

Date 12 May 2026

Subject: Management Discussion and Analysis for Q1/2026

Attention: Managing Director, The Stock Exchange of Thailand

Euro Creations Public Company Limited (“the Company”) provides Management Discussion and Analysis for Q1/2026 as follows:

**Overview of Business Operations, Economic Conditions, and Industry Factors Impacting Performance**

In Q1/2026, the global and Thai economies continued to face uncertainty from multiple factors, including geopolitical developments affecting energy prices and logistics costs, exchange rate volatility, particularly the Thai Baht against the Euro, which is the primary currency of the Company's sourcing, as well as broad-based pressure on consumer purchasing power. Nevertheless, these factors did not have a material impact on the Company, as its procurement routes are not dependent on the shipping lanes affected by such developments, and the proportion of sea freight costs relative to the value of goods remains low, a natural consequence of the Company's luxury product portfolio.

At the industry level, while certain consumer segments faced purchasing power pressure, the luxury and super-luxury residential markets continued to grow, both among B2C customers with strong financial capacity who place high value on brand prestige, and among B2B customers in the property development segment who continue to drive premium projects.

The Company continued to deliver growth in this quarter, with results reflecting the ongoing execution of its strategy to elevate from a luxury furniture distributor to a "Full Lifestyle and Wellness Living Solutions" platform, encompassing Luxury Living & Aesthetic Excellence, Technology & Smart Living, and Wellness & Health, through an increasingly comprehensive global brand portfolio spanning high-end furniture, luxury bedding, premium sound systems, smart home, and health and wellness products. This has enabled Euro Creations to become more relevant to the lifestyle of high-end customers, build long-term customer relationships, and more effectively generate cross-selling opportunities across complementary product categories.

**Summary of Key Events and Developments:**

Showroom	Progress
Euro Creations T3	Under construction, expected completion in 2026

**Q1/2026 Financial Performance Summary:**

Consolidated statement of Comprehensive Income (Unit: Million Baht)	Q1/2025	%( <sup>(1)</sup> )	Q4/2025	%( <sup>(1)</sup> )	Q1/2026	%( <sup>(1)</sup> )	% Increased (Decreased)	
							YoY	QoQ
							Revenue from sales and services	311.32
Cost of sales and services	(159.39)	-51.20%	(219.85)	-56.23%	(180.66)	-49.35%	+13.34%	-17.83%
<b>Gross profit</b>	<b>151.93</b>	<b>48.80%</b>	<b>171.13</b>	<b>43.77%</b>	<b>185.38</b>	<b>50.65%</b>	<b>+22.01%</b>	<b>+8.33%</b>
Other income	2.77	0.88%	2.20	0.56%	3.23	0.88%	+16.87%	+47.22%
Net gain (loss) on exchange rate	(0.05)	-0.02%	4.50	1.14%	0.68	0.18%	-1532.60%	-84.96%
Selling expenses and distribution costs	(77.03)	-24.52%	(88.03)	-22.39%	(81.77)	-22.14%	+6.16%	-7.11%
Administrative expenses	(31.86)	-10.14%	(36.40)	-9.26%	(45.56)	-12.34%	+43.00%	+25.16%
Finance costs	(3.72)	-1.18%	(4.05)	-1.03%	(4.00)	-1.08%	+7.44%	-1.20%
<b>Profit before income tax</b>	<b>42.04</b>	<b>13.38%</b>	<b>49.35</b>	<b>12.55%</b>	<b>57.96</b>	<b>15.69%</b>	<b>+37.86%</b>	<b>+17.44%</b>
Income tax expense	(8.54)	-2.72%	(10.19)	-2.59%	(11.70)	-3.17%	+37.01%	+14.78%
<b>Profit for the period</b>	<b>33.50</b>	<b>10.67%</b>	<b>39.16</b>	<b>9.96%</b>	<b>46.26</b>	<b>12.53%</b>	<b>+38.07%</b>	<b>+18.13%</b>
Other comprehensive expense for the	-	0.00%	-	0.00%	(2.48)	-0.67%	-100.00%	-100.00%
<b>Total comprehensive income for the</b>	<b>33.50</b>	<b>10.67%</b>	<b>39.16</b>	<b>9.96%</b>	<b>43.78</b>	<b>11.86%</b>	<b>+30.69%</b>	<b>+11.81%</b>
Owners of the Company	33.50	100.00% <sup>(2)</sup>	39.16	100.00% <sup>(2)</sup>	43.78	100.00% <sup>(2)</sup>	+30.69%	+11.81%
Non-controlling interests	-	0.00% <sup>(2)</sup>	-	0.00% <sup>(2)</sup>	-	0.00% <sup>(2)</sup>	0.00%	0.00%

Notes: <sup>(1)</sup> Percentage proportion compared to Total revenue, except Revenue from sales and services, Cost of sales and services and Gross profit compared to the proportion of Revenue from sales and service income.

<sup>(2)</sup> Percentage proportion compared to Total comprehensive income for the period.

In Q1/2026, the Company had revenue from sales and services of Baht 366.04 million, representing an increase of 17.58% compared to Q1/2025 and a decrease of 6.38% compared to Q4/2025. The year-on-year growth reflects the successful execution of the Full Lifestyle and Wellness Living Solutions strategy that the Company has been consistently building — driven by brand portfolio expansion, enhanced ability to serve high-end customers, and the creation of cross-selling opportunities across product categories. The sequential decline was in line with the seasonal nature of the business and the timing of project revenue recognition.

The Company recorded gross profit of Baht 185.38 million, an increase of 22.01% compared to Q1/2025. The gross profit margin for the quarter stood at 50.65%. The improvement was primarily attributable to a higher proportion of revenue from the Business-to-Consumer (B2C) segment, which structurally carries a higher gross profit margin than the Business-to-Business (B2B) segment, together with the Company's disciplined management of discounts, cost of goods, and product mix — reflecting the quality of revenue from the luxury retail segment and the Company's ability to sustain strong profitability.

The Company incurred selling expenses and distribution costs in Q1/2026 of Baht 81.77 million, increasing from Q1/2025 but decreasing from Q4/2025 by 6.16% and 7.11%, respectively. The year-on-year increase reflects investment in personnel to support business expansion, particularly in the sales and design teams which are key revenue-generating functions, the addition of staff for new branches, and the expansion of

the delivery team to accommodate higher order volumes and elevated service standards, as well as commission expenses in line with revenue growth. The sequential decline was primarily due to higher-than-normal marketing and public relations expenses in Q4/2025 from marketing activities during that period.

The Company incurred administrative expenses in Q1/2026 of Baht 45.56 million, increasing materially from Q1/2025 and from Q4/2025 by 43.00% and 25.16%, respectively. The primary driver was an increase in employee-related expenses of Baht 13.70 million from Q1/2025 and Baht 8.13 million from Q4/2025, reflecting structural preparation to support future growth — including support personnel for new branches, readiness preparations for Euro Creations T3, and enhanced customer service capabilities. In addition, the quarter included certain one-time expenses: an allowance for net realizable value of inventories of Baht 3.94 million and an expense from inventory destruction of Baht 0.99 million — both related to inventory quality management and were not present in Q1/2025 or Q4/2025.

The Company recorded a net profit for Q1/2026 of Baht 46.26 million, increasing materially from Q1/2025 and Q4/2025 by 38.07% and 18.13%, respectively. The growth in net profit reflects the increase in revenue from sales and services, the higher proportion of B2C revenue which carries a higher margin, effective management of cost of goods and discounts, and disciplined expense control in line with business growth.

**(A) Total revenue**

Revenue from sales and services by customer groups	Q1/2025		Q1/2026		% Increased (Decreased)
	Million Baht	%	Million Baht	%	YoY
<b>Revenue from sales and services</b>	<b>311.32</b>	<b>99.12%</b>	<b>366.04</b>	<b>99.12%</b>	<b>+17.58%</b>
• Business-to-Consumer (B2C)	187.36	59.65%	249.22	67.49%	+33.02%
• Business-to-Business (B2B)	123.96	39.47%	116.82	31.63%	-5.76%
<b>Other income</b>	<b>2.77</b>	<b>0.88%</b>	<b>3.23</b>	<b>0.88%</b>	<b>+16.87%</b>
<b>Total revenue</b>	<b>314.09</b>	<b>100.00%</b>	<b>369.27</b>	<b>100.00%</b>	<b>+17.57%</b>

In Q1/2026, the Company had total revenue of Baht 369.27 million, comprising: (1) revenue from sales and services of Baht 366.04 million, and (2) other income of Baht 3.23 million. Revenue from sales and services is classified into two main customer groups: Business-to-Consumer (B2C) and Business-to-Business (B2B).

Overall, revenue from sales and services increased by 17.58% from Q1/2025, primarily driven by an increase in revenue from the B2C segment of Baht 61.86 million, or 33.02%. This growth reflects the effectiveness of the Company's Full Lifestyle and Wellness Living Solutions strategy, supported by a more comprehensive global brand portfolio, the trust of luxury customers in the Company, and the ability to offer products and services across complementary categories that address the lifestyle of customers across multiple dimensions — including luxury furniture from Vispring, Frette, Bang & Olufsen (B&O), Technogym, Smart Home, and other luxury

products. This portfolio expansion has enabled Euro Creations to become a Luxury Lifestyle and Wellness platform increasingly relevant to Ultra-High-Net-Worth customers, thereby increasing cross-selling opportunities, elevating average transaction value, enhancing Customer Lifetime Value, and strengthening the Company's capability to capture demand in the Premium Living market more broadly.

Meanwhile, revenue from the B2B segment declined slightly by Baht 7.14 million, or 5.76%, compared to Q1/2025. Revenue recognition from the B2B segment is by nature dependent on construction schedules, site readiness, installation plans, and contractual delivery timelines of each property developer. As such, B2B revenue growth may not be evenly distributed across quarters. Nonetheless, business opportunities and the B2B pipeline remain healthy, with the Company continuing to earn the trust of luxury property developers and retaining the potential to convert showroom projects into larger-scale future developments.

### (B) Gross profit

Items	Q1/2025		Q1/2026		% Increased (Decreased) YoY
	Million Baht	% <sup>(1)</sup>	Million Baht	% <sup>(1)</sup>	
Gross profit of Business-to-Consumer (B2C)	101.71	54.29%	136.88	54.92%	+34.57%
Gross profit of Business-to-Business (B2B)	50.22	40.51%	48.50	41.52%	-3.41%
<b>Total gross profit</b>	<b>151.93</b>	<b>48.80%</b>	<b>185.38</b>	<b>50.65%</b>	<b>+22.02%</b>

Note: <sup>(1)</sup> Gross profit compared to Revenue from sales and services

In Q1/2026, the Company reported gross profit of Baht 185.38 million, an increase of 22.02% from the prior year, with a gross profit margin of 50.65%, exceeding the projected margin of 47.00%. The key supporting factor was the significantly higher proportion of revenue from the Business-to-Consumer (B2C) segment, which structurally carries a higher gross profit margin than the B2B segment, combined with effective management of product mix, discounts, and cost of goods. This reflects the Company's business model that emphasizes revenue quality, the strength of the luxury retail segment, and the Company's ability to sustain profitability over the long term

- Gross profit from sales and services under the Business-to-Consumer (B2C) segment amounted to Baht 136.88 million, higher than the prior period's Baht 101.71 million, increasing in line with the growth in revenue from the B2C segment, supported by the trust of luxury customers, a brand portfolio covering multiple dimensions of living and lifestyle, and the Company's ability to generate cross-selling across complementary product categories. The growth in B2C also reflects the Company's ability to build long-term relationships with high-end customers, maintain an appropriate gross profit margin relative to selling price, and continuously increase the average transaction value.
- Gross profit from sales and services under the Business-to-Business (B2B) segment amounted to Baht 48.50 million, a decline of 3.41% from the prior period, consistent with the slight decrease in B2B revenue during the quarter. Revenue recognition from B2B is by nature dependent on construction schedules, site readiness, and the contractual delivery timelines of each project. Nonetheless, the gross profit margin for

the B2B segment in Q1/2026 was 41.52%, which remains above the projected gross profit margin range of 30.00% – 40.00%, reflecting the quality of projects selected by the Company and its effective project cost management.

**Summary of financial position:**

Items	Unit	31 Dec 2025	31 Mar 2026	Change (Million Baht)	Increased (Decreased) (%)
Total assets	Million Baht	2,152.52	2,290.82	+138.30	+6.43%
Total liabilities	Million Baht	1,193.56	1,291.99	+98.43	+8.25%
Total equity	Million Baht	958.96	998.83	+39.87	+4.16%

**(A) Assets**

As at 31 December 2025 and 31 March 2026, the Company reported total assets of Baht 2,152.52 million and Baht 2,290.82 million, respectively, representing an increase of Baht 138.30 million, or 6.43%, from the end of 2025. The principal assets consisted of inventories, net and right-of-use assets, net. As at the end of Q1/2026, these major asset items accounted for 42.45% and 33.00% of total assets, respectively. The increase in total assets reflects the Company's preparations to support outstanding sales orders and business expansion in the coming period, driven by the following key factors: (1) An increase in inventories of Baht 76.31 million, in line with procurement plans and inventory stocking to support orders and the opening of new showrooms; (2) An increase in cash and cash equivalents of Baht 63.70 million, generated from cash flows from operating activities after deducting payments for investing and financing activities; and (3) An increase in right-of-use assets of Baht 24.32 million, primarily related to the construction of a new showroom, which forms part of the Company's long-term growth platform.

**(B) Liabilities**

As at 31 December 2025 and 31 March 2026, the Company reported total liabilities of Baht 1,193.56 million and Baht 1,291.99 million, respectively, representing an increase of Baht 98.43 million, or 8.25%, from the end of 2025. The principal liabilities consisted of unearned revenue and lease liabilities. As at the end of Q1/2026, these major liability items accounted for 48.05% and 28.23% of total liabilities, respectively. The increase in total liabilities was primarily attributable to: (1) An increase in trade and other current payables of Baht 75.82 million, mainly comprising trade payables for goods sourced from overseas, consistent with the increase in inventories in line with procurement plans and future order fulfilment; (2) An increase in income tax payable of Baht 13.56 million, in line with improved operating performance; and (3) A decrease in unearned revenue of Baht 6.32 million, representing the net effect between amounts recognized as revenue during the quarter and advance deposits received from customers during the period. The Company's liability structure

continues to reflect the nature of its business, characterized by advance payments from customers, with no significant interest-bearing debt obligations.

### (C) Equity

Shareholders' equity consists of issued and paid-up share capital and retained earnings, comprising the legal reserve and unappropriated retained earnings. As at 31 March 2026, the Company reported total shareholders' equity of Baht 998.83 million, representing an increase of Baht 39.87 million compared to Baht 958.96 million as at 31 December 2025. The increase was attributable to net profit for the quarter, partially offset by the recognition of a remeasurement loss on employee benefit obligations of Baht 2.48 million, reflecting the Company's continuous ability to generate profit and strengthen its equity base.

#### **Cash Flows Summary:**

Items	Unit	Q1/2025	Q1/2026
<b>Cash and cash equivalents at the beginning of the period</b>	<b>Million Baht</b>	<b>122.07</b>	<b>199.22</b>
Cash flows from operating activities	Million Baht	5.42	120.26
Cash flows from investing activities	Million Baht	(20.39)	(39.95)
Cash flows from financing activities	Million Baht	(21.03)	(16.61)
<b>Net increase in cash and cash equivalents</b>	<b>Million Baht</b>	<b>(36.00)</b>	<b>63.70</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>Million Baht</b>	<b>86.06</b>	<b>262.92</b>

### (A) Cash flows from operating activities

For Q1/2026, the Company generated net cash provided by operating activities of Baht 120.26 million, a significant increase from Q1/2025, underpinned by profit from operations before income tax of Baht 57.96 million and significant non-cash adjustments, primarily depreciation and amortization of Baht 22.46 million. Adjustments for changes in operating assets and liabilities included the following significant items: (1) Inventories increased by Baht 80.25 million to support outstanding sales orders and future business expansion; (2) Trade and other payables increased by Baht 84.88 million, consistent with procurement plans; (3) Trade and other receivables decreased by Baht 29.84 million, reflecting efficient collections; (4) Other liabilities increased by Baht 7.62 million; and (5) Unearned revenue decreased by Baht 6.32 million. This resulted in the Company's net cash flows from operating activities in Q1/2026 totaling Baht 120.26 million. The strong operating cash flows reflect the quality of the Company's earnings, its ability to convert operating performance into cash, and disciplined working capital management.

**(B) Cash flows from investing activities**

Net cash used in investing activities in Q1/2026 was Baht 39.95 million, primarily due to: (1) Cash payments for right-of-use assets of Baht 40.41 million, mainly relating to the construction of the Company's new showroom currently under development and expected to open in late 2026; (2) Interest received during the period of Baht 2.12 million; and (3) Cash payments for land, buildings and equipment of Baht 1.69 million. These investments represent strategic capital expenditures to build a long-term growth platform, enhance the capability to present luxury brands, and elevate the customer experience going forward.

**(C) Cash flows from financing activities**

Net cash used in financing activities in Q1/2026 was Baht 16.61 million, primarily due to: (1) Payments for lease liabilities of Baht 7.70 million; (2) Interest paid of Baht 4.00 million; (3) Cash paid for treasury share purchases during the quarter of Baht 3.91 million; and (4) Cash repayment of loans from financial institutions of Baht 1.00 million. Cash utilization for financing activities remained within the Company's financial discipline framework, with the Company maintaining a strong capital structure with sufficient flexibility to support business expansion in line with its strategic plan.

**Significant financial ratio:**

Significant financial ratio	Unit	For the 3-month period ended	
		31 Mar	
		2025	2026
<b><u>Profitability Ratio</u></b>			
Gross profit margin <sup>(1)</sup>	%	48.80	50.65
Earnings before Interest, Tax, Depreciation and Amortization expenses (EBITDA margin) <sup>(1)</sup>	%	21.57	22.86
Net profit margin <sup>(2)</sup>	%	10.67	12.53

Notes: <sup>(1)</sup> Percentage proportion compared to Revenue from sales and services, <sup>(2)</sup> Percentage proportion compared to total revenue

Significant financial ratio	Unit	31 Dec 2025	31 Mar 2026
<b>Profitability Ratio</b>			
Return on Equity <sup>(3)</sup>	%	14.81	16.68
<b>Efficiency Ratio</b>			
Return on Asset <sup>(4)</sup>	%	9.65	10.16
<b>Liquidity Ratio</b>			
Current Ratio	Times	1.42	1.39
Averaged Collection Period <sup>(5)</sup>	Days	27	23
Averaged Inventory Period	Days	408	416
Averaged Payment Period	Days	306	315
<b>Financial Policy Ratio</b>			
Debt to Equity	Times	1.24	1.29
Interest Bearing Debt to Equity <sup>(6)</sup>	Times	0.00	0.00

Notes: <sup>(3)</sup> The ratio is calculated based on net profit attributable to owners of the parent and equity attributable to owners of the parent., <sup>(4)</sup> The ratio is calculated based on earnings before interest and income tax expense (EBIT), <sup>(5)</sup> The ratio is calculated based on net trade receivables and net finance lease receivables, <sup>(6)</sup> The ratio is calculated based on interest-bearing debt, excluding liabilities arising from finance lease agreements

### **Management's Outlook for 2026:**

Building on the operating performance in Q1/2026, in which the Company maintained a continuous growth trajectory in both revenue and profit, management is confident that the Full Lifestyle and Wellness Living Solutions strategy is progressing according to plan and is beginning to deliver increasingly tangible results. The results this quarter therefore represent not merely short-term revenue growth, but evidence of Euro Creations' evolution from a luxury furniture distributor into a Luxury Lifestyle and Wellness Living Solutions platform that comprehensively addresses the needs of high-end living across three pillars: Luxury Living & Aesthetic Excellence, Technology & Smart Living, and Wellness & Health.

Management continues to project revenue from sales and services growth in the range of 10–15% compared to the prior year. Key supporting factors include the strength of the sales order backlog (SO Outstanding), which is not the result of short-term factors alone, but rather reflects customer trust in the Euro Creations brand, long-term relationships with luxury customers, an expanded product portfolio that addresses the lifestyle of high-end customers across broader dimensions, and the Company's ability to present integrated solutions across Living, Wellness, Sound, Automation, and Lifestyle in a systematic manner. These factors reinforce the Company's competitive positioning in the Premium Living market and enhance its capability to serve High-Net-Worth and Ultra-High-Net-Worth customer demand more effectively.

In terms of portfolio expansion and access to target customers in 2026, the Company has clear multi-directional growth drivers, including full-year revenue recognition from Bang & Olufsen and continued growth of Vispring in the luxury bedding segment, expanded roles for Frette and Technogym, and the planned launch of B&B Italia as Exclusive Distributor, which will commence distribution through the showroom within the Euro Creations T3 development in late 2026. T3 will serve as a significant milestone in the expansion of the Company's business ecosystem, from a product showroom to a "Luxury & Wellness Destination" that integrates the Company's various brands and solutions, encompassing Luxury Living, Smart Living, Wellness, Sound, Bedding, and Lifestyle Solutions, with the objective of enhancing the Company's ability to present products in an integrated manner, facilitate cross-category selling, and progressively increase average transaction value per customer.

In the areas of digital and human capital development, the Company will continue to advance its digital infrastructure, with Salesforce CRM as the core platform for customer relationship management, developing a Customer Loyalty Program and leveraging data to support more precise sales and marketing decision-making. In addition, the Company is applying artificial intelligence (AI) across multiple dimensions of the organization, including data analytics, internal application development, automation, data accuracy enhancement, and operational efficiency improvement. The objective is to support sales growth and service quality while managing headcount growth, and in certain processes, to gradually reduce reliance on manual work and manpower dependency. In parallel, the Company continues to develop its personnel through the Sales Academy to elevate Consultative Selling skills in line with the luxury service standards that customers expect from Euro Creations.

Management is confident that the integration of strategies across product, space, digital, human capital, and financial discipline will serve as the key driver for quality and sustainable long-term growth. The Company will continue to focus on growing revenue from the B2C segment, which carries higher margins, managing B2B projects with quality in line with customers' schedules, maintaining profitability, managing working capital with discipline, and communicating information to investors in a transparent and consistent manner, to reflect the Company's potential and build confidence in long-term growth, consistent with management's belief that "A quality life begins in a beautiful environment."

### **Commitment and Sustainability Performance (ESG)**

The Company remains committed to sustainable business operations, integrating ESG principles into its strategy and operational processes across all dimensions, in order to achieve quality growth and create sustainable value for all stakeholders including shareholders, investors, customers, business partners, employees, and surrounding communities.

In terms of environmental performance, the Company continues to place importance on reducing the environmental impact of its operations across all dimensions, including the promotion of systematic waste

separation in all operational areas, and the regular maintenance of the Company's delivery vehicles to minimize emissions and improve energy efficiency in transportation processes. In addition, the Company is preparing to establish systematic processes for collecting and tracking greenhouse gas emissions data, to ensure that Scope 1 and Scope 2 reporting is accurate and consistent with international sustainability reporting standards.

In terms of social performance, the Company continues to emphasize social responsibility throughout its supply chain, covering employee welfare, human capital development, and community engagement, alongside the initiative to incorporate sustainability criteria as part of the brand partner selection process, by considering the manufacturing processes and environmental standards of producers, to ensure the long-term sustainability of the Company's value chain.

In terms of governance, the Company is committed to continuously improving its governance and disclosure systems to achieve higher standards and greater transparency, building on the 4-star CGR rating received in the prior year. The Company will continue to develop its board and communication processes with stakeholders on a regular basis, to strengthen confidence and support sustainable long-term growth.

Best regards,

Euro Creations Public Company Limited