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MANAGEMENT DISCUSSION AND ANALYSIS

(MD&A | Q1'2026)

FOR THE FIRST QUARTER ENDED MARCH 31, 2026

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ZAA-008/2026

May 11, 2026

Subject: Submit the consolidated financial statements of the Company and its subsidiaries for the first quarter ended March 31, 2026, and clarification for the operating results for the period.

Attention: President, The Stock Exchange of Thailand

ZALEKTA Public Company Limited ("the Company") would like to submit the consolidated financial statements of the Company and its subsidiaries for the first quarter ended March 31, 2026, which was audited by the authorized auditor of PricewaterhouseCooper ABAS Co., Ltd. and approved by the Board of Directors Meeting No.2/2026 held on May 11, 2026, and would like to inform the operating results for the first quarter of the year 2026 of the Company and its subsidiaries (collectively referred to as the "the Group") as follows:

1. Significant event and development for the first quarter of the year 2026

- The Stock Exchange of Thailand (SET) posted a CB (Caution – Business) sign on the Company's security effective from February 25, 2026 as the Group and the Company had incurred net losses for three consecutive years since 2023 to 2025. As a result, the Group and the Company's equity are less than 100% of the paid-up share capital. As at December 31, 2025, the Group and the Company have equity of 72% and 89% of paid-up share capital respectively. As at March 31, 2026, the Group and the Company still have equity of 70% and 86% of paid-up share capital respectively. Currently, the Company's management has conducted a meeting for providing information and explaining the plan to resolve this matter and will continue to provide updates on the progress of resolving the issue to shareholders, investors, and other relevant parties.

2. Operating results for the first quarter ended March 31, 2026

2.1 Summary of the operating results for the first quarter ended March 31, 2026

(Thousand Baht)	Q1' 2026	Q1' 2025	+/(-)	+/(-)%
Services Income	34,161	32,168	1,993	6.2%
Cost of Providing Services	(14,789)	(13,613)	(1,176)	(8.6%)
Gross Profit	19,372	18,555	817	4.4%
Gross Profit (%)	56.7%	57.7%		

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2.1 Summary of the operating results for the first quarter ended March 31, 2026 (Continued)

(Thousand Baht)	Q1' 2026	Q1' 2025	+/(-)	+/(-)%
Gross Profit	19,372	18,555	817	4.4%
Other Income	99	463	(364)	(78.6%)
Gain from Disposal of Investment	-	1,040	(1,040)	(100.0%)
Selling Expenses and Distribution Costs	(2,416)	(4,749)	2,333	49.1%
Administrative Expenses	(17,327)	(14,634)	(2,693)	(18.4%)
Reversal of Impairment of Investment in Joint Venture	292	-	292	100.0%
Finance Costs	(268)	(309)	41	13.3%
Share of Loss of Associates and Joint Ventures accounted for using the Equity Method	(292)	(3,670)	3,378	92.0%
Income Tax Expense	(2,145)	338	(2,483)	(734.6%)
Loss for the Period	(2,685)	(2,966)	281	9.5%
Loss per Share (Baht)	(0.0112)	(0.0137)		

2.2 Clarification for the Group's operating results for the first quarter ended March 31, 2026

Services Income

Services income for the first quarter of 2026, when compared to the same quarter of the previous year, increased from THB 32.2 million to THB 34.2 million, or an increase of THB 2.0 million, or 6.2 percent. This is mainly due to the e-commerce and related services business having an average revenue per event by revenue type that increased by 38.5 percent, while there was no revenue from the event management services business during the first quarter of both years. The top five events with the highest revenue recognition in the current period are: (1) EDC Thailand 2026, (2) Singha Life Presents S2O Songkran Music Festival, (3) PEPSI Present "OLYMPOP 2", (4) The Showcase Festival, and (5) KARAWA Concert.

Cost of Providing Services

Cost of providing services for the first quarter of 2026, compared to the same quarter of the previous year, increased from THB 13.6 million to THB 14.8 million, or an increase of THB 1.2 million, or 8.6 percent. This resulted from the increase in the cost of providing services of the e-commerce and related services business, driven by the increase in revenue from that business.

Gross Profit

Gross profit for the first quarter of 2026, compared to the same quarter of the previous year, increased from THB 18.6 million to THB 19.4 million, or an increase of THB 0.8 million or 4.4 percent. This increase is mainly due to higher service revenue in the current period.

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Gain from Disposal of Investment

Gain from disposal of investment for the first quarter of 2026, compared to the previous year, decreased by THB 1.0 million. This was mainly due to the recognition of profit from the sale of investment in associate company in Cambodia from the previous year, while there were no such sales in the current period.

Selling Expenses and Distribution Costs

Selling expenses and distribution costs for the first quarter of 2026 decreased from THB 4.7 million to THB 2.4 million, or a decrease of THB 2.3 million or 49.1 percent, compared to the same quarter of the previous year. This was mainly due to a decrease in film advertising expenses following the Group's business restructuring.

Administrative Expenses

Administrative expenses for the first quarter of 2026 increased from THB 14.6 million to THB 17.3 million, or an increase of THB 2.7 million or 18.4 percent compared to the same quarter of the previous year. This was mainly due to increased expenses related to building relationships with strategic partners and target customer groups.

Share of Loss of Associates and Joint Ventures accounted for using the Equity Method

Share of loss of associates and joint ventures accounted for using the equity method for the first quarter of 2026, compared to the same quarter of the previous year, decreased from a share of loss of THB 3.7 million to a share of loss of THB 0.3 million, or a decrease of THB 3.4 million. This was mainly due to the recognition of losses from the underperforming results of new film releases in the previous year, while no new films were released in the current year.

Income Tax (Expense) income

Income tax (expense) income for the first quarter of 2026, compared to the same quarter of the previous year, decreased from income of THB 0.3 million to expense of THB 2.1 million, or a decrease of THB 2.5 million. This is mainly due to the recording of income tax expenses in the current period based on the increased profit of a subsidiary.

Loss for the Period

Loss for the first quarter of 2026, when compared to the same quarter of the previous year, decreased from THB 3.0 million to THB 2.7 million, or a decrease of THB 0.3 million or 9.5 percent, resulting from the main reasons mentioned above.

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3. Analysis of the Group's financial position and cash flow

3.1 Summary of the statement of financial position as at March 31, 2026

(Thousand Baht)	March 31, 2026	December 31, 2025	+/(-)	+/(-) %
Assets				
Cash and Cash Equivalents	151,300	136,455	14,845	10.9%
Trade and Other Current Receivables, net	18,799	23,194	(4,395)	(18.9%)
Other Current Assets	10,809	24,166	(13,357)	(55.3%)
Investments in Joint Ventures, net	-	9,000	(9,000)	(100.0%)
Right-of-use assets	11,070	9,901	1,169	11.8%
Goodwill, net	49,312	49,312	-	-
Intangible Assets, net	5,432	4,650	782	16.8%
Other Non-Current Assets	22,418	8,719	13,699	157.1%
Total Assets	269,140	265,397	3,743	1.4%
Liabilities				
Trade and Other Current Payables	14,458	12,849	1,609	12.5%
Other Current Liabilities	9,627	5,511	4,116	74.7%
Lease Liabilities	8,987	8,438	549	6.5%
Other Non-Current Liabilities	2,367	2,213	154	7.0%
Total Liabilities	35,439	29,011	6,428	22.2%
Equity				
Equity attributable to Owners of the Parent	227,640	234,890	(7,250)	(3.1%)
Non-Controlling Interests	6,061	1,496	4,565	305.1%
Total Equity	233,701	236,386	(2,685)	(1.1%)
Total Liabilities and Equity	269,140	265,397	3,743	1.4%

Assets

As of March 31, 2026, the Group had total assets of THB 269.1 million, an increase of THB 3.7 million, or 1.4 percent from December 31, 2025. This increase is primarily due to:

- Cash and cash equivalents increased by THB 14.8 million or 10.9 percent, mainly due to cash generated from operating activities THB 7.6 million and from investing activities THB 7.9 million.
- Trade and other current receivables, net decreased by THB 4.4 million, or 18.9 percent, mainly resulting from the receipt of payments from trade receivables in the event management services business, which revenue recognized at the end of the previous year, while there was no revenue from that business in the current period.
- Investments in joint arrangements, net decreased by THB 9.0 million, resulting from the sale of the entire investment in Transformation Films Company Limited in the current period.

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- Other current assets decreased by THB 13.4 million, while other assets increased by THB 13.7 million baht. This was mainly due to the reclassification of the THB 13.7 million withholding tax deducted at sources refund from current assets to non-current assets, as the estimated refund period exceeded one year.

Liabilities

As of March 31, 2026, the Group had total liabilities of THB 35.4 million, an increase of THB 6.4 million, or 22.2 percent from December 31, 2025. This increase was primarily due to: -

- Trade and other current payables increased by THB 1.6 million, mainly due to an increase in trade payables of the e-commerce and related services business that are not due in the current year, reflecting the increase in revenue and costs of that business.
- Other current liabilities increased by THB 4.1 million, or 74.7 percent, mainly due to the recording of accrued corporate income tax payable for a period by a subsidiary, and an increase in current contract liabilities due to higher prepaid revenue from the e-commerce and related services business at the end of the current period.

Equity

As of March 31, 2026, the Group had total equity of THB 233.7 million, a decrease of THB 2.7 million, or 1.1 percent from December 31, 2025. This was mainly due to the recognition of operating results for the period. In addition, non-controlling interests increased by THB 4.6 million, in line with the improved performance of a subsidiary.

3.2 Summary of the statement of cash flows for the three-month period ended March 31, 2026

(Thousand Baht)	Consolidated	Separate
	Financial Information	Financial Information
Net cash generated from (used in) operating activities	7,554	(4,518)
Net cash generated from (used in) investing activities	7,938	8,075
Net cash generated from (used in) financing activities	(647)	(205)
Net increase (decrease) in cash and cash equivalents	14,845	3,352
Cash and cash equivalents at the beginning of the year	136,455	123,498
Cash and cash equivalents at the end of the year	151,300	126,850

As of March 31, 2026, the Group had cash and cash equivalents of THB 151.3 million, an increase of THB 14.8 million from December 31, 2025, and the Company had cash and cash equivalents of THB 126.9 million, an increase of THB 3.4 million from December 31, 2025. The details of cash flow by activity are as follows: -

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Consolidated Financial Information

- The Group had a loss before income tax of THB 0.5 million and after adjusting the loss by non-cash and related cash items, the Group had net cash flow generated from operating activities of THB 7.6 million in the current period.
- The Group had net cash flow generated from investing activities of THB 7.9 million, mainly from the sale of investments in joint ventures amounting to THB 9.0 million, while there was cash used in the purchase of equipment and software of THB 1.1 million.
- The Group had cash flow used in financing activities of THB 0.6 million is the repayment of principal under the lease agreement.

Separate Financial Information

- The Company had a loss before income tax of THB 11.9 million and after adjusting the loss by non-cash and related cash items, the Company had net cash flow generated from operating activities of THB 4.5 million in the current period.
- The Company had net cash flow generated from investing activities of THB 8.1 million, primarily from the sale of investments in joint ventures amounting to THB 9.0 million, while there was cash used in the purchase of computer software of THB 0.9 million.
- The Company had cash flow used in financing activities of THB 0.2 million is the repayment of principal under the lease agreement.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Thawan Petchlawlian'.

(Mr.Thawan Petchlawlian)

Chief Financial Officer