

15 May 2026

No. ZEN 2569-008
 Subject Management Discussion and Analysis for the 1st quarter of 2026
 To The President
 The Stock Exchange of Thailand

We, Zen Corporation Group Public Company Limited (“the Company”), are pleased to provide you our management discussion and analysis for the 1st quarter of 2026, as follows:

Business Overview

The Thai economy is expected to gradually recover in Q1/2026, driven by the tourism sector and accommodative monetary policy. However, the recovery remains fragile amidst global economic uncertainty and exchange rate volatility, which continue to pressure the manufacturing and export sectors. Meanwhile, the conflict in the Middle East further impacts consumer confidence and is certain to increase costs of doing business. While the restaurant industry receives support from domestic purchasing power and government economic stimulus measures, consumers remain cautious in spending and prioritize value for money. As a result, businesses must focus on efficient cost management coupled with aggressive marketing strategies to maintain competitiveness and profitability in a challenging market.

For the operating results in Q1/2026, the Company reported total revenue of THB 941Mn, down THB 64Mn or 6% YoY. The decline was mainly due to an 11% decrease in the Company's restaurant business revenue following the closure of 19 company-owned branches over the past year. Revenue also decreased by THB 49Mn from the previous quarter due to weak consumer spending amid a soft economy, concerns over the Middle East conflict, and intense competition in the restaurant industry.

The Company reported net profit of THB 24Mn, increased by THB 3Mn or 15% YoY, while net profit attributable to the parent company totaled THB 16Mn, increased by THB 3Mn or 23% YoY, mainly driven by effective control of selling and administrative expenses. Compared with the previous quarter, net profit increased by THB 5Mn or 41%, while net profit attributable to the parent company rose by THB 9Mn or 56%, primarily due to a 71% decrease in income tax expenses.

Significant Event in Q1/2026

- A new CYU branch has opened at Commons Saladaeng Community Mall (company-owned branch).
- Zen Group signed a franchise agreement with Chaw Management to expand the Khiang brand towards international growth.
- Zen Group has reduced the number of company directors from 10 to 7.

Financial Performance Summary

Statement of Income (Million Baht)	1Q25	4Q25	1Q26	Change	
				QoQ	YoY
Revenue from Sales and Service (Main Revenue)	1,000	977	922	(55)	(78)
Other Income	5	13	19	6	14
Total Revenue	1,005	990	941	(49)	(64)
Cost of Sales and Service	596	615	562	(53)	(34)
Selling Expense	238	214	215	1	(23)
Administrative Expense	128	117	122	5	(6)
Total Expenses	962	946	899	(47)	(63)
Profit/(Loss) from Operating Activities	43	44	42	(2)	(1)
Finance Cost	15	13	13	0	(2)
Profit/(Loss) before Tax Expenses	28	31	29	(2)	1
Tax Expenses (Income)	7	16	5	(11)	(2)
Net Profit/(Loss) for the Period	21	15	24	9	3
<i>Profit/(Loss) of Parent Company</i>	<i>13</i>	<i>11</i>	<i>16</i>	<i>5</i>	<i>3</i>
<i>Minority Equity Profit/(Loss) of Subsidiaries</i>	<i>8</i>	<i>4</i>	<i>8</i>	<i>4</i>	<i>0</i>

Branch Expansion and SSSG	1Q25	4Q25	1Q26
Number of New Equity branches opened during period	1	0	1
Number of Total Equity branches at the end of period	177	160	160
Number of New Franchise branches opened during period	6	4	3
Number of Total Franchise branches at the end of period	142	136	134
Total number of new branches opened during period	7	4	4
Total number of branches at the end of period	319	296	294
Same Store Sales Growth: SSSG (%) ⁽¹⁾	(9.8%)	(5.9%)	(4.0%)

Remark: ⁽¹⁾Calculated based on total revenue from sales of food and beverage per total operating day of the same branch

In Q1/2026, the Company opened 4 new restaurants, 1 of which are owned by the Company, 1 of which are domestic franchised branches and 2 of which are international franchised branches.

As of 31 March 2026, the Company's total restaurants reached 294 branches, of which 160 are equity-owned branches, 120 of which are domestic franchised branches and 14 of which are international franchised branches.

Financial Performance Analysis

1. Total Revenue

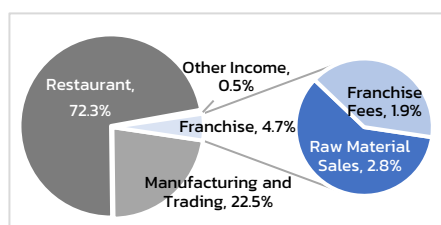
Revenue (Million Baht)	1Q25	4Q25	1Q26	Change	
				QoQ	YoY
Revenue for Sales of Goods:					
▪ Revenue of Restaurant Business	727	688	645	(43)	(82)
▪ Revenue from Raw Material Sales to Franchise	28	31	32	1	4
▪ Revenue from Manufacturing and Trading Business	226	241	228	(13)	2
Total Revenue for Sales of Goods	981	960	905	(55)	(76)
Franchise Fees Income	19	17	17	0	(2)
Revenue from Sales and Service (Main Revenue)	1,000	977	922	(55)	(78)
Other Income	5	13	19	6	14
Total Revenue	1,005	990	941	(49)	(64)

In Q1/2026, the Company's total revenue was THB 941Mn, a decrease of THB 64Mn or 6% from Q1/2025. The 1Q26 SSSG was -4.0%. This was due to changes in revenue from various business operations as follows:

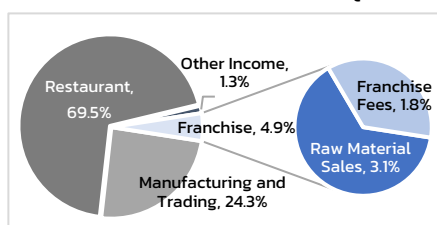
- **Revenue of Restaurant Business** decreased by THB 82Mn, or 11% YoY, mainly due to the closure of 19 company-owned restaurant branches over the previous year.
- **Revenue from Raw Material Sales to Franchisees** increased by THB 4Mn, or 14% YoY, despite a decline in the net number of franchise branches. This was driven by encouraging franchisees to purchase raw materials from the Company at a higher proportion relative to franchise sales compared to same period last year.
- **Revenue from Manufacturing and Trading Business** increased slightly by THB 2Mn, or 1% YoY, as weak consumer purchasing power led to slower orders from restaurant customers. In addition, the Middle East conflict temporarily disrupted the airline and hotel industries, resulting in lower orders from these customer segments as well.
- **Franchise Fees Income**, which include initial fees, royalty and marketing fees charged to franchisees, and renewal fees, decreased by THB 2Mn, or 13% YoY in 1Q26 due to fewer new franchise branch openings. In addition, franchise store revenue declined due to weak consumer spending and intense competition, like company-owned restaurants.

Compared with Q4/2025, the Company's total revenue decreased by THB 49Mn, mainly due to lower revenue from the restaurant business and the manufacturing and trading business, driven by the aforementioned factors, as well as a seasonal slowdown following the annual high season in the fourth quarter.

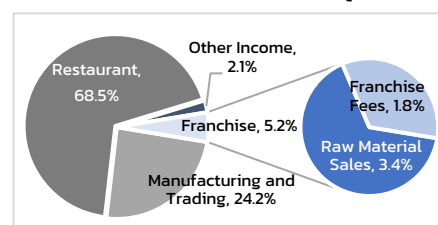
Revenue Structure of 1Q25



Revenue Structure of 4Q25

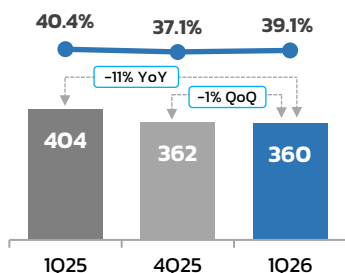


Revenue Structure of 1Q26



Remark: Percentage of total revenue

2. Gross Profit and Gross Profit Margin

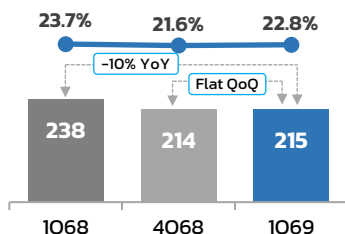


Gross Profit (Million Baht)	1Q25	4Q25	1Q26	Change	
				QoQ	YoY
Revenue from Sales & Service	1,000	977	922	(55)	(78)
Cost of Sales & Service	596	615	562	(53)	(34)
Gross Profit	404	362	360	(2)	(44)
Gross Profit Margin (%)	40.4%	37.1%	39.1%	+2.0 pts	-1.3 pts

Gross Profit is derived revenue from sales and service (main revenue) deduct cost of sales and service. **Cost of Sales and Service** mainly consists of raw material costs, staff cost, rent, service fees and utilities (kitchen area). In Q1/2026, the Company reported **gross profit** of THB 360Mn, down THB 44Mn or 11% YoY, with **gross profit margin** declining 1.3 percentage points to 39.1%. The decrease was mainly due to lower restaurant revenue, which impacted margin given the largely fixed kitchen costs, as well as a higher sales contribution from the lower-margin manufacturing and trading business.

Compared with the previous quarter, gross profit slightly decreased by THB 2Mn, while gross profit margin improved by 2.0 percentage points.

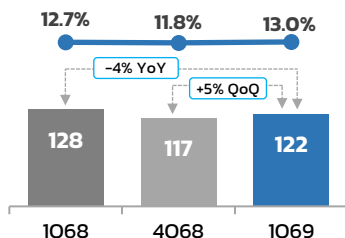
3. Selling and Distribution Expenses



In Q1/2026, the Company’s **selling and distribution expense** totaled THB 215Mn, down THB 23Mn or 10% YoY, mainly due to tighter control of marketing, staff, and other service-related expenses in the restaurant to align with the decline in restaurant revenue. As a result, **the selling expense-to-revenue ratio** improved by 0.9 percentage points. YoY.

However, expenses remained at a similar level to the previous quarter, resulting in a 1.2 percentage points increase in the expense-to-revenue ratio QoQ.

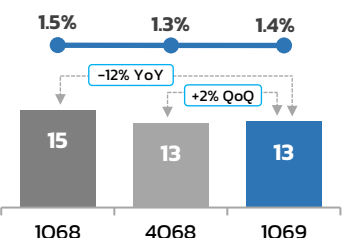
4. Administrative Expenses



In Q1/2026, the **administrative expenses** were THB 122Mn, down THB 6Mn or 4% YoY despite higher subsidiaries-related expenses which align with business growth. The decrease was driven by ongoing cost optimization and process improvements. **The administrative expense-to-revenue ratio** increased by 0.3 percentage points YoY due to lower revenue.

Compared with the previous quarter, administrative expenses rose by THB 5Mn or 5%, with the expense-to-revenue ratio increasing by 1.2 percentage points.

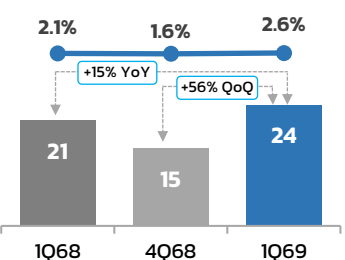
5. Finance Costs



In Q1/2026, **finance costs** totaled THB 13Mn, down THB 2Mn or 12% YoY, mainly due to lower interest expense at a subsidiary. **The finance cost-to-revenue ratio** improved by 0.1 percentage point YoY.

Compared with the previous quarter, finance costs increased by 2%, with the finance cost-to-revenue ratio rising by 0.1 percentage point.

6. Net Profit/(Loss)



In Q1/2026, the Company reported **net profit** of THB 24Mn, up THB 3Mn or 15% YoY, with net profit margin improving to 2.6% from 2.1% in Q1/2025.

Net profit attributable to:

- Parent Company was THB 16Mn, higher by THB 3Mn YoY.
- Minority Equity of Subsidiaries remained stable at THB 8Mn.

Compared with the previous quarter, net profit increased by THB 9Mn, with net profit margin improving by 1.0 percentage point, driven by

- THB 5Mn increase in profit attributable to the Parent Company
- THB 4Mn increase in Minority Equity of Subsidiaries.

Sustainable Development

Environmental

- Managed raw materials and food costs through long-term price locking for key items such as salmon, meat, and packaging to reduce volatility and improve supply chain efficiency.
- Installed a solar power generation system at the headquarters to reduce reliance on electricity consumption and lower greenhouse gas emissions.

Social

- Continued the "FOOD FOR GOOD" project for the 5th consecutive year to support better nutrition for Thai children through donation contributions.
- Supported vocational workforce development by providing students with opportunities to gain hands-on experience in the Company's restaurants.

Governance

- Promotes sourcing raw materials from local communities to support small entrepreneurs, generate stable income, and create local employment.
- Zen Group operates with a strong focus on sustainability and good governance, maintaining transparent and ethical relationships with partners and customers.
- Zen Group received an AA rating in the SET ESG Rating 2025 for the 3rd consecutive year.
- Zen Group achieved a 5-star "Excellent" corporate governance rating in 2025 for the 5th consecutive year.

Please be informed accordingly.

Yours sincerely,

(Mrs. Yupaphan Ekasittikul)
Chief Financial Officer