

Asian Television Network International Limited
Management's Discussion and Analysis
For the years-ended December 31, 2021 and December 31, 2020



The purpose of this Management's Discussion and Analysis ("MD&A"), dated April 27, 2022, is to provide readers with additional and complementary information regarding Asian Television Network International Limited ("ATN" or the "Company") financial condition and results of operations and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Copies of these documents as well as additional information concerning the Company can be found on the SEDAR Web site at www.sedar.com and may also be obtained upon request, without charge, to the Secretary of the Company at its executive office, 330 Cochrane Drive, Markham, Ontario L3R 8E4, telephone: 905-948-8199. The above-mentioned documents, as well as the Company's news releases, are also available on the Company's Web site at www.asiantelevision.com.

All amounts herein are expressed in Canadian dollars.

All of our operations are in Canada.

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FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements concerning the future performance of the Company's business, its operations and its financial results and condition, and more particularly as they relate to management's belief in respect of the sufficiency of cash from operations to cover cash requirements as they arise.

When used in this document, the words "believe", "anticipate", "intend", "estimate", "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are based on management's current expectations. These forward-looking statements relating to the Company's future cash requirements are based on an assumption that cash flow from the future operations in future periods will not be significantly less than for prior periods. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the forward-looking information due to assumptions, estimates or expectations reflected or contained in the forward-looking information. Actual future performance, including cash flow from operations, will be affected by a number of factors, which may result in a decrease in cash flow from operations. These factors include technology changes, economic conditions, regulatory and taxation changes, competitive factors and changes in accounting rules or standards, many of which are beyond the Company's control (see "Risks and Uncertainties Affecting our Business"). Therefore, future events and results may vary substantially from what we currently foresee. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PROFILE

We are a Canadian media company focused on Canada's fast expanding South Asian population with all of our operations in Canada. ATN pioneered South Asian programming on television in Canada through its first venture on cable in Toronto. Today ATN serves Canada's diverse cultural communities with over 50 premium pay specialty television channels, in 9 languages, ATN offers its flagship general interest service "ATN - HD", several Bollywood movies channels with over several hundred movies a month, and a variety of channels that include sports, news, music, lifestyle, spiritual and several regional language channels. ATN is Canada's pioneer of World Class Cricket. ATN's television channels are distributed to subscribers by various Canadian Broadcast Distribution Undertakings (BDUs), including cable, satellite, and telephone companies. ATN operates a South Asian Radio Service on Satellite Radio across Canada and the United States. We are publicly traded on the TSX Venture Exchange (TSXV: SAT).

ATN derives its revenue principally from subscription revenue and advertising revenue on its speciality pay television channels. Subscription revenue consists of a portion of monthly fees paid by viewers to their Broadcast Distribution Undertakings (BDUs) while advertising revenue consists of revenue earned from the sale of on-air advertisement by ATN. The Company develops some of its programming in-house and also acquires the rights to programs from local and international television and film producers. All of ATN's television channels are speciality pay channels which are available on BDUs (including Canada's cable television networks and satellite and fibre optic television networks) for a monthly fee. The fee payable for a subscription to ATN's channels is in addition to the fee paid by subscribers to the BDUs for "basic" packages. Not all channels are carried by all BDUs. Advertisers on ATN's channels consist of national, regional, and local businesses who commit to advertising over varying periods of time, primarily short term. The Company also earns revenue from the licensing of programming to other broadcasters and from the production of advertising for advertisers. The Company's programming is targeted to Canada's South Asian population which is concentrated in Canada's major urban centres. The Company's operations are based in Markham, Ontario in suburban Toronto.

ATN has the largest collection of original South Asian Canadian content in its television broadcast library. Most of these programs are exclusively produced by ATN over the last four decades. The archives are invaluable and reflect the community's contribution to art, culture, education, music, dance, cinema, sports, politics, business, and public service. ATN's past and present productions also include original Canadian content with international celebrities from overseas. The Company continues to further monetize its library of South Asian Canadian content through its channels and is in discussion regarding the possibility of syndications outside of Canada on other international services.

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FINANCIAL HIGHLIGHTS FOR THE FISCAL YEAR

- Consolidated operating revenue for the year ended December 31, 2021, decreased 6% of which subscription revenues decreased 15% and advertising revenue increased by 35% this year over previous year ended December 31, 2020, having a net negative impact on our consolidated income.
- The increase in advertising revenues was primarily due to a slow but steady recovery in 2021 from temporary closures in 2020 for businesses impacted by COVID-19. However, a steady decline is still noticeable in both subscription and advertising revenue from pre-COVID comparable due to declining number of subscribers who continue to migrate to illegal IPTV set-top boxes.
- Decrease in net loss this year is primarily as a result of cost cutting measures, government tax credits, and government subsidies received by the Company due to impact of COVID-19.
- The Company posted an EBITDA of \$891,094 for the period ended December 31, 2021, as compared to \$1,593,329 for the same period ending December 31, 2020, resulting in a decrease of \$702,235 year-over-year.
- As a result of declining revenues and continued losses, the board of directors of the Company issued no annual dividend. The decision is made to preserve cash in order to support its fight against internet piracy and fund its operations.

OPERATIONAL HIGHLIGHTS FOR THE FISCAL YEAR

- The Company continued to recognize government assistance from various programs including the Wage Subsidy and Rent Subsidy program that it was eligible for. During the year, the Company recognized \$151,000 as a reimbursement of employee expense under CEWS program and \$61,000 as a reimbursement under the rent subsidy program.
- During the year, the Company continued to be approved for tax credits to subsidize part of its qualified labour expenditure it incurred in prior periods. The tax credit accrued during the year in accounts receivable, amounted to \$484,000 and is presented as a reduction in its employee expense line on the statements of loss.
- The Company also received a second tranche of government grant as part of COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations (the "Fund"). The Fund complements other Government of Canada initiatives and is issued to help Canadian workers and employers subsidize a portion of their operating costs. The amount of grant received up to the period ending December 31, 2021, is \$69,000 and is presented as a reduction in the Company's Administrative expenses on the statements of loss.
- During the year, the Company continued to explore new revenue streams and was successful in using its high-class studio facilities to attract production companies associated with Netflix, CBC, and others for use of its studio facilities.

INDUSTRIAL HIGHLIGHTS

- During the year, on April 14, 2021, the Government of Canada invited input from the stakeholders and the public on changes to the Copyright Act with a view to ensuring protection of intellectual property rights and eradicate piracy. This was a step in the right direction that indicates that law is taking necessary steps to dismantle and substantially eradicate piracy soon.
- We are delighted to also note that as stated in Bell's press release on August 12, 2021, the Federal Court of Canada has ordered a group of set-top box retailers to shut down their operations. They further ordered them to pay approximately \$30 million in damages and costs to and other Canadian media companies for making content available without authorization and inducing Canadians to access that content illegally. This marks a significant positive step in the Canadian broadcasting and production industry's fight against illegal set-top boxes.
- On January 11, 2022, the Company announced its new partnership with Bell Media's premium streaming service Crave by launching its Bollywood Bonanza Collection on the streaming platform. The series features 20 episodes from its flagship series "ATN's Tribute to 100 Years of Indian Cinema" complimented by 20 popular movies in Hindi.
- On February 3, 2022, the Company announced that it has acquired exclusive Canadian broadcast rights for European Cricket League 2022. The League is a professional Ten10 cricket league contested by the best cricket clubs of European countries and originally formed with a goal to develop and popularize cricket in the European continent.
- On March 31, 2022, the Company issued a press-release applauding the Supreme Court of Canada for its decision to decline leave to appeal in the matter of the 2021 Federal Court of Appeal decision under which a 2019 Federal Court Order

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to block their subscribers access to piracy websites was unanimously upheld. ATN was an active member of FAIRPLAY COALITION, comprised of industry stake holders, which had sought dissolution of piracy and had in that process filed an application to the CRTC. The application was denied in 2018 for lack of jurisdiction.

NON-IFRS MEASURES

In addition to discussing earnings measures in accordance with IFRS, this MD&A provides the following non-IFRS measures which are also factors used by the Company's management and Board of Directors in monitoring and evaluating the performance of the Company. The Company's management also believe certain investors use it as a measure of the Company's financial performance and for valuation purposes.

EBITDA (earnings before interest, taxes, depreciation and amortization) is provided to assist investors in determining the ability of the Company to generate cash flow from operating activities and to cover financial charges. EBITDA is also an indicator widely used for business valuation purposes. The following table reconciles IFRS measures disclosed in the audited consolidated income statements for the three and twelve months ended December 31, 2021, and December 31, 2020, to EBITDA:

	Three months ended December		Twelve months ended December	
	2021	2020	2021	2020
Net (loss) income for the period	433,652	152,669	(166,885)	(534,606)
Income tax (recovery) expense	(156,772)	478,432	(156,772)	478,432
Finance costs	23,999	13,947	55,565	66,439
Depreciation and amortization	299,657	292,112	1,159,186	1,583,064
EBITDA	\$600,536	\$937,160	\$891,094	\$1,593,329

EBITDA is not defined by IFRS and is not standardized for public issuers. This measure may not be comparable to similar measures presented by other public enterprises.

ADDITIONAL GAAP MEASURES

Profit from operations is included in the Statement of Cash Flow which forms part of the Audited Consolidated Financial Statements and may be considered to be an additional GAAP (general accepted accounting principles) measure presented under IFRS. This measure provides management a useful indicator of the Company's ability to operate profitably as it excludes the impact of certain working capital measures, such as changes in trade and other receivables, changes in prepaid expenses and changes in accounts payable and accrued liabilities. The Company's management also believe certain investors use it as a measure of the Company's financial performance. Profit from Operations is not defined by IFRS and is not standardized for public issuers. This measure may not be comparable to similar measures presented by other public enterprises.

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PERFORMAMCE REVIEW

Selected Financial Highlights

Set out below are selected financial measures for each of the years ended December 31, 2021, 2020 and 2019.

During 2019 to 2021, the Company continued to experience declining revenues from consumers shift towards illegal IPTV set top boxes exacerbated by the advent of COVID-19 impact on small businesses within Canada. During 2021 however, the Company has seen some recovery in its advertising services compared to 2020 which was significantly impacted due to COVID closures for small businesses.

Audited twelve months ended December 31,	2021	2020	2019
Operating revenue	9,503,914	10,075,256	\$11,980,773
Net (loss) income	(166,885)	(534,606)	(\$2,323,177)
Weighted average number of outstanding shares			
Basic	24,402,914	24,402,914	24,402,914
Diluted	24,402,914	24,402,914	24,402,914
(Loss) Earnings per share			
Basic	(\$0.01)	(\$0.02)	(\$0.10)
Diluted	(\$0.01)	(\$0.02)	(\$0.10)
Total Assets	8,288,861	6,841,675	\$8,343,718
Long-term debt and finance lease obligations	2,419,791	214,232	\$723,533
Dividends paid during the year			
per common share	\$0.000	\$0.000	\$0.00

Summarized Consolidated Financial Results

Unaudited three months and audited twelve months ended December 31, 2021, and December 31, 2020, and % change.

Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear.

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Operating revenue	2,245,121	2,639,490	\$9,503,914	\$10,075,256
Administrative expenses	283,418	37,680	\$902,794	\$832,635
Marketing and distribution costs	1,359,244	1,746,037	\$6,427,544	\$6,955,639
Employee costs	52,189	10,700	\$1,584,236	\$1,421,180
Depreciation and amortization	244,482	209,634	\$855,376	\$853,101
Finance costs	23,999	13,947	\$55,565	\$66,439
Loss (gain) on foreign exchange differences	4,909	(9,611)	\$2,056	\$2,436
Total operating expenses	1,968,241	\$2,008,388	\$9,827,571	\$10,131,430
(Loss) income before taxes	276,880	\$631,102	(\$323,657)	(\$56,174)
Income tax (recovery) expense	(156,772)	\$478,434	(\$156,772)	\$478,434
Net (loss) income for the period	433,652	\$152,669	(\$166,885)	(\$534,606)
Basic and Diluted (Loss) Earnings per share	\$0.02	\$0.01	(\$0.01)	(\$0.02)
EBITDA	\$600,536	\$937,160	\$891,094	\$1,593,329

Consolidated operating revenue was \$2,245,122 in the three months ended December 31, 2021, a decrease of \$394,368 over the three months ended December 31, 2020. For the year ended December 31, 2021, consolidated operating revenue was \$9,503,914 compared to the previous year, which was \$10,075,256, representing a 6% decline year-over-year. The annual decline was primarily attributable to a decline in subscription offset by a slight recovery of advertising revenues. Consolidated operating expenses were \$1,968,241 for the three months ended December 31, 2021, a decrease of \$40,147 or 2% than the three months ended December 31, 2020, as a result of higher administrative expenses offset by lower marketing & distribution costs. For the year ended December 31, 2021, consolidated operating expenses were \$9,827,571, \$303,859 lower over last years consolidated operating expenses of \$10,131,430 primarily driven by lower marketing & distribution costs. The Company continues to experience declining revenue from consumers shifting towards illegal Internet piracy boxes but as restrictions start to ease and businesses start to reopen during the year, the Company did see a slight recovery of its advertising revenues compared to 2020. The Company has determined that the impact of competition from other online over-the-top services that are legal is negligible compared to the impact due to a shift towards illegal IPTV boxes.

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Overall Analysis

Operating Revenues

Operating revenues are derived from subscription fees, advertising sales and programming and finance income. Subscriptions fees are charged to the consumer by the Broadcast Distribution Undertakings ("BDUs" or singular, "BDU") such as cable, satellite, and telephone companies. The portion of the fees received for each subscriber is negotiated between ATN and the BDUs and varies for each channel. Subscribers are generally permitted to change their viewing package at any time and therefore may terminate their subscription with the BDUs at any time. Advertising revenues are derived from national, regional, and local advertising customers and are aired on the Company's broadcasting channels and they vary according to market and general economic conditions, the quality of programming and the effectiveness of the sales organization. Advertising is sold directly by ATN or through an agency on short and long-term contracts, ranging from one day, a week or several months, however contracts seldom extend beyond one year.

Operating revenues are detailed as follows:

Unaudited three months and audited twelve months ended December 31, 2021, and December 31, 2020, and % Change.

Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear.

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Subscription	\$ 1,609,679	\$ 1,955,227	\$ 6,824,199	\$ 7,999,431
Advertising	601,553	626,999	2,528,196	1,872,796
Programming	48,246	51,176	134,891	165,074
Finance income	\$ (14,357)	\$ 6,087	\$ 16,628	\$ 37,955
Total	\$ 2,245,121	\$ 2,639,489	\$ 9,503,914	\$ 10,075,256

Total revenues reached \$2,245,121 and \$9,503,914 respectively, for the three- and twelve-month periods ended December 31, 2021, compared to \$2,639,490 and \$10,075,256 for the same periods last year, for a quarterly decrease of \$394,368 and an annual decrease of \$571,342 respectively.

The decrease for overall revenue for the quarter and the 12 months ended December 31, 2021, is essentially due to a continuous decline in subscription revenue partially offset by a recovery of advertising revenue. The trend where consumers are dropping their legal television providers for mostly illegal digital boxes continues. The Company continues to actively be involved in Fair Play Canada, a coalition of more than 25 organizations involved in every aspect of Canada's film, TV, radio, sports entertainment, and music to help prevent international piracy sites and organizations from continuing to have a negative effect on industry revenues. While Advertising market also continues to stay impacted due to COVID-19 measures, as local and national restrictions were eased during 2021, businesses began to reopen which has positively impacted the Company's advertising revenues compared to 2020. Overall, advertising revenues have seen a decrease of \$25,446 and increase of \$655,400 respectively for the three- and twelve-months periods ended December 31, 2021, compared to the same periods last year.

Administrative expenses

Administrative expense was \$283,418 and \$902,794 for the three and twelve months ended December 31, 2021, compared to an expense of \$37,680 and \$832,635 for the same period last year, for an increase of \$245,738 and \$70,159 respectively. The increase in the last quarter is primarily driven by grant received last quarter of the prior year as part of COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations which helped subsidize operational expenses for the Company in 2020.

Marketing and distribution costs

Marketing and distribution costs were \$1,359,244 and \$6,427,544 respectively, for the three- and twelve-month periods ended December 31, 2021, compared to \$1,746,037 and \$6,955,639 for the same periods last year, for a decrease of \$386,793 and \$528,095 respectively.

The decrease for the quarter and on an annual basis in marketing and distribution costs are attributable to mainly lower programming costs due to declining revenues and lower fixed fee agreements that were entered into during the year. These costs, however, can fluctuate somewhat, for example our sports and general interest channels may incur additional costs to enhance their programing schedules.

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Employee costs

Employee costs were \$52,189 and \$1,584,236 respectively, for the three- and twelve-month periods ended December 31, 2021, compared to \$10,700 and \$1,421,180 for the same periods last year, for increases of \$41,489 and \$163,056 respectively.

During the prior year, employee costs were temporarily reduced through available government subsidies and available programs allowing us to better manage its workforce hours to match the downfall in its business. However, during 2021, the Company recognized lower amounts of government subsidies resulting in higher employee expense offset by tax credits company expects to receive for qualified labour expenditures the Company incurred in 2017.

Employee costs represent a material portion of our expenses and management continues to actively monitor employee staffing requirements.

Depreciation and amortization

Depreciation and amortization expense were \$244,482 & \$855,376 respectively, for the three- and twelve-month periods ended December 31, 2021, compared to \$209,634 & \$853,101 for the same periods last year, for an increase of \$34,848 and \$2,275 respectively. The increases were driven primarily due to amortization of additional right of use building asset triggered by renewal of the Company's office building.

Finance costs

Finance costs were \$23,999 and \$55,565 for the three- and twelve-month periods ended December 31, 2021, compared to \$13,947 and \$66,439 for the same period last year for an increase of \$10,052 and decrease of \$10,874 respectively.

Gain/(Loss) on exchange differences

Loss on exchange differences were \$4,909 and \$2,056 respectively, for the three- and twelve-month periods ended December 31, 2021, compared to gain of \$9,611 and loss of \$2,436 for the same periods last year, for an increase in its loss of \$14,520 and decrease in its loss of \$380 respectively.

Income tax expense (recovery)

Income tax recovery was \$156,772, for the three- and twelve-month periods ended December 31, 2021, compared to expense of \$478,434 for the same periods last year, for a decrease of \$635,206 respectively.

Due to year-end tax planning, non-deductible amounts for Federal tax purposes, and deferred tax assets not recognized, income tax expense varies from the amounts that would be computed by applying the statutory income tax rate to income before tax.

Net income (loss) for the period and Income (Loss) per share ("IPS")

Net income was \$433,652 (EPS - \$0.02) and net loss was \$166,885 (LPS - \$0.01) respectively, for the three- and twelve-month periods ended December 31, 2021, compared to net income of \$152,669 (EPS - \$0.01) and net loss of \$534,606 (LPS - \$0.02) for the same periods last year. This is due mainly to lower marketing & distribution costs further supported by recovery of the Company's advertising revenues.

Quarterly Performance

The following table highlights the quarterly performance of the Company's operations for the past eight quarters, prepared in accordance with IFRS.

	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	\$2,445,136	\$2,223,981	\$2,766,649	\$2,639,490	\$2,333,658	\$2,546,659	\$2,378,476	\$2,245,121
EBITDA (1)	(\$110,198)	\$161,704	\$604,663	\$937,160	(\$5,443)	\$126,249	\$169,752	\$600,536
Net income (loss)	(\$677,545)	(\$306,806)	\$297,076	\$152,669	(\$337,475)	(\$167,600)	(\$95,462)	\$433,652
Basic EPS (LPS)	(\$0.03)	(\$0.01)	\$0.01	\$0.01	(\$0.01)	(\$0.01)	(\$0.00)	\$0.02
Diluted EPS (LPS)	(\$0.03)	(\$0.01)	\$0.01	\$0.01	(\$0.01)	(\$0.01)	(\$0.00)	\$0.02

(1) The above financial data was prepared in accordance with IFRS except EBITDA which is a Non IFRS measure. See Non-IFRS Measures.

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The Company's revenue and operations results vary, depending on the quarter. However, the loss of subscription revenue is a steady indicator of the growing impact of consumers' switch to illegal piracy boxes over last several quarters.

SEGMENTED INFORMATION

The Company has only one business segment and therefore does not report financial results on a segmented basis.

OVERVIEW OF LIQUIDITY, FINANCING AND SHARE CAPITAL ACTIVITIES

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due or can do so only at excessive cost. The Company's operations are financed through a combination of the cash flows from operations and borrowings under the existing credit facility. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. Management believes its liquidity risk to be low and this is explained in the paragraphs that follow.

Credit Facility and Covenants

The Company has an authorized line of credit of \$500,000. The Company chooses this type of credit facility because it provides flexibility with no scheduled repayment terms. The Company is subject to covenants on its credit facility. The Company's bank covenants include standard terms and conditions and the line is secured by term deposits held by the financial institution. As of December 31, 2021, the Company has utilized \$200,000.

The Company has an authorized revolving line of credit of \$500,000 to assist with financing of broadcasting and similar technology. As of December 31, 2021, the Company has utilized \$57,537 of this facility recorded as Lease liabilities.

The Company was in compliance with the covenants throughout the quarter and at quarter end. Cash flow from operations and funds available from the Company's \$500,000 credit facility have been the primary funding sources of working capital, capital expenditures, debt repayments, and other contractually required payments through the past several years.

Positive Cash Balances & Short-term Investments

The Company maintains an overall positive balance composed of its cash, cash equivalents and short-term investments. The fact that the Company has a positive position with these balances on its statements of financial position reduces its liquidity risk to fund any current obligations. It can also access any unused capacity in its credit facility to fund obligations as needed as well.

Working Capital Requirements

As of December 31, 2021, the Company's working capital balance was approximately of -\$0.8M as the Company redeemed and reinvested its \$2,000,000 GICs as long-term investment. However, since the Company has the ability to withdraw any or all of the GICs upon a short notice thus, with its GIC investments, its adjusted working capital is \$1.2M. The cash on hand, its current receivables, short-term and long-term investments will be sufficient to cover the Company's current obligations to its suppliers and employees and in combination with ongoing cash from operations the Company will be able to meet all other current cash requirements as they arise. In addition, if cash inflows from customers are not sufficient to cover current obligations, because of timing issues, the Company has access to a \$500,000 operating credit line of which \$300,000 is available.

Future Cash Requirements

Other than for operations, the Company's cash requirements are mostly for interest payments, repayment of debt, capital expenditures, and other contractual obligations. Management anticipates that its future cash flows from operations will provide funds to meet its upcoming cash requirements. The Company's future cash requirements are summarized in a table under the heading "Contractual Obligations".

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Operating, Financing and Investing Activities

	Three months ended December 31,		Year ended December 31	
	2021	2020	2021	2020
Net cash flows from (used in) operating activities	\$ (28,971)	\$ 539,241	\$ 438,967	\$ 235,630
Net cash flows from (used in) investing activities	(67,016)	(84,246)	(82,634)	212,204
Net cash flows from (used in) financing activities	42,533	(394,225)	(370,325)	(483,289)
Net cash increase (decrease) in cash and cash equivalents	(53,454)	60,769	(13,992)	(35,456)
Cash and cash equivalents at beginning of period	108,354	8,123	68,892	104,348
Cash and cash equivalents at end of period	\$ 54,900	\$ 68,892	\$ 54,900	\$ 68,892

Cash used in operating activities

The Company's cash balances decreased from \$68,892 as of December 31, 2020, to \$54,900 as of December 31, 2021. The \$13,992 decrease was primarily driven by \$438,967 generated from operations then used to pay off lease obligations of \$370,325.

Cash from investing activities

Cash used in investing activities was \$67,016 and \$82,634 for the three- and twelve-month periods ended December 31, 2021, compared to cash used of \$84,246 and cash generated of \$212,204 for the same periods last year. Cash used in investing activities is primarily as a result of payments to acquire programming rights whereas as cash from investing activities was primarily a result of proceeds from disposition of short-term investments in the prior year.

Cash used in financing activities

Cash generated from financing activities was \$42,533 and used \$370,325 respectively, for the three- and twelve-month periods ended December 31, 2021, compared to cash used of \$394,224 and \$483,288 for the same periods last year. Cash used in financing activities is primarily as a result of repayments made on finance lease obligations.

Finance lease obligations

Our finance lease obligations are now recorded on the Statement of Financial Position as lease liabilities and further described in detail in Note 2 of our 2021 Annual Audited Consolidated Financial Statements.

Interest Rate and Foreign Exchange Management

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings. The exposure to interest rate risk arises from borrowings and investments issued at variable and fixed interest rates.

Currency risk is the risk that changes in foreign exchange rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings.

The Company has minimal interest and foreign exchange risk.

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Outstanding Common Share data

Set out below is our outstanding common share data as of December 31, 2021, and on December 31, 2020.

Designation of Security	Number or Principal Amount Outstanding	If Convertible, Exercisable or Exchangeable for Common Shares, Maximum Number of Common Shares Issuable
Common Shares	24,402,914	N/A
Stock Options	Nil	Nil
Warrants	Nil	Nil
Total (maximum number of shares – fully diluted)	24,402,914	

The Company has not declared and paid any dividends since the last declaration on the outstanding Common shares, as follows:

Declaration date	Record date	Payment date	Dividend per share	Dividends paid
July 4, 2016	July 15, 2016	July 29, 2016	\$.02	\$ 488,058
October 3, 2016	October 15, 2016	October 31, 2016	\$.02	\$ 488,058
January 3, 2017	January 15, 2017	January 31, 2017	\$.02	\$ 488,058
April 3, 2017	April 13, 2017	April 28, 2017	\$.02	\$ 488,058
July 4, 2017	July 14, 2017	July 31, 2017	\$.01	\$ 244,029
October 3, 2017	October 15, 2017	October 31, 2017	\$.01	\$ 244,029
January 3, 2018	January 15, 2018	January 31, 2018	\$.01	\$ 244,029
April 3, 2018	April 15, 2018	April 30, 2018	\$.01	\$ 244,029
July 3, 2018	July 15, 2018	July 31, 2018	\$.005	\$ 122,016

CONTRACTUAL OBLIGATIONS

Our material obligations under firm contractual arrangements are summarized below on December 31, 2021. See also Notes 17 to the 2021 Audited Consolidated Financial Statements.

	2022	2023	2024	After 2024	Total
Lease	\$ 595,854	\$ 600,692	\$ 595,443	\$ 1,388,739	\$ 3,180,729
Purchase commitments	\$ 1,295,758	\$ 216,000	\$ -	\$ -	\$ 1,511,758
	\$ 1,891,612	\$ 816,692	\$ 595,443	\$ 1,388,739	\$ 4,692,487

RISKS AND UNCERTAINTIES AFFECTING OUR BUSINESS

Our business is subject to risks and uncertainties that could result in a material adverse effect on our business and financial results.

Identifying the Principal Risks of our Business

Our Board is responsible, in its governance role, for overseeing management in its responsibility for identifying the principal risks of our business and the implementation of appropriate risk assessment processes to manage these risks. The Audit Committee supports the Board through its responsibility to discuss policies with respect to risk assessment and risk management. In addition, it is responsible for assisting the Board in the oversight of compliance with legal and regulatory requirements. The Audit Committee also reviews with senior management the adequacy of the internal controls that we have adopted to safeguard assets from loss and unauthorized use, to prevent, deter and detect fraud, and to verify the accuracy of the financial records.

Market Risks and Uncertainties

The Company has been experiencing rapidly increasing costs for programming. We continue to be active in the purchase of these rights. However, we are aware of and will guard against the risks inherent in purchasing product without significant gains in subscribers and revenue. The Company's channels are distributed nation-wide by a small number of cable and satellite companies. We rely on these companies to distribute our channels to our customers.

To achieve this end, we work diligently with them to maximize the number of channels carried individually by them. The BDUs, such as cable, satellite and telephone companies are our customers. It is their responsibility to report to us the actual number of subscribers and the actual amount of subscription revenue. In addition, management reviews external data for the current and prior periods to

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assist in the verification of the data obtained from the BDUs. The risk inherent in this relationship is the possibility of an error in reporting to us the number of subscribers or the amount of subscription revenue. Although management reviews internal and external subscriber data, management nonetheless relies on the accuracy and integrity of reports obtained from BDUs to verify the number of subscribers to the Company's channels.

Technology Risks and Uncertainties

The Company is constantly aware of all changes in technology that affects or will affect the distribution of our channels or offer a new method of distribution. Many of these changes affect the way the Company distributes its content. However, equally important, some changes directly affect the capacity of a carrier to be able to distribute more or all of our channels. Although, management remains diligent reviewing these changes for new opportunities for our Company's channels to reach new markets, the cost to the Company of accessing new technologies may negatively impact on the Company's profitability.

General Economic Conditions and Consumer Audience Confidence Risks and Uncertainties

Our business is affected by general economic conditions, consumer confidence and spending. Recessions or declines in economic activity or economic uncertainty generally cause an erosion of consumer and business confidence and may materially reduce discretionary consumer spending. Any reduction in discretionary spending by consumers and businesses or weak economic conditions may materially negatively affect us through decreased demand for our services including decreased advertising, decreased revenue and profitability, and higher bad debt expense.

The specialty television industry in which the Company operates involves a certain amount of risk. There can be no assurance of the economic success of any specialty television channel as revenues depend on audience acceptance, which cannot be accurately predicted. Audience acceptance is impacted by the specialty television service's content, reviews of critics, marketing and promotions, the quality and acceptance of other competing services, the availability of alternative forms of entertainment, leisure activities, general economic conditions, public tastes, and other intangible factors. The lack of audience acceptance for the Company's specialty television channels could have an adverse impact on the Company's business, results of operations, prospects, or financial condition.

We may fail to anticipate or satisfy demand for certain new services or may not be able to offer or market these new services successfully to subscribers. The failure to attract subscribers to new services, or failure to keep pace with changing consumer preferences, would slow revenue growth and could have a materially adverse effect on our business, results of operations and financial condition.

Our television specialty services compete principally for viewers and advertisers with other Canadian specialty services that broadcast in their respective markets and increasingly with Internet TV video downloading which also represents competition for share of viewership. In addition, our subscription revenue and advertising revenue are generally negatively impacted by economic cycles. Although the Company continues to develop flexible advertising packages and distribution channels tailored to the needs of advertisers, a general downturn in advertising budgets for television advertisers will have a negative impact on ATN's advertising revenue.

Dependence on BDUs Distributors or Programming Suppliers

The Company is dependent on BDUs for its subscription revenue. The termination by any one BDU of its broadcasting of one or more of ATN's channels or changes in how the channels are offered to subscribers may have a significant negative impact on ATN's revenues. The Company address this risk by attempting to ensure that at least one BDU distributes some or all of its channels in each large Canadian metropolitan area, but nonetheless the loss of one BDU could be expected to impact ATN's revenue. Furthermore, the number of pay television households subscribing to traditional Canadian Cable or Satellite TV services continues to decline. Other video offerings available to consumers over the Internet such as, direct-to-consumer subscription or free services, some with pirated content, have contributed to this trend. If this decline continues, it could have a material adverse effect on our results of operations.

The Company has taken an active role in protecting its content rights and is working with many of its BDU partners in combatting the threat of piracy by legal means.

The Company is likewise dependent on its content suppliers for its subscription revenue. The termination by any one of its content suppliers could affect the number or quality of ATN's channels thus having a negative impact on ATN's revenues. The Company address this risk by attempting to ensure that it distributes content from most or all of the major south Asian content suppliers, but nonetheless the loss of any supplier could be expected to impact ATN's revenue.

Regulatory Risks and Uncertainties

The specialty television services industry is regulated by the Canadian Radio-television and Telecommunications Commission ("CRTC") under the Broadcasting Act (Canada) (the "Broadcasting Act") which grants and renews licenses. The Company's broadcasting licenses must be renewed from time to time, typically every seven years, and cannot be transferred without regulatory approval. The Company's inability to renew its licenses on favorable terms, or at all, would have an adverse impact on its results of operations, prospects, and financial condition.

Changes in the regulations governing the specialty television industry, including decisions by regulators affecting the Company's broadcasting operations, such as the granting or renewal of licenses or the granting of additional broadcasting licenses to competitors or the introduction of new regulations by regulators, could adversely impact operating results, prospects, and financial condition of the

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Company. Our television specialty services may compete principally for viewers and advertisers with other similar, if any, Canadian or foreign specialty services that broadcast in their respective markets.

Substantially all of our business activities are subject to regulation by the CRTC, and, accordingly, our results of operations are affected by changes in regulations and by the decisions of these regulators.

Our broadcasting specialty services are licensed (or operated pursuant to an exemption order) and regulated by the CRTC pursuant to the Broadcasting Act. Under the Broadcasting Act, the CRTC is responsible for regulating and supervising all aspects of the Canadian broadcasting system with a view to implementing certain broadcasting policy objectives enunciated in that Act.

The Company actively monitors the regulatory environment to ensure it is aware of all risks and opportunities. The licensing process creates a significant barrier to entry which provides a degree of protection for the Company in its existing markets. This also makes it difficult to enter new markets because a company either needs to be awarded a new licence (through the public process) or pay significant funds for existing stations in a market. However, ATN competes with a number of broadcasters who either have existing channels or have resources to acquire new distribution outlets.

ACCOUNTING

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This MD&A has been prepared with reference to our 2021 Audited Consolidated Financial Statements and Notes thereto, which have been prepared in accordance with IFRS. The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Estimates and assumptions are generally based on historical experience and other factors management believes to be relevant at the time financial statements are prepared. Although these estimates and assumptions are made with diligence, actual results could differ from the reported amounts disclosed in the Company's consolidated financial statements and future revisions of estimates and assumptions could impact results of future periods.

Allowance for doubtful accounts

A portion of the Company's revenue is earned from selling on credit to individual consumers and business customers. The allowance for doubtful accounts is calculated by specifically identifying individual accounts which management determines to be potentially uncollectible. Factors that are taken into consideration include the Company's historical collections experience with the customer and the status of the customer's account with respect to whether the customer is continuing to receive service.

Revenue recognition

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue at the date of the consolidated financial statements. Actual results could differ from those estimates.

Accrued liabilities

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of accrued liabilities at the date of the financial statements and the reported amounts expensed during the year. Actual results could differ from those estimates.

Provisions

The Company is required to estimate future cash payments related to present obligations resulting from known events. Such estimates include the likelihood that the settlement of the obligation will require cash payments, the amounts that could be paid and the timing of the potential payments. The Company believes that the assumptions used are reasonable based on information currently available, but final payments could differ materially from provisions recognized on the consolidated statement of financial position.

Income taxes

Income tax liabilities must be estimated for the Company, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management's judgment is required for the calculation of current and deferred taxes.

Useful lives of property, plant, and equipment

Measurement of Property, Plant and Equipment ("PP&E") involves the use of estimates for determining the expected useful lives of depreciable assets. Management's judgment is also required to determine depreciation methods and an asset's residual value, and whether an asset is a qualifying asset for the purposes of capitalizing borrowing costs.

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ACCOUNTING POLICIES

This MD&A has been prepared with reference to our 2021 Audited Consolidated Financial Statements and Notes thereto, which have been prepared in accordance with IFRS. The Audit Committee of the Board reviews our accounting policies, reviews all quarterly and annual filings, and recommends approval of our annual financial statements to the Board. For a detailed discussion of our accounting policies, see Note 2 to the 2021 Audited Consolidated Financial Statements. In addition, a discussion of new accounting standards adopted by us and critical accounting estimates are discussed in the sections "Critical Accounting Estimates" and "Recent Accounting Pronouncements" respectively.

Onerous contracts

A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligation under the contract exceed the expected benefits to be derived by the Company. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, we recognize any impairment loss on the assets associated with the contract.

Determining the fair values of assets acquired and liabilities assumed

The determination of the fair values of the tangible and intangible assets acquired and the liabilities assumed in an acquisition involves considerable judgment. Among other things, the determination of these fair values involves the use of discounted cash flow analyses, estimated future subscribers, and the use of information available in the financial markets. Should actual rates, cash flows, costs and other items differ from our estimates, this may necessitate revisions to the carrying value of the related assets and liabilities acquired, including revisions that may impact net income in future periods.

Impairment of non-financial assets

The impairment test on cash generating units ("CGU") is carried out by comparing the carrying amount of the CGUs and their recoverable amount. The recoverable amount of a CGU is the higher of its fair value, less costs to sell and its value in use. This complex valuation process used to determine fair value less costs to sell and value in use entails the use of methods such as the discounted cash flow method which uses assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows.

CONTROLS AND PROCEDURES

The management of our company is responsible for establishing and maintaining adequate internal controls over financial reporting. Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with generally accepted accounting principles. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management maintains a system of controls intended to ensure that transactions are executed in accordance with management's authorization, assets are safeguarded, and financial records are reliable. Management also takes steps to see that information and communication flows are effective and to monitor performance, including performance of internal control procedures.

The Chief Executive Officer and Chief Financial Officer of the Company, the "Certifying Officers", evaluated the effectiveness of our internal control over financial reporting ("ICFR") as of April 27, 2022. Based on this evaluation, management has concluded that, as of December 31, 2021, our ICFR reporting is effective. There have been no changes in our ICFR during the three and nine months ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, our ICFR.

The Company is not required to certify the design and evaluation of its disclosure control and procedures (DC&P) or ICFR and although the Certifying Officers have evaluated the effectiveness of the Company's ICFR as of December 31, 2021, the Certifying Officers have not evaluated or caused to be evaluated the effectiveness of the Company's DC&P. The inherent limitations on the ability of the Certifying Officers to design and implement on a cost-effective basis DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FOR MORE INFORMATION:

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