

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE 1Q2026

1Q2026 ECONOMIC SUMMARY AND MEDIA INDUSTRY OVERVIEW

- The global economy at the start of 2026 operated under the shadow of geopolitical conflicts. The war in the Middle East in particular emerged as a critical test for economic resilience. The International Monetary Fund (IMF) downgraded its 2026 global growth forecast to 3.1% and projected that headline inflation would climb to 4.4% due to pressure from surging energy and commodity prices.
- Although the outlook faces expanding downside risks, support from investment in technology and Artificial Intelligence (AI) as well as monetary easing in certain regions helped sustain momentum and prevent a severe recession. However, high public debt and significant uncertainty in trade policies continue to serve as major obstacles to a sustainable long-term recovery.
- The Thai economy in 2026 is trending toward a gradual recovery and is expected to expand by 1.6% by year-end. This growth occurs amid challenges from global geopolitics and volatile energy prices. The primary engines of growth include private consumption, which expanded by 2.3%, and a recovering tourism sector that helps distribute income to the grassroots level. Meanwhile, exports benefited from a 6.2% growth in demand from trading partners. The government stands ready to implement proactive fiscal policies through accelerated budget disbursement and large-scale infrastructure investment to maintain stability and drive sustainable growth.
- In early 2026, the Thai media industry focused on a "Video-First" strategy and full AI integration. Media organizations adopted AI to enhance operational efficiency while consumer behavior shifted toward "Atomization" or niche-interest patterns. This trend established TikTok and YouTube as primary channels. Even though total advertising spending grew by a modest 0.64%, digital media maintained the highest market share at THB 34 billion. This occurred alongside a recovery in Out-of-Home media and Television, both of which must accelerate their adaptation to challenges from AI Search that impact direct traffic to media websites.
- Additionally, during 2026, the Ministry of Culture introduced measures to promote Thai culture by offering cash rebates of 15-30% for films, television dramas, series, and music videos produced in Thailand by Thai operators. These benefits increase if the content integrates Thai Soft Power or is distributed internationally. The initiative is expected to generate over THB 4.6 billion in annual circulation and boost employment within the entertainment industry and related sectors such as tourism and services. These measures aim to elevate the Thai entertainment industry to a globally competitive level while stimulating long-term tourism in Thailand.

1Q2026 BUSINESS PERFORMANCE OVERVIEW

- GMM Grammy Public Company Limited ("the Company") reported total revenue of THB 1,576.1 million, representing a decrease of 2.2% compared to the same period last year. Operating revenue stood at THB

1,543.2 million, a decline primarily attributed to movie business and the home shopping business. Conversely, the music business recorded a revenue increase of 16.6% driven by improved performance in the artist management segment and a higher volume of concert events compared to the same period last year.

- The Company posted a gross profit of THB 606.9 million, down THB 95.1 million or 13.5% compared to the same period last year, with a gross profit margin of 39.3%. Profit attributable to equity holders of the Company was THB 124.7 million, an increase of THB 20.7 million or 19.9 compared to the same period last year.
- Selling and administrative expenses as a percentage of total revenue stood at 27.7%, a decrease from 29.6% in the same period last year. This represents a value of THB 40.0 million.
- As of 31 March 2026, the Company maintained a robust financial position, reporting total assets of THB 8,115.9 million and total equity of THB 4,478.7 million. The interest-bearing debt to equity ratio (IBD/E) remained low at 0.28 times, while cash and cash equivalents stood at THB 762.1 million.

KEY BUSINESS UPDATES

- **January 2026**



- GFEST, a unit under GMM Show, organized Chang Music Connection presents Rock Mountain 2026. This winter rock music festival featured the concept of "The Hidden Island of Giants" and a mysterious land of adventure. Set within a natural amphitheater surrounded by mountains, the event received an exceptional response and reached a complete sell-out. The festival took place on 24 January 2026 at Jolly Land, Camp Son Subdistrict, Khao Kho District, Phetchabun Province.
- The motion picture "Human Resource," a production by GDH, achieved significant international acclaim. Beyond being selected for its official world premiere in the Orizzonti Competition at the 82nd Venice International Film Festival, the film won Best Picture from the Fondazione Fai Persona Lavoro Ambiente Award, which honors films reflecting stories of people, work, and the environment. It also received the FIPRESCI Award from the Singapore International Film Festival 2025 and two awards from the Festival International des Cinémas d'Asie de Vesoul in France, specifically the Prix Marc Haaz for unique voice and long-term potential and the International Jury Special Mention for outstanding conceptual and artistic execution. The film was released in cinemas across Thailand on 29 January 2026.

- ALL AREA, a unit under GMM MUSIC, organized Chang Music Connection Presents Chiang Nuea Fest 4. Recognized as the largest music festival in the Northeast under the concept of E-SAN MUSIC EXPERIENCE, the event was held on Saturday 31 January 2026 at the Khon Kaen Bus Terminal 3 in Khon Kaen Province.

- February 2026



- GAYRAY, a unit under GMM MUSIC, organized Chang Music Connection presents FAAD FEST 2026. This "Twin Music Festival" featured a unique concept divided into the HELL STAGE, with a lineup including BODYSLAM, POTATO, RETROSPECT, SLOT MACHINE, JOEY PHUWASIT, SAFEPLANET, POLYCAT, PURPEECH, and MEYOU, and the HEAVEN STAGE, featuring PALMY, BIG ASS, TAITOSMITH, BANK PREETI, LITTLE JOHN, Lamyai Haithongkham, TILLY BIRDS, PUN, FREEHAND, and AYLAs. The event was held on 7 February 2026 at The Ocean Khao Yai, Nakhon Ratchasima Province.
- IDEA FACT, a unit under GMM MUSIC, built upon the nine-year success of the "Nanglen" brand by pioneering a new location for the music festival Chang Cold Brew Cool Club Presents Nanglen Kan. This festival offered an immersive musical atmosphere and was held at Suan Sai Yok Land, Kanchanaburi Province on 14 February 2026.
- GMM SHOW, a unit under GMM MUSIC, organized GENIE FEST G27 to celebrate the 27th anniversary of the rock label GENIE RECORDS. The event featured performances from 31 artists, providing over 11 hours of entertainment for the audience. The celebration took place on 21 February 2026 at Rajamangala National Stadium.

- March 2026



- ALL AREA, a unit under GMM MUSIC, organized Chang Music Connection presents Phung Tai Fest 4. Recognized as the largest music festival in the South, the event featured a vibrant atmosphere under the NEON NGHT concept and was decorated with street art. The festival was held on 7 March 2026 at The Pirates Park, Hat Yai, Songkhla Province.
- IDEA FACT, a unit under GMM MUSIC, organized Chang Cold Brew Cool Club Presents Nang Lay 5. This seaside music festival and party featured nine artists including JEFF SATUR, PALMY, TAITOSMITH, THREE MAN DOWN, BIG ASS, POTATO, PARADOX, JOEYBOY, and JOEY PHUWASIT. The event took place on 21 March 2026 at TRIPLE TREE BEACH RESORT, Cha-am District, Phetchaburi Province.
- IDEA FACT, a unit under GMM MUSIC, organized Three Man Down Live At Suphachalasai Stadium. This marked the second major concert for the band Three Man Down, following their first large-scale performance three years ago at IMPACT Arena, Muang Thong Thani, which sold out rapidly. This year, fan interest remained overwhelming, resulting in tickets selling out within a few hours of release and necessitating an additional show date. This success underscores the artist's continuously rising popularity. The performances were held on 7 – 8 March 2026 at Suphachalasai Stadium.

1Q2026 OPERATING RESULTS

Consolidated Financial Statement	1Q2026 (THB mn)	1Q2025 (THB mn)	YoY (THB mn)	YoY (%)
Total operating revenues	1,543.2	1,595.3	-52.1	-3.3%
Other revenues	33.0	15.7	17.2	109.7%
Total revenues	1,576.1	1,611.0	-34.9	-2.2%
Cost of sales and services	936.2	893.2	43.0	4.8%
SG&A	436.2	476.2	-40.0	-8.4%
<u>Special items</u>				
Fair value loss on other financial assets	0.0	9.0	-9.0	-100.0%
Total expenses	1,372.4	1,378.4	-6.0	-0.4%
Profit from operating activities	203.7	232.6	-28.9	-12.4%
Share of loss from JVs and associates	-8.7	-24.8	16.0	-64.7%
Finance income (cost)	-20.8	-14.8	-6.0	-40.6%
Profit before income tax income (expenses)	174.2	193.1	-18.8	-9.8%
Income tax income (expenses)	-47.3	-51.8	4.4	8.6%
Profit for the year	126.9	141.3	-14.4	-10.2%
Profit attributable to non-controlling interests of the subsidiaries	2.2	37.3	-35.1	-94.1%

Consolidated Financial Statement	1Q2026	1Q2025	YoY	YoY
	(THB mn)	(THB mn)	(THB mn)	(%)
Profit attributable to equity holders of the Company	124.7	104.0	20.7	19.9%
Earnings per share (THB/share)	0.15	0.13	0.03	
Gross profit margin (%) ¹	39.3%	44.0%		
SG&A to revenue (%) ²	27.7%	29.6%		
Net Profit (loss) Margin Attributable to Equity Holders of the Company (%) ³	7.9%	6.5%		

*Remark:

1. Calculated from Gross profit (Total operating revenues – Cost of sales and services) divided by Total operating revenues.
2. Calculated from SG&A divided by Total revenues.
3. Calculated from Profit (loss) attributable to equity holders of the Company divided by Total revenues.

Core Revenue Breakdown	1Q2026		1Q2025		YoY	YoY
	(THB mn)	(%)	(THB mn)	(%)	(THB mn)	(%)
Music	1,225.8	79.4%	1,051.1	65.9%	174.8	16.6%
Home Shopping	207.1	13.4%	230.7	14.5%	-23.6	-10.2%
Movie	39.0	2.5%	184.1	11.5%	-145.1	-78.8%
Set-top-box and Broadcasting	33.6	2.2%	30.3	1.9%	3.3	11.0%
Media and Others Business	37.7	2.4%	99.1	6.2%	-61.4	-62.0%
Total Operating Revenue	1,543.2	100.0%	1,595.3	100.0%	-52.1	-3.3%

Operating revenue

In 1Q2026, the Company had operating revenue of THB 1,543.2 million, a decrease of THB 52.1 million, or 3.3% YoY. The main reason was the movie business. On the other hand, music business generated an increase in revenue of THB 174.8 million or 16.6%, deriving from revenue from artist management, concerts and digital music. 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.

In 1Q2026, the Company reported revenue from the music business of THB 1,225.8 million, representing 79.4% of total operating revenue. This reflects an increase of THB 174.8 million or 16.6% compared to the same period last year. The primary driver was the growth in artist management revenue, such as brand presenter engagements and advertising work, which grew by THB 96.0 million or 32.0% compared to the same period last year. Additionally, revenue from concert activities increased due to a higher number of events, rising from 6 events in 1Q2025 to 8 events in 1Q2026. This resulted in concert revenue growth of THB 45.0 million or 12.5% compared to the same period last year.

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

In 1Q2026, the Company reported revenue from the home shopping business of THB 207.1 million, accounting for 13.4% of total operating revenue. This represents a contraction of THB 23.6 million or 10.2% YoY, following the strategic exit from non-profitable sales channels through certain digital television channel. Furthermore, the product range was diversified with new categories, including fresh food. During 1Q2026, the top-selling product categories were food supplements and health care, food products, beauty and cosmetics, lingerie, and kitchenware, respectively.

1.3 Movie Business, producing high-quality movies and series continually, while generating revenue from licensing rights for international distribution and various streaming platforms.

For 1Q2026, the Company reported revenue from the movie business totaling THB 39.0 million, representing 2.5% of total operating revenue. This reflects a decrease of THB 145.1 million or 78.8% compared to the first quarter of 2025, which saw the release of "The Red Envelope." That film received an excellent response and achieved a total Thailand box office revenue of over THB 100 million. During 1Q2026, GDH released "Human Resource," a high-quality production recognized by film experts internationally, securing 4 awards from international film festivals.

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

In 1Q2026, the Company recorded the revenue from set-top box distribution business of THB 33.6 million, accounting for 2.2% of total operating revenue, an increase of THB 3.3 million, or 11.0% compared to the same period last year. The improvement was driven by a strategic shift in distribution, focusing on retail channels through small-scale authorized dealers (traditional trade).

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

In 1Q2026, the Company had revenue from the media and other businesses of THB 37.7 million, accounting for 2.4% of total operating revenue, a decrease of THB 61.4 million, or 62.0% compared to the same period last year. Following the termination of the Plern App service at the end of 2025, as it was a highly competitive business that did not generate profit.

Cost of sales and services

The Company recorded cost of sales and services of THB 936.2 million, an increase of THB 43.0 million, or 4.8% compared to the same period last year. This was due to the higher concert organizing cost, in line with the increase in concert revenue.

Selling and administrative expenses

The Company reported selling and administrative expenses of THB 436.2 million, representing a decrease of THB 40.0 million or 8.4% compared to the same period last year. This reduction resulted from the Company's ability to efficiently control and manage administrative expenses.

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

The Company reported a net profit attributable to equity holder of the Company of THB 124.7 million, representing an expansion of THB 20.7 million or 19.9% compared to the same period last year. The primary drivers included a decrease in selling and administrative expenses, an increase in the share of profits from joint ventures, and lower financial costs following a reduction in interest-bearing debt. Additionally, this was supported by the absence of losses from fair value measurements of other financial assets, which the Company has fully divested.

Financial Position

Consolidated Financial Position	31-Mar-26 (THB mn)	(%)	31-Dec-25 (THB mn)	(%)	YoY (THB mn)	YoY (%)
Cash and cash equivalents	762.1	9.4%	1,080.7	12.8%	-318.6	-29.5%
Other current assets	927.6	11.4%	921.8	11.0%	5.8	0.6%
Non-current assets	6,426.2	79.2%	6,413.5	76.2%	12.8	0.2%
Total assets	8,115.9	100.0%	8,416.0	100.0%	-300.1	-3.6%
Current liabilities	2,021.6	24.9%	2,440.1	29.0%	-418.5	-17.2%
Non-current liabilities	1,320.2	16.3%	1,317.1	15.6%	3.2	0.2%
Total liabilities	3,341.8	41.2%	3,757.2	44.6%	-415.4	-11.1%
Equity attributable to equity holders of the Company	4,478.7	55.2%	4,354.9	51.7%	123.8	2.8%
Non-controlling interests of the subsidiaries	295.4	3.6%	303.9	3.6%	-8.5	-2.8%
Shareholders' equity	4,774.1	58.8%	4,658.8	55.4%	115.3	2.5%
Total liabilities and shareholders' equity	8,115.9	100.0%	8,416.0	100.0%	-300.1	-3.6%
Net interest-bearing debt to equity ratio (x)	0.28		0.36			

Total Assets

As of 31 March 2026, the Company had total assets of THB 8,115.9 million, a reduction of THB 300.1 million, or 3.6% from the end of 2025. The main reason was the decrease in cash and cash equivalents from bank loan repayments.

Total Liabilities

As of 31 March 2026, the Company had total liabilities of THB 3,341.8 million, a decrease of THB 415.4 million, or 11.1% from the end of 2025. This was due to the bank loan repayments, in line with the decrease in cash and cash equivalents and consequently resulting in contracting IBD/E ratio from 0.36 times at the end of 2025 to 0.28 times.

Total Shareholders' Equity

As of 31 March 2026, the Company reported total shareholders' equity of THB 4,774.1 million which increased by THB 115.3 million or 2.5% from the end of 2025, from retained earnings attributable to owners of the parent.

Liquidity and Cash Flows

Item	31-Mar-26 (THB mn)	31-Mar-25 (THB mn)	YoY (THB mn)	YoY (%)
Net cash flows from operating activities	128.7	66.8	61.9	92.7%
Net cash flows used in investing activities	-115.3	-212.7	-97.4	-45.8%
Net cash flows used in financing activities	-331.1	-91.8	239.3	260.6%
Increase (decrease) in translation adjustments, net	-0.8	0.1	-0.9	-914.0%
Net decrease in cash and cash equivalents	-318.6	-237.6	81.0	34.1%
Cash and cash equivalents at beginning of the period	1,080.7	843.4	237.3	28.1%
Cash and cash equivalents at end of the period	762.1	605.8	156.3	25.8%

For the year ended 31 March 2026, the Company had cash and cash equivalents of THB 762.1 million, an increase of THB 156.3 million, or 25.8% from the end of the first quarter of 2025. There was net cash from operating activities of THB 128.7 million, and net cash flow used in investing activities of THB 115.3 million, while net cash flow used in financing activities of THB 331.1 million.

SUSTAINABILITY DEVELOPMENT

During 1Q2026, the Group remained committed to creating social value through a strategy of utilizing personnel and artists as influential voices to drive sustainable development. Key initiatives focused on reducing inequality and promoting equitable access to healthcare services through the "People's Happiness, Healthy Living" mobile medical unit project. Furthermore, the Company enhanced public safety and security by campaigning for the Police Care application. Additionally, the Company promoted civic engagement and democratic processes by collaborating with the public sector to empower the younger generation to recognize their rights and duties regarding elections and public referendums in February. These efforts reflect the Company's social responsibility and commitment to promoting good governance to help build a sustainable foundation for the nation's future.



FACTORS THAT MAY AFFECT OPERATIONS OR FUTURE GROWTH

The music and content industry in 2026 is trending toward continuous growth, driven by the expansion of paid subscription segments and the integration of AI. This is further supported by government initiatives, specifically the cash rebate policy offering up to 30% for local productions, which enhances international competitiveness. However, the Company remains focused on risk management by closely monitoring external factors, including the conflict in the Middle East and volatile oil prices, which may impact operating costs and consumer purchasing power. Additionally, the Company systematically tracks pandemic situations to ensure strategic alignment with market conditions and to maintain sustainable future growth.

To align with the entertainment industry landscape, the Company has established business plans for the second quarter of 2026. These include concerts and music festivals such as Chang Music Connection presents Rock on The Beach 2026, scheduled for 25 April 2026 at Laem Charoen Beach, Rayong Province, coinciding with the Wan Lai festival during the Eastern region's Songkran celebrations. Another highlight is the Mai Charoenpura Entertainment Concert, a major performance by the legendary artist of the 90s and 2000s. The event received an exceptional response, with pre-sale tickets selling out completely, leading to an additional show date. The concerts will be held on 19 – 20 June 2026 at IMPACT Arena, Muang Thong Thani. Regarding the movie business, GDH released a new movie, GOHAN, which tells a heartwarming story of a stray dog named Gohan on a journey to find a home. The film premiered in theaters on 2 April 2026. Furthermore, there is significant progress in the strategic partnership between GMM Music and Tencent Music Entertainment with the launch of the music label GX10 ASIA. The label introduced JAYLERR as its first artist, aiming to expand the listener base and build a Fandom Economy ecosystem within the Asian market. This collaboration serves to push the Thai music industry onto the global stage in a concrete and sustainable manner.

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