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Independent Financial Advisor's Opinion Report on the Disposal of GMM Music Public Company Limited's Ordinary Shares to a Strategic Investor and the Acquisition in the case of the Establishment of a New Joint Venture

Present to

Shareholders of GMM Grammy Public Company Limited

Prepared by



Avantgarde Capital Company Limited

10 September 2024

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Subject Independent Financial Advisor's Opinion Report on the Disposal of GMM Music Public Company Limited's Ordinary Shares to a Strategic Investor and the Acquisition in the case of the Establishment of a New Joint Venture

To President, The Stock Exchange of Thailand

According to The Board of Directors' Meeting of GMM Grammy Public Company Limited No. 6/2024 on August 14, 2024, passed the following important resolutions.

1. The meeting approved the sale of common shares of GMM Music Public Company Limited ("GMM Music"), a subsidiary of the Company, to a strategic investor who is not a related party of the Company. It was also approved to present this matter to the Company's shareholders' meeting for consideration and approval of the sale of common shares of GMM Music to the strategic investor, including the relevant authorization. The Company will sell 12,000,000 common shares of GMM Music, representing 1.50 percent of the total issued and paid-up shares of GMM Music, to Warner Music Hong Kong Limited ("WMHK"), a subsidiary of Warner Music Group Corp. ("WMGC") (collectively referred to Warner Music Hong Kong Limited, Warner Music Group Corp., and/or affiliates of the companies as ("WMGC Group"). The sale is valued at USD 10,500,000 (approximately THB 367,366,650¹) in a single installment, on the share transfer date (The value of the shares being sold to the WMGC Group, when considering a 100 percent equity value, is USD 700,000,000). WMGC Group will pay the consideration for such shares via cash in a single payment on the share transfer date ("Disposal of GMM Music's Ordinary Shares"). The company is undertaking this transaction because it recognizes various business opportunities through a strategic partnership with the WMGC Group, a leading and renowned company in the global music industry. This partnership aims to combine the knowledge, expertise, and potential of both GMM Music and the WMGC Group, creating mutual benefits (Synergy) such as expanding revenue opportunities in the global music market (Upscale Opportunities), enhancing production capacity, and improving the quality of artists and music works by leveraging the strengths of both parties (Uplift Quality), and promoting the advancement of the Thai music industry's infrastructure towards becoming a new music economy (New Music Economy). These factors will contribute to the sustainable competitiveness of GMM Music. After the completion of the GMM Music Common Shares Sale

¹ Calculate using an exchange rate of THB 34.9873 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 13 August 2024.

Transaction, the company will engage in a commercial joint venture (Commercial Joint Venture Label Agreement) with Warner and WMA to establish a joint music label business, as detailed in the following resolution.

The sale of common shares of GMM Music to the WMGC Group is considered a transaction involving the sale of assets of a listed company according to the Securities and Exchange Commission's Notification No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including any amendment thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (including any amendment thereto) (collectively, the "**Notifications on Acquisition or Disposal of Assets**"). The calculation of the transaction size, based on the consolidated financial statements for the year ending 31 December 2023, and the consolidated financial statements for the second quarter of 2024, as audited and reviewed by authorized auditors, shows that the maximum size of the transaction according to the net profit from operations is 6.38 percent.

In the six-month period prior to the board meeting where the resolution to approve the sale of common shares of GMM Music was made, the board had approved the sale of common shares of GMM Music to Black Serenade Investment Limited. Black Serenade Investment Limited is a joint venture between Tencent Music Entertainment Group and Tencent Holdings Limited, and it is a subsidiary of Tencent Music Entertainment Group ("**Black Serenade**"). The transaction involved a total of 80,000,000 shares, representing 10.00 percent of the total issued and paid-up common shares of GMM Music, valued at USD 70,000,000 (approximately THB 2,570,827,000²). The maximum size of the transaction with Black Serenade, based on the net profit from operations, was 49.61 percent. When combining this transaction with the sale of common shares of GMM Music and all asset disposal transactions within the six months prior to the board meeting, the maximum size of the transaction based on net profit from operations was 55.99 percent. Therefore, the transaction for the sale of common shares of GMM Music qualifies as a Class 1 Asset Disposal Transaction under the Acquisition or Disposal Notification, which means the transaction size is 50.00 percent or higher, but less than 100.00 percent.

2. Following the resolution to approve the transaction for the sale of common shares of GMM Music, under the related terms and conditions of the said transaction, GMM Global Company Limited. ("**GMM Global**"), a subsidiary of the company in which the company indirectly holds a 90.00 percent stake through GMM Music (the

² Calculate using an exchange rate of THB 36.7261 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 30 May 2024.

company directly holds a 90.00 percent stake in GMM Music, and GMM Music directly holds a 100 percent stake in GMM Global), entered into a Commercial Joint Venture Label Agreement with Warner Music (Thailand) Company Limited. (“**Warner**”) and Warner Music Asia (“**WMA**”). (a) Warner is a subsidiary of WMGC, and (b) WMA is a registered branch of WMHK, established under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (collectively referred to as “**Warner Group**”) to operate a joint music label business. Under the terms of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest no more than THB 54,564,930 (the company will invest according to its indirect 90.00 percent stake in GMM Global). Both parties will invest under a Joint Operation. Within one year of the effective date of the agreement, GMM Global and Warner plan to establish an Equity Joint Venture, subject to internal approvals from both parties. Thus, at the board meeting of the company, held on 14 August 2024, the board approved the joint venture investment between a subsidiary of GMM Music and a strategic investor and resolved to present this for approval to the shareholders' meeting. This includes delegating the necessary powers related to the acquisition transaction for establishing a new joint venture. Following the completion of the transaction for the sale of common shares of GMM Music and the acquisition transaction for establishing a new joint venture, GMM Global, as a subsidiary of the company through its stake in GMM Music, will operate a music label business in collaboration with Warner Group under the Commercial Joint Venture Label Agreement. Moreover, Warner Group will provide global distribution services for sound recordings and audio-visual recordings owned and/or controlled by GMM Music. Warner Group will have exclusive rights to distribute such works globally through designated online platforms.

For the acquisition of a subsidiary in the case of a new joint venture, this transaction is categorized as an asset acquisition under the relevant announcements regarding acquisitions or disposals of assets. The calculation of the transaction size, based on the audited consolidated financial statements for the year ending 31 December 2023, and the consolidated financial statements for the six-month period ending 30 June 2024, shows that the maximum transaction size based on the total consideration value is 0.52 percent. When considering this along with other asset acquisitions by the Company that occurred within the six months prior to the board’s resolution on the acquisition of the subsidiary for the new joint venture, the Company has engaged in the following asset acquisitions:

- 1) The establishment of a Joint Venture between GDH 559 Company Limited, a subsidiary of the Company, and a non-related party, with a maximum transaction size based on the total consideration value of 0.01 percent.
- 2) The acquisition of Shares in Joox Thailand (Hong Kong) Limited (“**Joox Thailand**”), acquiring a total of 3 shares, or 30.00 percent of the total issued and paid-up shares of Joox Thailand, for USD 25,000,000

(approximately THB 918,152,500³) from Black Serenade, representing a maximum transaction size based on the total consideration value of 14.23 percent.

- 3) The establishment of GMM Global, a subsidiary of the company, with a maximum transaction size based on the total consideration value of 0.01 percent.

Therefore, when considering the new joint venture establishment transaction along with all asset acquisition transactions within the six months prior to the Board of Directors' approval of the new joint venture establishment transaction, the maximum transaction size based on the total consideration value criterion is found to be 14.77 percent. As such, the new joint venture establishment transaction does not fall under the requirement to report information according to the Acquisition or Disposal Notification. However, since the new joint venture establishment transaction is related to the sale of GMM Music's common shares and to comply with good corporate governance principles, the Company's Board of Directors recommends presenting the new joint venture establishment transaction for approval at the same time as the sale of GMM Music's common shares.

Furthermore, the sale of GMM Music's common shares and the new joint venture establishment transaction are not considered related party transactions under the Capital Market Supervisory Board's Notification No. TorChor. 21/2551 regarding criteria for related party transactions (including any amendments) and the Stock Exchange of Thailand's regulations on the disclosure of information and practices of listed companies in related party transactions, B.E. 2546 (including any amendments).

3. Approved the date for the Extraordinary General Meeting of Shareholders No. 1/2567 to be held on Thursday, 26 September 2024, at 2:00 PM, in an electronic format (E-EGM) using the Webex system. The meeting will be broadcast live from the Auditorium, 21st Floor, GMM Grammy Place, 50 Sukhumvit 21 (Asoke), Khlong Toei Nuea, Wattana, Bangkok. The agenda for the meeting will include the following items:

Agenda Item 1: Consideration and approval of the sale of common shares of GMM Music, a subsidiary of the Company, to a strategic investor.

Agenda Item 2: Consideration and approval of the investment in a joint venture between a subsidiary of GMM Music and a strategic investor.

Agenda Item 3: Other matters (if any).

³ Calculate using an exchange rate of THB 36.7261 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 30 May 2024.

The Company has appointed Avantgarde Capital Company Limited as an independent financial advisor. (the “**Independent Financial Advisor**”) to provide opinions to shareholders regarding the reasonableness of entering into this transaction. In preparing this independent financial advisor's opinion report The independent financial advisor has studied the reasonableness of entering into the transaction. Including information and documents received from the company. and various information that the company discloses to the public, such as annual reports financial statements that have been audited or reviewed by the business's certified public accountant. and other information from public sources. Including information from interviews with service providers, etc. The opinion of the independent financial advisor is based on the assumption that all information and documents received from the company Including interviews with the company's executives. and related companies. The information is accurate, complete, true, and represents the latest perspective on the company. and related companies There are no changes in the future that may affect the Company's business operations. and related companies significantly. The independent financial advisor certifies that he has studied and analyzed the above information in accordance with professional standards and has given his reasons based on the information and analysis fairly, taking into account the benefits of the Company's shareholders as the main consideration.

The opinion of the independent financial advisor is objective. To be used as information for consideration in approving the transaction only. Shareholders should study the information. and opinions of independent financial advisors in various aspects to be used as information for decision making. However, the final decision on approval depends primarily on the discretion of each shareholder.

Glossary

“Asset Acquisition or Disposal Announcement”	Notification of the Securities and Exchange Commission No. TorJor. 20/2008 regarding Criteria for Transactions with Significant Impact on the Acquisition or Disposal of Assets (including amendments) and the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Practices of Listed Companies in the Acquisition or Disposal of Assets B.E. 2547 (2004) (including amendments).
“Average target inflation rate”	Average inflation rate between 1.00 and 3.00 percent as per the Bank of Thailand's medium-term monetary policy goals for 2024
“Black Serenade”	Black Serenade Investment Limited
“BLKGEM”	Blackgem Co., Ltd.
“DIO”	Days Inventories Outstanding
“DPO”	Days Payables Outstanding
“DSO”	Days Sales Outstanding
“ESOP”	Employee Stock Ownership Plan
“EV/EBITDA”	Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization
“FCFF”	Free Cash Flow to Firm
“GMM Global”	GMM Global Co., Ltd.
“Disposal of GMM Music’s Ordinary Shares”	The sale of common shares in GMM Music is considered a divestment by the company.
“GMM Music”	GMM Music Public Company Limited
“Joox Thailand”	Joox Thailand (Hong Kong) Limited
“Kd”	Borrowing interest rate (Cost of Debt)
“Ke”	Average cost of equity (Cost of Equity)
“IFPI”	The International Federation of the Phonographic Industry is a global trade organization representing the recorded music industry. Its goals include promoting the value of music, protecting copyrights for music producers, and expanding the business use of music. IFPI provides various services such as policy and legal advice, enforcement against copyright infringement, litigation and registration, market research, and communication support. Additionally, IFPI publishes market data reports for the music industry.

“Initial Period”	The term shall be 7 years from February 1, 2025, or until the distribution fees paid to Warner Group exceed the amount specified under the conditions of the distribution agreement, whichever occurs later, and is contingent upon the full repayment of the Minimum Guarantee.
“P/BV”	Price to Book Value Approach
“P/E”	Price to Earning Approach
“Renewal Period”	Upon the expiration of the Initial Period, the term of the distribution agreement shall automatically renew for successive one-year periods, unless either party provides written notice of termination at least 6 months in advance.
“SEC”	Securities and Exchange Commission Office
“SET”	The Stock Exchange of Thailand
“SPA”	Share Sale and Purchase Agreement
“The Company”	GMM Grammy Public Company Limited
“The Independent Financial advisor”	Avantgarde Capital Co., Ltd.
“Transaction for Acquisition of Subsidiary in the Case of New Joint Venture”	Entering into a Commercial Joint Venture Label Agreement with Warner Music (Thailand) Co., Ltd. (“Warner”) and Warner Music Asia (“WMA”), whereby GMM Global and Warner shall each invest up to 54,564,930 THB. Each party will make their investment under a Joint Operation. Additionally, within one year from the effective date of the agreement, GMM Global and Warner intend to establish an Equity Joint Venture, contingent upon further internal approvals by both parties.
“Transaction involving the sale of common shares of GMM Music”	The sale of common shares of GMM Music to Warner Music Hong Kong Limited (“WMHK”)
“WACC”	Weighted Average Cost of Capital)
“Warner Group”	The consolidation involves Warner Music (Thailand) Co., Ltd. (“Warner”) and Warner Music Asia (“WMA”) where (a) Warner is a subsidiary of WMGC, and (b) WMA is a registered branch of WMHK established under the laws of the Hong Kong Special Administrative Region of the People's Republic of China.
“Warner”	Warner Music (Thailand) Co., Ltd.
“Wd”	Proportion of liabilities
“We”	Proportion of equity
“WMA”	Warner Music Asia

“WMGC Group”

The term 'Warner Music Hong Kong Limited, Warner Music Group Corp., and/or their affiliated companies' refers to the consolidation of these entities.

“WMGC”

Warner Music Group Corp.

“WMHK”

Warner Music Hong Kong Limited

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1. Executive Summary

1.1. Overview of the Transaction

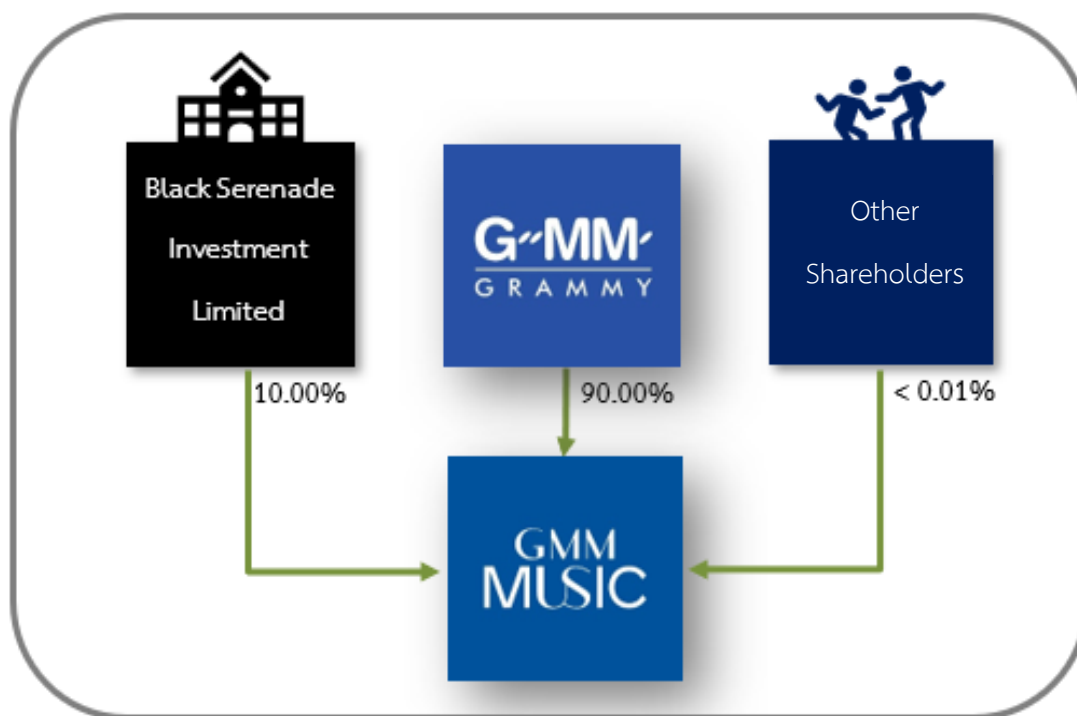
As per the meeting of the Board of Directors of GMM Grammy Public Company Limited ("The Company") held on 14 August 2024, the following key resolutions were made:

- 1) The meeting approved the sale of common shares of GMM Music Public Company Limited ("GMM Music"), a subsidiary of the Company, to a strategic investor who is not a related party of the Company. It was also approved to present this matter to the Company's shareholders' meeting for consideration and approval of the sale of common shares of GMM Music to the strategic investor, including the relevant authorization. The Company will sell 12,000,000 common shares of GMM Music, representing 1.50 percent of the total issued and paid-up shares of GMM Music, to Warner Music Hong Kong Limited ("WMHK"), a subsidiary of Warner Music Group Corp. ("WMGC") (collectively referred to Warner Music Hong Kong Limited, Warner Music Group Corp., and/or affiliates of the companies as "WMGC Group"). The sale is valued at USD 10,500,000 (approximately THB 367,366,650¹) in a single installment, on the share transfer date (The value of the shares being sold to the WMGC Group, when considering a 100 percent equity value, is USD 700,000,000). WMGC Group will pay the consideration for such shares via cash in a single payment on the share transfer date ("Disposal of GMM Music's Ordinary Shares"). The company is undertaking this transaction because it recognizes various business opportunities through a strategic partnership with the WGMC Group, a leading and renowned company in the global music industry. This partnership aims to combine the knowledge, expertise, and potential of both GMM Music and the WGMC Group, creating mutual benefits (Synergy) such as expanding revenue opportunities in the global music market (Upscale Opportunities), enhancing production capacity, and improving the quality of artists and music works by leveraging the strengths of both parties (Uplift Quality), and promoting the advancement of the Thai music industry's infrastructure towards becoming a new music economy (New Music Economy). These factors will contribute to the sustainable competitiveness of GMM Music. After the completion of the GMM Music Common Shares Sale

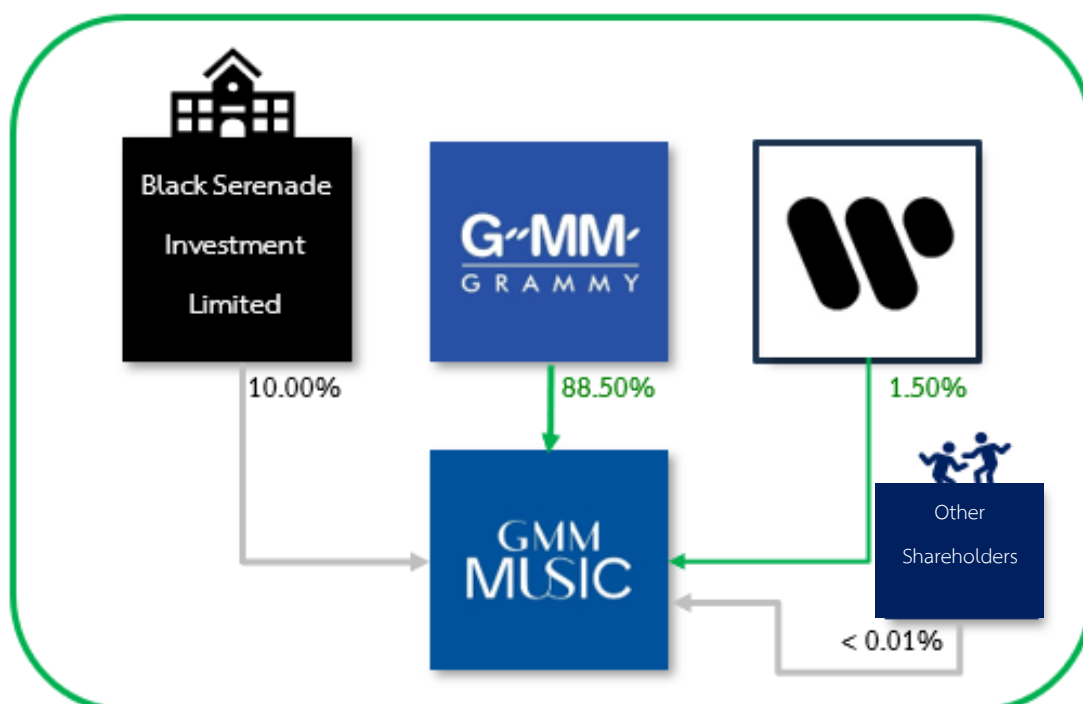
¹ Calculate using an exchange rate of THB 34.9873 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 13 August 2024.

Transaction, the company will engage in a commercial joint venture (Commercial Joint Venture Label Agreement) with Warner and WMA to establish a joint music label business, as detailed in the following resolution. An overview of the GMM Music Common Shares Sale Transaction is illustrated in the diagram below.

Overview before the transaction involving the disposition of the company's assets.



Overview after the transaction involving the disposition of the company's assets.



The sale of common shares of GMM Music to the WMGC Group is considered a transaction involving the sale of assets of a listed company according to the Securities and Exchange Commission's Notification No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including any amendment thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (including any amendment thereto) (collectively, the "Notifications on Acquisition or Disposal of Assets"). The calculation of the transaction size, based on the consolidated financial statements for the year ending 31 December 2023, and the consolidated financial statements for the second quarter of 2024, as audited and reviewed by authorized auditors, shows that the maximum size of the transaction according to the net profit from operations is 6.38 percent.

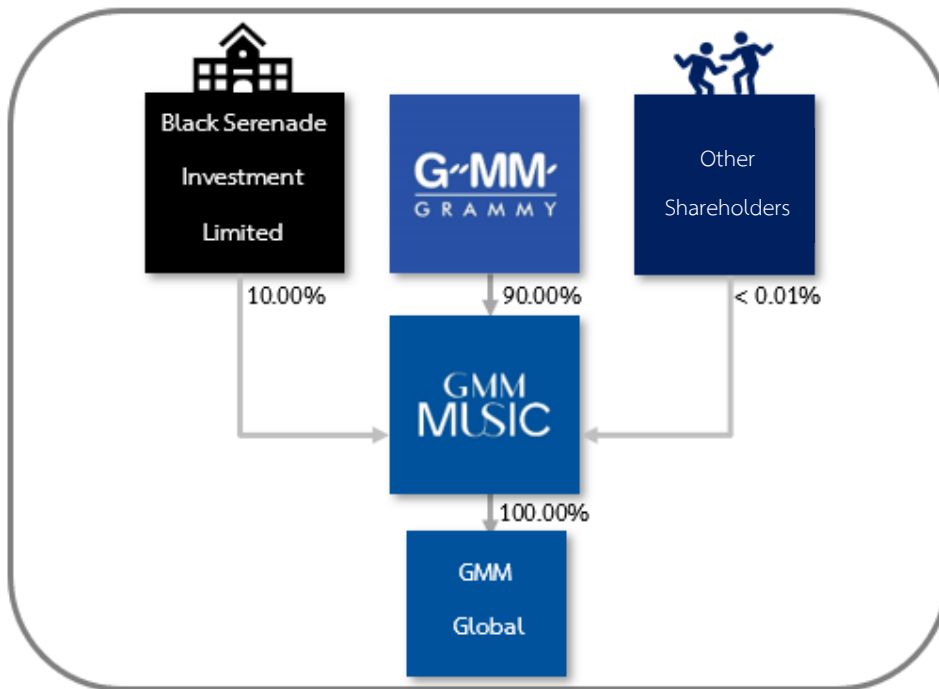
In the six-month period prior to the board meeting where the resolution to approve the sale of common shares of GMM Music was made, the board had approved the sale of common shares of GMM Music to Black Serenade Investment Limited. Black Serenade Investment Limited is a joint venture between Tencent Music Entertainment Group and Tencent Holdings Limited, and it is a subsidiary of Tencent Music Entertainment Group ("Black Serenade"). The transaction involved a total of 80,000,000 shares, representing 10.00 percent of the total issued and paid-up common shares of GMM Music, valued at USD 70,000,000 (approximately THB 2,570,827,000¹). The maximum size of the transaction with Black Serenade, based on the net profit from operations, was 49.61 percent. When combining this transaction with the sale of common shares of GMM Music and all asset disposal transactions within the six months prior to the board meeting, the maximum size of the transaction based on net profit from operations was 55.99 percent. Therefore, the transaction for the sale of common shares of GMM Music qualifies as a Class 1 Asset Disposal Transaction under the Acquisition or Disposal Notification, which means the transaction size is 50.00 percent or higher, but less than 100.00 percent.

2) Following the resolution to approve the transaction for the sale of common shares of GMM Music, under the related terms and conditions of the said transaction, GMM Global Company Limited. ("GMM Global"), a subsidiary of the company in which the company indirectly holds a 90.00 percent stake

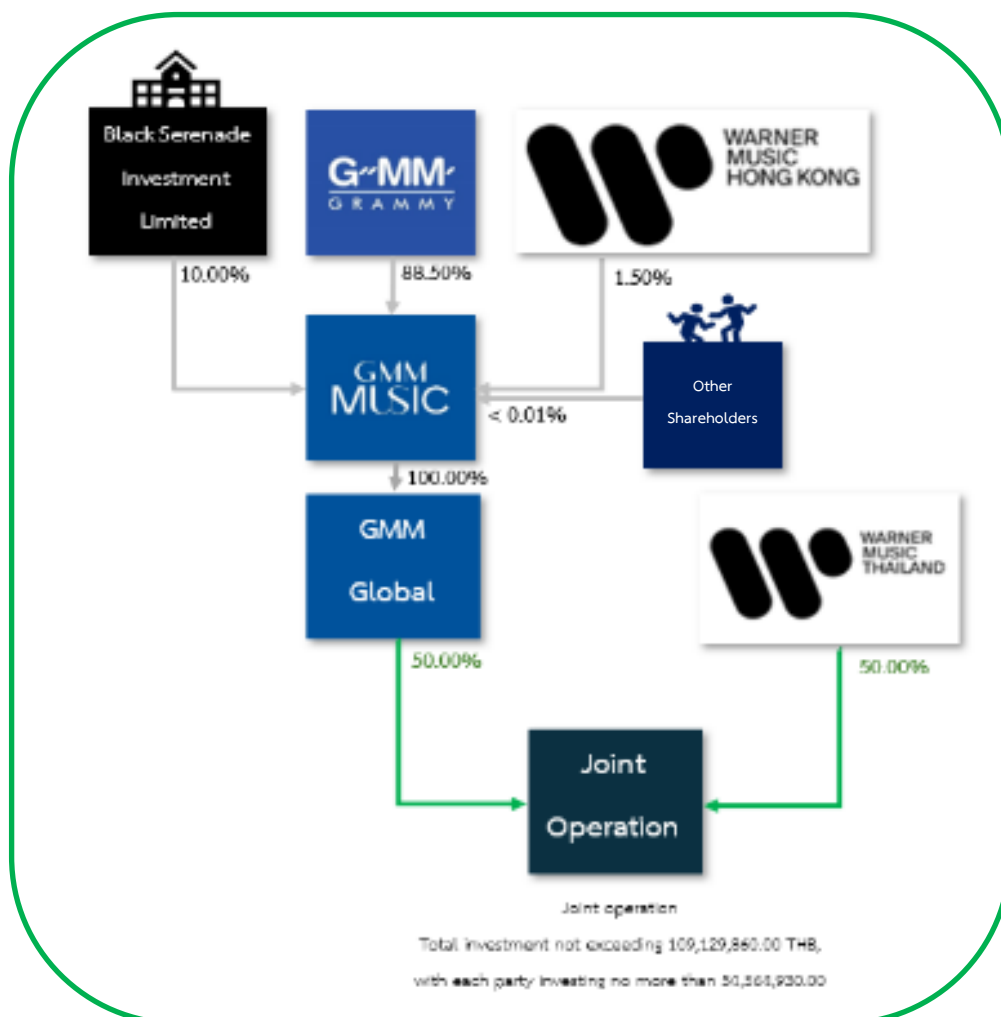
¹ Calculate using an exchange rate of THB 36.7261 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 30 May 2024.

through GMM Music (the company directly holds a 90.00 percent stake in GMM Music, and GMM Music directly holds a 100 percent stake in GMM Global), entered into a Commercial Joint Venture Label Agreement with Warner Music (Thailand) Company Limited. (“Warner”) and Warner Music Asia (“WMA”). (a) Warner is a subsidiary of WMGC, and (b) WMA is a registered branch of WMHK, established under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (collectively referred to as “Warner Group”) to operate a joint music label business. Under the terms of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest no more than THB 54,564,930 (the company will invest according to its indirect 90.00 percent stake in GMM Global). Both parties will invest under a Joint Operation. Within one year of the effective date of the agreement, GMM Global and Warner plan to establish an Equity Joint Venture, subject to internal approvals from both parties. Thus, at the board meeting of the company, held on 14 August 2024, the board approved the joint venture investment between a subsidiary of GMM Music and a strategic investor and resolved to present this for approval to the shareholders' meeting. This includes delegating the necessary powers related to the acquisition transaction for establishing a new joint venture. Following the completion of the transaction for the sale of common shares of GMM Music and the acquisition transaction for establishing a new joint venture, GMM Global, as a subsidiary of the company through its stake in GMM Music, will operate a music label business in collaboration with Warner Group under the Commercial Joint Venture Label Agreement. Moreover, Warner Group will provide global distribution services for sound recordings and audio-visual recordings owned and/or controlled by GMM Music. Warner Group will have exclusive rights to distribute such works globally through designated online platforms. An overview of the GMM Music acquisition transaction is illustrated in the diagram on the following page.

Overview before the acquisition transaction of the company's assets



Overview after the acquisition transaction of the company's assets.



For the acquisition of a subsidiary in the case of a new joint venture, this transaction is categorized as an asset acquisition under the relevant announcements regarding acquisitions or disposals of assets. The calculation of the transaction size, based on the audited consolidated financial statements for the year ending 31 December 2023, and the consolidated financial statements for the six-month period ending 30 June 2024, shows that the maximum transaction size based on the total consideration value is 0.52 percent. When considering this along with other asset acquisitions by the Company that occurred within the six months prior to the board's resolution on the acquisition of the subsidiary for the new joint venture, the Company has engaged in the following asset acquisitions:

- (1) The establishment of a Joint Venture between GDH 559 Company Limited, a subsidiary of the Company, and a non-related party, with a maximum transaction size based on the total consideration value of 0.01 percent.
- (2) The acquisition of Shares in Joox Thailand (Hong Kong) Limited ("Joox Thailand"), acquiring a total of 3 shares, or 30.00 percent of the total issued and paid-up shares of Joox Thailand, for USD 25,000,000 (approximately THB 918,152,500¹) from Black Serenade, representing a maximum transaction size based on the total consideration value of 14.23 percent.
- (3) The establishment of GMM Global, a subsidiary of the company, with a maximum transaction size based on the total consideration value of 0.01 percent.

Therefore, when considering the new joint venture establishment transaction along with all asset acquisition transactions within the six months prior to the Board of Directors' approval of the new joint venture establishment transaction, the maximum transaction size based on the total consideration value criterion is found to be 14.77 percent. As such, the new joint venture establishment transaction does not fall under the requirement to report information according to the Acquisition or Disposal Notification. However, since the new joint venture establishment transaction is related to the sale of GMM Music's common shares and to comply with good corporate governance principles, the Company's Board of

¹ Calculate using an exchange rate of THB 36.7261 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 30 May 2024.

Directors recommends presenting the new joint venture establishment transaction for approval at the same time as the sale of GMM Music's common shares.

Furthermore, the sale of GMM Music's common shares and the new joint venture establishment transaction are not considered related party transactions under the Capital Market Supervisory Board's Notification No. TorChor. 21/2551 regarding criteria for related party transactions (including any amendments) and the Stock Exchange of Thailand's regulations on the disclosure of information and practices of listed companies in related party transactions, B.E. 2546 (including any amendments).

- 3) Approved the date for the Extraordinary General Meeting of Shareholders No. 1/2567 to be held on Thursday, 26 September 2024, at 2:00 PM, in an electronic format (E-EGM) using the Webex system. The meeting will be broadcast live from the Auditorium, 21st Floor, GMM Grammy Place, 50 Sukhumvit 21 (Asoke), Khlong Toei Nuea, Wattana, Bangkok. The agenda for the meeting will include the following items:

Agenda Item 1: Consideration and approval of the sale of common shares of GMM Music, a subsidiary of the Company, to a strategic investor.

Agenda Item 2: Consideration and approval of the investment in a joint venture between a subsidiary of GMM Music and a strategic investor.

Agenda Item 3: Other matters (if any).

1.2. Details of the Transaction

- Sales of Ordinary Shares of GMM Music

Buyer	WMGC Group
Seller	Company
Transaction characteristics	The Company will sell 12,000,000 common shares of GMM Music to the WMGC Group, representing 1.50 percent of the total issued and paid-up shares of GMM Music, for a value of USD 10,500,000, payable in cash (approximately THB 367,366,650 ¹) in a single installment, on the share transfer date. (For reference, the total value of the common shares of GMM Music being sold to the WMGC Group, if calculated as 100.00 percent, would be USD 700,000,000.)
Important conditions precedent	<ol style="list-style-type: none"> 1) Obtain approval from the Board of Directors and/or the Shareholders' Meeting of the Company (as applicable) for the transaction as required by law. 2) The involved parties will enter into the following agreements: <ul style="list-style-type: none"> - Share purchase agreement - Side agreement related to the share purchase of GMM Music - Shareholders Undertaking Agreement - Distribution Agreement - Commercial Joint Venture Label Agreement
Key information	Under the relevant conditions of the transaction involving the sale of common shares of GMM Music, GMM Global Company Limited ("GMM Global"), which is a subsidiary of the company with an indirect ownership of 90.00 percent in GMM Global, has entered into a Commercial Joint Venture Label Agreement with Warner Music (Thailand) Company limited ("Warner") and Warner Music Asia ("WMA"). Specifically: (a) Warner is a subsidiary of WMGC and (b) WMA is a registered branch of WMHK, established under the laws of the Hong Kong Special Administrative Region of the People's Republic of China. (Together, Warner and WMA are referred to as the "Warner Group"). The agreement involves collaborating on a joint music label business. Under the terms of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest up to THB 54,564,930 in a joint operation. Within one year of the agreement's effective date, GMM Global and Warner plan to establish an equity joint venture, subject to further internal approvals from both parties. Therefore, at the Board of Directors meeting No. 6/2024 on 14 August 2024, it was resolved to approve the joint venture investment between the subsidiary of GMM Music and the strategic investor. The resolution also includes presenting the investment proposal to the shareholders' meeting for approval, along with related authorizations (referred to as the "Transaction for Acquisition of Subsidiary in the Case of New Joint Venture").

¹ Calculate using an exchange rate of THB 34.9873 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 13 August 2024.

- Transaction for Acquisition of Subsidiary in the Case of New Joint Venture

Investor party 1	GMM Global, a subsidiary of GMM Music (with the company holding an indirect stake of 90.00 percent in GMM Global)
Investor party 2	Warner and WMA, where (a) Warner is a subsidiary of WMGC, and (b) WMA is a registered branch of WMHK established under the laws of the Hong Kong Special Administrative Region of the People's Republic of China.
Transaction characteristics	The Company has established a subsidiary, GMM Global, to enter into a Commercial Joint Venture Label Agreement with Warner Group to jointly operate a music label. Under the terms of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest up to THB 54,564,930 under a Joint Operation. Within one year from the effective date of the agreement, GMM Global and Warner plan to establish an Equity Joint Venture, subject to internal approvals from both parties. GMM Global and Warner will have equal rights in overseeing the joint venture, and the establishment of the Equity Joint Venture will proceed once both GMM Global and Warner receive approval from their respective boards.
Key information	<p><u>Investment value</u></p> <p>GMM Global and Warner will each invest up to THB 54,564,930 under a Joint Operation. Within one year from the effective date of the agreement, GMM Global and Warner plan to establish an Equity Joint Venture, subject to internal approvals from both parties.</p> <p><u>Board composition</u></p> <p>The board of the new joint venture company will consist of 4 members, with GMM Global having the right to nominate and appoint 2 members, and Warner having the right to nominate and appoint 2 members.</p> <p><u>Shareholding structure</u></p> <p>Each party will invest under the Joint Operation with a 50.00 percent stake in the joint operations. Within one year from the effective date of the agreement, GMM Global and Warner plan to establish the Equity Joint Venture, subject to internal approvals from both parties, with each holding a 50.00 percent share.</p>

1.3. Summary of important terms and conditions of the contract between the Company and the WMGC Group

1.3.1. Share Sale and Purchase Agreement ("SPA")

Important Condition	Detail
Parties	Seller: The Company Purchaser: WMHK
Shares sale	WMHK will purchase GMM Music's ordinary shares from the Company in the amount of 12,000,000 shares or equivalent to 1.50 percent of the total issued ordinary shares of GMM Music.
Consideration Value	USD 10,500,000 via cash
Material Conditions Precedent	<ul style="list-style-type: none"> ● The Board of Directors and/or Shareholders' Meeting of the Company have approved the transaction as required by law ● The parties involved entered the following agreements <ul style="list-style-type: none"> - Share Sale and Purchase Agreement - Side Agreement to GMM Music's Share Sale and Purchase Agreement - Shareholders Undertaking Agreement - Distribution Agreement - Commercial Joint Venture Label Agreement

1.3.2. Side Agreement to SPA

Important Condition	Detail
Parties	Seller: The Company Purchaser: WMHK
Effective Date	The date on which the SPA contract is completed
Purchase Price Adjustment	<p>The Purchase Price of the SPA may be adjusted under the conditions of this agreement. The purchase price after the adjustment will be referred to as the Final Purchase Price.</p> <ul style="list-style-type: none"> ● The purchase price adjustment of GMM Music shares comes into effect only after the effective date of this agreement until the date that GMM Music's ordinary shares are listed on the SET. ● In the event that the value of GMM Music's shares corresponding to WMHK's shareholding proportion in GMM Music, based on the sale of GMM Music's shares to other parties, is lower than the value of GMM Music's shares offered to WMHK, and/or in the event that WMHK's shareholding proportion decreases by more than 15.00 percent from the shareholding proportion of WMHK in GMM Music (at which WMHK's shareholding percentage is lower than 1.275 percent of the total issued and paid-up ordinary shares of GMM Music after the sale of GMM Music's shares to other parties), the purchase price will be adjusted downward which will occur one time after the IPO (The Company may choose to settle this via cash and/or ordinary shares of GMM Music at the Company's sole discretion.)

Important Condition	Detail
Other important conditions	<ul style="list-style-type: none"> • WMHK has the right to sell shares that were purchased under the SPA to the Company and/or person designated by the Company if GMM Music terminates the Distribution Agreement due to a breach of agreement during the Initial Period as stipulated in the Distribution Agreement below • WMHK shall and shall procure any of WMHK's subsidiaries to not pledge, create any encumbrance on, sell, dispose of, or transfer shares held by WMHK to any other persons for a period of 1 year from the first trading date of GMM Music's shares on the SET after GMM Music's shares are listed on the SET, under any circumstances. However, WMHK may gradually sell up to 25.00 percent of the total shares they hold in GMM Music after 6 months from the first trading date of GMM Music's shares on the SET. • In the event that WMHK's shareholding in GMM Music is diluted due to a stock incentive plan, purchase plan, participation plan, employee purchase plan or any similar plan issued and allocated to employees and directors of GMM Music before the IPO, as approved by GMM Music's Board of Directors in accordance with the applicable laws ("ESOP Program"). The Company must transfer additional ordinary shares in GMM Music to WMHK at no cost in any manner to restore WMHK's shareholding proportion in GMM Music to the level before the ESOP Program.

1.3.3. Shareholders Undertaking Agreement

Important Condition	Detail
Parties	The Company and WMHK
Effective Date	The date on which the SPA contract is completed
Termination	<p>This agreement shall be terminated upon any of the following events:</p> <ol style="list-style-type: none"> 1. Upon the first date on which GMM Music is listed on the SET or any alternative stock exchanges 2. Upon the mutual written agreement of the parties 3. When any contracting party ceases to hold any GMM Music's shares without committing a breach under this agreement 4. When an effective shareholders' resolution is passed for the winding-up of GMM Music 5. A binding order is made by Government Authority or court of laws for the winding-up of GMM Music
Duties and obligations related to the IPO plan	Both contractual parties will vote in favor of GMM Music's IPO plan and take other actions to complete the IPO plan by the end of 2026.
Other important conditions	<ul style="list-style-type: none"> • In the event that WMHK wishes to transfer GMM Music's shares, written consent must be obtained from the Company. • The Company and subsidiaries of the Company in the Asia region shall not sell or offer to sell the GMM Music's ordinary shares that they hold to specified individuals without obtaining prior consent from WMHK. • WMHK shall give Artist Co-Development Right of First Refusal to GMM Music as specified in the agreement's terms.

Important Condition	Detail
	<ul style="list-style-type: none"> In the event that the Company wishes to transfer GMM Music's ordinary shares that they hold (entirely or partially) to other persons which results in a loss of controlling power in GMM Music, the Company must notify WMHK in writing. WMHK has the right to send a written notice to the Company stating that WMHK wishes to sell all of its shares to another party at the price, terms, and conditions offered by the other party at the same time. However, the Company will not have the right to sell shares transferred to other persons unless the Company ensures that the other party purchases all the shares held by WMHK that WMHK offers.

1.3.4. Distribution Agreement

Important Condition	Detail
Parties	GMM Music and Warner and WMA (Collectively referred Warner and WMA as "Warner Group")
Effective Date	The date on which the SPA contract is completed
Content authorized for distribution	Sound recordings and audio-visual recordings owned and/or controlled, and/or to be owned and/or controlled by GMM Music, will be exclusively distributed by Warner Group worldwide through designated online platforms
Distribution Fee	<ul style="list-style-type: none"> The distribution fee is calculated as a percentage of Net Receipts¹. Warner Group shall pay the Minimum Guarantee, which can be offset against service fees under the terms of the agreement, to GMM Music for the period of at least 3 years from the effective date of the agreement. Distribution fee may be increased in the event that the parties allow Warner Group to provide other additional services from the agreement's terms.
Contract Duration	<ul style="list-style-type: none"> A period of 7 years starting from 1 February 2025 ("Initial Period"), or until the distribution fees paid to Warner Group exceed the amount specified under the agreement terms, whichever occurs later, and subject to the full reimbursement of the Minimum Guarantee. Once the Initial Period ends, the term of the contract will be automatically renewed for one year at a time, unless either party receives written notice of termination at least 6 months in advance ("Renewal Period").

¹ Net Receipts refer to revenue generated from the distribution of content authorized for distribution by Warner Group or WMGC Group worldwide under this agreement, including Warner Group's subsidiaries. This includes royalties from the content after deducting any applicable withholding tax, value-add tax or goods and services tax (GST) applicable to Warner Group or the WMGC Group worldwide under applicable law and that is received and collected by Warner Group or WMGC Group worldwide including Warner Group's subsidiaries only.

1.3.5. Commercial Joint Venture Label Agreement

Important Condition	Detail
Parties	GMM Global and Warner and WMA (Collectively referred Warner and WMA as "Warner Group")
Effective Date	The date on which the SPA contract is completed
Details of the Joint Operation	GMM Global and Warner Group intend to invest together, with both parties selecting artists to sign recording and artist management agreements together moving forwards.
Investment	GMM Global and Warner will each invest no more than THB 54,564,930 under a Joint Operation and within 1 year from the effective date of the agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage.
Equity Joint Venture	GMM Global and Warner agree to establish an Equity Joint Venture within 1 year from the effective date of the agreement, with GMM Global and Warner having equal rights in the overseeing the joint venture, in which the establishment of the Equity Joint Venture will proceed once both GMM Global and Warner receive approval from their respective boards of directors.
Joint Board of Directors	Number: The board of directors will consist of 2 directors nominated by GMM Global and 2 directors nominated by Warner, totaling 4 directors. Authority: The board of directors have the authority to make decisions and oversee matters related to the selection of artists, the terms under the artist contract that the artists will sign with both GMM Global and Warner, as well as the production, distribution, and marketing plans for those artists. This includes, but is not limited to, determining related expenses and budgets. Joint Board of Directors Resolutions¹: The joint board of directors must reach a unanimous agreement in writing.
Right and Obligations of the Parties	<ul style="list-style-type: none"> • GMM Global shall bear responsibility for performing the roles concerning the market in Thailand which are music production, music promotion, artist management, and others such as training and providing office space. • Warner Group shall comply and shall use reasonable endeavours to procure its affiliates to comply with the terms of this agreement and bear responsibility for performing the roles concerning the international market (excluding Thailand) which are music resources, music marketing, artist management, and others such as negotiating and entering into the artist agreements with the label, accounting for royalties to the artist, and distribution of the recordings. • WMA shall bear the responsibility for the regional marketing in accordance with the usual marketing planning and practices of WMA.

¹ The resolution of the joint committee must be unanimously approved by all members. Therefore, if any member of the joint committee disagrees with any matter, that matter will be dismissed.

Important Condition	Detail
Profit Share	GMM Global and Warner agreed to split the profit on a quarterly basis, with each party receiving 50.00 percent of the net revenue. The net revenue is subject to deductions of the fees and related expenses.
Intellectual Properties	GMM Global and Warner shall jointly own the rights in equal shares pursuant to the artist agreements for the terms.

1.4. Buyer's Background

Since the company will be selling common shares of GMM Music to Warner Music Hong Kong Limited ("WMHK"), which is a subsidiary of Warner Music Group Corp. ("WMGC"), the independent financial advisor will disclose the information regarding the ultimate shareholders of WMHK, as follows:

Company name	Warner Music Group Corp.																																					
Year of establishment	A.D. 1958																																					
Address	1633 Broadway, New York City, New York, U.S.																																					
Business Operations	Warner Music Group Corp. operates globally, with offices in over 70 countries, and is headquartered in New York, USA. Warner Music Group focuses on local operations management, artist signing and development, music distribution, and overseeing marketing and promotional activities in the regions where its offices are located.																																					
Business Overview	Warner Music Group Corp. is one of the three largest major record labels in the world, alongside Universal Music Group (UMG) and Sony Music Entertainment (SME). Together, these three companies dominate the global music industry.																																					
Vision	Warner Music Group Corp. is focused on nurturing talent, driving innovation, and expanding its global operations to maintain leadership in the evolving music industry.																																					
Registration information	Listed on the NASDAQ stock exchange in the United States, trading under the ticker symbol WMG (Warner Music Group).																																					
Market value	532,047,210,000.00 Baht																																					
Director	<table border="1"> <thead> <tr> <th></th> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Michael Lynton</td> <td>Executive Director</td> </tr> <tr> <td>2</td> <td>Valentin Blavatnik</td> <td>Executive Director</td> </tr> <tr> <td>3</td> <td>Len Blavatnik</td> <td>Executive Director</td> </tr> <tr> <td>4</td> <td>Lincoln Benet</td> <td>Independent Director</td> </tr> <tr> <td>5</td> <td>Mathias Döpfner</td> <td>Independent Director</td> </tr> <tr> <td>6</td> <td>Nancy Dubuc</td> <td>Audit Committee</td> </tr> <tr> <td>7</td> <td>Noreena Hertz</td> <td>Audit Committee</td> </tr> <tr> <td>8</td> <td>Ynon Kreiz</td> <td>Audit Committee</td> </tr> <tr> <td>9</td> <td>Ceci Kurzman</td> <td>Independent Director</td> </tr> <tr> <td>10</td> <td>Robert Kyncl</td> <td>Executive Director</td> </tr> <tr> <td>11</td> <td>Donald A. Wagner</td> <td>Audit Committee</td> </tr> </tbody> </table>			Name	Position	1	Michael Lynton	Executive Director	2	Valentin Blavatnik	Executive Director	3	Len Blavatnik	Executive Director	4	Lincoln Benet	Independent Director	5	Mathias Döpfner	Independent Director	6	Nancy Dubuc	Audit Committee	7	Noreena Hertz	Audit Committee	8	Ynon Kreiz	Audit Committee	9	Ceci Kurzman	Independent Director	10	Robert Kyncl	Executive Director	11	Donald A. Wagner	Audit Committee
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Major shareholders of the company	Name		Ownership ratio (percentage)	Value of ownership (THB Million)	
	Capital Research & Management Co. (World Investors)		9.375	13,547.92	
	Vanguard Global Advisers LLC		9.318	13,479.84	
	Fidelity Management & Research Co. LLC		6.965	10,075.84	
	BlackRock Advisors LLC		6.459	9,326.96	
	Darlington Partners Capital Management LP		5.701	8,237.68	
	AKO Capital LLP		5.271	7,624.96	
Financial statements (reporting period September 31, 2021 – 2023) based on the exchange rate as of August 13, 2024	Unit: Million THB		2021	2022	2023
	Total assets		254,753.81	276,551.50	301,882.24
	Total liabilities		253,128.70	270,616.31	286,690.78
	Shareholders' equity		1,625.11	5,935.19	15,191.47
	Total revenue		187,276.38	209,109.39	213,278.23
	Net income		10,845.85	19,607.32	15,509.21

Source: Data from Warner Music Group and www.marketscreener.com

1.5. Reasonable and benefit of entering the Transaction

The disposal of GMM Music's ordinary shares and the Acquisition in the case of the Establishment of a New Joint Venture are in accordance with the Company's business strategy to achieve sustainable growth through the integration of knowledge, capabilities and potential with strong partners, such as expanding opportunities to generate income in the global music market (Upscale Opportunities), increasing production capacity and upgrading the quality of artists and music. By using the strengths of both parties (Uplift Quality). Since the WMGC Group is a leading and well-known company in the global music industry, it is one of the three largest music labels in the world in the music industry and has more than 1.40 million music copyrights. In addition to increasing the potential of GMM Music, it will also have a positive effect on confidence in GMM Music. Although the Company may lose the opportunity to receive returns from the increased performance of GMM Music in the future and may lose the opportunity to recognize returns from the sale of GMM Music's ordinary shares that are higher than the company value received from the sale of GMM Music common shares to the WMGC Group this time, being a business partner with WMGC Group will help enhance the Company's knowledge, competitiveness and potential, together with the value of the sale of GMM Music common shares to the WMGC Group this time is higher than the fair value assessed by the IFA (in case that there is no adjustment effect from in accordance with the terms of the Side Agreement to SPA).

After considering the advantages, disadvantages, risks, reasons for entering into the Transaction, including the conditions of the transaction, which are mostly in accordance with general trading conditions and do not contain conditions that may cause the Company or the Company's shareholders to lose benefits from entering into the Transaction of the disposal of GMM Music's ordinary shares and the Acquisition in the case of the Establishment of a New Joint Venture, the IFA is of the opinion that entering into the Transaction above is appropriate and for the maximum benefit of the Company and the Company's shareholders.

1.6. Advantages of entering the Transaction

- **The Disposal of GMM Music's Ordinary Shares**

- 1) The Company can use fund from the sale of ordinary shares of GMM Music to repay the Group's debt, and/or invest and expand the business, and/or support the Group's working capital. The repayment of the Group's debt will improve the capital structure of the Group, increase the Group's flexibility, and reduce the Group's financial costs. In addition, if the Company uses the remaining fund from the sale of ordinary shares of GMM Music to invest and expand the business, and/or support the Group's working capital, it will help increase the opportunity to invest in any potential businesses to develop the Company's business and enable the Company to grow more sustainably.
- 2) The Company can benefit and build confidence in GMM Music from the investment of WMGC Group as a strategic investor. WMGC Group is a leading and well-known company in the global music industry, with offices in more than 70 countries worldwide, headquartered in New York, USA. It is one of the three largest record labels in the world, along with Universal Music Group and Sony Music Entertainment, with over 1.40 million music licenses. The investment of WMGC Group will not only enhance GMM Music's potential but will also have a positive effect on confidence in GMM Music, which will benefit GMM Music's plan for the initial public offering (IPO).
- 3) The Company can benefit from the Distribution Agreement between GMM Music and Warner Group which will give the right to Warner Group to distribute sound recordings and audio-visual recordings owned and/or controlled by GMM Music through online platforms worldwide. It will expand the listener base and increase the awareness of Thai music and Thai artists worldwide, which will enhance GMM Music's competitiveness and revenue, helping to maintain sustainable growth. Therefore, after the transaction of the sale of GMM Music's ordinary shares, the Company, as a major shareholder holding 88.50 percent of the

total issued and paid-up ordinary shares of GMM Music as of 14 August 2024, will also benefit from the performance of GMM Music.

- 4) Since GMM Global, a subsidiary of the Company in which the Company indirectly holds a 90.00 percent stake in GMM Global through holding shares in GMM Music (the Company directly holds a 90.00 percent stake in GMM Music and GMM Music directly holds a 100.00 percent stake in GMM Global), and Warner Group have entered into a joint investment agreement, with the objective of jointly investing to select artists to sign recording and artist management contracts, which will be effective on the completion date of the Share Purchase Agreement (SPA). The collaboration will enable GMM Music, as a subsidiary of the Company, to exchange business knowledge with WMGC Group, a leading and well-known company in the global music industry, which will help increase the Company's business potential and competitiveness, such as elevating the quality of artists and music. Based on the estimated return on investment prepared by the Company, this investment is expected to have an internal rate of return (IRR) of no less than 18.15 percent.
- 5) The Company can benefit from the sale value of GMM Music's ordinary shares to WMGC Group that is higher than the fair value evaluated by the IFA. Due to the value of the sale of 12,000,000 ordinary shares of GMM Music, or 1.50 percent of the total number of issued and paid-up ordinary shares, to the WMGC Group at a value of USD 10,500,000 or approximately equivalent to THB 367,366,650 (Calculated based on the conversion rate of THB 34.9873 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 13 August 2024), when compared to the fair value evaluated by the IFA, which is in the range of THB 296,373,062 – THB 330,830,792, it was found that the transaction value is 11.69 - 24.63 percent higher. Therefore, it is an appropriate transaction price that is beneficial to the Company. However, the purchase price may be deducted downward in accordance with the terms of the Side Agreement to SPA, if the value of GMM Music's shares corresponding to WMHK's shareholding proportion in GMM Music, based on the sale of GMM Music's shares to other parties, is lower than the value of GMM Music's shares offered to WMHK, and/or in the event that WMHK's shareholding proportion decreases by more than 15.00 percent from the shareholding proportion of WMHK in GMM Music (at which WMHK's shareholding percentage is lower than 1.275 percent of the total issued and paid-up ordinary shares of GMM Music after the sale of GMM Music's shares to other parties), the purchase price will be adjusted downward which will occur one time after the IPO to ensure that WMHK's purchase price

is equitable with other parties. The future purchase price will be in accordance with the fair value of GMM Music in the future, which may have economic risk factors, competitive risk, technology risk, and changing business risk.

- **The Acquisition in the case of the Establishment of a New Joint Venture**

- 1) The acquisition in the new joint venture aligns with the Company's business strategy to achieve sustainable growth. Since the Company has currently changed its business model from an operating company to a holding company focusing on integrated entertainment businesses and technology and platform businesses, the Company's core businesses are operated through subsidiaries and associates, which are mainly music businesses, home shopping businesses, and media businesses. Therefore, the joint venture with Warner Group through its subsidiary to select artists to sign recording and artist management contracts, which is in line with the Company's business strategy. It also helps diversify the Company's investment risk, so that the Company can grow sustainably in the long term. Based on the estimated return on investment prepared by the Company, this investment is expected to have an internal rate of return (IRR) of no less than 18.15 percent.
- 2) The acquisition in the new joint venture can help enhance the growth of the Company's music business under the operation of GMM Music through the integration of knowledge, capabilities and potential with strong partners. WMGC Group is a leading and well-known company in the global music industry, with offices in more than 70 countries worldwide, headquartered in New York, USA. It is one of the three largest record labels in the world, along with Universal Music Group and Sony Music Entertainment, with over 1.40 million music licenses. The joint venture with WMGC Group will help enhance the company's knowledge, competitiveness, and potential under the operation of GMM Music to grow more sustainably. The Company foresees business opportunities from this alliance and expects synergies, such as expanding revenue opportunities in the global music market (Upscale Opportunities), increasing production capacity and elevating the quality of artists and music by leveraging the strengths of both parties (Uplift Quality), such as teams of music composers, producers, and opportunities to collaborate with world-renowned artists.

1.7. Disadvantages of entering the Transaction

- **The Disposal of GMM Music's Ordinary Shares**

- 1) The Company may lose the opportunity to receive higher returns from GMM Music's performance in the future. Since the sale of GMM Music's ordinary shares this time will result in the Company's shareholding proportion decreasing from 90.00 percent of the total number of issued and paid-up common shares as of 14 August 2024 to 88.50 percent of the total number of issued and paid-up common shares as of 14 August 2024. When considering the global music industry, it is entering its "Second Wave" of growth, with revenues reaching a record USD 88.55 billion in 2023. This growth is largely attributed to the rise of the digital music industry, which has enabled consumers to access content directly and efficiently while expanding revenue streams for the music industry. According to the forecast of MIDiA which is a market research and survey company that provides data analysis services on market trends, consumer behavior and market competition, found that the global music industry is expected to grow by over 60.00 percent from 2023 to 2031, reaching USD 141.68 billion by 2031. Although this transaction of the disposal of GMM Music's ordinary shares will result in the Company's shareholding in GMM Music reducing by 1.50 percent of the total number of issued and paid-up ordinary shares, the Company will be able to enhance the company's knowledge, competitiveness, and business potential from the investment of WMGC Group.
- 2) The Company may lose the opportunity to realize returns from the sale of GMM Music's ordinary shares that are higher than the equity value received from the sale of GMM Music's ordinary shares to WMGC Group this time. Since the Company has an IPO plan for GMM Music to unlock the value of GMM Music as approved in the Board of Directors' Meeting No. 3/2023 on 27 July 2023, the Company may lose the opportunity to recognize the return from the sale of GMM Music ordinary shares to other buyers in the future if GMM Music has a company value higher than THB 24,491,110,000.

- **The Acquisition in the case of the Establishment of a New Joint Venture**

- 1) The Company may lose the opportunity to invest in other projects with higher potential and higher returns than entering into this transaction of the acquisition of this new joint venture. Joint venture with Warner Group through the Company's subsidiary, GMM Global, whereby the Company indirectly holds 90.00 percent of the total issued and paid-up

ordinary shares through holding shares in GMM Music (the Company directly holds a 90.00 percent stake in GMM Music and GMM Music directly holds a 100.00 percent stake in GMM Global), to select artists to sign recording and artist management contracts, with each party investing no more than THB 54,564,930 (the Company will invest according to its indirect 90.00% shareholding in GMM Global through holding shares in GMM Music). Since the Company will use GMM Music's working capital to invest in joint venture, the Company may lose the opportunity to use GMM Music's working capital to invest in other projects with higher potential and higher returns in the future. However, WMGC Group is a leading and well-known company in the global music industry. It is considered one of the three largest record labels in the world with more than 1.40 million music licenses, which is expected to help enhance the company's knowledge, competitiveness, and potential under the operation of GMM Music to grow more sustainably.

1.8. Risks of entering the Transaction

- **The Disposal of GMM Music's Ordinary Shares**

- 1) The risk that the purchase price may be deducted downward in accordance with the terms of the Side Agreement to SPA. Since the Company has an IPO plan for GMM Music, the transaction of the sales of ordinary shares of GMM Music will be subject to the conditions of the purchase price adjustment according to the results of the IPO of GMM Music. The Side Agreement to SPA states that after the Transaction, if the value of GMM Music's shares corresponding to WMHK's shareholding proportion in GMM Music, based on the sale of GMM Music's shares to other parties, is lower than the value of GMM Music's shares offered to WMHK, and/or in the event that WMHK's shareholding proportion decreases by more than 15.00 percent from the shareholding proportion of WMHK in GMM Music (at which WMHK's shareholding percentage is lower than 1.275 percent of the total issued and paid-up ordinary shares of GMM Music after the sale of GMM Music's shares to other parties), the purchase price will be adjusted downward which will occur one time after the IPO to ensure that WMHK's purchase price is equitable with other parties, which is a standard practice widely used in Mergers and Acquisitions transactions. However, since the Company can control the conditions in the event that the shareholding ratio of WMHK may decrease by more than 15.00 percent through the determination of the number of new ordinary shares of GMM Music to be offered for IPO, therefore, there is a low risk that the purchase price will be adjusted downward. While the conditions in the event that the offering price of

GMM Music's ordinary shares to other persons is lower than the offering price of GMM Music's ordinary shares to WMHK involve external factors, therefore, the Company cannot completely control all factors. However, the Company will regularly monitor and plan the use of the Company's working capital. The Company will plan in advance and consider the funding sources that are appropriate for the Company's working capital and business plan. Considering the financial position of the Company at different time periods, the Company will be able to choose to pay in the form of cash and/or ordinary shares of GMM Music at the Company's sole discretion. However, in the case that the Company chooses to settle this via ordinary shares of GMM Music, the Company's shareholding proportion in GMM Music will decrease corresponding to the number of shares transferred to WMHK. The decrease of such shareholding proportion will result in shareholders of the Company being affected by a reduction in the shareholding proportion in GMM Music (Control Dilution), as well as a decrease in the share of profits (Earnings Dilution) from GMM Music at the same proportion

- 2) The risk of not receiving approval for entering the transaction of the disposal of GMM Music's ordinary shares from the Company's shareholders' meeting. The Disposal of GMM Music's Ordinary Shares is classified as a Class 1 Asset Disposal Transaction. Consequently, the Company must obtain approval from the shareholders' meeting for entering into the transaction and must receive no less than 3 out of 4 of the total number of votes of shareholders attending the meeting and having the right to vote, excluding the votes of interested shareholders, which is one of the important precedent conditions under the Share Sale and Purchase Agreement. Therefore, if the Company does not receive approval from the shareholders' meeting according to the specified criteria for even just one agenda which are the consideration of approving the sales of ordinary shares of GMM Music to a strategic investor including the related delegation of authorities and the consideration of approving the joint venture investment between the subsidiary of GMM Music and strategic investor including the related delegation of authorities that is related to the Disposal of GMM Music's Ordinary Shares and has mutual conditions. The Company will be at risk of not being able to enter into the sales of ordinary shares of GMM Music.
- 3) The risk from foreign exchange rate fluctuations since the Company will enter into the transaction of the disposal of GMM Music's ordinary shares, payments will be made by WMGC Group in U.S. dollars (as well as price protection scheme which will be made by the

Company in U.S. dollars). However, the Company plans to consider using the financial instruments to manage foreign exchange rate risk if appropriate.

- **The Acquisition in the case of the Establishment of a New Joint Venture**

- 1) The risk that the return on an investment is not as expected as the project's internal rate of return (Project IRR) is to be no less than 18.15 percent, based on the estimated return on investment prepared by the Company because of economic risks, competitive risks, technology risks, and business risks. However, GMM Music, with over 40 years of experience in the music business, will regularly discuss with Warner Group, a leading and well-known company in the global music industry, to ensure that it can respond to any potential risks appropriately and promptly.
- 2) As specified in the terms and conditions of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest no more than THB 54,564,930 (the Company will invest according to its indirect 90.00% shareholding in GMM Global through holding shares in GMM Music) under a Joint Operation and within 1 year from the effective date of the agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage. As a result, there may be a risk that the joint venture may not be established within the 1 year from the effective date of the agreement because of the lack of internal approval from both parties.

1.9. Reasonableness of price

For the reasonableness of the price, the IFA has assessed the value of the disposal of GMM Music's ordinary shares by considering various methods to find the appropriate fair value range for this transaction. The IFA is of the opinion that the valuation of the current value of the business using the Discounted Cash Flow Approach (DCF) is an appropriate valuation method because it can reflect future performance under the business plan and various reasonable assumptions. The IFA has assessed the fair value range of the disposal of GMM Music's ordinary shares in the amount of 12,000,000 shares or 1.50 percent of the total issued and paid-up common shares of GMM Music, which is in the range of THB 296.37 - 330.83 million. Therefore, when compared to the transaction price of THB 367.37 million, the transaction price is higher than the fair value range. The IFA is of the opinion that the price of the disposal of GMM Music's common shares is appropriate.

2. Overview and details of the Transaction

2.1. Date of the Transaction

On 14 August 2024, the Company's Board of Directors Meeting has resolved to approve the Disposal of GMM Music's Ordinary Shares and the Acquisition in the case of the Establishment of a New Joint Venture, and to approve the proposal of such transactions to the shareholders' meeting of the Company. With respect to various conditions of the related agreements between the Company and The WMGC Group, the completions of the Disposal of GMM Music's Ordinary Shares and the Acquisition in the case of the Establishment of a New Joint Venture will be subject to the fulfillment of conditions precedent under Share Purchase Agreement of GMM Music as specified in Clause 4.3, or any waiver from the relevant counterparty, and the fulfillment of conditions to enter into the transaction as specified in Clause 12. The Company anticipates the Disposal of GMM Music's Ordinary Shares to be completed by the third quarter of 2024 and the Acquisition in the case of the Establishment of a New Joint Venture to be completed by the fourth quarter of 2025.

2.2. Overview of the Transaction

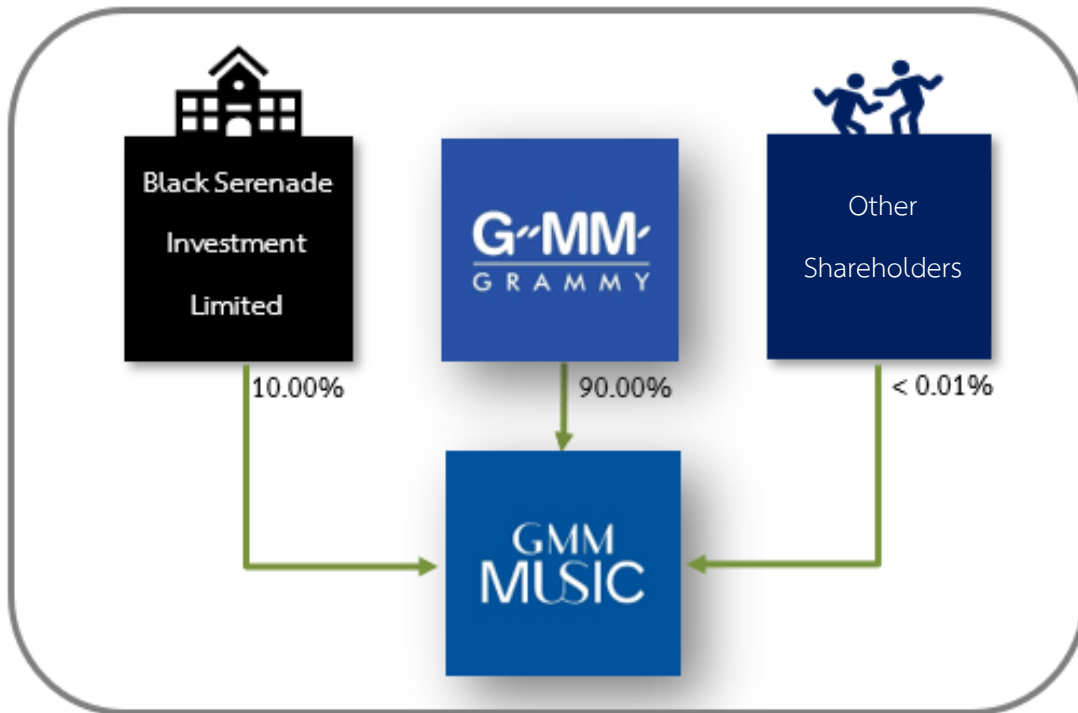
According to the resolutions of the Board of Directors of GMM Grammy Public Company Limited (the "Company") from its meeting No. 6/2024, held on 14 August 2024, the following significant decisions were made:

- 1) Approval was granted for the sale of common shares of GMM Music Public Company Limited ("GMM Music"), a subsidiary of the Company, to a strategic investor who is not a related party of the Company. The decision was also made to present this proposal to the Company's shareholders for approval, including the authorization related to the sale. The Company will sell 12,000,000 shares of GMM Music, representing 1.50 percent of the total issued and paid-up common shares of GMM Music, to Warner Music Hong Kong Limited ("WMHK"). WMHK is a subsidiary of Warner Music Group Corp. ("WMGC") (collectively referred to as "WMGC Group"). The total value of the shares to be sold to WMGC Group is USD 10,500,000 (equivalent to

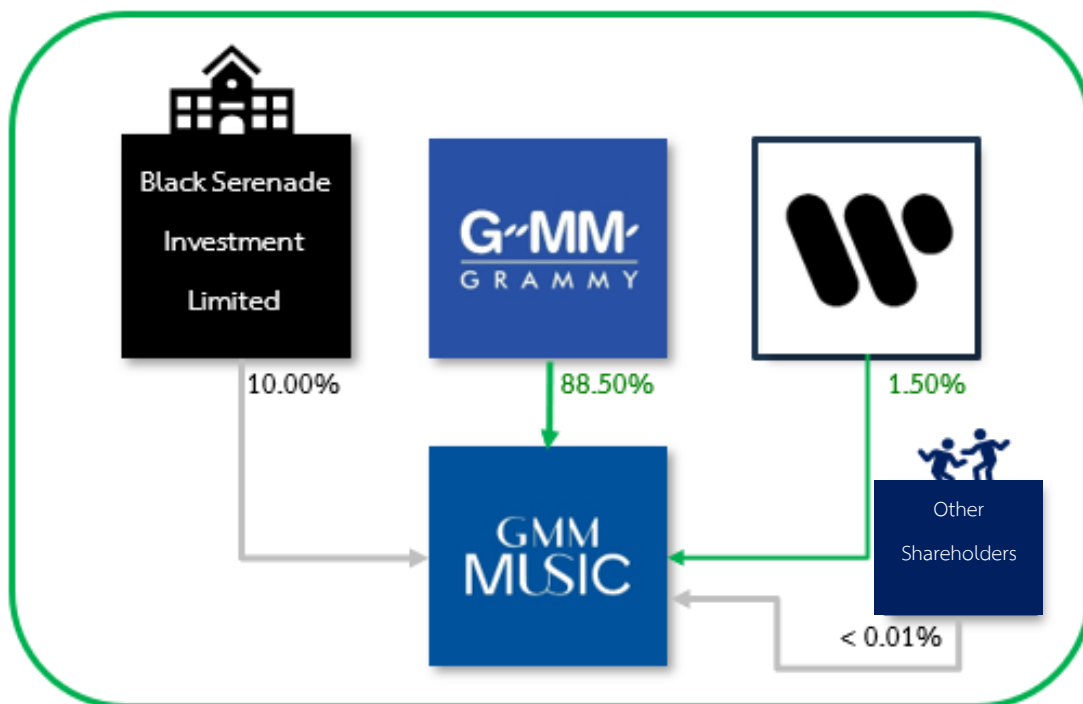
approximately THB 367,366,650¹) in a single installment, on the share transfer date. (The total value of GMM Music's common shares being sold to WMGC Group, if calculated at 100.00 percent, is USD 700,000,000.) The WMGC Group will pay for the shares in cash ("Disposal of GMM Music's Ordinary Shares"). The Company has entered into the transaction to sell common shares of GMM Music because it recognizes various business opportunities from partnering with WMGC, a leading and renowned company in the global music industry. Through the combination of knowledge, capabilities, and potential between GMM Music and WMGC, both parties will benefit from synergy, such as expanding revenue opportunities in the global music market (Upscale Opportunities), increasing production capacity and enhancing the quality of artists and music with the strengths of both parties (Uplift Quality), and promoting the development of Thailand's music industry infrastructure towards becoming a New Music Economy. These factors will contribute to the sustainable competitiveness of GMM Music. After the completion of the GMM Music Common Shares Sale Transaction, the company will engage in a commercial joint venture (Commercial Joint Venture Label Agreement) with Warner and WMA to establish a joint music label business, as detailed in the following resolution. An overview of the GMM Music Common Shares Sale Transaction is illustrated in the diagram on the following page.

¹ Calculate using an exchange rate of THB 34.9873 per USD 1, based on the average buying rate for money transfers that commercial banks buy from customers, as shown on the Bank of Thailand's website on 13 August 2024.

Overview before the transaction involving the disposition of the company's assets.



Overview after the transaction involving the disposition of the company's assets.



The sale of common shares of GMM Music to the WMGC Group is considered an asset disposal transaction under the criteria established by the Securities and Exchange Commission (SEC) in Announcement No. TorChor. 20/2551 regarding the rules for significant transactions involving asset acquisition or disposal (including amendments) and the Securities Exchange Commission's Announcement on Disclosure and Compliance for Listed Companies regarding asset acquisition or disposal B.E. 2547 (including amendments) (collectively referred to as "Asset Acquisition or Disposal Announcement"). The calculation of the transaction size, based on the consolidated financial statements for the year ended 31 December 2023, and the consolidated financial statements for the second quarter of 2024, audited and reviewed by licensed auditors, as well as the consolidated financial statements of GMM Music for the same periods, indicates that the maximum transaction size based on net profit from operations is 6.38 percent.

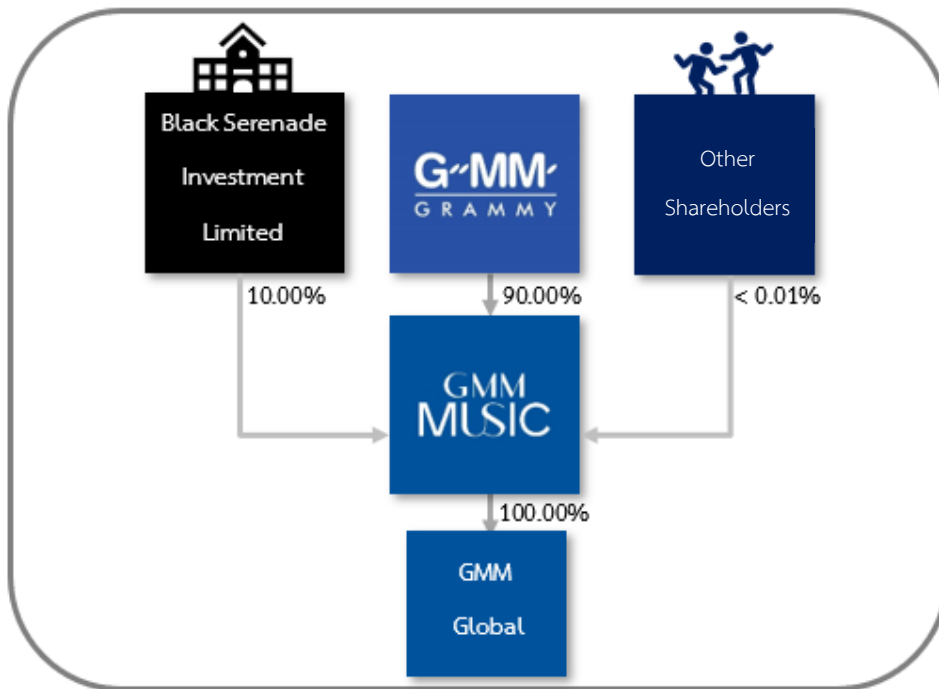
Additionally, within the six-month period prior to the date on which the Company's board of directors approved the transaction for the sale of common shares of GMM Music, the board had previously approved the sale of common shares of GMM Music to Black Serenade Investment Limited. Black Serenade Investment Limited is a joint venture between Tencent Music Entertainment Group and Tencent Holdings Limited, and it is a subsidiary of Tencent Music Entertainment Group ("Black Serenade"). This transaction involved the sale of a total of 80,000,000 shares, representing 10.00 percent of the total issued and paid-up common shares of GMM Music, for a value of USD 70,000,000 (equivalent to approximately THB 2,570,827,000). The transaction with Black Serenade resulted in a maximum transaction size of 49.61 percent based on net profit from operations.

When combining the sale of shares of GMM Music in this current transaction with the previous sale of shares to Black Serenade, the total maximum transaction size based on net profit from operations amounts to 55.99 percent. Therefore, the transaction for the sale of common shares of GMM Music qualifies as an Asset Disposal Transaction Type 1 under the Asset Acquisition or Disposal Announcement, meaning it constitutes a transaction size of 50.00 percent or greater but less than 100.00 percent.

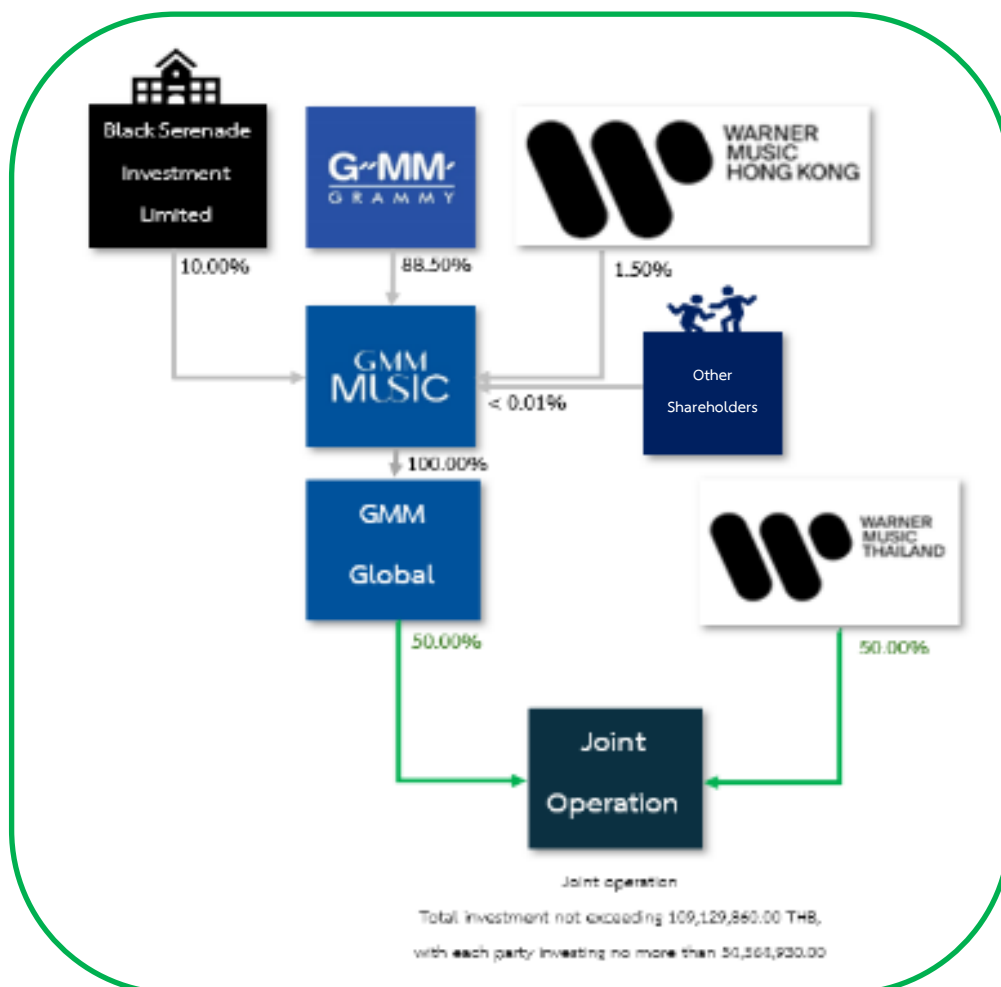
- 2) Following the approval of the transaction for the sale of common shares of GMM Music under the related conditions, GMM Global, a subsidiary of the Company in which the Company indirectly holds a 90.00 percent stake in GMM Global through holding shares in GMM Music (the Company directly holds a 90.00 percent stake in GMM Music and GMM Music directly holds

a 100.00 percent stake in GMM Global), has entered into a Commercial Joint Venture Label Agreement with Warner Music (Thailand) Limited (“Warner”) and Warner Music Asia (“WMA”). Warner is a subsidiary of WMGC, and WMA is a branch registered under WMHK established according to the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (collectively referred to as “Warner Group”) for the purpose of jointly operating a music label business. Under the terms of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest up to THB 54,564,930 in a joint operation. Additionally, within one year of the agreement’s effective date, GMM Global and Warner plan to establish an Equity Joint Venture, subject to further internal approvals from both parties. Therefore, the Board of Directors of the company, in its meeting No. 6/2567 on 14 August 2024, approved the joint venture investment between the subsidiary of GMM Music and the strategic investor and agreed to present it to the Company’s shareholders for approval of the joint venture investment, including the related authorization (“Transaction for Acquiring a Subsidiary in the Case of New Joint Venture”). Following the completion of the transaction for the sale of common shares of GMM Music and the acquisition transaction for establishing a new joint venture as mentioned above, GMM Global, a subsidiary of the company through its ownership in GMM Music, will operate a music label business in collaboration with Warner Group under the Commercial Joint Venture Label Agreement. Additionally, Warner Group will provide a global distribution system for sound recordings and audio-visual recordings that GMM Music owns, controls, or will own or control. Warner Group will have the exclusive right to distribute these works worldwide through designated online platforms. An overview of the GMM Music acquisition transaction is illustrated in the diagram on the following page.

Overview before the acquisition transaction of the company's assets



Overview after the acquisition transaction of the company's assets.



For the transaction involving the acquisition of a subsidiary in the case of a new joint venture, it qualifies as an asset acquisition under the regulations concerning acquisitions or disposals of assets. The calculation of the transaction size, based on the consolidated financial statements for the year ending 31 December 2023, and the consolidated financial statements for the second quarter of 2024, audited and reviewed by authorized auditors, reveals that the maximum transaction size according to the aggregate value of consideration is 0.52 percent. When considering this transaction alongside other asset acquisitions made by the Company within the six-month period preceding the board meeting where the decision to approve the acquisition of the subsidiary was made, the Company has engaged in the following asset transactions:

- (1) Establishment of a joint venture company between GDH 559 Co., Ltd., a subsidiary of the Company, and a non-related party, with the maximum transaction size based on the aggregate value of consideration being 0.01 percent.
- (2) Acquisition of common shares in Joox Thailand (Hong Kong) Limited ("Joox Thailand") totaling 3 shares, or 30.00 percent of the total issued and paid-up shares of Joox Thailand, valued at USD 25,000,000 (equivalent to approximately THB 918,152,500) from Black Serenade, with the maximum transaction size based on the aggregate value of consideration being 14.23 percent.
- (3) Establishment of GMM Global, a subsidiary of the company, with the maximum transaction size based on the aggregate value of consideration being 0.01 percent.

Therefore, when considering the new subsidiary acquisition transaction (the joint venture case) along with all asset acquisition transactions within the six-month period prior to the board of directors' meeting where the resolution for the new subsidiary acquisition transaction was approved, it is found that the maximum transaction size based on the aggregate value of consideration is 14.77 percent. As a result, the new subsidiary acquisition transaction does not fall under the requirement to report information according to the announcement on asset acquisition or disposal. However, since the new subsidiary acquisition transaction is related to the sale of GMM Music's common shares and to adhere to good corporate governance principles, the Company's board of directors considers it appropriate to propose to the shareholders' meeting to consider and approve the new subsidiary acquisition transaction together with the GMM Music common share sale transaction.

Both the sale of GMM Music's common shares and the acquisition of the new subsidiary (joint venture case) do not qualify as related party transactions of the Company under the Notification of the Securities and Exchange Commission (SEC) No. Tor Jor 21/2551 regarding criteria for related party transactions (including amendments) and the Notification of the Stock Exchange of Thailand regarding disclosure of information and practices of listed companies in related party transactions B.E. 2546 (including amendments).

- 3) Approved the date for the Extraordinary General Meeting of Shareholders (EGM) No. 1/2567 to be held on Thursday, 26 September 2024, at 2:00 PM in the form of an electronic meeting (E-EGM) via the Webex system. The meeting will be broadcast live from the Auditorium, 21st Floor, GMM Grammy Place, 50 Sukhumvit 21 (Asoke), Wattana District, Bangkok. The agenda items for the meeting are as follows:

Agenda Item 1: Consideration and approval of the sale of common shares of GMM Music, a subsidiary of the Company, to strategic investors.

Agenda Item 2: Consideration and approval of the joint investment in a joint venture between GMM Music's subsidiary and strategic investors.

Agenda Item 3: Other matters (if any).

2.3. Type and size of the transaction

2.3.1. Calculating the transaction size according to the announcement of the asset disposal transaction of the Disposal of GMM Music's Ordinary Shares

The transaction is a transaction of disposal of assets of a listed company according to the announcement of the acquisition or disposal transaction. The transaction has a total value of approximately THB 367.37 million¹, accounting for the highest transaction size of 6.38 percent according to the net operating profit criteria which is the calculation criterion that gives the maximum transaction size which has the following details.

Criteria	Calculation Method	Transaction Size (Percent)
1. Net Tangible Asset (NTA)	<u>NTA of GMM Music expected to be disposed of proportionately</u> NTA of the Company	$\text{THB } 462.64^2 \text{ million} \times 1.50\% = 0.18$ THB 3,825.12 million
2. Net Operating Profits	<u>Net profits attributable to the parent company of GMM Music (excluding non-controlling interests) expected to be disposed of proportionately</u> Net profits attributable to the parent company of the Company (excluding non-controlling interests)	$\text{THB } 463.15^2 \text{ million} \times 1.50\% = 6.38$ THB 108.82 ³ million
3. Total Value of Consideration	<u>Total value of consideration</u> Total assets of the Company	$\text{THB } 367.37 \text{ million} = 3.89$ THB 9,446.11 ³ million
4. Value of Securities of Listed Company Issued as Consideration for the Assets	Not applicable, since the Company does not issue its securities as consideration for the assets acquired	

¹ The value of the ordinary shares of GMM Music that the Company will sell pursuant to the transaction to sell ordinary shares of GMM Music at a value of 10,500,000 US dollars is calculated using an exchange rate of 34.9873 baht per 1 US dollar, based on the average buying rate that commercial banks trade with customers (buy transfers) as shown on the website of the Bank of Thailand as of 31 August 2024.

² Referring to the consolidated financial statements for the year ended 31 December 2023 and the consolidated financial statements for the six-month period ended 30 June 2024 of GMM Music which have been audited and reviewed by an authorized auditor.

³ Referring to the consolidated financial statements for the year ending 31 December 2023 and the consolidated financial statements for the six-month period ending 30 June 2024 of the Company which have been audited and reviewed by an authorized auditor.

Criteria	Calculation Method	Transaction Size (Percent)
Maximum Transaction Size	Net Operating Profits	6.38

2.3.2. Asset disposal transactions for the past 6 months of the Disposal of GMM Music's Ordinary Shares

Size of the asset disposal transaction that occurred during the 6 months before the date of the Board of Directors which was a resolution to approve entering into this transaction, which consisted of 1 item, namely.

Previous 6 Months Disposal Transaction	Transaction Size (Percent)
1. The sales of ordinary shares of GMM Music to Black Serenade in the total amount of 80,000,000 shares or equivalent to 10.00 percent of the total issued and paid-up ordinary shares of GMM Music at a consideration value of USD 70,000,000 (approximately equivalent to THB 2,570,827,000 ¹)	49.61
Total	49.61

When considering the Disposal of GMM Music's Ordinary Shares with the disposal of assets transactions within the period of 6 months preceding the aforementioned Board of Directors' Meeting of the Company to approve the Disposal of GMM Music's Ordinary Shares at this time, the combined highest transaction size, based on net operating profits criteria, amounts to 55.99 percent. Therefore, Disposal of GMM Music's Ordinary Shares is classified as a Class 1 Asset Disposal Transaction, to which the transaction size is equivalent to 50.00 or higher but less than 100.00 percent, which the Company is required to comply with the Notifications on Acquisition or Disposal of Assets as follows.

- Immediately prepare a report disclosing the transaction to the Stock Exchange of Thailand ("SET"), whereby the information memorandum must comprise at least the information specified under Schedule (1) annexed to the Notifications on Acquisition or Disposal of Assets.

¹ Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of May 30, 2024

- Appoint an independent financial advisor to give the opinions in connection with the Disposal of GMM Music's Ordinary Shares and submit such opinions to the Office of the Securities and Exchange Commission (the "SEC") and the SET.
- Send to shareholders a notice to attend the shareholders' meeting no less than 14 days prior to the date of the shareholders' meeting, whereby the notice of the shareholders' meeting must consist of at least the information specified in Schedule (2) annexed to the Notifications on Acquisition or Disposal of Assets, together with the opinion of the independent financial advisor.

2.3.3. Calculating the transaction size according to the announcement of the asset acquisition transaction of the Acquisition in the case of the Establishment of a New Joint Venture

Entering into a transaction to acquire a subsidiary in the case of a new joint venture is considered an asset acquisition transaction of a listed company according to the announcement regarding acquisition or disposal. The transaction has a total value of approximately 49.11 million baht¹ calculated as the maximum transaction size equal to 0.52 percent according to the total value of consideration criteria which is the calculation criterion that gives the maximum transaction size which has the following details.

Criteria	Calculation Method	Transaction Size (Percent)
1. Net Tangible Asset (NTA)	Not applicable, since the Equity Joint Venture is conducted through GMM Global, a newly established company	
2. Net Operating Profits	Not applicable, since the Equity Joint Venture is conducted through GMM Global, a newly established company	
3. Total Value of Consideration	<u>Total value of consideration</u> Total assets of the Company	<u>THB 49.11 million</u> = 0.52 THB 9,446.11 ² million

¹ The investment amount that the Company will invest, according to its 90.00 percent shareholding in GMM Global, will not exceed THB 49,108,437, which is based on the Commercial Joint Venture Label Agreement which GMM Global and Warner will each invest up to THB 54,564,930 under a Joint Operation.

² Referring to the consolidated financial statements for the year ending 31 December 2023 and the consolidated financial statements for the six-month period ending 30 June 2024 of the Company which have been audited and reviewed by an authorized auditor.

Criteria	Calculation Method	Transaction Size (Percent)
4. Value of Securities of Listed Company Issued as Consideration for the Assets	Not applicable, since the Company does not issue its securities as consideration for the assets acquired	
Maximum Transaction Size	Total Value of Consideration	0.52

2.3.4. Asset acquisition transactions for the past 6 months of the Acquisition in the case of the Establishment of a New Joint Venture

Size of the asset acquisition transaction that occurred during the 6 months before the date of the Board of Directors which was a resolution to approve entering into this transaction, which consisted of 3 items.

Previous 6 Months Acquisition Transaction	Transaction Size (Percent)
1. The establishment of a joint venture between GDH 559 Company Limited, a subsidiary of the Company and a non-connected person of the Company	0.01
2. The acquisition of 3 ordinary shares of Joox Thailand (Hong Kong) Limited, which is equivalent to 30.00 percent of the total issued and paid-up ordinary shares of Joox Thailand (Hong Kong) Limited, at a consideration value of USD 25,000,000 (equivalent to approximately THB 918,152,500 ¹) from Black Serenade	14.23
3. The establishment of GMM Global, a subsidiary of the Company	0.01
Total	14.25

When considering the Acquisition in the case of the Establishment of a New Joint Venture with the acquisition of assets transactions within the period of 6 months preceding the aforementioned Board of Directors' Meeting of the Company to approve the Acquisition in the case of the Establishment of a New Joint Venture at this time, the combined highest transaction size, based on total value of consideration

¹ Calculated based on the conversion rate of THB 36.7261 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 30 May 2024

criteria, amounts to 14.77 percent. Therefore, the Acquisition in the case of the Establishment of a New Joint Venture does not fall under the criteria that requires a disclosure of information memorandum according to the Notifications on Acquisition or Disposal of Assets.

However, since the Acquisition in the case of the Establishment of a New Joint Venture is related to the Disposal of GMM Music's Ordinary Shares, and to adhere to good corporate governance principles, the Company's Board of Directors recommends to propose such transaction to the shareholders' meeting of the Company for approval. The Acquisition in the case of the Establishment of a New Joint Venture must be approved by at least 3 out of 4 of the total votes of the shareholders attending the meeting and entitled to vote, excluding those with a conflict of interest. Additionally, the Company will appoint an independent financial advisor to provide an opinion on the Acquisition in the case of the Establishment of a New Joint Venture. The Company will distribute the circular notice on the invitation to the shareholder's meeting, containing at least the information specific in Schedule (2) annexed to the Notifications on Acquisition or Disposal of Assets along with the independent financial advisor's opinion, to the shareholders at least 14 days prior to the shareholder's meeting.

2.4. Details of Disposed Asset

1) General Information of GMM Music

Company name	GMM Music Public Company Limited (GMM Music)
Headquarters address	50, Sukhumvit 21 Road (Asoke), Khlongtoei Nuea, Watthana, Bangkok 10110
Registration date	7 April 2023
Company transformation date	11 March 2024
Business type	Integrated music business from artist selection, music production, marketing, rights management, digital and physical music products distribution, concert and festival promoter and artist management
Registered capital	THB 880,000,000
Paid-up capital	THB 800,000,000

2) Board of Directors of GMM Music

Table of the List of the Board of Directors of GMM Music

No.	Name	Position
1	Mr. Paiboon Damrongchaitham	Chairman of the Board of Directors
2	Mr. Phawit Chitrakorn	Vice Chairman of the Board of Directors
3	Ms. Jirayong Anuman-rajadhon	Director
4	Mr. Kaweewut Temphuwapat	Director
5	Mr. Rawit Hanutsaha	Director
6	Ms. Janjira Panitpon	Director
7	Mr. Fahmai Damrongchaitham	Director
8	Mr. Sompohb Budspawanich	Director
9	Mr. Tsai-Chun Pan	Director

Source: Information from the Company

3) List of Shareholders of GMM Music

Table of the List Shareholders of GMM Music

No.	Shareholder Name	Number of Shares (Shares)	Percentage
1	the Company	719,999,980	90.00
2	Black Serenade	80,000,000	10.00
3	Mr. Phawit Chitrakorn	10	<0.01
4	Mr. Fahmai Damrongchaitham	10	<0.01
Total		800,000,000	100.00

Source: Information from the Company

4) Background Information

Month	Significant Events
April 2023	- GMM Music was registered as a subsidiary of the Company to engage in a comprehensive music business, with a registered capital of 4,000,000 Baht (400,000 ordinary shares with a par value of 10 Baht per share) and a paid-up capital of 1,000,000 Baht (400,000 ordinary shares with a par value of 2.5 Baht per share), with the company holding 100 percent of the shares.
July 2023	- GMM Music received approval for its plan to offer ordinary shares to the public for the first time by the Company, and for the listing of GMM Music's ordinary shares on the Stock Exchange of Thailand. This includes the approval of various matters necessary and related to the plan for listing on the stock exchange.
September 2023	- GMM Music received the transfer of the music business, which includes: 1. The transfer of assets, liabilities, obligations, and personnel related to the music business; 2. Investments and shares in subsidiaries, including GMM Music Publishing International Co., Ltd., G2M Co., Ltd., BLKGEM Studio Co., Ltd., and YGMM Co., Ltd., from the Company.
November 2023	- GMM Music received a resolution from the 5th/2566 meeting of the Board of Directors on 14 November 2023, to become a subsidiary with core business operations that does not have the status of a listed company of the Company. After completing the initial public offering (IPO) of GMM Music's ordinary shares and listing GMM Music's ordinary shares on the Stock Exchange, GMM O Shopping Co., Ltd. will replace GMM Music as a subsidiary with core business operations that does not have the status of a listed company of the Company.

5) Business Operations

GMM Music Public Company Limited ("GMM Music") and its subsidiaries operate a comprehensive music business (Integrated Music Business), including artist selection, music production, distribution of both physical and digital music products, and organizing concerts and festivals and managing artists. The integrated music business of GMM Music can be divided into the following segments:

1. Revenue from product sales

1.1 Physical business

GMM Music produces and sells music products and artist merchandise, such as tapes, DVDs, MP3 products, USBs, Boxsets, vinyl records, turntables, and memorabilia for concerts, music festivals, and artists.

2. Revenue from services

2.1 Showbiz business

GMM Music organizes concerts and music festivals, leveraging the company's resources such as music works, singers, and musicians. The events can be categorized into two main formats:

- **Music Festival:** Large-scale concerts and music festivals, typically held in large outdoor spaces that can accommodate up to 100,000 attendees, featuring a variety of artists.
- **Hall Concert:** Concerts held in indoor venues with a capacity of up to 15,000 attendees, focusing on greater comfort compared to music festivals.

2.2 Music artist management business

GMM Music is dedicated to scouting and developing high-quality artists to leverage the reputation of both the artists and the Company's music works. The Company is responsible for providing job opportunities for its affiliated artists, including engagements, concerts, live performances at various venues, and product endorsement work.

2.3 Education business

GMM Music operates a music school under the name "BLKGEM," offering instruction in singing, music, dancing, and various forms of performing arts. The school adheres to international standards and is staffed by expert instructors.

2.4 Other business

GMM Music provides additional services related to the comprehensive music business, such as leasing space to food and beverage vendors at concerts and music festivals.

3. Revenue from right management

3.1 Digital Music business

GMM Music publishes and generates revenue from its music works and music-related content on online platforms such as YouTube, Facebook, Spotify, JOOX, Apple Music, iTunes, and Tencent Music, among others, to ensure efficient access to music for consumers.

3.2 Right management business

GMM Music manages and collects royalties from operators or individuals who wish to use the company's and its partners' music works and music-related content for commercial purposes. This includes radio stations, television media, content creators on online platforms, restaurants, karaoke venues, and various entertainment establishments.

6) Financial Position and Past Performance

The description of the performance and financial position of GMM Music is based on the management's discussion and analysis of GMM Music for the years 2021–2023 and for the second quarter of 2024, as prepared by GMM Music, is as follows:

Summary of key items in the consolidated financial statement

- Consolidated Income Statement

Income statement	2021		2022		2023		2 nd Quarter of 2024	
	THB Million	Percent	THB Million	Percent	THB Million	Percent	THB Million	Percent
Revenue from sales of goods	154.39	8.40	146.51	4.77	145.57	3.72	115.03	6.40
Revenue from services	443.11	24.10	1,534.97	49.95	2,177.83	55.66	968.76	53.93
Revenue from royalties	1,227.70	66.79	1,375.28	44.76	1,578.10	40.33	699.92	38.97
Other revenue	13.07	0.71	16.14	0.53	11.25	0.29	12.48	0.69
Total revenue	1,838.28	100.00	3,072.90	100.00	3,912.75	100.00	1,796.18	100.00
Cost of sales	(1,055.99)	(57.44)	(1,938.99)	(63.10)	(2,488.41)	(63.60)	(1,045.10)	(58.18)
Selling, distribution, and service expenses	(50.08)	(2.72)	(73.5)	(2.39)	(77.75)	(1.99)	(38.15)	(2.12)
Administrative expenses	(612.8)	(33.34)	(645.55)	(21.01)	(769.05)	(19.65)	(406.12)	(22.61)
Total expenses	(1,718.86)	(93.50)	(2,658.04)	(86.50)	(3,335.21)	(85.24)	(1,489.37)	(82.92)
Operating profit	119.42	6.50	414.86	13.50	577.54	14.76	306.81	17.08
Share of loss from investment in joint ventures	(1.47)	(0.08)	(9.23)	(0.30)	(12.12)	(0.31)	(5.85)	(0.33)
Share of loss from investment in associated company	-	-	-	-	-	-	(1.39)	(0.08)
Financial income	0.39	0.02	0.38	0.01	1.61	0.04	0.62	0.03
Finance costs	(11.76)	0.64	(20.2)	(0.66)	(47.40)	(1.21)	(31.51)	(1.75)
Profit (loss) before income tax	106.57	5.80	385.81	12.56	519.63	13.28	268.68	14.96
Income tax expense	(26.41)	1.44	(81.23)	(2.64)	(116.82)	(2.99)	(58.58)	(3.26)
Profit (loss) for the period	80.16	4.36	304.58	9.91	402.81	10.29	210.10	11.70

Source: GMM Music has prepared consolidated financial statements for specific purposes for the years ending 31 December 2021, 31 December 2022, and 31 December 2023, under the accounting practices for business combinations under common control. This approach assumes that the music business units and the entities transferred from the company have been under common control and considered a single economic unit since the past, regardless of the actual date of business transfer on 1 September 2023.

● Statement of Financial Position

Unit: THB Million	2021		2022		2023		2 nd Quarter 2024	
	THB Million	Percent	THB Million	Percent	THB Million	Percent	THB Million	Percent
Assets								
Cash and cash equivalents	204.13	15.61	301.18	13.17	265.62	9.21	332.49	10.45
Trade and other receivables	367.30	28.08	563.23	24.63	594.57	20.61	633.79	19.92
Inventories	128.04	9.79	114.45	5.01	81.71	2.83	163.79	5.15
Prepaid expenses	6.52	0.50	9.28	0.41	13.08	0.45	7.10	0.22
Advance payments	11.65	0.89	34.65	1.52	14.61	0.51	6.77	0.21
Short-term loans to related parties	49.50	3.78	111.50	4.88	-	-	-	-
Other current assets	3.24	0.25	12.23	0.53	117.30	4.07	32.63	1.03
Total current assets	770.38	58.90	1,146.52	50.14	1,086.89	37.68	1,176.56	36.99
Investments in joint ventures	49.55	3.79	65.81	2.88	79.18	2.74	83.33	2.62
Investments in associates	-	-	-	-	-	-	23.61	0.74
Leasehold improvement and equipment	40.42	3.09	70.06	3.06	94.96	3.29	163.38	5.14
Right-of-use assets	138.30	10.57	374.80	16.39	470.90	16.32	408.03	12.83
Other intangible assets, excluding goodwill	277.75	21.24	600.46	26.26	1,006.02	34.87	1,178.92	37.06
Deferred tax assets	3.16	0.24	2.77	0.12	106.78	3.70	109.80	3.45
Other non-current assets	28.28	2.16	26.14	1.14	40.05	1.39	37.54	1.18
Total non-current assets	537.47	41.10	1,140.04	49.86	1,797.89	62.32	2,004.62	63.01
Total assets	1,307.85	100.00	2,286.56	100.00	2,884.77	100.00	3,181.18	100.00
Liabilities								
Short-term loans from financial institution	300.00	22.94	320.00	13.99	673.00	23.33	438.00	13.77
Trade and other payables	446.75	34.16	714.82	31.26	917.98	31.82	715.80	22.50
Unearned revenue	149.07	11.40	369.81	16.17	221.54	7.68	804.50	25.29

Unit: THB Million	2021		2022		2023		2 nd Quarter 2024	
	THB Million	Percent	THB Million	Percent	THB Million	Percent	THB Million	Percent
Short-term loans from related parties	12.00	0.92	12.00	0.52	-	-	-	-
Current portion of lease liabilities	41.20	3.15	26.25	1.15	34.06	1.18	30.45	0.96
Income tax payable	0.07	0.01	0.30	0.01	27.15	0.94	31.20	0.98
Other current liabilities	34.76	2.66	39.45	1.73	49.21	1.71	35.73	1.12
Total current liabilities	983.85	75.23	1,482.63	64.84	1,922.93	66.66	2,055.67	64.62
Lease liabilities – net of current portion	110.27	8.43	359.65	15.73	466.37	16.17	413.17	12.99
Provision for long-term employee benefits	103.04	7.88	108.55	4.75	109.42	3.79	116.18	3.65
Other non-current liabilities	0.52	0.04	0.21	0.01	0.01	0.00	0.01	0.00
Total non-current liabilities	213.84	16.35	468.41	20.49	575.80	19.96	529.36	16.64
Total liabilities	1,197.70	91.58	1,951.04	85.32	2,498.73	86.62	2,585.03	81.26
Shareholders' equity								
Registered Capital	-	-	-	-	800.00	27.73	880.00	27.66
Issued and paid-up capital	-	-	-	-	800.00	27.73	800.00	25.15
Share premium	-	-	-	-	8.67	0.30	8.67	0.27
Retained earnings								
Appropriated for legal reserves	-	-	-	-	8.45	0.29	8.45	0.27
Unappropriated	-	-	-	-	3.13	0.11	215.94	6.79
Difference arising from changes in investment proportions	-	-	-	-	(1.42)	(0.05)	(1.42)	(0.04)
Difference arising from business combinations under common control	-	-	-	-	(436.11)	(15.12)	(436.11)	(13.71)
Shareholders' equity of the Company	-	-	-	-	382.72	13.27	595.53	18.72
Equity of existing shareholders before business combination under common control	110.15	8.42	335.53	14.67	-	-	-	-

Unit: THB Million	2021		2022		2023		2 nd Quarter 2024	
	THB Million	Percent	THB Million	Percent	THB Million	Percent	THB Million	Percent
Non-controlling interests in subsidiaries	-	-	-	-	3.33	0.12	0.62	0.02
Total shareholders' equity	110.15	8.42	335.53	14.67	386.04	13.38	596.14	18.74

Source: GMM Music has prepared consolidated financial statements for specific purposes for the years ending 31 December 2021, 31 December 2022, and 31 December 2023, under the accounting practices for business combinations under common control. This approach assumes that the music business units and the entities transferred from the company have been under common control and considered a single economic unit since the past, regardless of the actual date of business transfer on 1 September 2023.

- Key Financial Ratios

Financial ratios	Unit	2021	2022	2023	2 nd Quarter 2024
Liquidity ratio	(Times)	0.78	0.77	0.57	0.57
Accounts Receivable	(Times)	4.18	5.76	6.45	5.84
Average collection period	(Days)	87.37	63.36	56.58	62.45
Inventory turnover ratio	(Times)	9.20	15.99	25.37	17.03
Average sales period	(Days)	39.67	22.82	14.39	21.44
Accounts payable turnover ratio	(Times)	2.62	3.62	3.42	2.95
Average payment period	(Days)	139.57	100.96	106.86	123.77
Cash cycle	(Days)	(12.53)	(14.78)	(35.89)	(39.88)
Gross profit margin	(Percent)	42.14	36.57	36.22	41.41
Operating profit margin	(Percent)	6.54	13.57	14.80	17.20
Net profit margin	(Percent)	4.36	9.91	10.29	11.70
Return on equity	(Percent)	49.36	136.68	111.65	85.56
Return on assets	(Percent)	5.70	16.95	15.58	13.85
Debt to equity ratio	(Times)	10.87	5.81	6.47	4.34

Source: GMM Music has prepared consolidated financial statements for specific purposes for the years ending 31 December 2021, 31 December 2022, and 31 December 2023, under the accounting practices for business combinations under common control. This approach assumes that the music business units and the entities transferred from the company have been under common control and considered a single economic unit since the past, regardless of the actual date of business transfer on 1 September 2023.

7) Explanation of performance and financial performance

Performance

Revenue from sales and services

In 2022, GMM Music achieved total revenue of THB 3,072.90 million, an increase of THB 1,234.62 million or 67.16 percent compared to 2021, which was THB 1,838.28 million. This increase is primarily due to revenue from sales and services in 2022, which amounted to THB 3,056.76 million, up by THB 1,231.55 million or 67.47 percent from 2021, which was THB 1,825.21 million. The main reason for this growth was the improved performance of the showbiz sector following the COVID-19 pandemic, which allowed GMM Music to resume organizing concerts and music festivals. Additionally, revenue increased from the artist

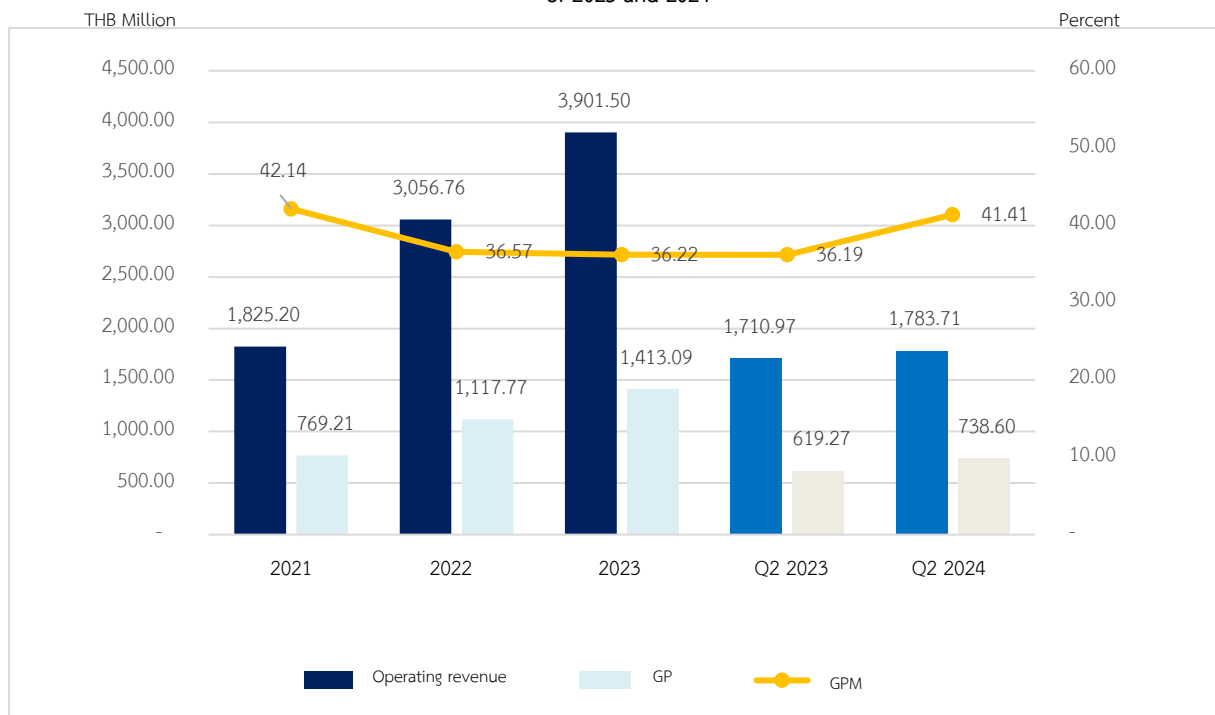
management business, where GMM Music successfully secured more opportunities for its artists.

In 2023, GMM Music's total revenue rose to THB 3,912.75 million, an increase of THB 839.85 million or 27.33 percent from 2022, which was THB 3,072.90 million. This growth was primarily driven by increased revenue from the artist management business, showbiz business, and right management business, resulting in a higher revenue from sales and services compared to the previous year.

For the second quarter of 2024, the Company reported total revenue of THB 1,796.18 million, an increase of THB 76.45 million or 4.45 percent compared to the same period in the previous year, which was THB 1,719.73 million. This increase is attributed to higher revenue from the showbiz business due to an increase in the number of concerts and music festivals organized and a rise in event attendees.

Gross Profit Margin

Chart of revenue, gross profit, and gross profit margin for GMM Music from 2021 to 2023 and the second quarter of 2023 and 2024



In 2021, 2022, 2023, and the second quarter of 2024, GMM Music reported gross profits of THB 769.22 million, THB 1,117.77 million, THB 1,413.09 million, and THB 738.60 million,

respectively, corresponding to gross profit margins of 42.14 percent, 36.57 percent, 36.22 percent, and 41.41 percent, respectively.

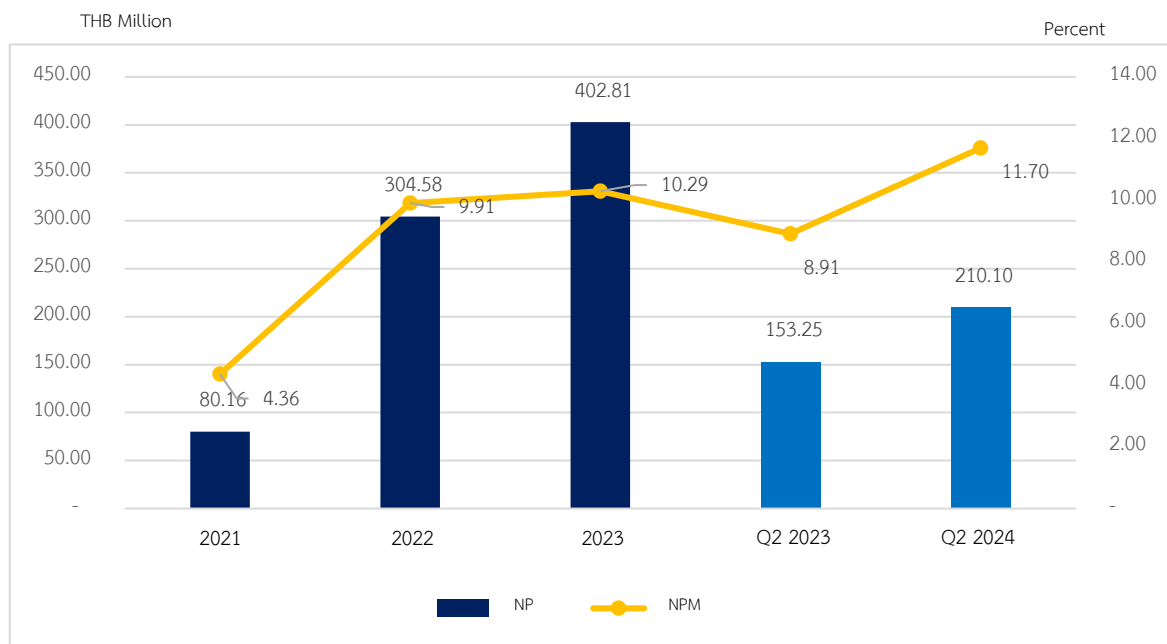
In 2022, GMM Music's gross profit amounted to THB 1,117.77 million, an increase of THB 348.55 million or 45.31 percent from the THB 769.22 million recorded in 2021. This growth was primarily due to a substantial increase in revenue from sales and services, driven by the production of high-quality artists and works, as well as the expansion of the integrated music business, artist management, and showbiz business, meeting diverse customer demands effectively.

In 2023, GMM Music's gross profit increased to THB 1,413.09 million, an increase of THB 295.32 million or 26.42 percent from THB 1,117.77 million in 2022. This increase was due to higher revenue from sales and services, benefiting from the integrated music business model and economies of scale achieved through the shared resources across various business segments. Additionally, the Company's ability to offer a comprehensive one-stop music service enabled it to provide additional services to customers.

For the second quarter of 2024, GMM Music recorded a gross profit of THB 738.60 million, an increase of THB 119.33 million or 19.27 percent compared to THB 619.27 million for the same period in the previous year. This increase was primarily due to the reversal of inventory write-downs, as GMM Music was able to sell certain products that had previously been written down in value.

Net Profit Margin

Chart of Net Profit and Net Profit Margin of GMM Music from 2021 to 2023 and the second quarter of 2023 and 2024



In 2021, 2022, 2023, and the second quarter of 2024, GMM Music reported net profits of THB 80.16 million, THB 304.58 million, THB 402.81 million, and THB 210.10 million, respectively, corresponding to net profit margins of 4.36 percent, 9.91 percent, 10.29 percent, and 11.70 percent, respectively.

In 2022, GMM Music's net profit was THB 304.58 million, or an increase of THB 224.41 million from THB 80.16 million in 2021, representing a growth rate of 279.94 percent. The primary reason for this increase was the continued improvement in the COVID-19 situation, which led to increased revenue for GMM Music, particularly from the showbiz business and the artist management business. Additionally, the increase in expenses that do not directly vary with revenue, such as higher promotional, advertising, and public relations costs, resulted from the expansion of advertising channels and the promotion of newly released music by artists.

In 2023, GMM Music's net profit was THB 402.81 million, or an increase of THB 98.23 million from THB 304.58 million in 2022, reflecting a growth rate of 32.25 percent. This increase was mainly due to higher revenue from the Company's segments, especially showbiz and artist management, and costs that did not directly correlate with revenue, such as employee-related expenses, which increased at a lower rate than revenue.

For the second quarter of 2024, GMM Music reported a net profit of THB 210.10 million, or an increase of THB 56.85 million from THB 153.25 million in the same period of the previous year, representing a growth rate of 37.09 percent. This increase was primarily due to the continuous growth in GMM Music's revenue.

Financial Position

Assets

As of 31 December 2021, 31 December 2022, 31 December 2023, and 30 June 2024, GMM Music had total assets of THB 1,307.85 million, THB 2,286.56 million, THB 2,884.77 million, and THB 3,181.18 million, respectively.

As of 31 December 2022, total assets were THB 2,286.56 million, or an increase of THB 978.71 million from THB 1,307.85 million on 31 December 2021, representing a growth of 74.83 percent. This increase was primarily due to higher accounts receivable and other receivables, in line with revenue growth, and the increase in intangible assets from investments in producing music and video masters.

As of 31 December 2022, the total assets amounted to THB 2,286.56 million, an increase of THB 978.71 million or 74.83 percent from THB 1,307.85 million on 31 December 2021. This increase was primarily due to the rise in trade and other receivables, in line with revenue growth, and an increase in intangible assets from investments in producing master recordings and videos, as well as leasehold improvements resulting from a review and extension of lease terms. Additionally, there was an increase in other current assets due to higher withheld income tax and input VAT.

As of 31 December 2023, total assets were THB 2,884.77 million, up by THB 598.21 million or 26.16 percent from THB 2,286.56 million on 31 December 2022. This increase was mainly due to the rise in leasehold improvements from expanding office and warehouse rental spaces, an increase in intangible assets from investments in producing master recordings, videos, and software development, and a rise in deferred income tax assets. Furthermore, there was a significant increase in other current assets due to the acquisition of music business operations from GRAMMY, which led to a substantial rise in input VAT receivable.

As of 30 June 2024, GMM Music reported total assets of THB 3,181.18 million, an increase of THB 296.40 million or 10.27 percent from THB 2,884.77 million at the end of 2023. This growth was primarily due to an increase in inventory resulting from higher activity in the Showbiz segment, including venue bookings for concerts and music festivals and engagements of external artists. Additionally, there was an increase in intangible assets from investments in producing master recordings and videos, and an increase in other current assets due to improved utilization of input VAT resulting from the acquisition of music business operations from GRAMMY, which led to a reduction in VAT receivables.

Liabilities

As of 31 December 2021, 31 December 2022, 31 December 2023, and 30 June 2024, GMM Music had total liabilities of THB 1,197.70 million, THB 1,951.03 million, THB 2,498.73 million, and THB 2,585.03 million, respectively.

As of 31 December 2022, total liabilities were THB 1,951.03 million, an increase of THB 753.34 million from THB 1,197.70 million on December 31, 2021, representing a growth of 62.90 percent. This increase was primarily due to higher accounts payable and other payables resulting from the expansion of GMM Music's core business and an increase in deferred revenue from an online platform.

As of 31 December 2023, total liabilities amounted to THB 2,498.73 million, an increase of THB 547.70 million from THB 1,951.03 million on 31 December 2022, reflecting a growth of 28.07 percent. This was mainly due to an increase in short-term borrowings from banks used for working capital in business operations, higher accounts payable and other payables due to business expansion, and an increase in lease liabilities from expanded office and warehouse rental space.

As of 30 June 2024, GMM Music's total liabilities were THB 2,585.03 million, up THB 86.3 million from THB 2,498.73 million at the end of 2023, representing a growth of 3.45 percent. This increase was primarily due to higher deferred revenue from an online platform

Shareholders' Equity

As of 31 December 2021, 31 December 2022, 31 December 2023, and 30 June 2024, the Company's shareholders' equity was THB 110.15 million, THB 335.53 million, THB 386.04 million, and THB 596.14 million, respectively.

Since GMM Music was incorporated on 7 April 2023, the preparation of consolidated financial statements for the specific purpose of GMM Music means that shareholders' equity as of 31 December 2021, and 31 December 2022, includes only the pre-existing equity before the business combination under common control, which resulted from consolidating the financial position of the music business acquired from GRAMMY.

As of 31 December 2023, GMM Music's shareholders' equity was THB 386.04 million, consisting of THB 800.00 million in registered capital, THB 8.67 million in additional paid-in

capital from the issuance of new shares by BLKGEM, THB 11.58 million in retained earnings, THB 1.42 million in equity adjustments from changes in investment ratios due to a reduction in shareholding in BLKGEM, THB 436.11 million in equity adjustments from business combinations from the acquisition of the music business from GRAMMY, and THB 3.33 million in non-controlling interests.

As of 30 June 2024, GMM Music's shareholders' equity was THB 596.14 million, an increase of THB 210.10 million from THB 386.04 million at the end of 2023, reflecting a growth of 54.42 percent. This increase was primarily due to GMM Music's net profit from operations for the second quarter of 2024.

Financial Ratio Analysis

Cash cycle

As of 31 December 2021, 31 December 2022, 31 December 2023, and 30 June 2024, GMM Music's cash cycle was (12.52) days, (14.77) days, (35.89) days, and (50.04) days, respectively.

As of 31 December 2022, GMM Music's cash cycle was (14.77) days, which is a decrease from (12.52) days as of 31 December 2021. The main reason for this change was a decrease in the average collection period and the average inventory turnover period, which outweighed the reduction in the average payment period. This indicates that GMM Music was able to receive cash from operations faster than it was paying out, suggesting high liquidity.

As of 31 December 2023, GMM Music's cash cycle was (35.89) days, a decrease from (14.77) days as of 31 December 2022. This change was mainly due to a reduction in the average collection period and the average inventory turnover period, combined with an increase in the average payment period. This implies that GMM Music was able to receive cash from operations more quickly and was paying its obligations more slowly, reflecting improved liquidity.

As of 30 June 2024, GMM Music's cash cycle was (50.04) days, an increase from (35.89) days at the end of 2023. The primary reason for this increase was a significant rise in the average payment period. This indicates that GMM Music was able to extend its payment terms, thereby improving its liquidity.

Gross profit margin

In the fiscal years 2021, 2022, 2023, and for the second quarter 2024, GMM Music's gross profit margin was 42.12 percent, 36.57 percent, 36.22 percent and 41.41 percent, respectively.

In 2022, GMM Music's gross profit margin was 36.57 percent, a decrease from 42.14 percent in 2021. This decline was primarily due to increased costs in the Showbiz and Artist Management segments, which had a higher revenue contribution to total sales and services in 2022. Despite the increase in gross profit, the overall gross profit margin decreased as a result.

In 2023, the gross profit margin was 36.22 percent, a marginal decrease from 36.57 percent in 2022. This decrease was mainly due to a rise in costs for the Showbiz and Artist Management segments amounting to THB 549.42 million. These segments contributed a higher proportion to total sales and services in 2023, leading to a reduction in the gross profit margin despite an increase in gross profit.

In the second quarter of 2024, GMM Music's gross profit margin was 41.41 percent, up from 36.19 percent in the same quarter of the previous year. The increase was attributed to a reduction in costs by THB 46.59 million due to economies of scale. Additionally, revenue grew by THB 76.45 million, primarily from the Showbiz segment. Costs of sales and services remained stable and did not rise with revenue. Furthermore, in the first quarter of 2024, GMM Music implemented measures to control barter trade transactions with partners. These factors contributed to the improved gross profit margin.

Net profit margin

In the fiscal years 2021, 2022, 2023, and the second quarter of 2024, GMM Music reported net profit margins of 4.36 percent, 9.91 percent, 10.29 percent, and 11.70 percent, respectively.

In 2022, GMM Music's net profit margin was 9.91 percent, an increase from 4.36 percent in 2021. This increase was primarily due to improved management of expenses during the COVID-19 period and higher revenue, particularly from the Showbiz and Artist Management segments. Meanwhile, various expenses did not increase in direct proportion to the revenue.

In 2023, GMM Music's net profit margin was 10.29 percent, an increase from 9.91 percent in 2022. This improvement was largely due to the continued recovery from the COVID-19 pandemic and an increase in revenue, especially from the Showbiz and Artist Management segments. Expenses also rose but at a slower rate compared to the revenue increase.

In the second quarter of 2024, GMM Music's net profit margin was 11.70 percent, an increase from 8.91 percent in the same period of the previous year. The increase was attributed to better expense management and a rise in revenue, with continuous growth in the Showbiz and Music Merchandise segments. Additionally, the reduction in the cost of sales and services contributed to the higher net profit margin.

Debt-to-equity ratio

As of 31 December 2021, 31 December 2022, 31 December 2023, and 30 June 2024, GMM Music reported debt-to-equity ratios of 10.87 times, 5.81 times, 6.47 times, and 4.34 times, respectively.

As of 31 December 2022, GMM Music's debt-to-equity ratio was 5.81, down from 10.87 as of 31 December 2021. This decrease was primarily due to a larger increase in equity compared to the increase in total liabilities. This was partly because GMM Music received advance payments for services from an online platform. As of 31 December 2021, and 31 December 2022, GMM Music did not have any equity adjustments related to business combinations under common control, resulting in no adjustment to equity for those dates.

As of 31 December 2023, the debt-to-equity ratio was 6.47, up from 5.81 as of 31 December 2022. This increase was due to a greater rise in total liabilities compared to equity. The rise in liabilities was driven by increased short-term bank loans for working capital, trade and other payables, lease liabilities, and the acquisition of music operations from GRAMMY. This resulted in a significant increase in equity compared to 2022.

As of 30 June 2024, the debt-to-equity ratio was 4.34, down from 6.47 as of 31 December 2023. The decrease was mainly due to a larger increase in equity relative to the increase in total liabilities. This was attributed to advance payments received from an online platform, as well as continuous growth in net profit, leading to an increase in equity.

8) Industry overview and business trends

Global music industry growth

The music industry is currently undergoing rapid changes and development, driven by evolving technology and consumer behavior. The global music industry is entering its "Second Wave" of growth, with revenues reaching a record USD 88.55 billion in 2023. This growth is largely attributed to the rise of the digital music industry, which has enabled consumers to access content directly and efficiently while expanding revenue streams for the music industry. According to MIDiA Research's 2024-2031 global music forecasts: Rise of the Global South, the global music industry is expected to grow by over 60.00 percent from 2023 to 2031, reaching USD 141.68 billion by 2031.

Changes in consumer behavior, supported by technological advancements, play a crucial role in the industry's growth. In 2023, global music industry revenues reached an all-time high, marking the ninth consecutive year of growth, driven primarily by the expansion of digital music. MIDiA reports¹ that the revenue share from digital music is expected to increase from 73.15 percent in 2023 to 81.14 percent by 2031.

Music industry trends in Thailand

According to Statista², Thailand's music industry is projected to experience an average annual growth rate of 9.96 percent from 2023 to 2027, reflecting high growth potential. The International Federation of the Phonographic Industry (IFPI)³ ranks Thailand as the fifth-largest revenue generator in Asia, following Japan, China, South Korea, and India. The music industry in Thailand can be divided into four main segments: 1) Digital music business, 2)

¹ MIDiA Research is a market research and consulting firm specializing in the music and digital media industries, including music, video, gaming, and sports. The company provides data analysis services on market trends, consumer behavior, and market competition.

² Statista Market Insights is a market research platform with a large database covering multiple industries and countries worldwide.

³ The International Federation of the Phonographic Industry (IFPI) is a global trade organization representing the recorded music industry. Its goals include promoting the value of music, protecting copyrights for music producers, and expanding the business use of music. IFPI provides various services such as policy and legal advice, enforcement against copyright infringement, litigation and registration, market research, and communication support. Additionally, IFPI publishes market data reports for the music industry.

Music and artist management business, 3) Right management business, and 4) Showbiz business.

Digital music business

The digital music business in Thailand has experienced significant growth in 2023, with revenues from the digital music industry reaching USD 369.46 million, accounting for 92.28 percent of the total music industry revenue in Thailand. This growth can be attributed to similar factors driving emerging markets, including increased internet access and the rise in smartphone usage, which have expanded the customer base. According to World Bank data, the percentage of the population using the internet increased from 34.89 percent in 2014 to 87.98 percent in 2022. Additionally, the COVID-19 pandemic and subsequent economic challenges, such as decreased income, have accelerated the shift toward digital consumption. MIDiA's report indicates that the digital music industry contributes 73.15 percent of the total global music industry revenue and is a key driver of global music industry growth. It is projected that the revenue from this sector will grow to USD 114.96 billion by 2031, representing a growth rate of 77.48 percent from 2023 to 2031, and accounting for 81.14 percent of the global music industry's total revenue. The main drivers of this growth include:

1.1) Subscription streaming services

Subscription streaming services, such as Spotify, Apple Music, and JOOX, provide users with an ad-free music experience for a monthly fee. Revenue from subscriptions in Thailand has increased from USD 20.52 million in 2017 to USD 97.06 million in 2023, representing a roughly fourfold increase. The most popular platform is Google's YouTube Music, which holds the largest market share in Thailand with 32.99 percent of streaming users, followed by Spotify with 26.35 percent, Apple Music with 19.80 percent, and other platforms with 20.86 percent.

The number of subscription users in Thailand has grown significantly over the years, rising from 0.50 million people (0.70 percent of the total population) in 2017 to 2.98 million people (4.14 percent of the total population) in 2023. It is projected that the number of subscription users in Thailand will have a compound annual growth rate of 16.10 percent from 2024 to 2031, reaching 14.78 percent of the total population by 2031. Subscription revenue in Thailand is expected to reach USD 385.93 million by 2031, with streaming revenue accounting for 38.66 percent of the total digital music revenue in Thailand by 2031.

However, access to subscription services remains relatively low compared to other streaming services, indicating significant growth opportunities, especially with the anticipated continued economic recovery and growth in the future.

1.2) Ad-supported streaming services

Ad-supported streaming services are free subscription services that can serve as an entry point to paid subscriptions. These can be divided into two types: ad-supported audio streaming and ad-supported video streaming. Revenue from ad-supported audio streaming in Thailand increased from USD 4.10 million in 2017 to USD 69.62 million in 2023, accounting for 19.91 percent of total streaming revenue in Thailand. Additionally, MIDiA forecasts that revenue from ad-supported audio streaming will reach USD 320.84 million by 2031, with a compound annual growth rate (CAGR) of 20.99 percent from 2024 to 2031. Ad-supported video streaming services, such as advertising on YouTube Music, are a revenue channel that began before other digital music services. Revenue from ad-supported video streaming in Thailand increased from USD 47.00 million in 2017 to USD 196.02 million in 2023.

Music artist management business

Music and artist merchandise, such as CDs and vinyl records, have long been a core part of the music industry, dominating music consumption before the advent of digital music. Although sales of music and artist merchandise are not as popular as they once were, they continue to hold a significant position in the industry. According to MIDiA, sales of music and artist merchandise in Thailand are expected to gradually decline from USD 9.16 million in 2023 to USD 6.71 million by 2031. Despite this decline, there remains a demand for music and artist merchandise in the market. However, it is anticipated that these sales will account for less than 1 percent of the total music industry revenue in Thailand.

Right management business

The right management business in the music industry involves managing and generating revenue from rights related to songwriting, sound recordings, and performances. This includes copyright management and collecting royalties from entities that use music commercially, such as in advertisements, films, and TV programs. According to a report by

PricewaterhouseCoopers (PwC)¹, from 2023 to 2027, the entertainment and media industry in Thailand is expected to grow at a rate of 4.40 percent annually, with total revenue projected to reach USD 11 billion by 2027. This growth is driven by the recovery of live events such as music performances, theater, films, sports, and other activities following the COVID-19 pandemic.

Additionally, copyright management and royalty collection also extend to businesses such as restaurants, karaoke bars, and others. According to a report by Krungsri Research², an economic and industry analysis unit under Krungsri Bank, the food and beverage industry is expected to grow at a rate of 4.00 percent per year from 2024 to 2026, with total revenue projected to reach THB 275 billion. This growth is supported by several factors: 1) the recovery of domestic GDP in 2024-2025, 2) the increase in foreign tourists, particularly from China, Malaysia, and South Korea, as well as the rise in Thai tourist travel supported by government initiatives, and 3) changes in consumer behavior, with more people dining out post-pandemic, driven by urban expansion and social media promoting new restaurants and special offers.

These factors are significant drivers for the growth of the copyright collection business, indicating a continued expansion in this sector.

Showbiz Business

The showbiz business encompasses live performances, concerts, and various festivals. According to Goldman Sachs Global Investment Research³, the live music industry is expected to grow at a rate of 6.50 percent from 2024 to 2030, driven by increasing

¹ The research division of PwC (PricewaterhouseCoopers) that studies and analyzes business and financial data to help clients understand trends and developments in the business sector and global markets. This division publishes reports and analyses on key issues such as economics, finance, technology, and business transformation.

² The economic and industry analysis division under Bank of Ayudhya Public Company Limited (Krungsri) is known as the "Economic and Market Research Department" or "Krungsri Research." This department is responsible for studying and analyzing the economic situation and industry trends to provide in-depth information to the bank's clients and stakeholders.

³ Goldman Sachs Global Investment Research is the research and analysis division of Goldman Sachs, one of the largest financial institutions and investment banks in the world. This division is responsible for researching financial markets, the economy, and industries to provide in-depth insights and investment recommendations to clients and investors.

demand for live concert experiences, especially among Generation Z and Millennials. The return of popular international artists and live concerts in Thailand is benefiting the Thai economy in several ways. Travel abroad for music events, sports, and other major events is expected to rise. It is forecasted that the global music tourism market will reach USD 11.3 billion by 2032. Thailand, with its capacity to host such events, stands to benefit significantly from this growth.

2.5. Buyer's Background

Since the company will be selling common shares of GMM Music to Warner Music Hong Kong Limited ("WMHK"), which is a subsidiary of Warner Music Group Corp. ("WMGC"), the independent financial advisor will disclose the information regarding the ultimate shareholders of WMHK, as follows:

Company name	Warner Music Group Corp.		
Year of establishment	A.D. 1958		
Address	1633 Broadway, New York City, New York, U.S.		
Business Operations	Warner Music Group Corp. operates globally, with offices in over 70 countries, and is headquartered in New York, USA. Warner Music Group focuses on local operations management, artist signing and development, music distribution, and overseeing marketing and promotional activities in the regions where its offices are located.		
Business Overview	Warner Music Group Corp. is one of the three largest major record labels in the world, alongside Universal Music Group (UMG) and Sony Music Entertainment (SME). Together, these three companies dominate the global music industry.		
Vision	Warner Music Group Corp. is focused on nurturing talent, driving innovation, and expanding its global operations to maintain leadership in the evolving music industry.		
Registration information	Listed on the NASDAQ stock exchange in the United States, trading under the ticker symbol WMG (Warner Music Group).		
Market value	532,047,210,000.00 Baht		
Director	Name	Position	
	1 Michael Lynton	Executive Director	
	2 Valentin Blavatnik	Executive Director	
	3 Len Blavatnik	Executive Director	
	4 Lincoln Benet	Independent Director	
	5 Mathias Döpfner	Independent Director	
	6 Nancy Dubuc	Audit Committee	
	7 Noreena Hertz	Audit Committee	
	8 Ynon Kreiz	Audit Committee	
	9 Ceci Kurzman	Independent Director	
	10 Robert Kyncl	Executive Director	
	11 Donald A. Wagner	Audit Committee	
Major shareholders of the company	Name	Ownership ratio (percentage)	Value of ownership (THB Million)
	Capital Research & Management Co. (World Investors)	9.375	13,547.92
	Vanguard Global Advisers LLC	9.318	13,479.84
	Fidelity Management & Research Co. LLC	6.965	10,075.84

	BlackRock Advisors LLC	6.459	9,326.96	
	Darlington Partners Capital Management LP	5.701	8,237.68	
	AKO Capital LLP	5.271	7,624.96	
Financial statements (reporting period September 31, 2021 – 2023) based on the exchange rate as of August 13, 2024	Unit: Million THB	2021	2022	2023
	Total assets	254,753.81	276,551.50	301,882.24
	Total liabilities	253,128.70	270,616.31	286,690.78
	Shareholders' equity	1,625.11	5,935.19	15,191.47
	Total revenue	187,276.38	209,109.39	213,278.23
	Net income	10,845.85	19,607.32	15,509.21

Source: Data from Warner Music Group and www.marketscreener.com

2.6. Summary of important terms and conditions of the contract between the Company and the WMGC Group

2.6.1. Share Sale and Purchase Agreement (“SPA”)

Important Condition	Detail
Parties	Seller: The Company Purchaser: WMHK
Shares sale	WMHK will purchase GMM Music's ordinary shares from the Company in the amount of 12,000,000 shares or equivalent to 1.50 percent of the total issued ordinary shares of GMM Music.
Consideration Value	USD 10,500,000 via cash
Material Conditions Precedent	<ul style="list-style-type: none"> The Board of Directors and/or Shareholders' Meeting of the Company have approved the transaction as required by law The parties involved entered the following agreements <ul style="list-style-type: none"> - Share Sale and Purchase Agreement - Side Agreement to GMM Music's Share Sale and Purchase Agreement - Shareholders Undertaking Agreement - Distribution Agreement - Commercial Joint Venture Label Agreement

2.6.2. Side Agreement to SPA

Important Condition	Detail
Parties	Seller: The Company Purchaser: WMHK
Effective Date	The date on which the SPA contract is completed
Purchase Price Adjustment	The Purchase Price of the SPA may be adjusted under the conditions of this agreement. The purchase price after the adjustment will be referred to as the Final Purchase Price.

	<ul style="list-style-type: none"> • The purchase price adjustment of GMM Music shares comes into effect only after the effective date of this agreement until the date that GMM Music's ordinary shares are listed on the SET. • In the event that the value of GMM Music's shares corresponding to WMHK's shareholding proportion in GMM Music, based on the sale of GMM Music's shares to other parties, is lower than the value of GMM Music's shares offered to WMHK, and/or in the event that WMHK's shareholding proportion decreases by more than 15.00 percent from the shareholding proportion of WMHK in GMM Music (at which WMHK's shareholding percentage is lower than 1.275 percent of the total issued and paid-up ordinary shares of GMM Music after the sale of GMM Music's shares to other parties), the purchase price will be adjusted downward which will occur one time after the IPO (The Company may choose to settle this via cash and/or ordinary shares of GMM Music at the Company's sole discretion.)
Other important conditions	<ul style="list-style-type: none"> • WMHK has the right to sell shares that were purchased under the SPA to the Company and/or person designated by the Company if GMM Music terminates the Distribution Agreement due to a breach of agreement during the Initial Period as stipulated in the Distribution Agreement below • WMHK shall and shall procure any of WMHK's subsidiaries to not pledge, create any encumbrance on, sell, dispose of, or transfer shares held by WMHK to any other persons for a period of 1 year from the first trading date of GMM Music's shares on the SET after GMM Music's shares are listed on the SET, under any circumstances. However, WMHK may gradually sell up to 25.00 percent of the total shares they hold in GMM Music after 6 months from the first trading date of GMM Music's shares on the SET. • In the event that WMHK's shareholding in GMM Music is diluted due to a stock incentive plan, purchase plan, participation plan, employee purchase plan or any similar plan issued and allocated to employees and directors of GMM Music before the IPO, as approved by GMM Music's Board of Directors in accordance with the applicable laws ("ESOP Program"). The Company must transfer additional ordinary shares in GMM Music to WMHK at no cost in any manner to restore WMHK's shareholding proportion in GMM Music to the level before the ESOP Program.

2.6.3. Shareholders Undertaking Agreement

Important Condition	Detail
Parties	The Company and WMHK
Effective Date	The date on which the SPA contract is completed
Termination	This agreement shall be terminated upon any of the following events: <ol style="list-style-type: none"> 1. Upon the first date on which GMM Music is listed on the SET or any alternative stock exchanges 2. Upon the mutual written agreement of the parties 3. When any contracting party ceases to hold any GMM Music's shares without committing a breach under this agreement 4. When an effective shareholders' resolution is passed for the winding-up of GMM Music

	5. A binding order is made by Government Authority or court of laws for the winding-up of GMM Music
Duties and obligations related to the IPO plan	Both contractual parties will vote in favor of GMM Music's IPO plan and take other actions to complete the IPO plan by the end of 2026.
Other important conditions	<ul style="list-style-type: none"> ● In the event that WMHK wishes to transfer GMM Music's shares, written consent must be obtained from the Company. ● The Company and subsidiaries of the Company in the Asia region shall not sell or offer to sell the GMM Music's ordinary shares that they hold to specified individuals without obtaining prior consent from WMHK. ● WMHK shall give Artist Co-Development Right of First Refusal to GMM Music as specified in the agreement's terms. ● In the event that the Company wishes to transfer GMM Music's ordinary shares that they hold (entirely or partially) to other persons which results in a loss of controlling power in GMM Music, the Company must notify WMHK in writing. WMHK has the right to send a written notice to the Company stating that WMHK wishes to sell all of its shares to another party at the price, terms, and conditions offered by the other party at the same time. However, the Company will not have the right to sell shares transferred to other persons unless the Company ensures that the other party purchases all the shares held by WMHK that WMHK offers.

2.6.4. Distribution Agreement

Important Condition	Detail
Parties	GMM Music and Warner and WMA (Collectively referred Warner and WMA as "Warner Group")
Effective Date	The date on which the SPA contract is completed
Content authorized for distribution	Sound recordings and audio-visual recordings owned and/or controlled, and/or to be owned and/or controlled by GMM Music, will be exclusively distributed by Warner Group worldwide through designated online platforms
Distribution Fee	<ul style="list-style-type: none"> • The distribution fee is calculated as a percentage of Net Receipts¹. • Warner Group shall pay the Minimum Guarantee, which can be offset against service fees under the terms of the agreement, to GMM Music for the period of at least 3 years from the effective date of the agreement. • Distribution fee may be increased in the event that the parties allow Warner Group to provide other additional services from the agreement's terms.
Contract Duration	<ul style="list-style-type: none"> • A period of 7 years starting from 1 February 2025 ("Initial Period"), or until the distribution fees paid to Warner Group exceed the amount specified under the agreement terms, whichever occurs later, and subject to the full reimbursement of the Minimum Guarantee. • Once the Initial Period ends, the term of the contract will be automatically renewed for one year at a time, unless either party receives written notice of termination at least 6 months in advance ("Renewal Period").

¹ Net Receipts refer to revenue generated from the distribution of content authorized for distribution by Warner Group or WMGC Group worldwide under this agreement, including Warner Group's subsidiaries. This includes royalties from the content after deducting any applicable withholding tax, value-add tax or goods and services tax (GST) applicable to Warner Group or the WMGC Group worldwide under applicable law and that is received and collected by Warner Group or WMGC Group worldwide including Warner Group's subsidiaries only.

2.6.5. Commercial Joint Venture Label Agreement

Important Condition	Detail
Parties	GMM Global and Warner and WMA (Collectively referred Warner and WMA as "Warner Group")
Effective Date	The date on which the SPA contract is completed
Details of the Joint Operation	GMM Global and Warner Group intend to invest together, with both parties selecting artists to sign recording and artist management agreements together moving forwards.
Investment	GMM Global and Warner will each invest no more than THB 54,564,930 under a Joint Operation and within 1 year from the effective date of the agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage.
Equity Joint Venture	GMM Global and Warner agree to establish an Equity Joint Venture within 1 year from the effective date of the agreement, with GMM Global and Warner having equal rights in the overseeing the joint venture, in which the establishment of the Equity Joint Venture will proceed once both GMM Global and Warner receive approval from their respective boards of directors.
Joint Board of Directors	Number: The board of directors will consist of 2 directors nominated by GMM Global and 2 directors nominated by Warner, totaling 4 directors. Authority: The board of directors have the authority to make decisions and oversee matters related to the selection of artists, the terms under the artist contract that the artists will sign with both GMM Global and Warner, as well as the production, distribution, and marketing plans for those artists. This includes, but is not limited to, determining related expenses and budgets. Joint Board of Directors Resolutions¹: The joint board of directors must reach a unanimous agreement in writing.
Right and Obligations of the Parties	<ul style="list-style-type: none"> GMM Global shall bear responsibility for performing the roles concerning the market in Thailand which are music production, music promotion, artist management, and others such as training and providing office space. Warner Group shall comply and shall use reasonable endeavours to procure its affiliates to comply with the terms of this agreement and bear responsibility for performing the roles concerning the international market (excluding Thailand) which are music resources, music marketing, artist management, and others such as negotiating and entering into the artist agreements with the label, accounting for royalties to the artist, and distribution of the recordings. WMA shall bear the responsibility for the regional marketing in accordance with the usual marketing planning and practices of WMA.

¹ The resolution of the joint committee must be unanimously approved by all members. Therefore, if any member of the joint committee disagrees with any matter, that matter will be dismissed.

Profit Share	GMM Global and Warner agreed to split the profit on a quarterly basis, with each party receiving 50.00 percent of the net revenue. The net revenue is subject to deductions of the fees and related expenses.
Intellectual Properties	GMM Global and Warner shall jointly own the rights in equal shares pursuant to the artist agreements for the terms.

2.7. Total Value of Consideration and Terms of Payment

The Company will sell GMM Music's ordinary shares to WMGC Group in the amount of 12,000,000 shares or equivalent to 1.50 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 10,500,000 (which has an equivalent value in Thai baht of approximately THB 367,366,650¹) in a single installment, on the share transfer date (the total value of GMM Music's ordinary shares sold to WMGC Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). The Company will receive a payment for the sales of GMM Music's ordinary shares WMGC Group in the form of cash from the WMGC Group, whereby the WMGC Group will pay the consideration in cash in a single installment on the share transfer date. However, the purchase price may be adjusted under the terms and conditions of the GMM Music Share Purchase Agreement as mentioned above. The adjustment of the purchase price is a standard condition that is widely used in business transactions. The Company can choose to pay in the form of cash and/or GMM Music common shares at the sole discretion of the Company.

For the Acquisition in the case of the Establishment of a New Joint Venture, GMM Global, a subsidiary in which the Company holds a 90.00 percent stake, and Warner will each invest up to THB 54,564,930 under a Joint Operation (The Company will invest in proportion to the Company's indirect shareholding of 90.00 percent in GMM Global.). Within one year from the effective date of the Commercial Joint Venture Label Agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage. Therefore, the total consideration that the Company must pay for the Acquisition in the case of the Establishment of a New Joint Venture amounts to THB 49,108,437.

¹ Calculated using an exchange rate of 34.9873 baht per 1 US dollar, based on the average buying rate that commercial banks trade with customers (buy transfers) as shown on the Bank of Thailand website as of 13 August 13 2024.

2.8. Criteria Used to Determine the Total Value of Consideration

The value of GMM Music's ordinary shares of 12,000,000 shares, to be sold to WMGC Group at this time, equals to USD 10,500,000 (which has an equivalent value in Thai baht of approximately THB 367,366,650¹) in a single installment, on the share transfer date (The total value of GMM Music's ordinary shares sold to WMGC Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). Such value was determined through negotiations and agreements between the Company and WMGC Group. During the negotiation process, the Company assessed the value of ordinary shares through Trading Multiples of peers operating in similar business as GMM Music's, to which such valuation method is a commonly used method, by comparing with companies operating in the music business at the regional and global levels, as there are no Thai companies registered on the SET engaged in the music business (Currently, RS Public Company Limited has changed its main business operations from music business to commerce and entertainment business.). This comparison method, known as Trading Multiples, evaluates the market ratios of companies with similar business natures. Such method is also a prevalent method used in the Merger and Acquisition transactions to assess the value of businesses. Furthermore, the Company has also considered other valuation methods, including the Discounted Cash Flow (DCF) Method, and considered other conditions specified in the Share Purchase Agreement of GMM Music and other related agreements, to which the Company agreed with WMGC Group. The Company has also considered the value of GMM Music's ordinary shares assessed by a financial advisor approved by the SEC in determining the purchase price of GMM Music's ordinary shares.

The investment amount for the Acquisition in the case of the Establishment of a New Joint Venture, with both GMM Global and Warner each investing no more than THB 54,564,930, is the result of the negotiations and mutual agreements between the Company and WMGC Group, taking into account the expected business plans to be jointly undertaken. Furthermore, the investment amount for the Acquisition in the case of the Establishment of a New Joint Venture that the Company must pay, according to its shareholding proportion in GMM Global, amounts to THB 49,108,437.

¹ Calculated using an exchange rate of 34.9873 baht per 1 US dollar, based on the average buying rate that commercial banks trade with customers (buy transfers) as shown on the Bank of Thailand website as of 13 August 2024.

2.9. GMM Music Usages of Funding Received from the Disposal of GMM Music's Ordinary Shares

The Company will use fund from the sale of ordinary shares of GMM Music to repay the Company Group's debt, and/or invest and expand the business, and/or support the Company Group's working capital.

2.10. Conditions Precedent of the Transaction

Success in completing the transaction depends on the following conditions:

- 1) The Board of Directors and/or Shareholders' Meeting of the Company have approved the transaction as required by law
- 2) The parties involved entered the following agreements
 - Share Sale and Purchase Agreement
 - Side Agreement to GMM Music's Share Sale and Purchase Agreement
 - Shareholders Undertaking Agreement)
 - Distribution Agreement)
 - Commercial Joint Venture Label Agreement

2.11. Reasonable and benefit of entering the Transaction

The Company intends to enter into the Transaction to sell ordinary shares of GMM Music to the WMGC Group in the amount of 12,000,000 shares or 1.50 percent of the total issued and paid-up ordinary shares of GMM Music at a value of USD 10,500,000 and to enter into a transaction of the Acquisition in the case of the Establishment of a New Joint Venture that is related to the disposal of GMM Music's ordinary shares, whereby Global, a subsidiary of the Company in which the Company indirectly holds a 90.00 percent stake in GMM Global through holding shares in GMM Music (the Company directly holds a 90.00 percent stake in GMM Music and GMM Music directly holds a 100.00 percent stake in GMM Global), has entered into a Commercial Joint Venture Label Agreement with the Warner Group to jointly operate a music label business. In addition, GMM Global and Warner will each invest no more than THB 54,564,930 (the Company will invest according to its indirect 90.00% shareholding in GMM Global through holding shares in GMM Music) under a Joint Operation and within 1 year from the effective date of the agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture.

The disposal of GMM Music's ordinary shares and the Acquisition in the case of the Establishment of a New Joint Venture are in accordance with the Company's business strategy to achieve sustainable growth through the integration of knowledge, capabilities and potential with strong partners, such as expanding opportunities to generate income in the global music market (Upscale Opportunities), increasing production capacity and upgrading the quality of artists and music. By using the strengths of both parties (Uplift Quality). Since the WMGC Group is a leading and well-known company in the global music industry, it is one of the three largest music labels in the world in the music industry and has more than 1.40 million music copyrights. In addition to increasing the potential of GMM Music, it will also have a positive effect on confidence in GMM Music. Although the Company may lose the opportunity to receive returns from the increased performance of GMM Music in the future and may lose the opportunity to recognize returns from the sale of GMM Music's ordinary shares that are higher than the company value received from the sale of GMM Music common shares to the WMGC Group this time, being a business partner with WMGC Group will help enhance the Company's knowledge, competitiveness and potential, together with the value of the sale of GMM Music common shares to the WMGC Group this time is higher than the fair value assessed by the IFA (in case that there is no adjustment effect from in accordance with the terms of the Side Agreement to SPA).

After considering the advantages, disadvantages, risks, reasons for entering into the Transaction, including the conditions of the transaction, which are mostly in accordance with general trading conditions and do not contain conditions that may cause the Company or the Company's shareholders to lose benefits

from entering into the Transaction of the disposal of GMM Music's ordinary shares and the Acquisition in the case of the Establishment of a New Joint Venture, the IFA is of the opinion that entering into the Transaction above is appropriate and for the maximum benefit of the Company and the Company's shareholders.

2.12. Advantages of entering the Transaction

The Disposal of GMM Music's Ordinary Shares

- 1) The Company can use fund from the sale of ordinary shares of GMM Music to repay the Group's debt, and/or invest and expand the business, and/or support the Group's working capital

The sale of 12,000,000 ordinary shares of GMM Music to WMGC Group, or 1.50 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 10,500,000 or approximately equivalent to THB 367,366,650 (Calculated based on the conversion rate of THB 34.9873 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 13 August 2024), in which WMGC Group will pay the consideration for such shares via cash in a single payment on the share transfer date. The Company will use funds from the sale of ordinary shares of GMM Music to repay the Company Group's debt, and/or invest and expand the business, and/or support the Company Group's working capital. The repayment of the Group's debt will improve the capital structure of the Group, increase the Group's flexibility, and make the Group easier to access sources of funds in the future. Moreover, it will reduce the Group's financial costs. In addition, if the Company uses the remaining fund from the sale of ordinary shares of GMM Music to invest and expand the business, and/or support the Group's working capital, it will help increase the opportunity to invest in any potential businesses to develop the Company's business and enable the Company to grow more sustainably. However, the Company will consider the proportion of fund from the sale of ordinary shares of GMM Music to repay the Group's debt, and/or invest and expand the business, and/or support the Group's working capital as appropriate in the future.

- 2) The Company can benefit and build confidence in GMM Music from the investment of WMGC Group as a strategic investor.

WMGC Group is a leading and well-known company in the global music industry, with offices in more than 70 countries worldwide, headquartered in New York, USA. It is one of the three largest record labels in the world, along with Universal Music Group and Sony Music Entertainment, with over 1.40 million music licenses. The investment of WMGC Group will not only enhance GMM Music's potential but will also have a positive effect on confidence in GMM Music, which will benefit GMM Music's plan for the initial public offering

(IPO) to unlock the value of GMM Music as approved in the Board of Directors' Meeting No. 3/2566 on 27 July 2566.

- 3) The Company can benefit from the Distribution Agreement between GMM Music and Warner Group.

As GMM Music and Warner Group have entered into a distribution agreement, Warner Group has the right to distribute sound recordings and audio-visual recordings owned and/or controlled by GMM Music through specified online platforms worldwide, which will be effective on the completion date of the Share Purchase Agreement (SPA), which will expand the listener base and increase the awareness of Thai music and Thai artists worldwide, which will enhance GMM Music's competitiveness and revenue, helping to maintain sustainable growth. Therefore, after the transaction of the sale of GMM Music's ordinary shares, the Company, as a major shareholder holding 88.50 percent of the total issued and paid-up ordinary shares of GMM Music as of 14 August 2024, will also benefit from the performance of GMM Music.

- 4) The Company can benefit from the Commercial Joint Venture Label Agreement between GMM Global and Warner Group.

Since GMM Global, a subsidiary of the Company in which the Company indirectly holds a 90.00 percent stake in GMM Global through holding shares in GMM Music (the Company directly holds a 90.00 percent stake in GMM Music and GMM Music directly holds a 100.00 percent stake in GMM Global), and Warner Group have entered into a joint investment agreement, with the objective of jointly investing to select artists to sign recording and artist management contracts, which will be effective on the completion date of the Share Purchase Agreement (SPA). The collaboration will enable GMM Music, as a subsidiary of the Company, to exchange business knowledge with WMGC Group, a leading and well-known company in the global music industry, which will help increase the Company's business potential and competitiveness, such as elevating the quality of artists and music. Based on the estimated return on investment prepared by the Company, this investment is expected to have an internal rate of return (IRR) of no less than 18.15 percent.

- 5) The Company can benefit from the sale value of GMM Music's ordinary shares to WMGC Group that is higher than the fair value evaluated by the IFA.

Due to the value of the sale of 12,000,000 ordinary shares of GMM Music, or 1.50 percent of the total number of issued and paid-up ordinary shares, to the WMGC Group at a value of USD 10,500,000 or approximately equivalent to THB 367,366,650 (Calculated based on the conversion rate of THB 34.9873 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 13 August 2024), when compared to the fair value evaluated by the IFA, which is in the range of THB 296,373,062 – THB 330,830,792, it was found that the transaction value is 11.69 - 24.63 percent higher. Therefore, it is an appropriate transaction price that is beneficial to the Company. However, the purchase price may be deducted downward in accordance with the terms of the Side Agreement to SPA, if the value of GMM Music's shares corresponding to WMHK's shareholding proportion in GMM Music, based on the sale of GMM Music's shares to other parties, is lower than the value of GMM Music's shares offered to WMHK, and/or in the event that WMHK's shareholding proportion decreases by more than 15.00 percent from the shareholding proportion of WMHK in GMM Music (at which WMHK's shareholding percentage is lower than 1.275 percent of the total issued and paid-up ordinary shares of GMM Music after the sale of GMM Music's shares to other parties), the purchase price will be adjusted downward which will occur one time after the IPO to ensure that WMHK's purchase price is equitable with other parties. The future purchase price will be in accordance with the fair value of GMM Music in the future, which may have economic risk factors, competitive risk, technology risk, and changing business risk.

The Acquisition in the case of the Establishment of a New Joint Venture

- 1) The acquisition in the new joint venture aligns with the Company's business strategy to achieve sustainable growth.

Since the Company has currently changed its business model from an operating company to a holding company focusing on integrated entertainment businesses and technology and platform businesses, the Company's core businesses are operated through subsidiaries and associates, which are mainly music businesses, home shopping businesses, and media businesses. Therefore, the joint venture with Warner Group through its subsidiary to select artists to sign recording and artist management contracts, which is in line with the Company's business strategy. It also helps diversify the Company's investment risk, so that the Company can grow sustainably in the long term. Based on the estimated return on

investment prepared by the Company, this investment is expected to have an internal rate of return (IRR) of no less than 18.15 percent.

- 2) The acquisition in the new joint venture can help enhance the growth of the Company's music business under the operation of GMM Music through the integration of knowledge, capabilities and potential with strong partners.

WMGC Group is a leading and well-known company in the global music industry, with offices in more than 70 countries worldwide, headquartered in New York, USA. It is one of the three largest record labels in the world, along with Universal Music Group and Sony Music Entertainment, with over 1.40 million music licenses. The joint venture with WMGC Group will help enhance the company's knowledge, competitiveness, and potential under the operation of GMM Music to grow more sustainably. The Company foresees business opportunities from this alliance and expects synergies, such as expanding revenue opportunities in the global music market (Upscale Opportunities), increasing production capacity and elevating the quality of artists and music by leveraging the strengths of both parties (Uplift Quality), such as teams of music composers, producers, and opportunities to collaborate with world-renowned artists.

2.13. Disadvantages of entering the Transaction

The Disposal of GMM Music's Ordinary Shares

- 1) The Company may lose the opportunity to receive higher returns from GMM Music's performance in the future.

Considering the global music industry, it is entering its "Second Wave" of growth, with revenues reaching a record USD 88.55 billion in 2023. This growth is largely attributed to the rise of the digital music industry, which has enabled consumers to access content directly and efficiently while expanding revenue streams for the music industry. According to the forecast of MIDiA which is a market research and survey company that provides data analysis services on market trends, consumer behavior and market competition, found that the global music industry is expected to grow by over 60.00 percent from 2023 to 2031, reaching USD 141.68 billion by 2031. Therefore, the sale of GMM Music's ordinary shares this time will result in the Company's shareholding proportion decreasing from 90.00 percent of the total number of issued and paid-up common shares as of 14 August 2024 to

88.50 percent of the total number of issued and paid-up common shares as of 14 August 2024. Hence, the Company may lose the opportunity to receive higher returns if GMM Music's performance grows more in the future.

Although this transaction of the disposal of GMM Music's ordinary shares will result in the Company's shareholding in GMM Music reducing by 1.50 percent of the total number of issued and paid-up ordinary shares, the Company will be able to enhance the company's knowledge, competitiveness, and business potential from the investment of WMGC Group.

- 2) The Company may lose the opportunity to realize returns from the sale of GMM Music's ordinary shares that are higher than the equity value received from the sale of GMM Music's ordinary shares to WMGC Group this time.

The sale of 12,000,000 ordinary shares of GMM Music to WMGC Group, or 1.50 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 10,500,000, which, when equivalent to 100.00 percent, will be valued at USD 700,000,000 or approximately equivalent to THB 24,491,110,000 (Calculated based on the conversion rate of THB 34.9873 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 13 August 2024). However, since the Company has an IPO plan for GMM Music to unlock the value of GMM Music as approved in the Board of Directors' Meeting No. 3/2023 on 27 July 2023, the Company may lose the opportunity to recognize the return from the sale of GMM Music ordinary shares to other buyers in the future if GMM Music has a company value higher than THB 24,491,110,000.

The Acquisition in the case of the Establishment of a New Joint Venture

- 1) The Company may lose the opportunity to invest in other projects with higher potential and higher returns than entering into this transaction of the acquisition of this new joint venture.

Joint venture with Warner Group through the Company's subsidiary, GMM Global, whereby the Company indirectly holds 90.00 percent of the total issued and paid-up ordinary shares through holding shares in GMM Music (the Company directly holds a 90.00 percent stake in GMM Music and GMM Music directly holds a 100.00 percent stake in GMM Global), to select artists to sign recording and artist management contracts, with each party

investing no more than THB 54,564,930 (the Company will invest according to its indirect 90.00% shareholding in GMM Global through holding shares in GMM Music) under a joint operation and within 1 year from the effective date of the agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage. Since the Company will use GMM Music's working capital to invest in joint venture, the Company may lose the opportunity to use GMM Music's working capital of no more than THB 54,564,930 to invest in other projects with higher potential and higher returns in the future.

However, WMGC Group is a leading and well-known company in the global music industry. It is considered one of the three largest record labels in the world with more than 1.40 million music licenses, which is expected to help enhance the company's knowledge, competitiveness, and potential under the operation of GMM Music to grow more sustainably.

2.14. Risks of entering the Transaction

The Disposal of GMM Music's Ordinary Shares

- 1) The risk that the purchase price may be deducted downward in accordance with the terms of the Side Agreement to SPA.

Since the Company has an IPO plan of GMM Music to unlock the value of GMM Music as approved by the Board of Directors' Meeting No. 3/2023 on 27 July 2023, the transaction of the sales of ordinary shares of GMM Music will be subject to the conditions of the purchase price adjustment according to the results of the IPO of GMM Music. The Side Agreement to SPA states that after the Transaction, if the value of GMM Music's shares corresponding to WMHK's shareholding proportion in GMM Music, based on the sale of GMM Music's shares to other parties, is lower than the value of GMM Music's shares offered to WMHK, and/or in the event that WMHK's shareholding proportion decreases by more than 15.00 percent from the shareholding proportion of WMHK in GMM Music (at which WMHK's shareholding percentage is lower than 1.275 percent of the total issued and paid-up ordinary shares of GMM Music after the sale of GMM Music's shares to other parties), the purchase price will be adjusted downward which will occur one time after the IPO to ensure that WMHK's purchase price is equitable with other parties, which is a standard practice

widely used in Mergers and Acquisitions transactions. (The Company may choose to settle this via cash and/or ordinary shares of GMM Music at the Company's sole discretion.)

However, since the Company can control the conditions in the event that the shareholding ratio of WMHK may decrease by more than 15.00 percent through the determination of the number of new ordinary shares of GMM Music to be offered for IPO, therefore, there is a low risk that the purchase price will be adjusted downward. While the conditions in the event that the offering price of GMM Music's ordinary shares to other persons is lower than the offering price of GMM Music's ordinary shares to WMHK involve external factors, therefore, the Company cannot completely control all factors. However, the Company will regularly monitor and plan the use of the Company's working capital. The Company will plan in advance and consider the funding sources that are appropriate for the Company's working capital and business plan. Considering the financial position of the Company at different time periods, the Company will be able to choose to pay in the form of cash and/or ordinary shares of GMM Music at the Company's sole discretion. However, in the case that the Company chooses to settle this via ordinary shares of GMM Music, the Company's shareholding proportion in GMM Music will decrease corresponding to the number of shares transferred to WMHK. The decrease of such shareholding proportion will result in shareholders of the Company being affected by a reduction in the shareholding proportion in GMM Music (Control Dilution), as well as a decrease in the share of profits (Earnings Dilution) from GMM Music at the same proportion. Such action would reduce the financial burden risk of the Company entirely, allowing the Company to determine the appropriate timing for managing such risks.

- 2) The risk of not receiving approval for entering the transaction of the disposal of GMM Music's ordinary shares from the Company's shareholders' meeting.

The Disposal of GMM Music's Ordinary Shares is considered as the disposal of the listed company's assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including any amendment thereto) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (including any amendment thereto). The calculation of the transaction size when

combining the Transaction this time with the disposal of assets transactions within the period of 6 months preceding the Board of Directors' Meeting of the Company to approve the Disposal of GMM Music's Ordinary Shares at this time, the combined highest transaction size, based on net operating profits criteria, amounts to 55.99 percent. Therefore, Disposal of GMM Music's Ordinary Shares is classified as a Class 1 Asset Disposal Transaction. Consequently, the Company must obtain approval from the shareholders' meeting for entering into the transaction and must receive no less than 3 out of 4 of the total number of votes of shareholders attending the meeting and having the right to vote, excluding the votes of interested shareholders, which is one of the important precedent conditions under the Share Sale and Purchase Agreement. Therefore, if the Company does not receive approval from the shareholders' meeting according to the specified criteria for even just one agenda which are the consideration of approving the sales of ordinary shares of GMM Music to a strategic investor including the related delegation of authorities and the consideration of approving the joint venture investment between the subsidiary of GMM Music and strategic investor including the related delegation of authorities that is related to the Disposal of GMM Music's Ordinary Shares and has mutual conditions. The Company will be at risk of not being able to enter into the sales of ordinary shares of GMM Music.

3) The risk from foreign exchange rate fluctuations

Since the Company will enter into the transaction under the terms and conditions of the sale of ordinary shares of GMM Music to the WMGC Group in the amount of 12,000,000 shares or 1.50 percent of the total number of ordinary shares issued and paid up at a value of USD 10,500,000, which will be denominated in US dollars. The Company is exposed to the risk of foreign exchange rate fluctuations affecting the purchase price when considered in Thai baht. If the Thai baht appreciates against the US dollar, the Company will receive less value in Thai baht.

In addition, if there is a purchase price adjustment based on the results of IPO of GMM Music, which is specified in the side agreement to SPA. The Company must repay WMGC Group in US dollars, which also exposes the Company to the risk of foreign exchange rate fluctuations. If the Thai baht depreciates against the US dollar, the Company will have to repay more in Thai baht.

However, the Company has a plan to consider using financial instruments to manage the risk from foreign exchange rate fluctuations as appropriate.

The Acquisition in the case of the Establishment of a New Joint Venture

- 1) The risk that the return on an investment is not as expected.

In entering into the acquisition in the case of a new joint venture, the Company expects the project's internal rate of return (Project IRR) to be no less than 18.15 percent, based on the estimated return on investment prepared by the Company. However, future operations, which involve economic risks, competitive risks, technology risks, and business risks, may result in operating results not being as estimated and the project being unable to generate the expected return.

However, GMM Music, with over 40 years of experience in the music business, will regularly discuss with Warner Group, a leading and well-known company in the global music industry, to ensure that it can respond to any potential risks appropriately and promptly.

- 2) The risk that the Company is unable to establish an Equity Joint Venture because it depends on internal approval from both parties.

As specified in the terms and conditions of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest no more than THB 54,564,930 (the Company will invest according to its indirect 90.00% shareholding in GMM Global through holding shares in GMM Music) under a Joint Operation and within 1 year from the effective date of the agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage. As a result, there may be a risk that the joint venture may not be established within the 1 year from the effective date of the agreement because of the lack of internal approval from both parties.

3. Price appropriateness

In determining the fair value of GMM Music's equity, the independent financial advisor has considered information provided by GMM Music, interviews with management, financial statements of each entity for the past three fiscal years, covering the periods ended December 31, 2021, through December 31, 2023, as well as publicly available information. Nevertheless, the opinion of the independent financial advisor is based on the assumption that the information and key documents provided are complete, accurate, and reliable. The assessment is further based on current conditions and information that is reasonably available. Should any material changes occur that significantly impact on the business operations, the valuation of the company, or shareholders' decisions regarding the fair value of the business, the assessment may be subject to revision. The independent financial advisor has conducted the valuation of the subsidiary's shares using six different methods, including:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Comparable Approach which can be divided into three methods as follows:
 - Price to Book Value Approach: "P/BV"
 - Price to Earning Approach: "P/E"
 - Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization: "EV/EBITDA"
4. Transaction Comparable Approach
5. Discounted Cash Flow Approach

3.1. Book Value Approach

The Book Value Approach is an evaluation based on the book value of net assets or the equity value according to the consolidated financial statements of GMM Music at a specific point in time. The independent financial advisor has used the book value from the consolidated financial statements of GMM Music as of June 30, 2024, with the details as follows:

Table of Book Value of Shareholders' Equity of Companies Under the GMM Music Group.

Shareholders' Equity (Financial Statements)	THB Million
Paid-up Registered Capital	800.00
Surplus on Share-based Payment	8.67
Retain Earnings	
Appropriated - statutory reserve	8.45
Unappropriated	215.94
Deficit from Changes in Investment Proportion	(1.42)
Deficit from Business Combination under Common Control	(436.11)
Shareholders' Equity of GMM Music	595.53
Percentage of Shares Sold to Total Issued and Paid-up Ordinary Shares	1.50
Fair value of common stock disposal transaction	8.93

Source: GMM Music's financial statements as of 30 June 2024

The valuation of shareholders' equity using the book value method results in an equity value for Warner Group's disposed shares of THB 8.93 million. This figure is significantly lower than the fair value employed in the transaction, which amounts to THB 367.37 million, representing a decrease of 97.57 percent from the fair value utilized in the transaction.

The fair value assessment of GMM Music, based on the book value method, merely reflects the accounting value at a specific point in time and does not consider the company's operational performance, strategic plans, market value of certain assets, or significant events occurring after the date of the financial statements used as a reference. Moreover, this method does not account for the company's future profitability, relevant industry economic trends, or other external factors that could influence future business operations. As such, the independent financial advisor deems this approach to be inappropriate for determining the fair value of GMM Music.

3.2. Adjusted Book Value Approach

The Adjusted Book Value Approach is based on the accounting value of net assets or shareholders' equity according to the financial statements of GMM Music at a specific point in time. The independent financial advisor has utilized the book value from the consolidated financial statements of GMM Music as of June 30, 2024, and has adjusted it to account for events that occurred after the date of the financial statements. The details are as follows:

Shareholders' Equity (Financial Statements)	THB Million
Shareholders' Equity of GMM Music	595.53
Adjustment	0.00
Total Shareholders' Equity of GMM Music After Adjusting the Book Value	595.53
Percentage of Shares Sold to Total Issued and Paid-up Ordinary Shares	1.50
Fair value of common stock disposal transaction	8.93

Source: GMM Music's financial statements as of 30 June 2024

The fair value assessment of GMM Music is conducted by adjusting for various items that occurred after the date of the financial statements, such as adjustments to leased assets and equipment, inventory, investments in joint ventures, and intangible assets such as music copyrights, software programs, and other intangible assets. Additionally, liabilities and dividend payments of the company were considered. The independent financial advisor has reviewed these accounting items and is of the opinion that they reasonably reflect the true value according to the company's accounting policies. For example, the company's inventory is presented at the lower of cost or net realizable value (NAV), while adjustments to leased assets and equipment and intangible assets are presented at net cost after accumulated depreciation or amortization. Investments in joint ventures are shown at book value using the equity method, reflecting the past performance of the joint venture up to the current accounting period. Furthermore, the company did not declare any dividends in the past accounting period. Based on these considerations, the independent financial advisor believes that the company's items are not materially significant as there are no events or indicators suggesting that the company's assets or liabilities require revaluation. Additionally, the company has not prepared its own asset valuation report. However, according to the company's accounting policy, it reviews the useful life and methods of depreciation and amortization at least annually and assesses asset impairment when there is an indication that an asset is impaired. The company has already reviewed the useful life of its leased asset improvements (before the business transfer) in the fiscal year 2022. For other

accounting items that could be revalued for fair value, the independent financial advisor believes that these items have been accurately reflected in the financial statements as prepared and presented in accordance with the auditor's opinion. Consequently, the fair value assessment of the company, adjusted for various items, equals the book value, resulting in a value of shareholders' equity according to Warner Group's stake sold of 8.93 million baht, which is lower than the fair value used in the transaction of 367.37 million baht, or 97.57 percent lower than the fair value used in the said transaction.

The fair value assessment of GMM Music using the adjusted book value method reflects the value at a specific point in time, without taking into account operational performance, business plans, market value of certain assets, or significant events occurring after the date of the referenced financial statements. It also does not consider potential future adjustments, future profitability, industry economic trends, or other external factors that may impact future business operations. Therefore, the independent financial advisor considers this method inappropriate for assessing the fair value of GMM Music.

3.3. Market Comparable Approach

The Market Comparable Approach involves valuing a company's securities based on the premise that firms engaged in similar or related business activities should have comparable market value ratios. In selecting comparable companies for valuation purposes, differences such as accounting policies, investment strategies, company size, revenue structures, cost structures, and other sources of income may exist. Therefore, comparisons with similar companies may not encompass all relevant companies and may involve variations in several aspects as described above.

In the assessment of GMM Music's shareholders' equity using the Market Comparable Approach, the independent financial advisor conducted the valuation based on the following market ratios:

1. Price to Book Value Ratio (P/BV)
2. Price to Earnings Ratio (P/E)
3. Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization (EV/EBITDA)

Since GMM Music operates an integrated music business, encompassing artist selection, music production, marketing, music copyright management and collection, distribution of music products both in physical and digital formats, concert and festival organization, as well as artist management, the independent financial advisor has compared the company with other companies in the music industry that have similar revenue streams to GMM Music. The comparison includes music companies listed on the stock exchange in South Korea, as there are no companies in Thailand that are adequately comparable to GMM Music's business model. For example, RS Public Company Limited, although similar in terms of operating in the music business, generates its primary revenue from commerce at 50.34 percent, compared to 11.33 percent from music and other related businesses. Therefore, the independent financial advisor did not select RS Public Company Limited as a comparable company. Additionally, after researching various companies listed on stock exchanges across Asia, it was found that their primary revenues are not derived from the music business. Hence, the independent financial advisor did not choose these companies as comparables for GMM Music. The list and details of each comparable company are summarized as follows.

Table of Comparable Companies

Company	Business Operations	Country of Stock Exchange	THB Million			
			Market Capitalization ^{1/}	Net Income (TTM)	Asset	Debt
HYBE Company Limited	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	182,592.88	2,232.32	137,017.89	57,644.91
JYP Entertainment Corporation	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	49,764.90	1,917.26	14,645.55	3,639.09
SM Entertainment Company Limited	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	40,420.39	1,593.13	39,607.62	15,692.48
YG Entertainment Incorporated	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	16,732.62	356.11	19,370.51	3,871.49

Note: 1/ Market capitalization as of June 30, 2024

(1) Price to Book Value Approach: P/BV

The valuation of shares using the market-to-book ratio method involves taking the book value of GMM Music's shares as of June 30, 2024, as presented in the book value method, and multiplying it by the median market-to-book ratio (P/BV Ratio) of the comparable companies over an average period of 7 days up to 360 days prior. The details of GMM Music's shareholders' equity are as follows:

Table of GMM Music's Share Value Based on Price to Book Value Ratio

Company	P/BV Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
HYBE Company Limited	2.20	2.21	2.32	2.46	2.54	2.58	2.70	2.81	2.97
JYP Entertainment Corporation	4.56	4.61	4.70	4.82	5.10	5.35	6.10	7.19	7.79
SM Entertainment Company Limited	1.73	1.78	1.88	2.04	2.08	2.09	2.13	2.48	2.57
YG Entertainment Incorporated	0.90	0.93	0.95	1.02	1.06	1.09	1.14	1.34	1.50
Median of P/BV	1.96	1.99	2.10	2.25	2.31	2.34	2.41	2.65	2.77
Shareholders' Equity of GMM Music (THB Million)	595.53	595.53	595.53	595.53	595.53	595.53	595.53	595.53	595.53
Shareholders' Equity (THB Million)	1,169.48	1,186.74	1,250.21	1,340.96	1,375.82	1,391.03	1,437.83	1,576.76	1,649.81
Percentage of Shares Sold to Total Issued and Paid-Up Ordinary Shares	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fair Value of Disposed Ordinary Shares (THB Million)	17.54	17.80	18.75	20.11	20.64	20.87	21.57	23.65	24.75

Source: Bloomberg as of August 13, 2024, with financial data from the financial statements ending March 31, 2024

The median Price to Book Value (P/BV) ratio of comparable companies for the past 12-month period ranges from 1.96 to 2.77. This results in the shareholders' equity value of GMM Music, based on the market to book value ratio, ranging from THB 1,169.48 million to THB 1,649.81 million. Consequently, the fair value of the disposed ordinary shares (1.50 percent of GMM Music) is estimated to be between THB 17.54 million and THB 24.75 million. This is significantly lower than the fair value used in the transaction, which is THB 367.37 million, representing a reduction of 93.26 percent to 95.23 percent from the fair value employed in the transaction.

Thus, the fair value assessment of GMM Music using the market-to-book ratio method reflects the financial position at a specific point in time without considering operational performance, business plans, market value of certain assets, and significant events occurring after the date of the referenced financial statements. It also does not account for future profitability potential, industry economic trends, or other

external factors that may impact future business operations. Therefore, the independent financial advisor considers this method unsuitable for assessing the fair value of GMM Music.

(2) Price to Earnings Approach: P/E

The valuation of shares using the Price to Earnings Ratio (P/E) method for GMM Music is based on the net profit for the 12-month period ending on June 30, 2024, multiplied by the median P/E ratio of comparable companies. The details of GMM Music's shareholders' equity are as follows:

Table of GMM Music's Share Value Based on Price to Earnings Ratio

Company	P/E Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
HYBE Company Limited	83.89	84.37	88.55	93.86	96.91	98.64	102.91	107.39	113.29
JYP Entertainment Corporation	26.20	26.47	26.95	27.69	29.27	30.71	35.03	41.27	44.71
SM Entertainment Company Limited	25.79	26.47	28.01	30.48	31.04	31.12	31.80	37.00	38.36
YG Entertainment Incorporated	47.51	49.14	50.31	54.04	56.12	57.48	60.20	71.04	79.09
Median of P/E	36.86	37.81	39.16	42.26	43.58	44.30	47.62	56.16	61.90
Net Profit of GMM Music (THB Million)	459.65	459.65	459.65	459.65	459.65	459.65	459.65	459.65	459.65
Shareholders' Equity (THB Million)	16,940.61	17,377.31	18,000.86	19,425.53	20,031.85	20,362.48	21,887.03	25,812.17	28,451.35
Percentage of Shares Sold to Total Issued and Paid-Up Ordinary Shares	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fair Value of Disposed Ordinary Shares (THB Million)	254.11	260.66	270.01	291.38	300.48	305.44	328.31	387.18	426.77

Source: Bloomberg as of August 13, 2024, with financial data from the financial statements ending March 31, 2024

The median Price to Earnings (P/E) ratio of comparable companies for the past 12 months ranges from 36.86 to 61.90. This results in the shareholders' equity value of GMM Music, based on the Price to Earnings ratio, being between THB 16,940.61 million and THB 28,451.35 million. Consequently, the fair

value of the disposed ordinary shares (1.50 percent of GMM Music) is estimated to be between THB 254.11 million and THB 426.77 million. This differs from the fair value of GMM Music used in the transaction, which is THB 367.37 million, by a percentage range of (30.83 percent) to 16.17 percent of the fair value used in the transaction.

The fair value assessment of GMM Music using the price-to-earnings ratio method reflects only the operational performance for the past 12 months. It does not account for differences between companies, such as revenue structure, capital structure, or varying investor expectations for each company in the future. As a result, this method may not accurately reflect the true value of the company. Additionally, it does not consider future profitability potential, industry economic trends, or other external factors that may impact future business operations. Therefore, the independent financial advisor considers this method unsuitable for assessing the fair value of GMM Music.

(3) Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization:
EV/EBITDA

The valuation of GMM Music's shares using the Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization (EV/EBITDA) ratio involves multiplying GMM Music's EBITDA for the 12-month period ending June 30, 2024, by the median EV/EBITDA ratio of the comparable companies listed above. The details of GMM Music's shareholders' equity are as follows:

Table of Share Value Based on Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization (EV/EBITDA)

Company	EV/EBITDA Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
HYBE Company Limited	20.51	20.62	21.51	22.64	23.29	23.66	24.58	25.53	26.79
JYP Entertainment Corporation	12.32	12.46	12.71	13.09	13.92	14.66	16.91	20.16	21.94
SM Entertainment Company Limited	9.03	9.27	9.81	10.69	10.88	10.91	11.15	12.98	13.46
YG Entertainment Incorporated	11.24	11.58	11.83	12.62	13.07	13.36	13.94	16.24	17.95
Median of EV/EBITDA	11.78	12.02	12.27	12.86	13.49	14.01	15.42	18.20	19.95
EBITDA of GMM Music (THB Million)	761.96	761.96	761.96	761.96	761.96	761.96	761.96	761.96	761.96
Enterprise Value	8,972.90	9,159.56	9,350.09	9,798.44	10,280.85	10,674.32	11,751.81	13,866.58	15,199.66

Company	EV/EBITDA Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
(THB Million)									
Add: Cash and Cash Equivalents	332.49	332.49	332.49	332.49	332.49	332.49	332.49	332.49	332.49
(THB Million)									
Less: Net Debt	881.62	881.62	881.62	881.62	881.62	881.62	881.62	881.62	881.62
(THB Million)									
Less: Non-Controlling Interests	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
(THB Million)									
Shareholders' Equity	(THB 8,424.39	8,611.05	8,801.58	9,249.93	9,732.34	10,125.81	11,203.30	13,318.07	14,651.15
Million)									
Percentage of Shares Sold to Total Issued and Paid-Up Ordinary Shares	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
(THB Million)									
Fair Value of Disposed Ordinary Shares	126.37	129.17	132.02	138.75	145.99	151.89	168.05	199.77	219.77
Million)									

Source: Bloomberg as of August 13, 2024, with financial data from the financial statements ending March 31, 2024

The median EV/EBITDA ratio of the comparable companies for the past 12 months ranges from 11.78 to 19.95. This results in a business value for GMM Music between 8,972.90 million baht and 15,199.66 million baht. Consequently, the fair value of the disposed 1.50 percent common shares of GMM Music is estimated at 126.37 to 219.77 million baht. This is lower than the fair value of GMM Music used in the transaction, which is 367.37 million baht, representing a reduction of 40.18 percent to 65.60 percent compared to the fair value used in the transaction.

The fair value assessment of GMM Music using the enterprise value to EBITDA ratio method does not consider differences between companies, such as revenue structure, capital structure, future performance, cultural differences, varying industry dynamics, and current and future production capacity. Therefore, the independent financial advisor considers this method unsuitable for assessing the fair value of GMM Music.

3.4. Transaction Comparable Approach

The Comparable Transactions Approach is a method for calculating the appropriate share value of a business by applying the median EV/EBITDA ratio from comparable companies in the music industry over the past 12 months to the EBITDA of GMM Music as of June 30, 2024. This valuation method may vary due to differences in individual transactions, such as transaction size and timing, which could result in valuation discrepancies.

To mitigate information bias, the independent financial advisor has used transactions from various companies within the music industry as comparables for the transaction involving the sale of GMM Music shares in Q2/2024. Using only transactions from a single company might introduce bias, as specific factors may affect the transaction conditions and prices, potentially distorting the market conditions or the true value of the assets. Comparing with transactions from other companies with similar characteristics and conditions helps reduce this risk. Additionally, utilizing data from various transactions can mitigate risks associated with unique factors, such as financial conditions, company structure, or business strategies that may not be directly comparable to market transactions. Using data from multiple transactions enhances the accuracy and reliability of the comparison. The details of the comparable transactions are summarized as follows:

Table of Comparable Transaction Data

Transaction Date	Seller	Country	Purchase proportion (percentage)	Trading value (THB Million)	EV/EBITDA (Times)
June 3, 2024	GMM Music	Thai	10.00	2,570.83	37.86
November 4, 2021	HYBE Co Ltd	South Korea	5.568032	19,683.93	23.71
March 28, 2017	Nippon Columbia Co Ltd	Japan	49.119999	1,605.54	2.49
March 17, 2017	YG Entertainment Inc	South Korea	9.13426	1,541.89	12.98
December 26, 2006	SM Entertainment Co Ltd	South Korea	12.44	507.11	11.17
Median					12.98

Source: Bloomberg as of August 13, 2024

Table of company information

Seller	Business Operations	Country Listed
GMM Music	GMM Music operates as a full-service integrated music business, encompassing artist selection, music production, marketing, management and collection of music royalties, and distribution of both physical and digital music products. Additionally, it organizes concerts and festivals and provides artist management services.	Thai
HYBE Co Ltd	Hybe Co., Ltd. is engaged in the music business, which includes: 1.) Digital music business, 2.) Artist management, 3.) Concert organizing, 4.) Sale of music and artist merchandise, 5.) Other music-related businesses, and 6.) Film and television business.	South Korea
Nippon Columbia Co Ltd	Nippon Columbia Co., Ltd. is engaged in the music business, which includes: 1.) Music production and distribution, 2.) Artist management, 3.) Distribution of music through both physical media (such as CDs) and digital formats (such as downloads and streaming), 4.) Management and development of intellectual property related to music, and 5.) Support for music education.	Japan
YG Entertainment Inc	YG Entertainment Inc. is engaged in the music business, which includes: 1.) Digital music business, 2.) Artist management, 3.) Concert organizing, 4.) Sale of music and artist merchandise, 5.) Other music-related businesses, 6.) Digital platforms and technology to promote global fan engagement and dissemination, and 7.) Film and television business.	South Korea
SM Entertainment Co Ltd	SM Entertainment Co., Ltd. is engaged in the music business, which includes: 1.) Digital music business, 2.) Artist management, 3.) Concert organizing, 4.) Sale of music and artist merchandise, 5.) Other music-related businesses, and 6.) Film and television business.	South Korea

Fair Value Calculation Table Using Comparable Transactions

Unit : THB Million	Trailing 12 months (TTM) Median
EV/EBITDA (Times)	12.98
EBITDA of GMM Music	761.96
Enterprise Value	9,890.24
Add: Cash and bank deposits	332.49
Less: Net debt	881.62
Less: Non-controlling interest	0.62
Equity value (THB Million)	9,340.49
Percentage of Shares Sold to Total Issued and Paid-up Ordinary Shares	1.50
Fair value of common stock disposal transaction (THB Million)	140.11

Source: Reviewed financial statements of GMM Music as of June 30, 2024

The median EV/EBITDA ratio of comparable past transactions is 12.98x, resulting in an enterprise value of GMM Music of 9,890.24 million baht and an equity value of GMM Music of 9,340.49 million baht. Therefore, the fair value of the 1.50 percent equity offering of GMM Music is 140.11 million baht, which is lower than the fair value of GMM Music used for the transaction, which is 367.37 million baht, representing a 61.86 percent discount from the fair value used in the transaction.

The fair value assessment of GMM Music using the Comparable Transactions Approach reflects the ability to generate cash flows from operations, adjusting for the impact of differing capital structures. The independent financial advisor believes that this method can be subject to variability due to several factors, such as the size and timing of transactions, which may result in valuation discrepancies. Therefore, the independent financial advisor considers this method unsuitable for assessing the fair value of GMM Music.

3.5. Discounted Cash Flow Approach

In valuing the company using the Discounted Cash Flow Approach, the IFA has estimated the net free cash flow from the operation (Free Cash Flow to Firm: FCFF) of GMM Music. The IFA has provided a net free cash flow projection for a period of 5 years from 1 January 2024 – 31 December 2028, of which the present value for a period of 4 years and 6 months, specifically from 1 July 2024 – 31 December 2028 will be calculated under the assumption that GMM Music will continue to operate and under current economic conditions and situations while using the terminal value to reflect long-term revenue. The IFA has estimated various assumptions that are significant to the valuation based on publicly available information, documents, evidence, news, and an interview with executives which are detailed as follows:

1. Revenue Assumption

The IFA estimates GMM Music's revenue with the assumptions that are set according to the nature of each type of revenue which consists of 1) Revenue from product sale 2) Revenue from service 3) Revenue from copyrights and 4) Other revenue, all of which are detailed as follows:

1.1 Revenue from product sale

Revenue from product sale is revenue from the sale of physical music products

- 1) Revenue from the sale of physical music products is revenue generated from the sale of physical music products such as tape, CD, DVD, MP3, and USB and artist products (merchandise) such as souvenir, boxset product, and artist-collaborated products. The IFA has projected said revenue from the product between the number of music copyrights in a year and average revenue generated per music copyrights due to product sales, which consists mostly of music products, having a direct variation with the number of copyrights, with details as follows:

Number of music copyrights each year

From 2021 – 2023 GMM Music's number of music copyrights (Publishing and Master) was 55,934; 57,357; and 58,392 rights, respectively – which shows a continuous increase. This is due to GMM Music's policy of not selling off any acquired copyrights to other parties. The number of artists under GMM Music between 2021 – 2023 was 152, 158, and 149 respectively. When dividing the difference in the number of music copyrights each year by the number of artists of each said year, it can be deduced that each artist created a total of 3, 9, and 7 copyrights (music works) per year, respectively, averaging 6 copyrights.

The IFA has calculated the number of music copyrights in each year from 2024 – 2028 by summing the number of copyrights from the previous year with the additional copyrights created by GMM Music each year – which is equal to the product between the number of artists (as shown in the table of revenue from artist management from 2021A – 2028F) and the average number of new copyrights (music works) created per artist, which is 6 rights.

Average revenue generated per music copyrights

The IFA has calculated the average revenue generated per music copyright by dividing the revenue from the sale of physical music products by the number of music copyrights

held by GMM Music each year. For the years 2021 – 2023, the number of copyrights was 55,934; 57,357; and 58,392 rights, respectively – yielding an average revenue generated per music copyright of THB 2,493 in the year 2023.

From 2024 – 2028, the IFA has forecasted a decline in the music and artist merchandise industry, which is consistent with GMM Music's past performance, due to a shift in consumer behavior towards digital products. As a result, the IFA has projected an annual growth rate of only 2.00 percent for the average revenue generated per music copyrights, according to the average inflation rate between 1.00 and 3.00 percent as per the Bank of Thailand's medium-term monetary policy goals for 2024 (“Average target inflation rate”) to be a conservative estimate as it reflects a rise in product prices which is considered an expense that is then passed on to consumers through higher pricing. Additionally, GMM Music's business strategy has shifted towards focusing more on artist products (merchandise), which generally has a higher unit price than music products, a move that is driven by the business opportunity from fans and the public wanting to collect memorabilia from their favorite artists and concert or festival souvenirs. The IFA have chosen to use data from 2023 as the baseline for growth as it reflects a full year of data, thereby offering a more comprehensive view of long-term performance, as well as to avoid seasonal effects from the half-year performance data of 2024

Table of Revenue from the sale of physical music products 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Average revenue generated per copyrights (THB) ^{1/}	2,760	2,554	2,493	1,953 ^{3/}	2,543	2,594	2,646	2,698	2,752
Number of music copyrights each year	55,934	57,357	58,392	58,905	59,340	60,342	61,398	62,508	63,672
Number of copyrights created every year (1) x (2)	480 ^{2/}	1,423	1,035	513 ^{3/}	948	1,002	1,056	1,110	1,164
Number of artist (1)	152	158	149	160	158	167	176	185	194
Number of copyrights generated per artist per year (2)	3	9	7	3 ^{3/}	6	6	6	6	6
Revenue from the sale of physical music products	154.39	146.51	145.57	115.03	150.89	156.51	162.43	168.68	175.25

Note: 1/ Grow according to average target inflation rate of 2.00 percent

2/ Due to the ongoing COVID-19 pandemic in 2021, the number of newly created licenses was lower than usual

3/ only show half-year performance

1.2 Revenue from service

Revenue from service can be categorized into 4 business units, namely, 1) Revenue from showbiz 2) Revenue from artist management 3) Revenue from education business and 4) Revenue from other business units

- 1) Revenue from showbiz is revenue from organizing concerts and music festivals, which includes 1) revenue from ticket sales and 2) revenue from event sponsors. Showbiz is one of the revenue streams that leverage GMM Music's resources and can be categorized into 2 main types, namely, music festivals – which are typically held in large outdoor areas and can accommodate a large number of attendees – and Hall Concerts – which are indoor concerts with limited space but greater comfort. Therefore, the IFA has projected the revenue from showbiz by multiplying the number of concert and music festival tickets sold by the average revenue per ticket, with 2023 data as the baseline for growth as it reflects a full year of data, thereby offering a more comprehensive view of long-term performance, as well as to avoid seasonal effects from the half-year performance data of 2024 where the first half of the year typically features more music festivals (outdoor events) with lower average ticket prices, while the second half includes more concerts with higher average ticket prices. The details are as follows:

Number of concert and music festival tickets sold

In 2022 and 2023, GMM Music sold a total of 289,601 and 392,001 concert and music festival tickets, respectively. While in 2021, no concerts or music festivals were held due to the ongoing COVID-19 pandemic.

From 2024 – 2028, the IFA has projected an annual growth rate of 6.50 percent for the number of concert and music festival tickets sold, based on the estimated compound annual growth rate (CAGR) for the concert/live music industry from 2024 to 2030, as detailed in the research report "Focus on Monetisation, Emerging Markets and AI; Updating Global Music Industry Forecasts" by Goldman Sachs Global Investment Research.

Average revenue per ticket

The IFA has calculated the average revenue per ticket by dividing the revenue from showbiz by the number of concert and music festival tickets sold, which were 289,601 and

392,001 tickets for the years 2022 and 2023, respectively. In 2023, the average revenue per ticket was THB 2,097 per ticket.

From 2024 – 2028, the IFA has projected an annual growth rate of 10.89 percent for average revenue per ticket, in line with the growth rate in 2023. This projection is based on the expectation that the concert/live music industry will fully recover, as the global music industry is entering a period of second-wave growth.

Table of Revenue from showbiz 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Average revenue per ticket (THB)	-	1,891	2,097	1,667	2,326	2,579	2,860	3,171	3,517
<i>Growth rate (percent)</i>	-	-	10.89		10.89	10.89	10.89	10.89	10.89
Number of concert and music festival tickets sold	-	289,601	392,001	189,873	417,481	444,617	473,517	504,296	537,075
<i>Growth rate (percent)</i>	-	-	35.36		6.50	6.50	6.50	6.50	6.50
Revenue from showbiz	-	547.73	822.14	316.61^{1/}	970.93	1,146.64	1,354.15	1,599.22	1,888.63

Note: 1/ Typically, GMM Music's concerts and music festivals are held towards the end of the year. When comparing the number of concerts held in the same period with the previous year (second quarter), year 2024 has 2 more concerts, totaling 9 concerts. Moreover, according to GMM Music's plans, there will be an additional 14 events organized in the second half of 2024. Therefore, using data from the first half of 2024 to annualize would not be appropriate

- Revenue from artist management is revenue generated from utilizing the talents of artists recruited, selected, and developed by GMM Music., which also takes a role of arranging opportunities for the artists, such as concert, live performances, presenter roles, sponsorships, or tailor-made work according to client needs. Therefore, the IFA has projected the revenue from artist management by multiplying the number of affiliated artists each year with the average revenue per artist. The details are as follows:

Number of affiliated artists each year

From 2021 – 2023, GMM Music had a total of 152, 158, and 149 artists under its management, respectively. The number of artists each year fluctuates depending on the number of artists who debut (artists releasing their first music or music-related content), sign contracts, or conclude their contracts during that year – with the change being 30, 6, and (9), respectively.

The IFA has calculated the number of affiliated artists each year from 2024 – 2028 by summing the number of artists from the previous year with the average annual increase or decrease in the number of artists over the past 3 years, which is an increase of 9 artists per year.

Average revenue per artist

The IFA has calculated the average revenue per artist by dividing the revenue from artist management by the number of affiliated artists each year. From 2021 – 2023, the number of artists was 152, 158, and 149, respectively. In 2023, the average revenue per artist was THB 8,731,611 per artist. This was mainly due to an increase in events following the end of the COVID-19 pandemic, which also reflects performance under normal circumstances.

From 2024 – 2028, the IFA has projected an annual growth rate of 2.00 percent for average revenue per artist, based on the average inflation target rate to be a conservative estimate. The IFA have chosen to use data from 2023 as the baseline for growth as it reflects a full year of data, thereby offering a more comprehensive view of long-term performance, as well as to avoid seasonal effects from the half-year performance data of 2024.

Table of Revenue from artist management 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Average revenue per artist ^{1/}	2.61	5.75	8.73 ^{3/}	3.90 ^{4/}	8.91	9.08	9.27	9.45	9.64
Number of affiliated artists each year	152	158	149	160	158	167	176	185	194
Annual increase/decrease in the number of artists	30 ^{2/}	6	(9)	11	9	9	9	9	9
Revenue from artist management	397.03	908.13	1,301.01	623.79^{3/}	1,407.19	1,517.09	1,630.83	1,748.50	1,870.24

Note: 1/ Grow according to average target inflation rate of 2.00 percent

2/ New music label which prioritize country music was established

3/ Due to the COVID-19 pandemic ending, there has been an increase in number of events, a situation which reflects performance under normal circumstances.

4/ only show half-year performance

- 3) Revenue from education business is revenue from BLKGEM, a performing arts (music, dance and performance) school which offers comprehensive courses with experienced and skilled instructors under international standards. The IFA has projected revenue from

education business from 2024 – 2028 to grow at 9.60 percent according to the compound annual growth rate (CAGR) of music industry in Thailand between 2023 – 2029, as analyzed by Statista Market Insights – a global business data aggregation company that provides extensive statistics, reports, and insights. The IFA have chosen to use data from 2023 as the baseline for growth as it reflects a full year of data, thereby offering a more comprehensive view of long-term performance compared to half-year data from 2024.

Table of Revenue from education business 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Revenue from education business	10.74	28.52	48.95	21.24 ^{1/}	53.83	59.19	65.08	71.56	78.69
Growth rate (percent)	-	165.55	71.63		9.96	9.96	9.96	9.96	9.96

Note: 1/ only show half-year performance

- 4) Revenue from other business units is revenue from providing services related to music business with the purpose of complementing GMM Music's comprehensive, such as renting out space at concerts and music festivals to various restaurants. Due to a fluctuation in historical data, the IFA has set the growth rate of revenue from other business units from 2025 – 2028 at 2.00 percent per year, based on the average target inflation rate for a conservative estimate. For 2024, the IFA has used annualized data from the first half of 2024 as the basis for projections, as it more accurately reflects GMM Music's actual performance compared to the 2023 data. The details are as follows:

Table of Revenue from other business unit 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Revenue from other business units	35.34	50.59	5.73 ^{1/}	7.13 ^{2/}	14.26	14.54	14.83	15.13	15.43
Growth rate (percent)	-	-	-		-	2.00	2.00	2.00	2.00

Note: 1/ Due to the reclassification of revenue, namely, income from charity events, which has been reclassified as revenue from artist management.

2/ only show half-year performance

1.3 Revenue from copyrights

Revenue from copyright can be categorized into 2 business units, namely, 1) Revenue from digital music and 2) Revenue from right management

- 1) Revenue from digital music is revenue generated from the distribution of music and content in digital formats, which is more accessible than physical music products. GMM Music offers over 58,392 copyrights in music and content for 3rd party to choose from and can distribute them through 2 channels: 1) online platforms and 2) telecommunications network providers.
- (1) Distribution via online platforms such as Youtube Facebook Joox Spotify etc., which provides consumers with convenient access to GMM Music's content anytime and anywhere.

Number of music copyrights each year

From 2021 – 2023 GMM Music's number of music copyrights (Publishing and Master) was 55,934; 57,357; and 58,392 rights, respectively – which shows a continuous increase. This is due to GMM Music's policy of not selling off any acquired copyrights to other parties. The number of artists under GMM Music between 2021 – 2023 was 152, 158, and 149 respectively. When dividing the difference in the number of music copyrights each year by the number of artists of each said year, it can be deduced that each artist created a total of 3, 9, and 7 copyrights (music works) per year, respectively, averaging 6 copyrights.

The IFA has calculated the number of music copyrights in each year from 2024 – 2028 by summing the number of copyrights from the previous year with the additional copyrights created by GMM Music each year – which is equal to the product between the number of artists (as shown in the table of revenue from artist management from 2021A – 2028F) and the average number of new copyrights (music works) created per artist, which is 6 rights

Average revenue generated per music copyrights from distribution via online platform

The IFA has calculated the average revenue generated per music copyrights from distribution via online platform by dividing the revenue via online platforms by the number of music copyrights held by GMM Music each year. From 2021 – 2023, the number of copyrights was 55,934; 57,357; and 58,392, respectively – yielding an average revenue generated per music copyright from distribution via online platform of THB 19,076 in the year 2023.

For 2024, the IFA has projected an annual growth rate of 10.32 percent for average revenue generated per music copyrights from distribution via online platform, in line with the growth rate in 2023. This is after taking into account the fact that although GMM Music benefits from the global music industry's entry into a second wave of growth and the adjustment on compensation terms in the contract between GMM Music and Tencent, the growth has not yet reached that of the subscription industry estimation.

From 2026 onwards, however, it is projected to grow at a rate equivalent to the compound annual growth rate (CAGR) of subscription industry in Thailand between 2024 – 2031, which is 16.10 percent, according to MIDiA Research's 2024-2031 global music forecasts: Rise of the Global South. Therefore, the IFA has set the growth rate for the year 2025 equals to CAGR between 2024 and 2026, which is the equivalent of 12.89 percent as its growth gradually transitions into that of the industry.

The IFA have chosen to use data from 2023 as the baseline for growth as it reflects a full year of data, thereby offering a more comprehensive view of long-term performance, as well as to avoid seasonal effects from the half-year performance data of 2024 as typically revenue increases in the second half of the year due to a rise in festivals and events.

- (2) Distribution via telecommunications network providers, namely, AIS and True and includes services such as ringtone downloads, call waiting tones, and music through networks, as well as astrology services via SMS. Although past performance has shown a declining trend, this decline was attributed to the period of the telecommunications merger between True and DTAC, which led to reduced usage of GMM Music's services. However, considering the half-year performance of 2024, revenue has increased as customers have resumed using the services. Additionally, GMM Music has business plans and strategies to explore opportunities with various partner platforms to increase subscriptions and downloads through SMS systems provided by telecommunications networks. Therefore, IFA has projected a 2.00 percent annual growth rate for revenue from digital platform via telecommunications network providers, based on the average target inflation rate, to be a conservative estimate.

Table of Revenue from digital music 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Revenue via online platforms (1) x (2)	818.31	991.79	1,113.89	463.95	1,248.80	1,433.58	1,693.51	2,001.71	2,367.26
Average revenue generated per music copyrights via online platform (1)	14,630	17,292	19,076	7,876 ^{1/}	21,045	23,758	27,582	32,023	37,179
Growth rate (percent)	-	18.19	10.32		10.32	12.89	16.10	16.10	16.10
Number of music copyrights each year (2)	55,934	57,357	58,392	58,905	59,340	60,342	61,398	62,508	63,672
Revenue via telecommunications network providers	132.35	117.40	94.48	50.86 ^{2/}	96.37	98.30	100.26	102.27	104.31
Growth rate (percent)	-	(11.30)	(19.52)		2.00	2.00	2.00	2.00	2.00
Revenue from digital music	950.66	1,109.19	1,208.37	514.80 ^{2/}	1,345.17	1,531.87	1,793.77	2,103.98	2,471.57

Note: 1/ only show half-year performance

2) Revenue from right management is revenue generated from royalties fee collection from parties wishing to make use of GMM Music's music or content for commercial purposes, which can be categorized into 2 groups: 1) entrepreneur (B2B) and 2) retailer (B2C).

(1) Entrepreneur (B2B) includes those operating in entertainment and media business, such as television programs, advertisements, radio stations, or content creators. The IFA has estimated revenue from right management from B2B by multiplying the number of music copyrights each year with the average revenue generated per music copyrights from B2B. The details are as follows:

Number of music copyrights each year

From 2021 – 2023 GMM Music's number of music copyrights (Publishing and Master) was 55,934; 57,357; and 58,392 rights, respectively – which shows a continuous increase. This is due to GMM Music's policy of not selling off any acquired copyrights to other parties. The number of artists under GMM Music between 2021 – 2023 was 152, 158, and 149 respectively. When dividing the difference in the number of music copyrights each year by the number of artists of each said year, it can be deduced that each artist created a total of 3, 9, and 7 copyrights (music works) per year, respectively, averaging 6 copyrights.

The IFA has calculated the number of music copyrights in each year from 2024 – 2028 by summing the number of copyrights from the previous year with the additional copyrights created by GMM Music each year – which is equal to the product between the number of artists (as shown in the table of revenue from artist management from 2021A – 2028F) and the average number of new copyrights (music works) created per artist, which is 6 rights

Average revenue generated per music copyrights from B2B

The IFA has calculated the average revenue generated per music copyrights from B2B by dividing the revenue from right management from B2B by the number of music copyrights held by GMM Music each year. From 2021 – 2023, the number of copyrights was 55,934; 57,357; and 58,392, respectively – yielding an average revenue generated per music copyright from B2B of THB 4,717 in the year 2023.

From 2024 – 2028, the IFA has projected an annual growth rate of 4.40 percent for average revenue generated per music copyrights from B2B, based on the compound Annual Growth Rate (CAGR) for the entertainment and media industry in Thailand from 2023 – 2028, as reported in PwC's "Perspectives from the Global Entertainment & Media Outlook 2024–2028." The IFA have chosen to use data from 2023 as the baseline for growth as it reflects a full year of data, thereby offering a more comprehensive view of long-term performance, as well as to avoid seasonal effects from the half-year performance data of 2024

- (2) Retailer (B2C) includes various establishments such as restaurants, entertainment venues, and karaoke bars, which use GMM Music's content to boost their business operations. The IFA has estimated revenue from right management from B2C by multiplying the number of music copyrights each year with the average revenue generated per music copyrights from B2C. The details are as follows:

Number of music copyrights each year

From 2021 – 2023 GMM Music's number of music copyrights (Publishing and Master) was 55,934; 57,357; and 58,392 rights, respectively – which shows a continuous increase. This is due to GMM Music's policy of not selling off any acquired copyrights to other parties. The number of artists under GMM Music between 2021 –

2023 was 152, 158, and 149 respectively. When dividing the difference in the number of music copyrights each year by the number of artists of each said year, it can be deduced that each artist created a total of 3, 9, and 7 copyrights (music works) per year, respectively, averaging 6 copyrights.

The IFA has calculated the number of music copyrights in each year from 2024 – 2028 by summing the number of copyrights from the previous year with the additional copyrights created by GMM Music each year – which is equal to the product between the number of artists (as shown in the table of revenue from artist management from 2021A – 2028F) and the average number of new copyrights (music works) created per artist, which is 6 rights

Average revenue generated per music copyrights from B2C

The IFA has calculated the average revenue generated per music copyrights from B2C by dividing the revenue from right management from B2C by the number of music copyrights held by GMM Music each year. From 2021 – 2023, the number of copyrights was 55,934; 57,357; and 58,392, respectively – yielding an average revenue generated per music copyright from B2C of THB 1,615 in the year 2023

From 2024 – 2028, the IFA has projected an annual growth rate of 4.00 percent for average revenue generated per music copyrights from B2C, based on the compound Annual Growth Rate (CAGR) for the restaurant and beverage industry in Thailand from 2024 – 2026, as researched by Krungsri research, the economic and industry analysis unit under Krungsri Bank Public Company Limited.

Table of Revenue from digital music 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Number of music copyrights each year (1)	55,934	57,357	58,392	58,905	59,340	60,342	61,398	62,508	63,672
Revenue from B2B (1) x (2)	227.45	214.24	275.43	125.98^{3/}	292.22	310.23	329.54	350.26	372.49
Average revenue generated per music copyrights (THB) ^{1/} (2)	4,066	3,735	4,717	2,139 ^{3/}	4,924	5,141	5,367	5,604	5,850
<i>Growth rate (percent)</i>	-	(8.14)	26.28		4.40	4.40	4.40	4.40	4.40
Revenue from B2C	49.59	51.85	94.30	59.14^{3/}	99.67	105.40	111.54	118.09	125.11

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
(1) x (3)									
Average revenue generated per music copyrights (THB) ^{2/} (3)	887	904	1,615	1,004 ^{3/}	1,680	1,747	1,817	1,889	1,965
<i>Growth rate (percent)</i>	-	1.96	78.64		4.00	4.00	4.00	4.00	4.00
Revenue from right management	277.04	266.09	369.73	185.11^{3/}	391.88	415.63	441.08	468.36	497.59

Note: 1/ Grow according to entertainment and media industry CAGR of 4.40 percent

2/ Grow according to restaurant and beverage industry CAGR of 4.00 percent

3/ only show half-year performance

1.4 Other revenue

Other revenue of GMM Music primarily comes from foreign currency exchange gains, employee parking fees, and the sale of scrap goods. The IFA has projected only the recurring revenues, such as employee parking fees and the sale of scrap goods, with a growth rate from 2025 – 2028 of 2.00 percent per year, based on the average target inflation rate to be a conservative estimate. For 2024, the IFA has used annualized data from the first half of 2024 as the basis for projections, as it more accurately reflects GMM Music's actual performance compared to the 2023 data. The details are as follows:

Table of Other revenue of 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Other revenue	13.07	16.14	11.25	12.47	1.64	1.67	1.70	1.74	1.77
One-time revenue ^{1/} (THB)	7.37	10.61	7.90	11.65	- ^{2/}	-	-	-	-
Recurring revenue (THB)	5.70	5.53	3.36	0.82	1.64	1.67	1.70	1.74	1.77
<i>Growth rate (percent)</i>	-	-	-		-	2.00	2.00	2.00	2.00

Note: 1/ One-time revenue such as profits from the sale of assets and profits from foreign currency exchange

2/ Not included in the calculation as it does not reflect the free cash flow which only takes into account the second half of the year 2024

Revenue summary of GMM Music

Based on the revenue estimates provided by the IFA, the projected revenue from 2024 – 2028 can be summarized as follows:

Table of total revenue of GMM Music 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Revenue from product sale	154.39	146.51	145.57	115.03	150.89	156.51	162.43	168.68	175.25
Revenue form service	443.11	1,534.97	2,177.83	968.76	2,446.20	2,737.46	3,064.89	3,434.42	3,853.00
Revenue from copyrights	1,227.70	1,375.28	1,578.10	699.92	1,737.05	1,947.50	2,234.85	2,572.34	2,969.16
Other revenue	13.07	16.14	11.25	12.47	1.64	1.67	1.70	1.74	1.77
Total revenue	1,838.28	3,072.90	3,912.75	1,796.18	4,335.78	4,843.14	5,463.88	6,177.17	6,999.19

Source: Financial statement of GMM Music in the year 2021 – 2023 and the IFA's projection

2. Cost and expense assumption

The IFA estimates GMM Music's cost and expense, which consists of 1) Cost of sale and service 2) Selling expenses and 3) Administrative expenses, all of which are detailed as follows:

2.1 Cost of sale and service

Cost of sale and service can be categorized into 7 groups, namely, 1) Cost from merchandise sale 2) Cost from showbiz 3) Cost from artist management 4) Cost from copyrights 5) Cost from digital music 6) Cost from music products and education business and 7) Indirect cost

- 1) Cost from merchandise sale or direct cost from merchandise sale is cost associated with the production of merchandise, such as souvenir, boxset product, and artist-collaborated products. The IFA has estimated the cost from merchandise sale in 2024 – 2028 based on the proportion of cost from merchandise sale to revenue from sale of physical music products in 2023 due to a continuous upward trend of past performance, which is equal to 8.08 percent. The details are as follows:

Table of Cost from merchandise sale 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Cost from merchandise sale	5.61	7.51	11.77	5.18	12.20	12.65	13.13	13.63	14.16
<i>Proportion to revenue from sale of physical music products (percent)</i>	<i>3.64</i>	<i>5.13</i>	<i>8.08</i>	<i>4.50</i>	<i>8.08</i>	<i>8.08</i>	<i>8.08</i>	<i>8.08</i>	<i>8.08</i>

- 2) Cost from showbiz or direct costs from showbiz is cost related to organizing concerts and music festivals, such as setup costs and venue rental fees. The IFA has estimated the cost from showbiz in 2024 – 2028 based on the average proportion of cost from showbiz to revenue from showbiz from 2022 – 2023 due to the year 2021 having no operation, which is equal to 75.28 percent. The details are as follows:

Table of Cost from showbiz 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Cost from showbiz	-	407.83	625.71	219.50	730.94	863.22	1,019.44	1,203.94	1,421.82
<i>Proportion to revenue from showbiz (percent)</i>	<i>-</i>	<i>74.46</i>	<i>76.11</i>	<i>69.33</i>	<i>75.28</i>	<i>75.28</i>	<i>75.28</i>	<i>75.28</i>	<i>75.28</i>

- 3) Cost from artist management or direct cost from artist management is the cost incurred from artists for participating in events. The IFA has estimated the cost from artist

management in 2024 – 2028 based on the average proportion of cost from artist management to revenue from artist management from 2021 – 2023, which is equal to 76.74 percent. The details are as follows:

Table of Cost from artist management 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Cost from artist management	256.52	779.80	1,037.42	438.97	1,079.86	1,164.20	1,251.48	1,341.79	1,435.20
<i>Proportion to revenue from artist management (percent)</i>	<i>64.61</i>	<i>85.87</i>	<i>79.74</i>	<i>70.37</i>	<i>76.74</i>	<i>76.74</i>	<i>76.74</i>	<i>76.74</i>	<i>76.74</i>

- 4) Cost from digital music or direct cost from digital music is the cost incurred from the distribution of content across various channels. The IFA has estimated the cost from digital music in 2024 – 2028 based on the average proportion of cost from digital music to revenue from digital music from 2021 – 2023, which is equal to 7.11 percent. The details are as follows:

Table of Cost from digital music 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Cost from digital music	65.87	96.44	68.94	33.72	95.64	108.91	127.53	149.58	175.72
<i>Proportion to revenue from digital music (percent)</i>	<i>6.93</i>	<i>8.69</i>	<i>5.71</i>	<i>6.55</i>	<i>7.11</i>	<i>7.11</i>	<i>7.11</i>	<i>7.11</i>	<i>7.11</i>

- 5) Cost from right management or direct cost from right management is the cost associated with allocating royalties to parties involved with the making of content. The IFA has estimated the cost from right management in 2024 – 2028 based on the average proportion of cost from right management to revenue from right management from 2021 – 2023, which is equal to 13.01 percent. The details are as follow:

Table of Cost from right management 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Cost from right management	32.34	38.17	48.12	20.55	50.99	54.08	57.39	60.94	64.74
<i>Proportion to revenue from right management (percent)</i>	<i>11.67</i>	<i>14.35</i>	<i>13.02</i>	<i>11.10</i>	<i>13.01</i>	<i>13.01</i>	<i>13.01</i>	<i>13.01</i>	<i>13.01</i>

- 6) Cost from music products and education business is cost related to the production of music products and the teaching of institutions. The IFA has estimated the cost from

music products and education business in 2024 – 2028 based on the average proportion of cost from music products and education business to revenue from the sale of physical music products and education business from 2022 – 2023 to exclude the outlier from 2021, a year in which revenue from educational business was low as a result of the ongoing COVID-19 pandemic, while personnel costs from the business remained high as usual. The average proportion for the said years is equal to 58.00 percent, with details are as follow:

Table of Other direct cost 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Other direct cost	124.90	98.39	116.28	63.00	118.73	125.09	131.95	139.33	147.28
<i>Proportion to revenue from the sales of physical music products and education business (percent)</i>	75.63	56.21	59.78	46.24	58.00	58.00	58.00	58.00	58.00

- 7) Indirect cost is the cost associated with activities used in generating revenue from multiple businesses, such as promoting music to increase its popularity, and various overhead costs, such as building rentals. The IFA has estimated indirect cost in 2024 – 2028 based on the average proportion of indirect cost to total revenue from 2022 – 2023 to exclude the outlier from 2021 as some expenses related to overall revenue generation did not decrease, all the while there was no revenue from the Showbiz. The details are as follows:

Table of Indirect cost 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Indirect cost	566.05	490.38	550.13	253.01	650.76	726.91	820.08	927.14	1,050.51
<i>Proportion to total revenue (percent)</i>	30.79	15.96	14.06	14.09	15.01	15.01	15.01	15.01	15.01

2.2 Selling expenses

Selling expenses consist of expenses related to sales personnel and other selling-related expenses, such as marketing/promotional costs, advertising, etc. The IFA has estimated the selling expenses in 2024 – 2028 based on the average proportion of selling expenses to total revenue from 2021 – 2023, which is equal to 1.99 percent. The details are as follow:

Table of Selling expenses 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Selling expenses	50.08	73.50	77.75	38.15	86.15	96.24	108.57	122.74	139.08
Proportion to total revenue (percent)	2.72	2.39	1.99	2.12	1.99	1.99	1.99	1.99	1.99

2.3 Administrative expenses

Administrative expenses include costs related to administrative personnel and other administrative expenses, such as utilities, consulting fees, etc. The IFA has estimated administrative expenses by summing personnel costs and other administrative expenses, with administrative personnel expenses projected to at a rate of 5.00 percent per year, based on GMM Music's salary policy, which ranges from 2.50 – 6.50 percent. The median rate was not chosen as a 5.00 percent growth rate reflects the normal estimation practices of the IFA and general company trends. Additionally, the impact of bonuses was not projected as it was already reflected as baseline in 2021 and 2022, leading to a higher-than-normal growth rate for those years. Meanwhile, other administrative expenses are projected to grow at a rate of 2.00 percent, based on the average inflation target, for a conservative estimate. The details are as follows:

Table of Administrative expenses 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Employee expenses	395.89	447.67	490.84	247.58	515.39	541.16	568.21	596.62	626.46
Growth rate (percent)	-	13.08	9.64		5.00	5.00	5.00	5.00	5.00
Other administrative expense	150.91	136.00	213.30 ^{1/}	126.07	217.57	221.92	226.36	230.89	235.50
Growth rate (percent)	-	(9.88)	56.84		2.00	2.00	2.00	2.00	2.00

Note: 1/ In 2023, GMM Music took over the business from the company; therefore, it is responsible for expenses that were previously taken care of by the company, such as audit fees and management fees, which are not to one-time expenses

Cost and expenses summary of GMM Music

Based on the cost and expenses estimates provided by the IFA, the projected cost and expenses from 2024 – 2028 can be summarized as follows:

Table of total cost and expenses of GMM Music 2021A – 2028F

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Cost of sale and service	1,055.99	1,938.99	2,488.41	1,045.10	2,739.11	3,055.07	3,421.00	3,836.35	4,309.44

Selling expenses	50.08	73.50	77.75	38.15	86.15	96.24	108.57	122.74	139.08
Administrative expenses	612.80	645.55	769.05	406.12	732.96	763.08	794.57	827.51	861.96
Total cost and expenses	1,718.86	2,658.04	3,335.21	1,489.37	3,558.22	3,914.38	4,324.14	4,786.60	5,310.48

Source: Financial statement of GMM Music in the year 2021 – 2023 and the IFA's projection

3. Corporate income tax

The IFA estimates corporate income tax of GMM Music based on the corporate income tax rate of 20.00 percent as it reflects the corporate income tax rate announced by the Revenue Department.

4. Working capital

The IFA projects the assumptions of working capital based on the historical average of Days Sales Outstanding (“DSO”), Days Inventories Outstanding (“DIO”), and Days Payables Outstanding (“DPO”) for the past 3 years between 2021 – 2023. The IFA has projected DSO, DIO, and DPO of GMM Music during the year 2024 – 2028 to equal to 65.44 days, 25.93 days, and 141.21 days respectively, with the following details:

Table of working capital

Unit: Million	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F
Account Receivable	367.30	563.23	594.57	783.10	877.91	985.77	1,108.82	1,249.56
Days Sales Outstanding (days)	73.45	67.25	55.62	65.44	65.44	65.44	65.44	65.44
Inventory	128.04	114.45	81.71	195.16	217.94	243.64	272.72	305.75
Days Inventories Outstanding (days)	44.25	21.54	11.99	25.93	25.93	25.93	25.93	25.93
Account Payable	446.75	714.82	917.98	1,062.89	1,186.97	1,326.91	1,485.29	1,665.16
Days Payables Outstanding (days)	154.42	134.56	134.65	141.21	141.21	141.21	141.21	141.21

5. Capital expenditure (CAPEX)

The IFA estimates GMM Music's investment in 2024 - 2028 based on GMM Music's historical average investment expenses, which includes Leasehold asset improvement, Operational equipment, Office decorations and equipment, computer and equipment, and right-of-use assets (buildings), and intangible assets, namely, computer programs and computer programs under development. These are expenses for improving and replacing assets used by GMM Music in its current and future operations (Maintenance CAPEX) to be a conservative estimate.

However, starting in 2022, the expense of creating music will be recorded as an asset/capital expenditure (Capitalization) under the item “Copyrights of lyrics and melodies,” with a useful life of 40 years; hence, the CAPEX will vary depending on the increase in number of copyrights each year.

Therefore, the IFA has estimated the cost of maintaining old assets to be in working condition (Maintenance CAPEX) as to maintain operational efficiency from the average CAPEX in 2021 - 2023 to be

consistent with GMM Music's business operations, as well as estimated the CAPEX of creating copyrights for lyrics and melodies – with details as follows:

Table of CAPEX projection

Unit: THB Million

Tangible/Intangible assets	CAPEX per year
Leasehold asset improvement	1.34
Operational equipment	5.27
Office decorations and equipment	2.03
Computer and equipment	5.34
Building (ROU)	5.66
Copyrights of lyrics and melodies	56.31
Computer program	0.68
Computer program in development	2.12
Total future CAPEX	78.75

Source: The IFA's estimation and notes to financial statement of GMM Music

6. Depreciation and amortization

The IFA determines that the depreciation of assets and amortization of intangible assets in GMM Music be calculated as a fixed rate on a straight-line basis, with each particular asset being calculated differently according to the residual useful life of each asset type. The IFA determines the average useful life of each asset type by calculating from the net asset value divided by the depreciation of that year according to the information from notes to financial statement of GMM Music. The details of asset depreciation can be summarized as follows:

Table of depreciation and amortization

Tangible/Intangible assets	Useful life (year) ^{1/}
Leasehold asset improvement	5 – 10
Operational equipment	5
Office decorations and equipment	5
Computer and equipment	3
Vehicle	5
Other	5
Building (ROU)	2 – 12
Copyrights of lyrics and melodies	40
Computer program	- ^{2/}
Computer program in development	<5

Note: 1/ Useful life of GMM Music assets according to financial statement for the year 2023

2/ GMM Music amortizes computer program using a straight-line basis according to the term of the contract.

7. Discount Rate

To determine the discount rate used in calculating the present value of net cash flows, the IFA uses the Weighted Average Cost of Capital (WACC) ratio of GMM Music, which is the average between the cost of equity (Cost of Equity – “Ke”) and the interest rate from borrowing (Cost of Debt – “Kd”) that is adjusted with tax benefits from interest payments at the proportion of shareholders' equity (“We”) and debt (“Wd”). The following formula is as follows:

WACC Calculation

$$\text{WACC} = \text{Ke} \times \text{We} + \text{Kd} \times (1-T) \times \text{Wd}$$

Whereas

Ke = Return on equity equals to 13.72 percent

Kd = The interest rate is based on average effective interest rate from GMM Music's IBD between 2021 - 2023, which is equal to 3.66 percent

T = Corporate income tax, which is set to be equal to 20.00 percent

We = Equity proportion equal to 40.34 percent

Wd = Interest-bearing debt proportion equal to 59.66 percent

Ke Calculation

The IFA therefore calculates the rate of return on equity (Ke) based on

$$\text{Ke} = \text{Rf} + \beta \times (\text{Rm} - \text{Rf})$$

By

Risk Free Rate (Rf) Based on the 15-year long-term government bond interest rate as of 13 August 2567 which is equal to 2.84 percent. The IFA chooses the 15-year long-term government bond as it reflects the business cycle.

Market Return (Rm) Based on data from the return on investment in the Stock Exchange of Thailand (SET Total Return Index: TRI Index) for the past 15 years (from August 2009 - August 2024) equal to 8.24 percent.

Levered Beta (β) Leveraged Beta of companies that operate the same business or similar to GMM Music or have income from

engaging in a full-on music business, including artist selection, music production, marketing, management and collection of music royalties, and the sale of music products, both digital and physical and are listed on the stock exchange of that country on average for the past 15 years (data from Bloomberg Terminal) for use in the calculation of the return on equity (Ke), which is equal to 2.01 according to HYBE Co., Ltd.; JYP Entertainment Corporation; SM Entertainment Co., Ltd. and YG Entertainment Inc. The IFA chooses companies that operate the same business in order to reduce the impact of different financial structures. It takes into account the leveraged beta and the financial structure of each Company by improving it to be unlevered Beta, of which formula is calculated as follows: $Unlevered\ Beta = \frac{Bl}{(1+(1-t)(D/E))}$. After calculating unlevered beta, the IFA has adjusted it to Adjusted Beta calculated as: $Adjusted\ Beta = unlevered\ Beta \times (2/3) + (1/3)$. Details of Adjusted Beta taken from nearby businesses are calculated as follows:

Table of comparable companies' information

Company Name	Business Description	Country	Profit trailing 12 months (Unit: THB million)	Market capitalization ^{1/} (Unit: THB million)
HYBE Co., Ltd.	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	2,232.32	182,592.88
JYP Entertainment Corporation	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	1,917.26	49,764.90
SM Entertainment Co., Ltd.	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist	South Korea	1,593.13	40,420.39

Company Name	Business Description	Country	Profit trailing 12 months (Unit: THB million)	Market capitalization ^{1/} (Unit: THB million)
	Merchandise Distribution 5.) Other Music-Related Businesses			
YG Entertainment Inc.	Engaged in the music business, which includes 1.) Digital Music Business 2.) Artist Management 3.) Concert Promotion 4.) Music and Artist Merchandise Distribution 5.) Other Music-Related Businesses	South Korea	356.11	16,732.62

Source : Bloomberg Terminal as of 13 August 2024

Note: 1/ The comparison includes music companies listed on the stock exchange in South Korea, as there are no companies in Thailand that are adequately comparable to GMM Music's business model. For example, RS Public Company Limited, although similar in terms of operating in the music business, generates its primary revenue from commerce at 50.34 percent, compared to 11.33 percent from music and other related businesses.

Additionally, after researching various companies listed on stock exchanges across Asia, it was found that their primary revenues are not derived from the music business.

2/ Market capitalization as of 30 June 2024

Company	15Y Beta (Time)	D/E (Percent)	Tax (Percent)	Unlevered Beta ^{1/} (Time)	Adjusted Beta ^{2/} (Time)
HYBE Co., Ltd.	1.06	35.40	21.94	0.83	0.88
JYP Entertainment Corporation	0.98	2.35	35.82	0.96	0.97
SM Entertainment Co., Ltd.	0.94	13.49	33.80	0.86	0.91
YG Entertainment Inc.	0.92	2.45	15.56	0.90	0.94
Median					0.92

Note: 1/ Unlevered Beta is calculated to reduce the impact of different capital structure of each company.

2/ However, the IFA has adjusted unlevered beta to adjusted beta because adjusted beta aims to improve beta values of companies in the group that have nature of the business is related to the consumers, consumption behavior or technology because companies in such groups will have high beta volatility according to business cycle theory to have less volatility to reflect the beta value according to the beta of the market saturated condition that will have a beta value of 1.00

The median of the comparable companies' Adjusted Beta is equal to 0.92. And since GMM Music has a portion of debt to equity, the IFA has calculated the Adjusted Beta to Levered Beta to reflect the financial structure of the GMM Music (The formula is as follows: Levered Beta = 0.92 X (1 + (1 - 20.00%)(147.89%)) equals to 2.01

Therefore

$$\begin{aligned} K_e &= 2.84\% + [2.01 \times (8.24\% - 2.84\%)] \\ &= 13.72\% \end{aligned}$$

The IFA calculates the Weighted Average Cost of Capital (WACC) based on GMM Music's capital structure, which is equal to 7.28 percent, with details as follows

$$\begin{aligned} \text{WACC} &= (13.72\% \times 40.34\%) + [3.66\% \times (1.00 - 20.00\%) \times 59.66\%] \\ &= 7.28\% \end{aligned}$$

8. Shareholders' Equity by DCF approach

The IFA has summarized the financial projection of GMM Music. The details are as follows:

Table of GMM Music's revenue and expenses

Unit: THB million	2021A	2022A	2023A	Q2 2024A	2024F	2025F	2026F	2027F	2028F
Revenue from product sale	154.39	146.51	145.57	115.03	150.89	156.51	162.43	168.68	175.25
Revenue form service	443.11	1,534.97	2,177.83	968.76	2,446.20	2,737.46	3,064.89	3,434.42	3,853.00
Revenue from copyrights	1,227.70	1,375.28	1,578.10	699.92	1,737.05	1,947.50	2,234.85	2,572.34	2,969.16
Other revenue	13.07	16.14	11.25	12.47	1.64	1.67	1.70	1.74	1.77
Total revenue	1,838.28	3,072.90	3,912.75	1,796.18	4,335.78	4,843.14	5,463.88	6,177.17	6,999.19
Cost of sale and service	1,055.99	1,938.99	2,488.41	1,045.10	2,739.11	3,055.07	3,421.00	3,836.35	4,309.44
Selling expenses	50.08	73.50	77.75	38.15	86.15	96.24	108.57	122.74	139.08
Administrative expenses	612.80	645.55	769.05	406.12	732.96	763.08	794.57	827.51	861.96
Depreciation ^{1/}					98.31	103.53	101.34	105.17	105.94
Total cost and expenses	1,718.86	2,658.04	3,335.21	1,489.37	3,656.53	4,017.90	4,425.49	4,891.77	5,416.42
EBIT	119.42	414.86	577.54	306.81	679.25	825.23	1,038.39	1,285.40	1,582.77

Note: 1/ Depreciation between 2021 – 2023 is already included in the expenses

Table of GMM Music's financial projection

Unit: THB million	2024F ^{1/}	2025F	2026F	2027F	2028F
EBIT x (1- Tax Rate)	271.70	660.19	830.71	1,028.32	1,266.22
Changes in working capital	(78.54)	8.83	4.28	3.30	2.04
Depreciation and amortization	49.15	103.53	101.34	105.17	105.94
Net operating cash flow	244.01	772.54	936.34	1,136.79	1,374.20
Investment	(39.37)	(81.96)	(85.17)	(88.37)	(91.58)
Net investment cash flow	(39.37)	(81.96)	(85.17)	(88.37)	(91.58)
Adjustment of non-controlling interest	(1.30)	(2.87)	(3.15)	(3.47)	(3.81)
Net free cash flow	203.33	687.72	848.03	1,044.95	1,278.81
Discount Rate (Discount Factor)	0.97	0.90	0.84	0.78	0.73
Present value of net cash flows	196.31	618.92	711.41	817.13	932.16
Terminal Value					24,798.96
Present value of terminal value					18,011.02

Source: The IFA's estimation

Note: 1/ Calculate the cash flow by dividing by 2 to account for only the remaining number of months

The IFA estimates the terminal value because it believes that the business will continue to operate after the projection period. The projection after 5 years may be difficult because the business operation may change according to the situation, with a growing economy and a business plan that changes with technology trends; therefore, the IFA uses the terminal value as part of the present value calculation of each year's cash flows to reflect the ongoing business value after the estimate period. The terminal value is the cash flow value after the projection period. The formula for calculating is as follows:

Table of terminal value

Terminal Value	=	FCFF × (1 + G) / (WACC – G) = THB 24,708.96 million
Normalized FCFF	=	The cash flow value in 2028 is equal to THB 1,278.81 million
G – Terminal Growth Rate	=	The rate of continual increase in cash flow per year (Going Concern Basis) is set to equal 2.00 percent per annum, based on average headline inflation in the range of 1.00 - 3.00 percent based on the Bank's medium-term 2024 monetary policy target of Thailand
WACC	=	Weighted average cost rate of investment equal to 7.28 percent

Table of GMM Music's value calculation

Unit: THB million	As of 30 June 2024
Present value of GMM Music's net cash flows from Q3 of 2024 – 2028 ^{1/}	3,275.94
Present value of GMM Music's net cash flows as of the last year	18,011.02
Enterprise Value of GMM Music	21,286.97
Plus: Cash and Bank Deposit	332.49
Less: Interest-bearing liabilities	(881.62)
Plus: Equity value of associates/joint venture ^{2/}	108.33
Equity Value	20,846.17
Equity Value at 1.50 percent transaction proportion	312.69

Note: 1/ Calculated cash flow from 1 July 2024 onwards

2/ Associate company includes YGMM Company Limited and joint venture companies include 1) TNY Entertainment and Technology Company Limited 2) GLDH Company Limited

The fair value valuation of GMM Music's shareholders' equity at 1.50 percent transaction proportion under discount free cash flow approach is equal to THB 312.69 million

9. The sensitivity analysis of GMM Music's shareholder's equity

The IFA has conducted a sensitivity analysis on (1) the discount rate and (2) the terminal growth rate by increasing and decreasing both of these factors by 3.0 percent because it is an important factor that directly affects the valuation of the business. The change interval of +/- 3.0 percent reflects the sensitivity of the key factors of the assumptions determined by the IFA. This transition period is a period of sensitivity that is possible such as change in interest rates, inflation, Thailand economy, and other factors. The results can be summarized as the following assumptions:

Table of sensitivity analysis

Changing factors	Changing range
Weighted Average Cost of capital (WACC)	+/- 3.0% (WACC is 7.06% – 7.50%)
Long-term growth rate (Terminal Growth)	+/- 3.0% (Terminal Growth is 1.94% – 2.06%)

Source: The IFA's estimation

Based on the aforementioned sensitivity analysis, the results of the analysis of the sensitivity of the value of Shareholders' equity of GMM Music at 1.50 percent transaction proportion are as summarized below

Table of the value of shareholders' equity at 1.50 percent transaction proportion

Changing factors		WACC				
		-3.0%	-1.50%	Base	+1.50%	-3.0%
Terminal Growth	-3.00%	323.75	316.48	309.50	302.80	296.37
	-1.50%	325.49	318.14	311.09	304.32	297.83
	Base	327.25	319.82	312.69	305.86	299.30
	+1.50%	329.03	321.52	314.32	307.41	300.78
	+3.00%	330.83	323.24	315.96	308.98	302.29

Source: The IFA's estimation

From the table above, it can be seen that, after running a sensitivity analysis, the equity value of GMM Music at 1.50 percent transaction proportion is in the range of THB 296.37 – 330.83 million – which is lower than the transaction value of THB 367.37 million by THB 70.99 – 36.54 million or the equivalent of 11.04 – 23.95 percent.

The present value of free cash flow method is a method that reflects the business plan and ability to make a profit and growth trends as well as returns to shareholders in the future – of which is derived from the revenue and expense of GMM Music under the assumption that the IFA finds to be reasonable.

3.6. Summary of the fair valuation of the disposal assets – GMM Music

The IFA has evaluated GMM Music's shareholders' equity value using the aforementioned methods which can be summarized as follows:

Summary table of GMM Music's valuation results

Valuation approach	Total value (THB million)	Details
1. Book value approach	8.93	The book value method reflects the financial position at a particular point in time. However, it does not capture the market value of certain assets or significant events occurring after the date of the financial statements used as a reference. Furthermore, it does not reflect the ability to generate future profits from those assets in GMM Music's business. <u>Therefore, the independent financial advisor has chosen not to use this method.</u>
2. Adjusted book value approach	8.93	The adjusted book value method reflects the net asset value more closely to the present compared to the book value method and also takes into account significant events that occurred after the date of the financial statements used as a reference. However, assessing the fair value of GMM Music's common shares using the book value method represents the company's value at a specific point in time without considering its performance and future growth potential. As a result, it may not fully reflect GMM Music's future profitability. <u>Therefore, the independent financial advisor has opted not to use this method.</u>
3.1 P/BV approach	17.54 – 24.75	The Price to Book Value Ratio reflects financial position at a point of time, from comparing with the average ratio of comparable companies. The IFA concludes that the P/BV ratio is not the appropriate approach for the valuation, since it does not reflect the market value of certain assets and significant events after the date of referred financial statements as well as the ability to make profits from the assets for the Company's business in the future. Therefore, it is not an appropriate approach. <u>Hence, the IFA does not select this valuation approach.</u>
3.2 P/E approach	254.11 – 426.77	The Price to Earnings Ratio is an appraisal based on earnings per share multiplied by price to earnings (P/E) ratio of the market. The IFA concludes that this approach does not taking into account of the difference of business structure, such as revenue structure and cost structure; therefore, this approach might not fully reflect the actual value of GMM Music. <u>Hence, the IFA does not select this valuation approach.</u>
3.3 EV/EBITDA approach	126.37 – 219.77	The EV to EBITDA ratio is an appraisal based on EBITDA multiplied by the EV to EBITDA ratio of the market. The IFA concludes that this approach does not taking into account of the difference of business structure, such as revenue structure and cost structure; therefore, this approach might not fully reflect the actual value of GMM Music. <u>Hence, the IFA does not select this valuation approach.</u>
4. Transaction comparable approach	140.11	The Transaction Comparable Approach reflects the ability to generate cash flow from operation deducted by the effects of capital structure in different enterprise. The IFA views that this valuation approach contains uncertainty of various factors such as

Valuation approach	Total value (THB million)	Details
		transaction size and time of transaction, which might indicate the misleading value from the valuation. Hence, the IFA does not select this valuation approach.
5. Discounted cash flow approach (DCF)	296.37 – 330.83	The DCF method is a method that reflects the business plan, profitability and growth trends, including future returns for shareholders. It is an estimate based on GMM Music's income and expenses according to the criteria based on assumptions that the IFA deems reasonable. Therefore, the IFA is of the opinion that this approach is an appropriate method for valuation of the business.

4. Summary of Opinion of the Independent Financial Advisor

As the Board of Directors' Meeting No. 6/2024 of GMM Grammy Public Company Limited (the "Company"), held on 14 August 2024, has approved the sales of ordinary shares of GMM Music, a subsidiary of the Company, to a strategic investor, which is not a connected person of the Company, and approved to propose such transaction including the related delegation of authorities to the shareholders' meeting of the Company. The Company will sell GMM Music's ordinary shares to Warner Music Hong Kong Limited ("WMHK"), to which WMHK is a subsidiary of Warner Music Group Corp. ("WMGC") (collectively referred to Warner Music Hong Kong Limited, Warner Music Group Corp., and/or affiliates of the aforementioned companies as "WMGC Group"), in the total amount of 12,000,000 shares or equivalent to 1.50 percent of the total issued and paid-up ordinary shares of GMM Music, at a consideration value of USD 10,500,000 (approximately equivalent to THB 367,366,650¹) in a single installment, on the share transfer date (the total value of GMM Music's ordinary shares sold to WMGC Group, when equivalent to 100.00 percent, will be valued at USD 700,000,000). WMGC Group will pay the consideration for such shares via cash in one installment, on the share transfer date ("Disposal of GMM Music's Ordinary Shares").

And approved the joint venture investment between the subsidiary of GMM Music and strategic investor which is under the terms of the transaction related to the Disposal of GMM Music's Ordinary Shares, GMM Global Company Limited ("GMM Global"), a subsidiary of the Company in which the Company indirectly holds a 90.00 percent stake in GMM Global through shareholding in GMM Music (the Company directly holds 90.00 percent of shares in GMM Music and GMM Music directly holds 100.00 percent of shares in GMM Global), has entered into a Commercial Joint Venture Label Agreement with Warner Music (Thailand) Company Limited ("Warner") and Warner Music Asia ("WMA"), to which (a) Warner is a subsidiary of WMGC and (b) WMA is a registered branch of WMHK, established under the laws of the Hong Kong Special Administrative Region of the People's Republic of China (collectively referred to as "Warner Group"). GMM Global has entered into a Commercial Joint Venture Label Agreement with Warner Group with the purpose of jointly operating a music label. According to the terms of the Commercial Joint Venture Label Agreement, GMM Global and Warner will each invest up to THB 54,564,930 under a Joint Operation (The Company will

¹ Calculated based on the conversion rate of THB 34.9873 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 13 August 2024.

invest in proportion to the Company's indirect shareholding of 90.00 percent in GMM Global.). Within one year from the effective date of the Commercial Joint Venture Label Agreement, GMM Global and Warner have a plan to establish an Equity Joint Venture, subject to the internal approval of both parties at a later stage.

In considering the appropriateness of entering into this transaction, Avantgarde Capital Company Limited, as an independent financial advisor, has analyzed the objectives of entering into the transaction, analyze GMM MUSIC's operational ability by considering historical data, both from annual financial statements in the past 3 years or since the start of the business. Estimated information received from the management, including information and news that is disclosed to the public to analyze the reasonableness of entering into the transaction with the following opinions.

The sales of ordinary shares of GMM Music, a subsidiary of the Company, to a strategic investor

Entering into The sales of ordinary shares of GMM Music, a subsidiary of the Company, to a strategic investor is an implementation of the company's strategic business plan. To be able to grow sustainably through the integration of knowledge, abilities, and potential together with strong partners because the WMGC group is a leading and famous company in the world's music business which is considered one of the world's three largest major labels in the music industry and holds more than 1.40 million music copyrights. This will not only help increase the potential of GMM Music, but it will also have a positive effect on confidence in GMM Music as well. In addition, the company can benefit from entering into distributor contracts (Distribution Agreement) between GMM Music and Warner Group, which will be able to expand the listener base and increase awareness of Thai music and Thai artists around the world which will be able to increase competitiveness and can increase GMM Music's income. In this regard, the money received from the sale of GMM Music shares will be used by the Company to repay the loans of the Company group and/or used to invest in business expansion and/or used as working capital of the group of companies which if the company objective is to use the money received from the sale of all GMM Music common shares to repay loan debt, This will result in the financial structure of the Group of Companies being improved by increasing the flexibility of the Group of Companies and have easier access to funding sources. In addition, if the company uses the money received from the sale of GMM Music's common shares to invest in business expansion and/or used as working capital of the group of companies It will be able to increase investment opportunities in businesses with potential to expand the company's business and be able to grow the business more strongly. The sale of ordinary shares of GMM Music, a subsidiary of the Company, to the strategic investors is subject to the following conditions: Purchase Price Adjustment, which states that after

the sale of ordinary shares of GMM Music, in the event that the share value in proportion to WMHK's shareholding in GMM Music from the offering of GMM Music shares to other persons is lower than the offering value of GMM Music shares to WMHK and/or in the event that WMHK's shareholding decreases by more than 15.00 percent from WMHK's shareholding in GMM Music (the shareholding of WMHK decreases by less than 1.275 percent of the total number of shares of GMM Music after the offering of GMM Music shares to other persons), the purchase price will be adjusted downward to make the purchase price of WMHK equal to other persons, which is a common practice widely used in business transactions. However, since the Company can control the conditions in the event that WMHK's shareholding may decrease by more than 15.00 percent, there is a low risk that the purchase price will be adjusted downward. As the condition in which the share value in proportion to WMHK's shareholding in GMM Music from the offering of GMM Music shares to other persons is lower than the offering value of GMM Music shares to WMHK, there are external factors involved, and the Company cannot completely control it. However, the Company will regularly monitor and plan the use of the Company's working capital. The Company will plan in advance and consider the funding sources that are appropriate for the Company's working capital and business plan. Considering the financial position of the Company at different time periods, the Company will be able to choose to pay in the form of cash and/or ordinary shares of GMM Music at the Company's sole discretion. However, in the case that the Company chooses to settle this via ordinary shares of GMM Music, the Company's shareholding proportion in GMM Music will decrease corresponding to the number of shares transferred to WMHK. The decrease of such shareholding proportion will result in shareholders of the Company being affected by a reduction in the shareholding proportion in GMM Music (Control Dilution), as well as a decrease in the share of profits (Earnings Dilution) from GMM Music at the same proportion. Therefore, the independent financial advisor is of the opinion that **entering into this transaction is appropriate.**

For the appropriateness of the price, the independent financial advisor has assessed the value of the disposal of GMM Music's common stock assets by considering various methods to find a fair value range that is appropriate for entering into this transaction. The independent financial advisor is of the opinion that assessing the present value of a business using the Discounted Cash Flow Approach (DCF) is an appropriate valuation method because it can reflect future operating results under a business plan and various assumptions that are reasonable. The independent financial advisor has assessed the fair value range of the asset disposal transaction of 12,000,000 common shares of GMM Music, or equivalent to 1.50 percent of the total number of issued and paid common shares of GMM Music, found that it is in Range THB 296.37 –

330.83 million. Therefore, when compared to the transaction price of 367.37 million baht¹, the transaction price is higher than the fair value range. The independent financial advisor is therefore of the opinion that **the price for entering into the transaction to sell common shares of GMM Music is appropriate and shareholders should approve the entry into the transaction of the sales of ordinary shares of GMM Music, a subsidiary of the Company, to a strategic investor.**

The Acquisition in the case of the Establishment of a New Joint Venture

The Acquisition in the case of the Establishment of a New Joint Venture is an implementation of the company's strategic business plan in order to be able to grow sustainably because at present the company The company's business model has been adjusted from a general business company (Operating Company) changed to a company that conducts business by holding shares in other companies (Holding Company) that focuses on integrated entertainment business and technology and platform businesses. The main business of the company operated through subsidiaries and associated companies. The main businesses include music business, home shopping business, and media business by entering into a joint venture with Warner Group through a subsidiary, GMM Global, the objective is to invest together in order to select artists to sign joint recording and artist management contracts. This operation is in line with the company's strategic business plan. In addition, because WMGC Group is a leading and famous company in the world's music business. Therefore, co-investing with WMGC Group through a joint venture with Warner Group will help promote knowledge, competitiveness and the Company's potential, such as expanding income-earning opportunities in the global music market (Upscale Opportunities), increasing production capacity and raising the quality of artists and music works using the strengths of both parties (Uplift Quality) such as the songwriting team producer team and the opportunity to work with world-famous artists which promotes the company's operating results and the value of the company in the future. The entry into this joint venture transaction between the subsidiary of GMM Music and this strategic investor is subject to the following significant terms and conditions: The relevant terms and conditions of the Commercial Joint Venture Label Agreement, in which GMM Global, a subsidiary in which the Company holds 90.00 percent of the shares, and Warner will each invest no more than THB 54,564,930 (the Company will invest in accordance with the

¹ Calculated based on the conversion rate of THB 34.9873 to USD 1, based on the average buying rate quoted by commercial banks (currency transfer) as published by the Bank of Thailand as of 13 August 2024.

Company's indirect shareholding proportion of 90.00 percent in GMM Global). Each party will invest under the Joint Operation and within the first anniversary of the effective date of such agreement, GMM Global and Warner plan to establish an Equity Joint Venture, subject to the internal approval of both parties. Therefore, the total value of the consideration that the Company must pay for the acquisition transaction in the event of the establishment of a new joint venture will be THB 49,108,437, in which both parties will benefit from the aforementioned joint artist business. GMM Global and Warner agree to share profits quarterly at the rate of 50.00 percent of net revenue each, with net revenue calculated from total revenue after deducting fees and related expenses, and GMM Global and Warner will jointly own the copyrights in proportion to their shareholdings and subject to agreements to be reached with the artists, whereby the joint board of directors will consist of two persons nominated by GMM Global and two persons nominated by Warner, totaling four persons, in proportion to the investment amount. As a result, GMM Global and Warner will have equal rights in supervising the joint venture, including the selection of artists, the terms and conditions that the artists will sign together with GMM Global and Warner under the artist contract, production, distribution and marketing plans of the artists, etc. Therefore, it is considered that such terms are appropriate. Also, the agenda for consideration and approval of joint investment between GMM Music's subsidiaries and strategic investors is an agenda related to the agenda for consideration and approval of the sale of GMM Music's common shares to strategic investors. Therefore, if the Company does not receive approval from the shareholder meeting according to the specified criteria, even for just 1 agenda, the Company will not be able to enter into the transaction, including the sale of shares in GMM Music, which is beneficial to the Company and shareholders and the transaction of joint venture between GMM Music's subsidiary and this strategic investor. Therefore, the independent financial advisor is of the opinion that **entering into this transaction is appropriate and shareholders should approve the entry into the Acquisition in the case of the Establishment of a New Joint Venture.**

In considering entering into the transaction, shareholders should consider the information, opinions and details in preparing the opinion of the independent financial advisor mentioned above, the advantages and disadvantages of entering into this transaction should also be considered as well. However, the decision to approve or disapprove of entering into this transaction depends largely on the discretion of the shareholders.

The independent financial advisor hereby certifies that the financial opinions have been carefully considered in accordance with professional standards and taking into account the interests of shareholders.

The Independent Financial Advisor

Avantgarde Capital Co., Ltd.

- Signed -

(Mr. Puthara Phumkumarn)

Supervisor

- Signed -

(Mr. Worawas Wassanont)

Managing Director