

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE 2Q2024

2Q2024 OVERVIEW BUSINESS PERFORMANCE

- The Company had total revenue of 1,482.8 million baht, an increase of 19.3 million baht, or 1.3% year-over-year. The total operating revenue was 1,460.1 million baht, an increase of 8.9 million baht, or 0.6% year-over-year. The main reason was the movie business, which increased revenue by 69.1 million baht, or 37.6% year-over-year. The main revenue came from the movie "How To Make Millions Before Grandma Dies" which received positive responses both domestically and internationally, such as Malaysia, Indonesia, Singapore, Vietnam, and Hong Kong. While revenue from the home shopping business decreased by 51.0 million baht, or 14.8% year-over-year, due to a decline in sales through satellite TV channels.
- The Company had a gross profit of 654.5 million baht, an increase of 69.9 million baht, or 12.0% year-over-year. This increase was mainly due to a higher gross profit margin. The Company had a gross profit margin of 44.8%, an increase of 4.5% year-over-year.

KEY BUSINESS UPDATES

- **April 2024**
 - On April 4, 2024, GDH released the movie "How To Make Millions Before Grandma Dies," a family drama that captures the precious moments of what we call family. This marks the first film role for Billkin Putthipong. "How To Make Millions Before Grandma Dies" created a touching phenomenon across Thailand, grossing over 300 million baht by its fourth week in theaters. Recently, GDH prepared to bring "How To Make Millions Before Grandma Dies" to international audiences. In May, "How To Make Millions Before Grandma Dies" was released globally, starting in Indonesia on May 15, 2024. The movie received an exceptional response, becoming the highest-grossing GDH movie on its opening day in Indonesia. Revenue on the second day of release also increased by 90% compared to the first day. The movie has since been released in theaters in the Philippines, Laos, Malaysia, Singapore, Vietnam, Cambodia, Taiwan, Australia, New Zealand, Hong Kong, China, and South Korea, respectively. It is considered one of the most successful Thai movies, with global earnings exceeding 1 billion baht.
 - IDEA FACT, event organizer under GMM SHOW, launched Chang Music Connection Presents "Water War Chiang Mai 2024" on Saturday, April 13, 2024, at Lan Muan Jai, Central Chiang Mai Airport. This event is considered the biggest Songkran festival and party in the North, with the highest water effects in the North reaching over 20 meters.

- The GFest team, event organizers under GMM SHOW, has announced the “Rock On The Beach 2024”, a seaside rock music festival, held on Saturday, April 27, 2024. They have chosen a new venue in the Eastern region at Laem Charoen Beach, Rayong Province. This aims to present a different form of summer entertainment from the usual format by combining a beachside atmosphere with rock music to create a new experience for attendees.
- **May 2024**
 - GRAMMY and RS joined forces to organize the "Grammy RS Concerts HIT100 Vol.2" on May 11 and 12, 2024, at IMPACT Arena, Muang Thong Thani. Reinforcing the success from late last year. This time, 24 artists from GRAMMY and RS came together to perform over 100 hit songs from the 80s, 90s, and Y2K eras.
 - On May 31, 2024, GMM MUSIC announced a strategic partnership with Tencent, the major technology and platform company from China and Tencent Music Entertainment Group (TME), a leading music and entertainment business in subsidiary of Tencent. Both companies invested in GMM MUSIC, acquiring a 10% stake valued at 70 million USD, equivalent to approximately 2,570 million baht⁽¹⁾, raised the company's valuation to 700 million USD through a combination of cash and shares in Joox Thailand (Hong Kong) Limited. This investment enhanced GMM MUSIC's capabilities to take new business opportunities, including expanding its music and digital businesses and introducing artists to Asian and international markets. This was achieved through collaboration with companies worldwide via Tencent and TME's entertainment businesses. Additionally, GMM MUSIC collaborated with Tencent and TME to elevate the quality of Thai music in production, invested in new music projects, and developed artists. The partnership also involved joint efforts in organizing concerts and music festivals, as well as exchanging resources and expertise in marketing, sales, customer management technologies, and developing modern innovations to enhance global competitiveness.

Note: (1) Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024

- **June 2024**
 - GMM MUSIC is continuing with its plan to take the company public through an IPO on the stock exchange. On June 6, 2024, the company announced a major joint venture with leading Japanese music label "LDH" to establish a new company, G&LDH, which connects the strengths of the two countries with unique and strong strengths in the music business, aiming to further develop and expand the growth opportunities of Thai music, Thai artists and concerts to Japan,

which is the second largest music market in the world. Through the combination of culture and knowledge to create new innovations, as well as the development of artists under new standards and improve the quality of artists.

- Thailand's leading rock band "Bodyslam" announced a major concert titled "The Concert Application Presents EveryBodyslam 2024: The Sunny Side Up Live @ Impact Arena." took place from Friday, June 21, 2024 to Sunday, June 23, 2024 at Impact Arena, Muang Thong Thani. Organized by the GAYRAY, event organizers under GMM SHOW, this marks Bodyslam's first major concert in four years and has received a positive response from Bodyslam fans.

2Q2024 OPERATING RESULTS

Consolidated PL (Unit: THB mn)	2Q2024	2Q2023	YoY %	1H2024	1H2023	YoY %
Total operating revenues	1,460.1	1,451.2	0.6%	2,874.6	2,839.3	1.2%
Dividend income	5.4	4.8	12.5%	5.4	4.8	12.5%
Fair value profit on other financial assets	0.0	0.0	0.0%	3.6	0.0	100.0%
Other revenues	17.3	7.5	131.1%	28.5	22.1	28.9%
Total revenues	1,482.8	1,463.5	1.3%	2,912.1	2,866.2	1.6%
Cost of sales and services	805.6	866.6	-7.0%	1,541.0	1,713.1	-10.0%
SG&A	549.9	490.8	12.0%	1,008.3	958.5	5.2%
Fair value loss on other financial assets	77.9	62.9	23.8%	0.0	155.8	-100.0%
Total expenses	1,433.4	1,420.3	0.9%	2,549.4	2,827.4	-9.8%
Profit (loss) from operating activities	49.4	43.3	14.3%	362.7	38.7	836.3%
Share of profits from JVs and associates	46.7	30.0	55.5%	47.2	45.2	4.3%
Finance income (cost)	-48.2	-24.3	97.9%	-82.0	-51.1	60.3%
Profit (loss) before income tax income (expenses)	48.0	48.9	-1.9%	327.9	32.8	899.5%
Income tax income (expenses)	8.4	-14.4	158.6%	-45.6	-0.7	6379.8%
Profit (loss) for the period	56.4	34.5	63.4%	282.3	32.1	779.5%
Profit (loss) attributable to non-controlling interests of the subsidiaries	30.9	26.3	17.3%	31.1	22.2	39.8%
Profit (loss) attributable to equity holders of the Company	25.6	8.2	210.6%	251.3	9.9	2441.7%
Earnings per share	0.03	0.01		0.31	0.01	

Gross profit margin (%)	44.8%	40.3%	46.4%	39.7%
SG&A to revenue (%)	37.1%	33.5%	34.6%	33.4%
Net Profit Margin Attributable to Equity Holders of the Company (%)	1.7%	0.6%	8.6%	0.3%

Revenue Breakdown	2Q2024		2Q2023		YoY %	1H2024		1H2023		YoY %
	THB mn	%	THB mn	%		THB mn	%	THB mn	%	
Music	839.5	57.5%	834.2	57.5%	0.6%	1,817.2	63.2%	1,713.1	60.3%	6.1%
Home Shopping	294.6	20.2%	345.6	23.8%	-14.8%	590.7	20.5%	695.6	24.5%	-15.1%
Movie	253.1	17.3%	184.0	12.7%	37.6%	314.5	10.9%	256.8	9.0%	22.5%
Set-top-box and Broadcasting	26.6	1.8%	40.0	2.8%	-33.7%	65.3	2.3%	83.0	2.9%	-21.3%
Other	46.4	3.2%	47.4	3.3%	-2.1%	86.8	3.0%	90.8	3.2%	-4.4%
Total Operating Revenue	1,460.1	100%	1,451.2	100.0%	0.6%	2,874.6	100%	2,839.3	100.0%	1.2%

Operating revenue

For 2Q2024, the Company had operating revenue of 1,460.1 million baht, an increase of 8.9 million baht, or 0.6% year-over-year. The main reason was the movie business. Operating revenue can be categorized according to the Company's business structure as follows:

1.1 Music Business, which is the Company's core business, consisting of digital music and copyright, artist management, showbiz, physical music and merchandise, and other businesses.

For 2Q2024, the Company had revenue from the music business of 839.5 million baht, accounting for 57.5% of total operating revenue, an increase of 5.2 million baht, or 0.6% year-over-year. This increase was mainly due to concert events, increased by approximately 52.6% year-over-year, with a total of 4 concerts (including 7 rounds of performances), particularly the major annual concert by Bodyslam, which received a positive response. While the same quarter of the previous year, there were 3 concerts (including 4 rounds of performances).

1.2 Home Shopping Business, operating TV home shopping through the channel called GMM O-Shopping, via digital TV, satellite TV and online channels.

For 2Q2024, the Company had revenue from the home shopping business of 294.6 million baht, accounting for 20.2% of total operating revenue, a decrease of 51.0 million baht, or 14.8% year-over-year. This decline was due to a continued decrease in sales through satellite TV, in line with current market trends. However, the Company is in the process of adjusting its strategy and distribution channels to reach a more diverse customer base, while also maintaining a focus on selecting high-quality products and services to retain its existing customer base.

1.3 Movie Business, producing high-quality movies and series continually

For 2Q2024, the Company had revenue from the movie business of 253.1 million baht, accounting for 17.3% of total operating revenue, an increase of 69.1 million baht, or 37.6% year-over-year. This increase was mainly due to the launch of the movie "How To Make Millions Before Grandma Dies," which was received a positive response.

1.4 Satellite TV Business, operating satellite TV networks and distributing set-top boxes, digital TV boxset, internet TV boxset, as well as the music box products.

For 2Q2024, the Company had revenue from satellite TV business of 26.6 million baht, accounting for 1.8% of total operating revenue, a decrease of 13.5 million baht, or 33.7% year-over-year. The decline in sale volume of set-top boxes, aligning with industry trends. The Company has pursued potential distribution channels by expanding into the smart home business to increase revenue from new product categories and to prepare for future growth

1.5 Media Business, operating digital TV stations and generating revenue from copyright.

For 2Q2024, the Company had revenue from the media business of 46.4 million baht, or 3.2% of total operating revenue, a decrease of 1.0 million baht, or 2.1% year-over-year.

Cost of sales and services

The Company had cost of sales and services of 805.6 million baht, a decrease of 61.0 million baht, or 7.0% year-over-year, due to a decrease in artist management costs and cost of goods sold in proportion to revenue.

Net profit (loss) attributable to equity holders of the Company

The Company had a net profit attributable to equity holders of the Company of 25.6 million baht, an increase of 17.3 million baht, or 210.6% year-over-year. This increase was due to the higher gross profit mentioned earlier. Additionally, the Company had a loss from fair value of other financial assets of 77.9 million baht from investment in Rojukiss International Public Company Limited ("KISS"). In the same quarter of the previous year, the Company had a loss of 62.9 million baht.

However, if excluding the special item mentioned above, in 2Q2024, the Company still had an increase in net profit attributable to equity holders of 32.3 million baht, or 45.4% year-over-year.

2Q2024 Financial Position

Financial Position (Unit: THB mn)	30-Jun-24	%	31-Dec-23	%
Cash and cash equivalents	1,678.9	17.8%	672.9	10.7%
Other current assets	2,054.2	21.7%	1,866.7	29.8%

Non-current assets	5,713.1	60.5%	3,724.7	59.5%
Total assets	9,446.1	100.0%	6,264.3	100.0%
Current liabilities	4,034.0	42.7%	2,968.7	47.4%
Non-current liabilities	1,040.4	11.0%	1,772.3	28.3%
Total liabilities	5,074.4	53.7%	4,741.1	75.7%
Shareholders' equity	4,371.7	46.3%	1,523.2	24.3%
Total liabilities and shareholders' equity	9,446.1	100.0%	6,264.3	100.0%
Net interest-bearing debt to equity ratio (x)	0.52		1.58	

Total Assets

As of the end of 2Q2024, the Company had total assets of 9,446.1 million baht, an increase of 3,181.8 million baht, or 50.8% from the end of 2023. Significant items included cash and cash equivalents, an increase of 1,006.0 million baht, due to in 2Q2024 the Company had receipts from the sale of Music shares amounting to 1,653.1 million baht. The Company also repaid bank loans according to the loan agreement, totaling 680 million baht. Investments increase of 1,798.3 million baht, due to an investment in Joox Thailand (Hong Kong) Limited of 918.2 million baht, as well as an increase in investments from acquiring an additional 10% stake in ONEE.

Total Liabilities

As of the end of 2Q2024, the Company had total liabilities of 5,074.4 million baht, an increase of 333.3 million baht, or 7.0% from the end of 2023. Significant items included unearned income, an increase of 623.6 million baht, and loans for the advance purchase, an increase of 877.0 million baht from acquiring an additional 10% stake in ONEE, as mentioned earlier.

Total Shareholders' Equity

As of the end of 2Q2024, the Company had shareholders' equity of 4,371.7 million baht, an increase of 2,848.5 million baht, or 187.0% from the end of 2023. This increase was mainly due to the other components of shareholders' equity from adjustments related to the sale of Music shares to strategic investors. Consequently, the interest-bearing debt to equity ratio (IBD/E) decreased from the previous year (at 1.58 times) to 0.52 times.

Liquidity and Cash Flows

For the six-month period ended June 30, 2024, the Company had cash and cash equivalents of 1,678.9 million baht, an increase of 1,006.0 million baht, or 149.5% from the end of 2023. There was net cash from

operating activities of 643.5 million baht, and net cash from investing activities of 1,392.9 million baht, while net cash used in financing activities of 1,023.8 million baht. Additionally, the decrease in translation adjustments of 6.6 million baht.

For further inquiries, please contact:

Investor Relations

Tel. 02 669 9284

E-mail: ir@gmmgrammy.com