13 November 2027

No. ZEN 2569-012
Subject Management Discussion and Analysis for the 3rd quarter of 2026 and the 9-months period 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 3rd quarter of 2026 and 9-months period ending 30 September 2026, as follows:

Business Overview

Thailand's economy in the 3rd quarter of 2026 improved from the previous quarter, supported by exports, private investment, and government stimulus measures. However, the recovery remained uneven amid high household debt and living costs. Meanwhile, slower foreign tourist arrivals weighed on spending in the service and restaurant sectors. Consumers remained cautious and increasingly value-conscious, intensifying competition in the restaurant industry, particularly in pricing and promotions. Operators also faced continued pressure from rising raw material, labor, energy, and operating costs. These challenges weighed on sales and profitability, driving operators to optimize product offerings, pricing, sales channels, and cost efficiency to retain customers and maintain competitiveness.

For 3Q26, the Company reported total revenue of THB 957Mn, a decrease of THB 14Mn or 1% YoY. The decline was mainly attributable to a 7% decrease in restaurant revenue, following the closure of several company-owned restaurants, coupled with continued negative same-store sales as consumers remained more cautious in their spending amid the weakening Thai economy. Meanwhile, revenue from the Manufacturing and Trading Business grew 16% YoY, partially mitigating the impact of the restaurant business. Total revenue in 3Q26 decreased by THB 16Mn or 2% QoQ.

In 3Q26, the Company recorded consolidated net profit of THB 16Mn, down THB 1Mn or 8% YoY, while net profit attributable to the parent company was THB 10Mn, down THB 1Mn or 7% YoY. Despite the significant decline in restaurant revenue, the Company maintained effective cost control, resulting in only a slight decrease in net profit margin compared with the same period last year.

Compared with the previous quarter, consolidated net profit increased by THB 1Mn, while net profit attributable to the parent company also increased by THB 1Mn. Net profit margin improved by 0.2 percentage points QoQ.

For 9M26, the Company reported total revenue of THB 2,872Mn, down THB 117Mn or 4% YoY compared with 9M25. Despite the decline in revenue, consolidated net profit increased to THB 55Mn, up THB 1Mn YoY, while net profit attributable to the parent company remained unchanged at THB 35Mn compared with the same period last year.

Financial Performance Summary

Statement of Income (Million Baht)	3Q25	2Q26	3Q26	Change		9M25	9M26	Change
				YoY	QoQ			YoY
Revenue from Sales & Service (Main Revenue)	960	963	951	(9)	(12)	2,971	2,836	(135)
Other Income	11	10	6	(5)	(4)	18	36	18
Total Revenue	**971**	**973**	**957**	**(14)**	**(16)**	**2,989**	**2,872**	**(117)**
Cost of Sales and Service	593	599	587	(6)	(12)	1,788	1,748	(40)
Selling Expense	223	221	215	(8)	(6)	705	651	(54)
Administrative Expense	123	122	124	1	2	388	369	(18)
Total Expenses	**939**	**942**	**926**	**(13)**	**(16)**	**2,881**	**2,768**	**(113)**
Profit/(Loss) from Operating Activities	**32**	**31**	**31**	**(1)**	**0**	**108**	**104**	**(4)**
Finance Cost	13	12	12	(1)	0	43	37	(6)
Profit/(Loss) before Tax Expenses	**19**	**19**	**19**	**0**	**0**	**65**	**67**	**2**
Tax Expenses (Income)	2	4	3	1	(1)	11	12	1
Net Profit/(Loss) for the Period	**17**	**15**	**16**	**(1)**	**1**	**54**	**55**	**1**
Profit/(Loss) of Parent Company	*11*	*9*	*10*	*(1)*	*1*	*35*	*35*	*0*
Minority Equity Profit/(Loss) of Subsidiaries	*6*	*6*	*6*	*0*	*0*	*19*	*20*	*1*

In 3Q26, the Company opened 5 new restaurants, comprising 2 company-owned branches and 3 domestic franchise branches. For 9M26, the Company opened a total of 16 new restaurants, consisting of 3 company-owned branches, 7 domestic franchise branches, and 6 international franchise branches.

Branch Expansion and SSSG	3Q25	2Q26	3Q26	9M25	9M26
Number of New Equity branches opened during period	1	0	2	2	3
Number of Total Equity branches at the end of period	163	158	155	163	155
Number of New Franchise branches opened during period	0	7	3	11	13
Number of Total Franchise branches at the end of period	137	134	134	137	134
Total number of new branches opened during period	**1**	**7**	**5**	**13**	**16**
Total number of branches at the end of period	**300**	**292**	**289**	**300**	**289**
Same Store Sales Growth: SSSG (%) [1]	**(6.6%)**	**(5.6%)**	**(3.5%)**	**(6.6%)**	**(4.4%)**

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

As of 30 September 2026, the Company's total restaurants reached 289 branches, of which 155 are equity-owned branches, 116 of which are domestic franchised branches and 18 of which are international franchised branches.

Significant Event in Q3/2026

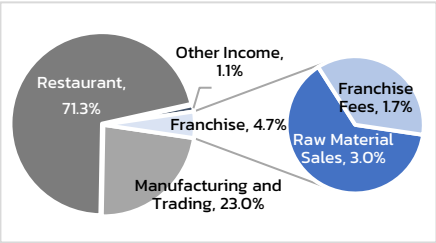
- On 6 Aug 2026, Zen Group received 3 prestigious Thai Franchise Awards from the Department of Business Development, Ministry of Commerce, at the Thailand Franchise Awards 2026. "Tummour" won Best Large Franchise and Best Food Franchise, while "Khiang" received Best Export Franchise.
- On 15 Sep 2026, Spice Synergy Co., Ltd., a subsidiary of ZEN Group, established Zen & Henry Co., Ltd. with a registered capital of THB 20Mn, in which Spice Synergy Co., Ltd. holds a 70% equity stake, to operate restaurant businesses.

Financial Performance Analysis

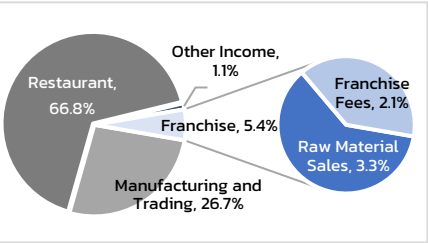
1. Total Revenue

Revenue (Million Baht)	3Q25	2Q26	3Q26	Change YoY	Change QoQ	9M25	9M26	Change YoY
Revenue for Sales of Goods:								
▪ Revenue of Restaurant Business	692	650	643	(49)	(7)	2,153	1,939	(214)
▪ Revenue from Raw Material Sales to Franchise	29	32	34	5	2	88	98	10
▪ Revenue of Manufacturing & Trading Business	223	260	258	35	(2)	676	746	70
Total Revenue for Sales of Goods	**944**	**942**	**935**	**(9)**	**(7)**	**2,917**	**2,783**	**(134)**
Franchise Fees Income	16	21	16	0	(5)	54	53	(1)
Revenue from Sales & Service (Main Revenue)	**960**	**963**	**951**	**(9)**	**(12)**	**2,971**	**2,836**	**(135)**
Other Income	11	10	6	(5)	(4)	18	36	18
Total Revenue	**971**	**973**	**957**	**(14)**	**(16)**	**2,989**	**2,872**	**(117)**

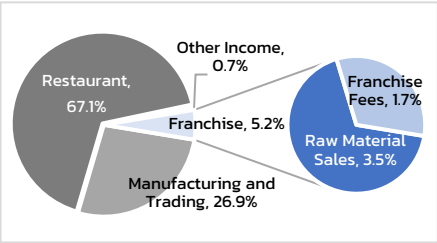
Revenue Structure of Q3/2025



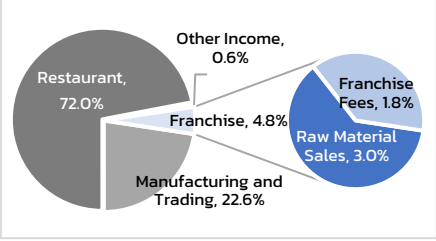
Revenue Structure of Q2/2026



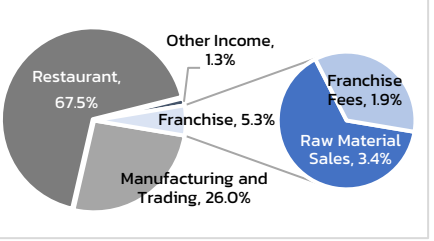
Revenue Structure of Q3/2026



Revenue Structure of 9M/2025



Revenue Structure of 9M/2026



Remark: Percentage of total revenue

In **3Q26**, the Company recorded total revenue of THB 957Mn, a decrease of THB 14Mn or 1% YoY, with restaurant same-store sales growth (SSSG) at -3.5%.

For **9M26**, total revenue was THB 2,872Mn, a decrease of THB 117Mn or 4% YoY, with restaurant SSSG at -4.4%.

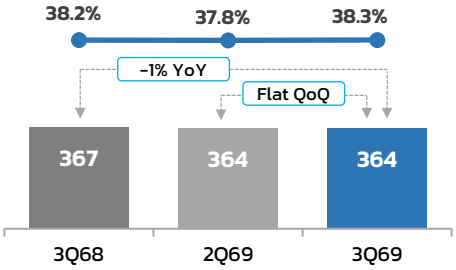
Changes in revenue from the core businesses were summarized as follows:

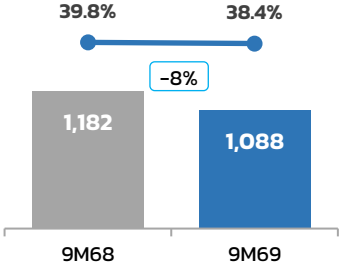
- **Restaurant Business:** In 3Q26, revenue decreased by THB 49Mn or 7% YoY, while revenue for 9M26 declined by THB 214Mn or 10% YoY. The decline was mainly attributable to the closure of several company-owned restaurants in the previous year and 8 additional branches during 9M26. In addition, cautious consumer spending amid the weakening Thai economy continued to weigh on same-store sales, resulting in a decline compared with the same periods last year.
- **Raw Material Sales to Franchisees:** Revenue increased by THB 5Mn or 17% in 3Q26 and THB 10Mn or 11% in 9M26, respectively, compared with the same periods last year. This growth was driven by initiatives to encourage franchisees to increase raw material purchases as a proportion of their restaurant revenue, despite a decrease in the net number of franchise branches.
- **Manufacturing & Trading Business:** Revenue increased by THB 35Mn or 16% in 3Q26 and THB 70Mn or 10% in 9M26, compared with the same periods last year. Growth was primarily driven by a broader product portfolio, sales through distribution centers, and expansion into new customer segments.
- **Franchise Fees Income:** Revenue remained relatively unchanged in 3Q26 compared with the same period last year, while 9M26 revenue decreased slightly by THB 1Mn YoY. This revenue comprises initial franchise fees, royalty and marketing fees collected from franchisees, and franchise renewal fees.

Compared with the previous quarter, total revenue decreased by THB 16Mn or 2%, mainly attributable to the closure of 5 company-owned restaurants during the quarter. In addition, severe flooding in several areas of Bangkok and neighboring provinces in September forced 14 restaurant branches to temporarily close for 1–3 days, while 2 branches sustained significant damage and had to close for renovation.

2. Gross Profit and Gross Profit Margin

Gross Profit (Million Baht)	3Q25	2Q26	3Q26	Change		9M25	9M26	Change
				YoY	QoQ			YoY
Revenue from Sales & Service	960	963	951	(9)	(12)	2,971	2,836	(135)
Cost of Sales & Service	593	599	587	(6)	(12)	1,788	1,748	(40)
Gross Profit	**367**	**364**	**364**	**(3)**	**0**	**1,183**	**1,088**	**(95)**
Gross Profit Margin (%)	**38.2%**	**37.8%**	**38.3%**	**+0.1 pts.**	**+0.5 pts.**	**39.8%**	**38.4%**	**-1.4 pts.**





Gross Profit is derived from revenue from sales and service (main revenue) less the cost of sales and service.
Cost of Sales and Service comprises food raw material costs, staff cost, rental and service fees and utility expenses attributable to kitchen areas.

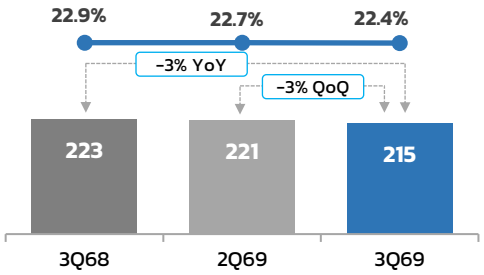
In **3Q26**, the Company recorded gross profit of THB 364Mn, a decrease of THB 3Mn or 1% YoY. However, the gross profit margin improved slightly from 38.2% to 38.3%.

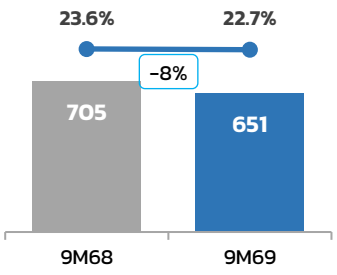
Compared with the previous quarter, gross profit remained relatively unchanged, while the gross profit margin increased by 0.5 percentage points QoQ.

For **9M26**, the Company recorded gross profit of THB 1,088Mn, a decrease of THB 95Mn or 8% YoY. The gross profit margin declined by 1.4 percentage points, from 39.8% to 38.4%.

The decline was mainly attributable to the following factors:
- A significant decline in restaurant revenue, while certain kitchen-related costs remained fixed, resulting in a lower gross profit margin.
- A higher proportion of revenue from the Manufacturing and Trading Business, which carries a lower gross profit margin than the restaurant and franchise businesses, resulting in a lower overall gross profit margin.

3. Selling and Distribution Expenses





Selling and distribution expenses consist of marketing expenses, staff costs, rent, service fees and utilities expenses attributable to service area, commission fees and selling expenses related to the manufacturing and trading business.

In **3Q26**, the Company's selling and distribution expenses totaled THB 215Mn, a decrease of THB 8Mn or 3% YoY.

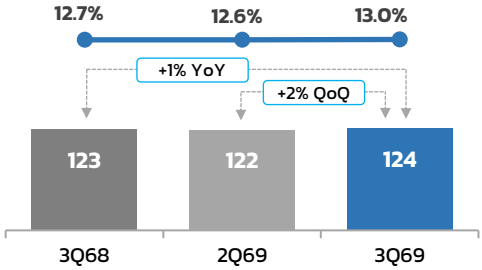
For **9M26**, these expenses were THB 651Mn, a decrease of THB 54Mn or 8% YoY.

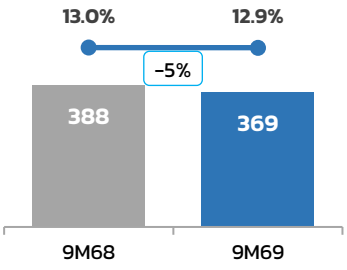
The decrease was mainly due to:
1) A reduction in the number of company-owned stores, resulting in lower restaurant service-related expenses
2) Tighter control of marketing and promotional expenses in line with lower sales

As a result, **selling and distribution expenses to total revenue ratio** decreased by 0.5 and 0.9 percentage points in 3Q26 and 9M26, respectively, compared with the same periods last year.

Compared with the previous quarter, selling and distribution expenses in 3Q26 decreased by THB 6Mn or 3%, while the ratio of selling and distribution expenses to total revenue declined by 0.3 percentage points QoQ.

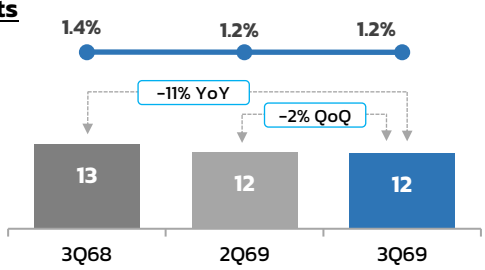
4. Administrative Expenses

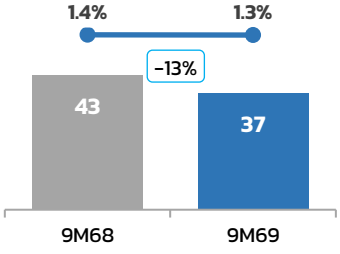




In **3Q26**, administrative expenses amounted to THB 124Mn, a slight increase of THB 1Mn YoY.
For **9M26**, these expenses totaled THB 369Mn, a decrease of THB 18Mn or 5% YoY.
The decrease was mainly attributable to an THB 11Mn reduction in losses from company-owned branch closures and impairment provisions, and a THB 5Mn decrease in the allowance for doubtful accounts from franchisees.
The ratio of administrative expenses to total revenue increased by 0.3 percentage points in 3Q26, while it decreased by 0.1 percentage points in 9M26 compared with the same periods last year.
Compared with the previous quarter, administrative expenses in 3Q26 increased by THB 2Mn or 2%, while the ratio of administrative expenses to total revenue increased by 0.4 percentage points QoQ.

5. Finance Costs



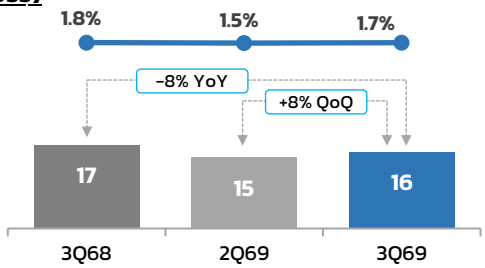


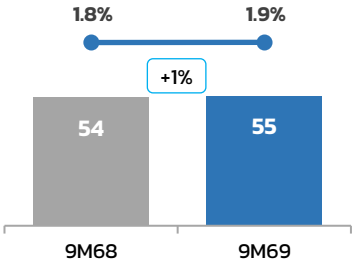
In **3Q26**, the Company recorded finance costs of THB 12Mn, a decrease of THB 1 Mn or 11% YoY.
For **9M26**, finance costs totaled THB 37Mn, a decrease of THB 6Mn YoY. The majority of finance costs comprised interest expenses related to the business operations of one of the Company's subsidiaries.

Finance costs to total revenue ratio decreased by 0.2 and 0.1 percentage points in 3Q26 and 9M26, respectively, compared with the same periods last year.

Compared with the previous quarter, finance costs in 3Q26 remained relatively unchanged.

6. Net Profit/(Loss)





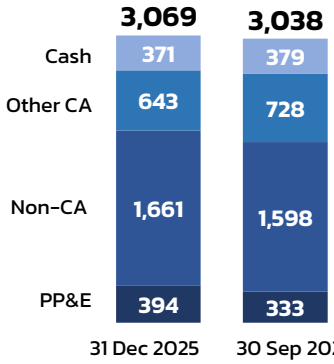
In **3Q26**, the Company recorded consolidated net profit of THB 16Mn, a decrease of THB 1 Mn or 8% YoY, while net profit margin remained at 1.7%, down 0.1 percentage point from same period last year.
Attributable to - Parent Company of THB 10Mn, a decrease of THB 1 Mn or 7% YoY.
- Minority Equity of Subsidiaries of THB 6Mn, remained as same period last year.

For **9M26**, consolidated net profit was THB 55Mn, an increase of THB 1 Mn or 1% YoY, with net profit margin improving by 0.1 percentage point from 1.8% in 9M25 to 1.9% in 9M26.
Attributable to - Parent Company of THB 35Mn, remained as same period last year.
- Minority Equity of Subsidiaries of THB 20Mn, an increase of THB 1Mn or 2% YoY.

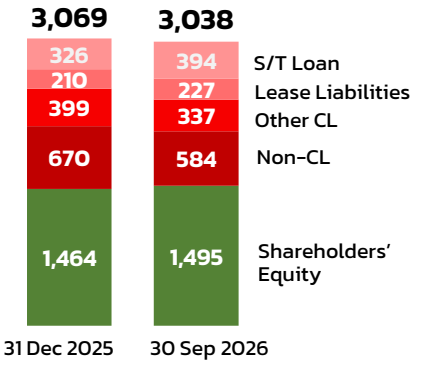
Compared with the previous quarter, consolidated net profit in 3Q26 increased by THB 1 Mn, with net profit margin improving by 0.2 percentage point.
Attributable to - Parent Company: increased by THB 1 Mn.
- Minority Equity of Subsidiaries: remained relatively unchanged.

Financial Position Analysis

Total Assets



Total Liabilities & Shareholders' Equity



Assets

As of 30 September 2026, the Company's total assets stood at THB 3,038Mn, down THB 31Mn from THB 3,069Mn as of 31 December 2025. The decrease was mainly caused from lower other non-current assets of THB 63Mn, primarily from reduced Right-of-Use (ROU) assets following restaurant closures, lower property, plant and equipment of THB 61Mn, and other current assets of THB 1Mn. These decreases were partially offset by increases in inventories of THB 72Mn, trade receivables of THB 14Mn, and cash and cash equivalents of THB 8Mn.

Liabilities

As of 30 September 2026, the Company's total liabilities stood at THB 1,543Mn, down THB 62Mn from THB 1,605Mn as of 31 December 2025. The decrease was mainly due to lower non-current liabilities of THB 86Mn, trade payables of THB 34Mn, other current liabilities of THB 20Mn, and accrued expenses of THB 7Mn, partially offset by increases in short-term borrowings of THB 68Mn and current lease liabilities of THB 17Mn.

Shareholders' Equity

As of 30 September 2026, the Company's shareholders' equity stood at THB 1,495Mn, up THB 31Mn from THB 1,464Mn as of 31 December 2025. The increase was mainly attributable to net profit of THB 55Mn for the 9-months period and THB 6Mn in non-controlling interests arising from the establishment of a new subsidiary, partially offset by dividend payments of THB 30Mn.

Liquidity and Capital Structure

As of 30 September 2026, the Company's **current ratio** increased to 1.52 compared to the end of 2025 at 1.40.
(The current ratio is calculated from current assets divided by current liabilities excluding the current portion of lease liabilities)
The debt-to-equity ratio as of 30 September 2026 decreased to 1.03, compared to the end of 2025 at 1.10.

Factors that may have an impact on future operations

Positive

- ✓ **Domestic and International Franchise Expansion:** Expanding franchise operations through partnerships with capable and experienced partners to increase branch networks, generate royalty and raw material sales revenue, and support long-term growth.
- ✓ **Manufacturing and Trading Business Growth:** Developing new products and expanding the product portfolio, Modern Trade and distribution channels, as well as OEM and ready-to-cook products to broaden the customer base and generate additional revenue.
- ✓ **New Business Development and Revenue Streams:** Developing new products and brands, such as On Tea Tokyo, expanding Foodservice operations, and pursuing investment and strategic partnership opportunities to diversify revenue and reduce reliance on the restaurant business.
- ✓ **Operational Efficiency and Profitability Enhancement:** Optimizing brand and branch portfolios, adapting restaurant formats to consumer behavior, improving cost and supply chain management, and leveraging technology and customer data to enhance operational efficiency.

Negative

- × **Fragile Economic Conditions and Consumer Purchasing Power:** High household debt and living costs continue to constrain consumer spending, reduce dining-out frequency, and increase price sensitivity, potentially weighing on restaurant same-store sales.
- × **Intensifying Restaurant Industry Competition:** From existing and new operators, particularly in pricing, promotions, and product offerings, may affect the Company's sales and market share.
- × **Cost Volatility and Supply Chain Risks:** Fluctuations in food raw material, energy, labor, foreign exchange, and transportation costs, together with geopolitical and climate uncertainties, may increase production and operating costs and pressure profitability.
- × **Policy and Macroeconomic Uncertainties:** Changes in government policies, particularly economic stimulus measures, tourism promotion, and labor and minimum wage policies, together with global economic volatility and geopolitical developments, may affect the business environment and operating costs.

Sustainable Development

Environmental

- Zen Group supports the use of eggs from free-range hens, with over 85% of eggs used across its restaurant brands now sourced from cage-free systems. This initiative is implemented under the Group's sustainable sourcing policy in collaboration with Humane World for Animals, with a target of achieving 100% cage-free egg sourcing by 2028.
- Zen Group supports the "Send Waste Home" and "Pun Kan" projects by donating unwanted items for recycling and reuse, with proceeds converted into educational scholarships for youth.

Social

- Zen Group continues to support blood donation initiatives by opening its headquarters as a venue for employees and the local community to donate blood.
- Zen Group provided meals from the ZEN restaurant at Central Samui to the medical and nursing team from Koh Samui Hospital, who were conducting a mobile blood donation drive at Central Samui shopping center on 21 August 2026, as a gesture of encouragement and support for the staff.
- Zen Group contributed drinking water, Tummour fermented fish sauce and chili paste, as well as rice, to be included in relief kits for flood victims in Nan province on 2 September 2026.

Governance

- Promotes local sourcing of raw materials to support small entrepreneurs, generate stable income, and create employment opportunities within communities.
- Zen Group conducts its business with a strong commitment to sustainability and good corporate governance, maintaining fair transparent, and ethical relationships with business partners and customers.

Please be informed accordingly.

Yours sincerely,

(Mrs. Yupaphan Ekasittikul)
Chief Financial Officer