03 million and the decrease 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 30 June 2023 and 31 December 2022, the current ratio of the Company and its subsidiaries were 0.67 times and 0.75 times, respectively, and the quick ratio were 0.55 times and 0.58 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 30 June 2023 and 31 December 2022 were 1.58 times and 1.85 times, respectively, due to the decreasing 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 period of the year as described above.