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ZALEKTA

MANAGEMENT DISCUSSION AND ANALYSIS

(MD&A | Y2025)

FOR THE YEAR ENDED DECEMBER 31, 2025

-Translation-

ZALEKTA

ZAA-002/2569

February 23, 2026

Subject: Submit the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2025, and clarification for the operating results for the year.

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 year ended December 31, 2025, which was audited by the authorized auditor of PricewaterhouseCooper ABAS Co., Ltd. and approved by the Board of Directors Meeting No.1/2026 held on February 23, 2026, and would like to inform the operating results for the year of 2025 of the Company and its subsidiaries (collectively referred to as the "the Group") as follows;

1. Significant event and development for the year of 2025

- The Stock Exchange of Thailand (SET) posted CF (Caution - Free Float) signs to the Company effective from June 5, 2024. The Company has successfully rectified the distribution of its minor shareholders (Free Float) in accordance with the requirements set by the Stock Exchange of Thailand. Based on the information as of the book closing date for compiling the list of shareholders on May 26, 2025, the Company had 1,912 minor shareholders totaling 197,980,258 shares, collectively holding 15.23% of the Company's paid-up shares (excluding common shareholders holding less than one trading unit). The Stock Exchange of Thailand has removed CF sign (Caution - Free Float) since May 29, 2025.

- The Stock Exchange of Thailand (SET) posted CB (Caution - Business) signs to the Company effective from February 24, 2025 as the Group contains equity of ordinary shares less than 50% of paid-up share capital. As at December 31, 2024, the Group contains equity 46% of ordinary shares according to the consolidated financial statements. On May 19, 2025, the Extraordinary General Meeting of Shareholders No. 1/2025 resolved to approve the change in par value of the Company's shares by reversing share split from an original par value of THB 0.50 per share to a par value of THB 1.00 per share. This results in a decrease in the number of the Company's registered shares by 656,558,588 shares, from the original number of 1,313,117,176 shares with a par value of THB 0.50 per share to the number of 656,558,588 shares with a par value of THB 1.00 per share, and a decrease in the number of the Company's paid-up shares by 650,059,588 shares, from the original number of 1,300,119,176 shares with a par value of THB 0.50 per share to the number of 650,059,588 shares with a par value of THB 1.00 per share. The Company registered and amended Memorandum of Association on the change in par value with the Department of Business Development, Ministry of Commerce, on May 20, 2025.

- In addition, the Extraordinary General Meeting of Shareholders No. 1/2025 also approves the reduction of the Company's registered share capital and paid-up share capital par value, from the original par value of THB 1.00 per share to THB 0.50 per share, to compensate for the accumulated losses of the Company in the amount of THB 325,029,794, with the number of ordinary registered shares and paid-up shares of the Company remaining the same at 656,558,588 shares and 650,059,588 shares, respectively. The Company registered and amended Memorandum of Association on the reduction in the registered share capital and paid-up share capital with the Department of Business Development, Ministry of Commerce, on July 22, 2025. As a result, as at September 30, 2025, the Group contains equity of 75% of ordinary shares according to the consolidated financial statements, and the Stock Exchange of Thailand has removed CB sign (Caution - Business) since November 12, 2025.

2. Operating results for the year ended December 31, 2025

2.1 Summary of the operating results for the year ended December 31, 2025

(Thousand Baht)	Year 2025	Year 2024	+/(-)	+/(-)%
Revenues	108,861	114,529	(5,668)	(4.9%)
Cost of Services	(76,230)	(80,414)	4,184	5.2%
Gross Profit	**32,631**	**34,115**	**(1,484)**	**(4.3%)**
Other Income	1,372	6,572	(5,200)	(79.1%)
Gain from Exchange Rate	169	1,491	(1,292)	(86.7%)
Gian from Disposal of Assets	1,040	42	998	2,376.2%
Selling Expenses and Distribution Costs	(10,809)	(11,209)	306	2.7%
Administrative Expenses	(57,567)	(67,479)	9,912	14.7%
Reversal of Expected Credit Loss	-	5,500	(5,500)	(100.0%)
Loss from Changes in Fair Value of Financial Assets at Fair Value through Profit or Loss	-	(2,500)	2,500	100.0%
Loss from Impairment of Investments in Associate and Joint Ventures	(12,639)	-	(12,639)	(100.0%)
Loss from Impairment of Goodwill	-	(83,143)	83,143	100.0%
Finance Costs	(1,103)	(936)	(167)	(17.8%)
Share of Profit (Loss) of Associates and Joint Ventures	(6,370)	955	(7,325)	(767.0%)
Income Tax Expense	(248)	(4,829)	4,581	94.9%
Loss for the Year	**(53,618)**	**(121,421)**	**67,803**	**55.8%**
Loss per Share (Baht) **	**(0.0832)**	**(0.1831)**		

** The Company adjusted the weighted-average number of ordinary shares for both the current and comparative periods as, during 2025, the reversed share split represents a change in the number of shares outstanding and has no impact on the Company's resources.

2.2 Clarification for the Group's operating results for the year ended December 31, 2025

Revenues

Total revenue for the year of 2025, compared to last year, decreased from THB 114.5 million to THB 108.9 million, or a decrease of THB 5.7 million, or 4.9%. This is mainly due to a THB 52.6 million decrease in revenue from the films production and film rights distribution business due to the Group's business restructuring. Meanwhile, revenue from the e-commerce and event management services increased by THB 48.4 million, driven by increased revenue recognition from online ticket sales platforms and event management services. The top five events with the highest revenue recognition in the current year were (1) Cocktail 77 Ever Tour, (2) PEPSI Present S2O Songkran Music Festival 2025, (3) EDC Thailand 2026, (4) EDC Thailand 2025, and (5) Startup x Innovation Thailand Expo 2025 in the exhibition section.

Cost of Services

Cost of services for the year of 2025, compared to the previous year, decreased from THB 80.4 million to THB 76.2 million, or a decrease of THB 4.2 million, or 5.2%. This was due to the cost of production and distribution of film rights of the films production and film rights distribution business decreasing by THB 35.5 million, following decreased revenue due to the Group's business restructuring. Meanwhile, the cost of services of the e-commerce and event management services business increased by THB 31.4 million, following increased revenue from the aforementioned businesses.

Gross Profit

Gross profit for the year of 2025, compared to last year, decreased from THB 34.1 million to THB 32.6 million, or a decrease of THB 1.5 million, representing 4.3%. This was largely due to the restructuring of the business, which began recognizing results from the e-commerce and event management businesses as the Group's main businesses in the current period, while in the previous year, most of the results were still recognized from the films production and film rights distribution business.

Other Income

Other income for the year of 2025, compared to the previous year, decreased from THB 6.6 million to THB 1.4 million, or a decrease of THB 5.2 million, mainly due to the reversal of the provision for unpaid trade payables from the previous year, while no such item occurred in the current year.

Administrative Expenses

Administrative expenses for the year of 2025, compared to last year, decreased from THB 67.5 million to THB 57.6 million, or a decrease of THB 9.9 million, or 14.7%, mainly due to (1) a decrease in employee expenses of the films production and film rights distribution business resulting from the Group's business restructuring; (2) a decrease in the write-off of fixed assets that could not be moved or reused by

subsidiaries due to the expiration of the building lease agreement in the previous year; and (3) a decrease in financial advisory fees.

Loss from Changes in Fair Value of Financial Assets at Fair Value through Profit or Loss

Loss from changes in fair value of financial assets at fair value through profit and loss for the year of 2024 of THB 2.5 million was caused by the recording of a provision for investment in films production due to uncertainty regarding the fair value of such investment, while there are no further records of this provision in the current year.

Loss from Impairment of Investments in Associate and Joint Ventures

Loss from impairment of investments in associate and joint ventures for the year of 2025 of THB 12.6 million, resulting from the recording of impairment provision for investment in a joint venture whose projected revenues were significantly decrease, as a result of various external factors, as well as market situation and trends.

Loss from Impairment of Goodwill

Loss from impairment of goodwill for the year of 2024 of THB 83.1 million resulted from an impairment of goodwill in a subsidiary due to a significant decrease in revenue from film rights distribution as a result of the Group's business restructuring.

Share of Profit (Loss) of Associate and Joint Ventures

Share of profit (loss) of associate and joint ventures for the year of 2025, compared to the previous year, decreased from a share of profit of THB 1.0 million to a share of loss of THB 6.4 million, or a decrease of THB 7.3 million, this was mainly due to the recognition of a share of loss due to the results after the film screening not being as expected.

Income Tax Expense

Income tax expense for the year of 2025, compared to the previous year, decreased from THB 4.8 million to THB 0.2 million, or a decrease of THB 4.6 million, primarily due to the reversal of deferred tax assets related to film rights in the previous year.

Loss for the Year

Loss for the year of 2025, compared to the previous year, decreased from THB 121.4 million to THB 53.6 million, or a decrease of THB 67.8 million or 55.8%, as a result of the main reasons mentioned above.

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

3.1 Summary of the statement of financial position as at December 31, 2025

(Thousand Baht)	December 31, 2025	December 31, 2024	+/(-)	+/(-) %
Assets				
Cash and Cash Equivalents	136,455	182,484	(46,029)	(25.2%)
Trade and Other Current Receivables, net	23,194	25,054	(1,860)	(7.4%)
Other Current Assets	24,166	21,507	2,658	12.4%
Investments in Associates and Joint Ventures, net	9,000	34,020	(25,019)	(73.5%)
Right-of-use assets	9,901	12,207	(2,306)	(18.9%)
Goodwill, net	49,312	49,312	-	-
Other Intangible Assets, net	4,650	5,217	(567)	(10.9%)
Other Non-Current Assets	8,719	8,744	(25)	(0.3%)
Total Assets	**265,397**	**338,545**	**(73,148)**	**(21.6%)**
Liabilities				
Trade and Other Current Payables	12,849	30,552	(17,703)	(57.9%)
Other Current Liabilities	5,512	5,411	101	1.9%
Lease Liabilities	8,438	10,522	(2,084)	(19.8%)
Other Non-Current Liabilities	2,212	1,751	461	26.3%
Total Liabilities	**29,011**	**48,236**	**(19,225)**	**(39.9%)**
Equity				
Equity attributable to Owners of the Company	234,890	289,299	(54,409)	(18.8%)
Non-Controlling Interests	1,496	1,010	486	48.1%
Total Equity	**236,386**	**290,309**	**(53,923)**	**(18.6%)**
Total Liabilities and Equity	**265,397**	**338,545**	**(73,148)**	**(21.6%)**

Assets

As of December 31, 2025, the Group had total assets of THB 265.4 million, a decrease of THB 73.1 million, or 21.6% from December 31, 2024 mainly due to: -

- Cash and cash equivalents decreased by THB 46.0 million or 25.2%, mainly due to cash used in operating activities.
- Trade and other current receivables, net decreased by THB 1.9 million, or 7.4%, largely due to the receipt of payments of THB 4.9 million from trade receivables of films production and film rights distribution business, which will not recur in the current fiscal year due to the Group's business restructuring. Meanwhile, trade receivables of the e-commerce and event management services business increased by THB 3.0 million, driven by increased revenue from event management services in the last quarter of the current year.

- Investments in associates and joint arrangements, net decreased by THB 25.0 million, or 73.5%, mainly due to (1) the sale of investments in associates in Cambodia of THB 5.8 million, (2) the recording of impairment provisions for investments in joint ventures in the current year of THB 12.6 million, and (3) the recognition of share of loss for the period of THB 6.4 million.

Liabilities

As of December 31, 2025, the Group had total liabilities of THB 29.0 million, a decrease of THB 19.2 million, or 39.9% from December 31, 2024 This decrease was primarily due to: -

- Trade and other current payables decreased by THB 17.7 million, mainly due to (1) the clearing of advances received from the disposal of investments in an associate in Cambodia of THB 6.5 million due to the completion of the transfer of ownership registration in the current year; (2) the payment of trade payables of the films production and film rights distribution business of THB 3.8 million, as these payables will not arise again in the current year due to the Group's business restructuring; and (3) the payment of trade payables of the e-commerce and event management services business that were due in the current year of approximately THB 9.8 million.
- Lease liabilities decreased by THB 2.1 million due to the payment of rent for the entire year.

Equity

As of December 31, 2025, the Group had total equity of THB 234.9 million, a decrease of THB 54.4 million, or 18.8% from December 31, 2024. This was mainly due to the recognition of operating results for the year. In addition, non-controlling interests increased by THB 0.5 million, in line with the improved performance of a subsidiary.

3.2 Summary of the statement of cash flows for the year ended December 31, 2025

(Thousand Baht)	Consolidated Financial Information	Separate Financial Information
Net cash (used in) generated from operating activities	(41,113)	(51,104)
Net cash (used in) generated from investing activities	(1,508)	9,910
Net cash (used in) generated from financing activities	(3,408)	(775)
Net (decrease) increase in cash and cash equivalents	(46,029)	(41,969)
Cash and cash equivalents at the beginning of the year	182,484	165,467
Cash and cash equivalents at the end of the year	136,455	123,498

As of December 31, 2025, the Group had cash and cash equivalents of THB 136.5 million, a decrease of THB 46.0 million from December 31, 2024, and the Company had cash and cash equivalents of THB 123.5 million, a decrease of THB 42.0 million from December 31, 2024. Details of cash flows in each activity are as follows: -

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Consolidated Financial Information

- The Group had a loss before income tax of THB 53.4 million and after adjusting the loss by non-cash and related cash items, the Company had net cash flow used in operating activities of THB 41.1 million in the current period.
- The Group had cash flow used in investing activities of THB 1.5 million, primarily for purchasing equipment to be used in the event management services of a subsidiary company.
- The Group had cash flow used in financing activities of THB 3.4 million was mainly due to the repayment of short-term loan from director of subsidiary and the repayment of principal under the lease agreement.

Separate Financial Information

- The Company had a loss before income tax of THB 35.6 million and after adjusting the loss by non-cash and related cash items, the Company had net cash flow used in operating activities of THB 51.1 million in the current period.
- The Company had cash flow generated from investing activities of THB 9.9 million, primarily consisting of cash received from subsidiaries repaying loans from the company for financial management purposes.
- The Company had cash flow used in financing activities of THB 0.8 million is the repayment of principal under the lease agreement.

Please be informed accordingly.

Yours sincerely,

(Mr.Thawan Petchlawlian)

Chief Financial Officer