



The purpose of this Management's Discussion and Analysis ("MD&A"), dated September 30, 2023, 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, 2022 and related notes in conjunction with the unaudited interim condensed consolidated financial statements for the three month period ended September 30, 2023. 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 assume 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 several 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 because of new information, future events or otherwise.

PROFILE

ATN is a pioneering Canadian media company dedicated to serving the expanding South Asian population within Canada. With all operations based in Canada, ATN holds the distinction of introducing South Asian programming to Canadian television through its inaugural venture in Toronto. Today, ATN stands as a beacon of cultural enrichment, offering over 50 premium pay specialty television channels in 9 languages.

Central to ATN's offerings is "ATN - HD," its flagship general interest service, complemented by multiple Bollywood movie channels that showcase hundreds of films monthly. The spectrum encompasses channels catering to sports, news, music, lifestyle, spirituality, and various regional languages. Notably, ATN stands as Canada's pioneering force in World Class Cricket.

ATN's far-reaching impact is facilitated through diverse Canadian Broadcast Distribution Undertakings (BDUs), spanning cable, satellite, and telephone networks. Amplifying its reach, ATN operates a South Asian Radio Service available on Satellite Radio, spanning both Canada and the United States.

The company's financial structure draws from two principal sources: subscription revenue and advertising revenue. Subscription revenue derives from a fraction of monthly fees paid by viewers to their BDUs. Simultaneously, advertising revenue flourishes through on-air advertisements. A dynamic blend of in-house programming and rights acquisition from local and international producers fuels ATN's diverse content offerings.

ATN's legacy is firmly intertwined with its contribution to nurturing Canada's rich South Asian heritage. Diverse programming underscores the company's commitment to unity through appreciation of cultural diversity. Strategically located in Markham, Ontario, ATN's operational hub thrives within the bustling suburban Toronto landscape. ATN's future endeavors are poised for evolution, driven by its commitment to

reshape the media landscape and explore international syndication possibilities for its content. Publicly traded on the TSX Venture Exchange (TSXV: SAT), ATN's transparent trading status underpins its growth-focused dedication.

In essence, ATN stands as a trailblazing Canadian media powerhouse, celebrating South Asian culture, diversity, and unity through an expansive array of premium programming.

OPERATIONAL HIGHLIGHTS

The recent collaboration between Disney Star and ATN signifies a significant milestone in media partnerships. This strategic move has already yielded promising results, evident in a notable increase in advertising and subscription revenue since October 01, 2023.

ATN now exclusively hosts four channels—ATN Star Plus, ATN Star Gold, ATN Star Vijay, and ATN Vijay Super—in Canada. These channels offer a diverse range of content, featuring popular Indian entertainment, blockbuster movies, and Hindi and Tamil language programs.

The main goal of this partnership is to expand ATN's viewer base by delivering captivating Disney Star content, ultimately boosting both subscription and advertising revenues. Disney Star is excited to broaden its multilingual content portfolio to Canadian audiences, recognizing the strong interest in their series and formatted shows in Canada.

FINANCIAL HIGHLIGHTS FOR THE QUARTER

- Consolidated operating revenue for the three-month period ended September 30, 2023, increased by 17% compared to the previous quarter. Subscription revenues increased by 3%, and Advertising Revenue increased by 29% during this period compared to the previous quarter ended June 30, 2023.
- For the nine-month period ended September 30, 2023, consolidated operating revenue experienced a 2% increase compared to the same quarter of the previous year. Subscription revenues demonstrated a 2% decrease, while Advertising Revenue declined by 6% in contrast to the same three months ending September 30, 2022. Consequently, the overall 2% increase can be primarily attributed to the growth in Programming Revenue.
- Consolidated operating expenses decreased by 15% compared to the same three months ending September 30, 2022, attributable to strategic cost-cutting measures and streamlining efforts undertaken in response to declining revenues and cash constraints.
- The Company's board of directors maintains its decision to discontinue the quarterly dividend. This strategic choice aims to conserve cash resources, supporting our efforts to combat internet piracy and finance our growth initiatives.

NON-IFRS MEASURES

This MD&A not only covers IFRS earnings but also includes non-IFRS metrics. These metrics are important to the Company's management and Board, as well as some investors for gauging financial performance and valuation.

EBITDA (earnings before interest, taxes, depreciation, and amortization) helps investors evaluate cash flow and financial coverage, serving as a vital valuation metric. The table reconciles IFRS figures from unaudited interim income statements for September 30, 2023, and September 30, 2022, to EBITDA. Notably, IFRS doesn't define EBITDA, and it lacks standardization among public issuers. Comparability with other enterprises' similar measures might be limited.

	September 30, 2023	September 30, 2022
Net income for the year	\$92,082	\$(300,117)
Interest Expense	\$10,385	\$27,751
Depreciation amortization and impairments	\$144,961	\$200,141
Depreciation in Programming & Production Line	\$46,517	\$77,022
EBITDA	\$293,945	\$4,798

PERFORMANCE REVIEW

Summarized Consolidated Financial Results

Three months ended September 30, 2023 and September 30, 2022.

	Three months ended September 30,	
	2023	2022
Operating revenue	\$2,031,621	\$1,982,197
Operating expenses		
Office, Studio & Production Expenses	\$193,316	\$207,575
License Fees and Distribution Costs	\$1,234,300	\$1,220,199
Employee costs	\$355,046	\$578,114
Depreciation, amortization and impairments	\$144,961	\$200,141
Finance costs	\$10,385	\$27,751
Loss (gain) on foreign exchange difference	\$1,531	\$2,934
Total operating expenses	\$1,939,539	\$2,36,715
Income before tax	\$92,082	\$(254,518)
Income tax expense		
Net income for the year	\$92,082	\$(254,518)

The Company continues to experience a decrease in losses. Breakdown of operating revenue and expenses are given below.

Overall Analysis

Operating Revenues

Operating revenues stem from subscription fees, advertising sales, programming, and financial sources.

Subscription fees are gathered through BDUs (Broadcast Distribution Undertakings) such as cable, satellite, and phone companies. Negotiated individually, these fees vary based on channels and subscriber terms, allowing flexibility but potential BDU subscription terminations.

Advertising income comes from national, regional, and local advertisers, influenced by market dynamics, program quality, and sales effectiveness. Managed by ATN or agencies, contracts range from days to months, rarely exceeding a year.

The breakdown of the operating revenue is outlined below:

	September 30, 2023	September 30, 2022
Subscription	\$1,453,304	\$1,487,650
Advertising	\$422,878	\$449,584
Programming	\$ 135,000	\$33,673
Other revenue	\$20,439	\$11,290
Total	\$2,031,621	\$1,982,197

Office, Studio & Production Expenses and Employee Costs

Office, Studio & Production expenses for the three-month period ended September 30, 2023, amounted to \$193,316, marking a 7% decrease from the corresponding quarter of the prior fiscal year. Management has maintained a proactive stance in monitoring employee staffing needs, resulting in a reduction in the workforce over the past three months. This reduction has contributed to a decrease in employee expenses compared to the previous period.

License Fees and Distribution Costs

License fees and distribution costs experienced a 1% increase primarily attributed to a slight rise in programming and broadcast expenses compared to the corresponding quarter of the previous year.

OVERVIEW OF LIQUIDITY, FINANCING AND SHARE CAPITAL ACTIVITIES

Liquidity Risk

Liquidity risk involves the Company's ability to meet financial obligations on time or at high costs. Growth is funded via operational cash flows and credit facility borrowings. Maintaining optimal liquidity is a core management objective through active asset-liability and cash flow management. Management assesses low liquidity risk, detailed in the subsequent paragraphs.

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 September 30, 2023, the Company has utilized \$140,000 of this facility recorded as Bank Indebtedness.

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, dividend payments, debt repayments, and other contractually required payments through the past several years.

Cash and Working Capital Requirements

As of September 30, 2023, the Company reported a negative working capital balance. However, it's important to note that the Company holds the capability to access its \$1.1M Guaranteed Investment Certificates (GICs). Additionally, the Company retains the option to tap into any available capacity within its credit facility to fulfill its obligations as necessary.

These measures are anticipated to adequately address the Company's existing commitments to suppliers and employees.

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 adequate cash reserves to meet its cash requirements. The Company's future cash requirements are summarized in a table under the heading "Contractual Obligations".

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.

CONTRACTUAL OBLIGATIONS

No change from audit report. Please see audit report.

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's governance role involves overseeing management's identification of key business risks and implementing effective risk assessment processes. The Audit Committee aids the Board by discussing risk-related policies, supporting risk management, and ensuring compliance with legal and regulatory standards. Furthermore, the committee assesses the sufficiency of internal controls to safeguard assets, prevent fraud, and maintain accurate financial records in collaboration with senior management.

Market Risks and Uncertainties

The Company continues 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 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 influenced by economic conditions, consumer confidence, and spending patterns. Economic downturns or uncertainty can reduce consumer and business confidence, leading to decreased discretionary spending. This can significantly impact our services, causing reduced demand, advertising, revenue, profitability, and increased bad debt expenses.

The specialty television sector, where our Company operates, carries inherent risks. The success of specialty channels hinges on audience acceptance, which is unpredictable. Factors like content, reviews, marketing, competition, economic conditions, and public preferences affect audience reception. If our specialty channels aren't embraced, it could harm our business, operations, prospects, and financial status.

We must anticipate and cater to demand for new services effectively. Failure to do so or not adapting to evolving consumer preferences can slow revenue growth and harm our business, operations, and financial condition.

Our television specialty services vie with Canadian counterparts and Internet TV for viewers and advertisers. Economic cycles impact subscription and advertising revenue. Despite efforts to adapt advertising strategies, a downturn in ad budgets will negatively affect our advertising revenue.

Dependence on BDUs Distributors or Programming Suppliers

The Company's subscription revenue relies on BDUs (Broadcasting Distribution Undertakings). If any BDU discontinues broadcasting ATN's channels or alters how they're provided, there could be a substantial negative impact on revenue. While efforts are made to secure BDUs in

major Canadian areas, losing one BDU would affect revenue. The decline in traditional Canadian Cable or Satellite TV subscriptions further compounds this risk, driven by Internet-based video alternatives. This trend's continuation could significantly harm our operational results.

To counter piracy, the Company actively safeguards its content rights and collaborates with BDUs to combat this threat legally.

Additionally, content suppliers are crucial for our subscription revenue. If any supplier discontinues, it could affect the quantity and quality of ATN's channels, impacting revenue. While we work to distribute content from major south Asian suppliers, losing any supplier could affect revenue.

Regulatory Risks and Uncertainties

The specialty television services sector operates under Canadian Radio-television and Telecommunications Commission (CRTC) regulations governed by the Broadcasting Act. Licensing renewal, which occurs approximately every seven years, is essential and non-transferable without regulatory approval. Failure to renew licenses or unfavorable renewal terms could detrimentally affect operations, prospects, and financial health.

Regulatory changes impacting the specialty television industry, licensing, and competition could adversely influence our business. Competition for viewers and advertisers mainly involves similar Canadian or foreign specialty services within their markets.

Our operations are significantly influenced by CRTC regulations and decisions. Broadcasting specialty services are licensed and regulated by the CRTC under the Broadcasting Act, aligned with Canadian broadcasting policy goals.

We proactively monitor regulatory dynamics to manage risks and capitalize on opportunities. Licensing acts as a barrier to entry, protecting our existing markets. However, entering new markets is challenging due to licensing complexities. While ATN faces competition from broadcasters with existing channels or resources, it enjoys certain protections in established markets.

ACCOUNTING

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In our 2022 Annual Audited Consolidated Financial Statements and Notes thereto, as well as in our 2022 Annual MD&A, we have identified the accounting policies and estimates that are critical to the understanding of our business operations and our results of operations. For the three months June 30, 2023, there were no changes to the critical accounting policies and estimates from those found in our 2022 Annual MD&A.

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 June 28, 2023. Based on this evaluation, management has concluded that, as of June 30, 2023, our ICFR reporting is effective. There have been no changes in our ICFR during the three months ended June 30, 2023 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 at June 30, 2023, 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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