Date 14 August 2026

Subject: Management Discussion and Analysis for Q2/2026

Attention: Managing Director, The Stock Exchange of Thailand

Euro Creations Public Company Limited ("the Company") provides Management Discussion and Analysis for Q2/2026 as follows:

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

In Q2/2026, the Thai economy showed signs of a slowdown compared to the previous quarter, weighed down by uncertainties surrounding geopolitical tensions, particularly the conflicts in the Middle East, which impacted energy prices, freight costs, travel expenses, as well as the cost of living and consumer purchasing power. Meanwhile, tourism and private consumption experienced a deceleration. However, exports and private investments continued to receive support from technology-related industries and investments in digital infrastructure. During this period, the Thai Baht depreciated against the Euro compared to the prior quarter, which could exert upward pressure on the Company's import product costs, given that the Euro is the primary currency for product procurement. Nevertheless, the Company continuously monitors and manages foreign exchange risks while aligning procurement and inventory management with sales plans to mitigate the impact of such currency volatility. At the same time, the impact of freight costs and logistics conditions remained manageable, as freight costs represent a relatively low proportion of total product value, reflective of the Company's luxury product portfolio.

Regarding the overall industry outlook, the domestic real estate sector and internal consumption continued to face pressures from constrained purchasing power and cautious spending behavior. Nonetheless, demand among high-net-worth luxury and super-luxury customer segments demonstrated resilience compared to the broader market. The luxury and super-luxury residential market continued to see ongoing project developments, reflecting opportunities for the Company across both the B2C group which prioritizes quality, design, and brand equity and the B2B group, comprising real estate developers, hotels, and premium projects that continue to deliver and launch new developments to capture high-end purchasing power.

The Company's performance this quarter continues to underscore its strategic execution in transforming from a luxury furniture distributor into a comprehensive "**Luxury Lifestyle and Wellness Living Solutions**" platform. Covering Luxury Living & Aesthetic Excellence, Technology & Smart Living, and Wellness & Health through a diverse portfolio of world-class brands, this positioning aligns seamlessly with modern lifestyles, encompassing high-end furniture, luxury bedding, premium audio systems, smart home technologies, and wellness and health products. This comprehensive offering enhances opportunities to meet customer demands more effectively, while driving long-term customer relationships and facilitating efficient cross-selling.

Summary of key events and developments during Q2/2026:

Showroom	Progress
Euro Creations T3	Currently under construction and decoration, with completion expected to gradually take place from late 2026 through early 2027.

Summary of operating performance:

1. Q2/2026 Financial Performance Summary

Consolidated statement of Comprehensive Income (Unit: Million Baht)	Q2/2025	%(1)	Q1/2026	%(1)	Q2/2026	%(1)	% Increased (Decreased)	
							YoY	QoQ
Revenue from sales and services	354.10	100.00%	366.04	100.00%	383.33	100.00%	+8.25%	+4.72%
Cost of sales and services	(182.59)	-51.56%	(180.66)	-49.35%	(196.42)	-51.24%	+7.57%	+8.72%
Gross profit	**171.51**	**48.44%**	**185.38**	**50.65%**	**186.91**	**48.76%**	**+8.98%**	**+0.83%**
Other income	2.92	0.82%	3.23	0.88%	4.91	1.27%	+68.32%	+51.91%
Net gain (loss) on exchange rate	(2.24)	-0.63%	0.68	0.18%	(2.19)	-0.57%	-1.91%	-424.69%
Selling expenses and distribution costs	(87.44)	-24.49%	(81.77)	-22.14%	(95.34)	-24.56%	+9.03%	+16.59%
Administrative expenses	(35.93)	-10.06%	(45.56)	-12.34%	(39.40)	-10.15%	+9.66%	-13.52%
Finance costs	(3.99)	-1.12%	(4.00)	-1.08%	(3.97)	-1.02%	-0.36%	-0.81%
Profit before income tax	**44.83**	**12.56%**	**57.96**	**15.69%**	**50.92**	**13.12%**	**+13.57%**	**-12.14%**
Income tax expense	(9.39)	-2.63%	(11.70)	-3.17%	(9.71)	-2.50%	+3.38%	-16.99%
Profit for the period	**35.44**	**9.93%**	**46.26**	**12.53%**	**41.21**	**10.61%**	**+16.27%**	**-10.91%**
Other comprehensive expense for the	-	0.00%	(2.48)	-0.67%	-	0.00%	0.00%	-100.00%
Total comprehensive income for the	**35.44**	**9.93%**	**43.78**	**11.86%**	**41.21**	**10.61%**	**+16.27%**	**-5.88%**
Owners of the Company	35.44	99.99%(2)	43.78	100.00%(2)	41.21	100.00%(2)	+16.27%	**-5.88%**
Non-controlling interests	-	0.01%(2)	-	0.00%(2)	-	0.00%(2)	0.00%	0.00%

Notes: (1) 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.

(2) Percentage proportion compared to Total comprehensive income for the period.

In Q2/2026, the Company reported revenue from sales and services of Baht 383.33 million, an increase of 8.25% from Q2/2025 and 4.72% from Q1/2026. The main growth driver was the expansion of the Business-to-Business (B2B) group, following revenue recognition from project delivery and installation scheduled during the quarter. Meanwhile, the Business-to-Consumer (B2C) group remained the Company's primary revenue base, with revenue remaining at a level comparable to the same period of the previous year. This performance reflects the continuity of the Luxury Lifestyle and Wellness Living Solutions strategy, under which the Company aims to expand its business scope from a luxury living distributor to offering products and services that comprehensively address customers' lifestyles across three core areas: Luxury Living, Technology & Smart Living, and Wellness & Health.

A diversified product portfolio enables the Company to capture business opportunities in both B2C and B2B markets, as well as enhance cross-selling opportunities to its existing customer base.

The Company recorded gross profit of Baht 186.91 million, representing an increase of 8.98% compared to Q2/2025 and 0.83% compared to Q1/2026. Gross profit margin for this quarter stood at 48.76%, increasing from 48.44% in the same period of the previous year and remaining above the Company's target of 47.00%. Although the gross profit margin decreased from 50.65% in the previous quarter due to changes in the revenue mix and gross profit margin of the B2C group, the gross profit margin of the B2B group continued to improve steadily.

Selling expenses and distribution costs in Q2/2026 amounted to Baht 95.34 million, an increase of 9.03% from Q2/2025 and 16.59% from Q1/2026. This increase was mainly driven by marketing expenses for activities held during the quarter, such as participating in the Architect Expo 2026 and hosting the 100th anniversary celebration event for Bang & Olufsen (B&O) products. These marketing activities supported brand awareness, target customer outreach, and relationship building with customers and business partners, aligning with the Company's portfolio expansion and Luxury Lifestyle and Wellness Living Solutions strategy.

Administrative expenses in Q2/2026 were Baht 39.40 million, an increase of 9.66% from Q2/2025, primarily due to personnel expenses and premise-related costs. However, administrative expenses decreased by 13.52% from Q1/2026, as Q1/2026 included a one-time expense of Baht 4.93 million relating to inventory quality management, which was not recorded in this quarter. Consequently, the ratio of administrative expenses to total revenue declined from 12.34% in Q1/2026 to 10.15% in the current quarter.

The Company recorded profit for the period of Baht 41.21 million in Q2/2026, an increase of 16.27% from Q2/2025, with a net profit margin of 10.61% compared to 9.93% in the same period of the previous year, reflecting revenue growth and the Company's ability to maintain its gross profit margin. Compared to Q1/2026, profit for the period decreased by 10.91%, mainly due to higher selling expenses and distribution costs from quarterly marketing activities, alongside a net loss on exchange rate of Baht 2.19 million, compared to a net gain on exchange rate of Baht 0.68 million in the previous quarter. However, the reduction in administrative expenses partially offset these impacts.

2. 1H/2026 Financial Performance Summary

Consolidated statement of Comprehensive Income (Unit: Million Baht)	1H/2025	%(1)	1H/2026	%(1)	% Increased (Decreased)
Revenue from sales and services	665.42	100.00%	749.36	100.00%	+12.62%
Cost of sales and services	(341.97)	-51.39%	(377.06)	-50.32%	+10.26%
Gross profit	**323.45**	**48.61%**	**372.30**	**49.68%**	**+15.10%**
Other income	5.69	0.85%	8.15	1.08%	+43.28%
Net loss on exchange rate	(2.29)	-0.34%	(1.52)	-0.20%	-33.52%
Selling expenses and distribution costs	(164.47)	-24.51%	(177.11)	-23.38%	+7.69%
Administrative expenses	(67.79)	-10.10%	(84.97)	-11.22%	+25.33%
Finance costs	(7.71)	-1.15%	(7.97)	-1.05%	+3.41%
Profit before income tax	**86.88**	**12.95%**	**108.87**	**14.37%**	**+25.32%**
Income tax expense	(17.93)	-2.67%	(21.40)	-2.83%	+19.39%
Profit for the period	**68.95**	**10.27%**	**87.47**	**11.55%**	**+26.86%**
Other comprehensive expense for the period	-	0.00%	(2.48)	-0.33%	-100.00%
Total comprehensive income for the period	**68.95**	**10.27%**	**84.99**	**11.22%**	**+23.27%**
Owners of the Company	68.94	99.99%(2)	84.99	100.00%(2	+23.27%
Non-controlling interests	0.01	0.01%(2)	-	0.00%(2)	0.00%

Notes: (1) 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.

(2) Percentage proportion compared to Total comprehensive income for the period.

In 1H/2026, the Company reported revenue from sales and services of Baht 749.36 million, an increase of 12.62% compared to the same period of the previous year. Meanwhile, gross profit stood at Baht 372.30 million, an increase of 15.10%, with a gross profit margin of 49.68%, having risen from 48.61% in the same period of the previous year. The higher growth rate of gross profit relative to revenue reflects the Company's capability in managing its product mix, selling price strategies, discount administration, and product costs, combined with revenue expansion across both B2C and B2B groups under the Luxury Lifestyle and Wellness Living Solutions strategy. The Company continues to focus on driving growth from high-end customer segments while capitalizing on business opportunities from project sales and cross-category offerings to the same client base.

Selling expenses and distribution costs for 1H/2026 were Baht 177.11 million, an increase of 7.69% from the same period of the previous year, primarily driven by personnel expenses related to showroom operations, annual salary adjustments, as well as marketing expenses and activities in Q2/2026. However, the growth rate of these expenses was lower than the revenue growth rate, resulting in a decrease in the ratio of selling expenses and distribution costs to total revenue from 24.51% in the same period of the previous year to 23.38% in the current period.

Administrative expenses amounted to Baht 84.97 million, an increase of 25.33% from the same period of the previous year, mainly due to personnel expenses in line with the Company's operational structure, as well as a one-time expense of Baht 4.93 million recorded in Q1/2026 relating to inventory quality management. Excluding this item, normalized administrative expenses from core operations stood at Baht 80.03 million, representing 10.56%

of total revenue, compared to 10.10% in the same period of the previous year, which reflects the Company's normalized operating expense structure.

The Company recorded profit for the period of Baht 87.47 million for 1H/2026, an increase of 26.86% from the same period of the previous year, with a net profit margin of 11.55%, increased from 10.27% in the same period of the previous year. The higher growth rate of net profit relative to revenue underscores gross profit growth and the Company's efficiency in managing its overall revenue and cost structures. Meanwhile, the Company continues to invest in various areas, such as human capital development and strategic execution, to support business expansion, brand development, and the establishment of a strong foundation for long-term growth under the Luxury Lifestyle and Wellness Living Solutions strategy.

(A) Total revenue

Revenue from sales and services by customer groups	Q2/2025		Q1/2026		Q2/2026		% Increased (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%	YoY	QoQ
Revenue from sales and services	**354.10**	**99.18%**	**366.04**	**99.12%**	**383.33**	**98.73%**	**+8.25%**	**+4.72%**
• Business-to-Consumer (B2C)	236.36	66.20%	249.22	67.49%	239.22	61.61%	+1.21%	-4.01%
• Business-to-Business (B2B)	117.74	32.98%	116.82	31.63%	144.11	37.12%	+22.40%	+23.36%
Other income [1]	**2.92**	**0.82%**	**3.23**	**0.88%**	**4.91**	**1.27%**	**+68.32%**	**+51.91%**
Total revenue	**357.02**	**100.00%**	**369.27**	**100.00%**	**388.24**	**100.00%**	**+8.75%**	**+5.14%**

Note: [1] Other income consists of rental income, interest income, and gain (loss) on disposal of assets, etc.

In Q2/2026, the Company reported total revenue of Baht 388.24 million, consisting of revenue from sales and services of Baht 383.33 million and other income of Baht 4.91 million. Revenue from sales and services can be categorized by major customer groups into the Business-to-Consumer (B2C) group and the Business-to-Business (B2B) group.

- Comparison with Q2/2025

  The Company's revenue from sales and services increased by 8.25% compared to Q2/2025, primarily driven by the B2B group, which grew by Baht 26.37 million or 22.40% to Baht 144.11 million. This group's proportion increased from 32.98% to 37.12% of revenue from sales and services. The growth in B2B aligns with revenue recognition from projects scheduled for delivery and installation during the quarter. Given the nature of the project-based business, the timing of revenue recognition depends on construction progress, site readiness, and individual delivery schedules, which may result in quarterly fluctuations in B2B revenue. Nevertheless, the increased revenue contribution from the B2B segment this quarter reflects the growing role of the project business in driving the Company's growth and diversifying its revenue base alongside the core B2C business.

Meanwhile, the B2C group generated revenue of Baht 239.22 million, an increase of 1.21% compared to the same period of the previous year. It remained the primary revenue base, accounting for 61.61% of revenue from sales and services. Despite challenging overall economic conditions, the Company successfully maintained revenue from its high-end customer base at a level comparable to the previous year. This resilience was supported by the expansion of brand portfolios across Luxury Living, Technology, and Wellness categories, enabling the Company to offer products that address customer needs more comprehensively and enhance cross-selling opportunities across product lines which is a core element of the Luxury Lifestyle and Wellness Living Solutions strategy that fosters long-term customer relationships.

- Comparison with Q1/2026

In Q2/2026, revenue from sales and services increased by 4.72% compared to Q1/2026, supported by the B2B group, which grew by 23.36% to Baht 144.11 million due to a higher number of projects reaching scheduled delivery and installation milestones compared to the prior quarter. For the B2C group, revenue stood at Baht 239.22 million, a decrease of 4.01% quarter-on-quarter, yet remaining stable and close to Q1/2026 levels. It represented the main portion at 61.61% of revenue from sales and services and continued to serve as the Company's main revenue base. The quarterly growth in B2B offset the decline in B2C, driving continued total revenue growth from the previous quarter. This revenue structure highlights the benefit of a balanced revenue mix comprising B2C as the primary core base and B2B as a catalyst for project-based growth opportunities, while the Company continues to leverage its product portfolio and expertise in Luxury Lifestyle and Wellness to capture potential across both customer segments.

(B) Gross profit

Items	Q2/2025		Q1/2026		Q2/2026		% Increased (Decreased)	
	Million Baht	%[1]	Million Baht	%[1]	Million Baht	%[1]	YoY	QoQ
Gross profit of Business-to-Consumer (B2C)	121.89	51.57%	136.88	54.92%	123.98	51.83%	+1.72%	-9.42%
Gross profit of Business-to-Business (B2B)	49.62	42.15%	48.50	41.52%	62.93	43.67%	+26.82%	+29.75%
Total gross profit	**171.51**	**48.44%**	**185.38**	**50.65%**	**186.91**	**48.76%**	**+8.98%**	**+0.83%**

Note: [1] Gross profit compared to Revenue from sales and services

In Q2/2026, the Company reported gross profit from sales and services of Baht 186.91 million, an increase of 8.98% from the same period of the previous year and 0.83% from the prior quarter. Overall gross profit margin stood at 48.76%, compared to 48.44% in Q2/2025 and 50.65% in Q1/2026. Although the gross profit margin declined from the previous quarter, it remained above the Company's target of 47.00%, reflecting capability in managing product mix, selling prices, discount policies, and product costs. The changes in gross profit margin during the quarter varied between the B2C and B2B groups as follows:

- Gross profit from sales and services of the B2C group was Baht 123.98 million, an increase of 1.72% compared to the same period of the previous year, but a decrease of 9.42% quarter-on-quarter, aligned with the lower revenue generated by the B2C segment. Gross profit margin for this group was 51.83%, compared to 51.57% in the same period of the previous year and 54.92% in the prior quarter. Nonetheless, the B2C gross profit margin remained higher than the Company's target of 50.00%, reflecting the Company's ability to maintain profitability levels from its luxury product portfolio and brands.
- Gross profit from sales and services of the B2B group reached Baht 62.93 million, representing an increase of 26.82% from the same period of the previous year and 29.75% from the prior quarter, driven by project revenue growth. The gross profit margin for B2B improved to 43.67%, increased from 42.15% in Q2/2025 and 41.52% in Q1/2026.

Summary of financial position:

Items	Unit	31 Dec 2025	30 Jun 2026	Change (Million Baht)	% Increased (Decreased)
Total assets	Million Baht	2,152.52	2,268.37	+115.85	+5.38%
Total liabilities	Million Baht	1,193.56	1,307.86	+114.30	+9.58%
Total equity	Million Baht	958.96	960.51	+1.55	+0.16%

As of 30 June 2026, the Company reported total assets of Baht 2,268.37 million, an increase of Baht 115.85 million or 5.38% from 31 December 2025. Total liabilities amounted to Baht 1,307.86 million, increasing by Baht 114.30 million or 9.58%, while total equity was Baht 960.51 million, an increase of Baht 1.55 million or 0.16%. The changes in financial position during 1H/2026 reflect preparations for inventories and working capital to support upcoming orders and product deliveries, as well as investments to accommodate business expansion and new showroom openings. Meanwhile, the increase in total liabilities was mainly driven by operating-related items, unearned revenue and trade and other current payables, rather than an increase in loans from financial institutions.

(A) Assets

As of 30 June 2026, total assets of the Company amounted to Baht 2,268.37 million, representing an increase of Baht 115.85 million or 5.38% from 31 December 2025. Key assets comprised inventories, net and right-of-use assets, net, accounting for 45.06% and 33.78% of total assets, respectively.

The increase in total assets was primarily driven by inventories, net, which rose by Baht 126.14 million from Baht 896.06 million to Baht 1,022.20 million, or an increase of 14.08%. This alignment was in accordance with inventory level management to support customer orders and delivery plans in the second half of the year, as well as stock preparation for new showrooms scheduled to open in the late part of the year. Inventories before allowance for net realizable value as of 30 June 2026 consisted of goods in transit of Baht 183.21 million, an increase of Baht 55.76 million or 43.75% from the end of 2025, and finished goods of Baht 858.12 million, increased Baht 74.32 million or 9.48%. The growth in goods in transit reflected products undergoing international import processes and being prepared for delivery or showroom display in subsequent periods, with goods in transit accounting for approximately 17.59% of total inventories before allowance at the end of Q2/2026.

Additionally, right-of-use assets, net increased by Baht 34.57 million, mainly related to the preparation of new showrooms as part of investments supporting product portfolio expansion and long-term company growth. Trade and other current receivables, net increased by Baht 48.44 million, in line with the timing of billing and customer collections at period-end, whereas cash and cash equivalents decreased by Baht 118.32 million from Baht 199.22 million to Baht 80.90 million.

Nevertheless, during 1H/2026, the Company maintained positive net cash receipts from operating activities amounting to Baht 66.16 million, while net cash used in investing activities was Baht 73.89 million and net cash used in financing activities was Baht 110.59 million. Consequently, the decrease in cash during the first half of the year was primarily attributable to investments made to support ongoing business operations and future expansion, alongside dividend payments and treasury shares repurchases, rather than operational cash outflows from the Company's core business.

(B) Liabilities

As of 30 June 2026, the Company reported total liabilities of Baht 1,307.86 million, an increase of Baht 114.30 million or 9.58% from 31 December 2025. Key liabilities comprised unearned revenue totaling Baht 687.16 million, accounting for 52.54% of total liabilities, and lease liabilities totaling Baht 354.25 million, accounting for 27.09% of total liabilities. This structure highlights that the majority of liabilities are associated with the Company's business model and space utilization for operations and showrooms.

The increase in total liabilities during 1H/2026 was primarily driven by an increase in unearned revenue of Baht 59.98 million and an increase in trade and other current payables of Baht 48.34 million, with these two items constituting the major portion of total liabilities growth during the period. The rise in unearned revenue reflects cash collected from customers under sales terms prior to revenue recognition, which will be gradually recognized as revenue upon product delivery and service execution. Meanwhile, the increase in trade payables was mainly attributable to foreign inventory suppliers, aligned with higher inventory levels and procurement plans to support forthcoming customer orders and deliveries. Overall, the Company's liability structure remains predominantly composed of operating-related liabilities, while interest-bearing debt from financial institutions remains at a low level, with repayments of loans from financial institutions amounting to Baht 1.00 million made during the period.

(C) Equity

As of 30 June 2026, total equity of the Company amounted to Baht 960.51 million, representing an increase of Baht 1.55 million or 0.16% from Baht 958.96 million at the end of 2025. During 1H/2026, the Company generated profit for the period of Baht 87.47 million, which enhanced total equity. Concurrently, the Company paid dividends of Baht 76.25 million, executed treasury share repurchases amounting to Baht 7.19 million, and recorded a remeasurement loss on employee benefit obligations of Baht 2.48 million, resulting in total equity remaining at a level comparable to the previous year-end. These changes reflect the Company's ability to generate operational profits alongside effective capital management and shareholder returns, while maintaining a strong capital base.

Cash Flows Summary:

Items	Unit	1H/2025	1H/2026
Cash and cash equivalents at the beginning of the period	**Million Baht**	**122.07**	**199.22**
Net cash receipts from operating activities	Million Baht	60.79	66.16
Net cash receipts from (payments for) investing activities	Million Baht	46.45	(73.89)
Net cash payments for financing activities	Million Baht	(106.53)	(110.59)
Net increase (decrease) in cash and cash equivalents	**Million Baht**	**0.71**	**(118.32)**
Cash and cash equivalents at the end of the period	**Million Baht**	**122.78**	**80.90**

For 1H/2026, the Company reported cash and cash equivalents at the beginning of the period of Baht 199.22 million and cash and cash equivalents at the end of the period of Baht 80.90 million, representing a net decrease of Baht 118.32 million. Although the Company continued to generate positive net cash receipts from operating activities of Baht 66.16 million, representing an increase from Baht 60.79 million in the same period of the previous year, net cash used in investing activities during the first half of the year amounted to Baht 73.89 million to support investments and the preparation of new showrooms. Concurrently, net cash used in financing activities totaled Baht 110.59 million, primarily driven by dividends payment, cash payments for lease liabilities, interest expenses, and cash payments for treasury shares. Overall, this performance highlights that the reduction in cash during the period occurred while core operations maintained positive cash flows, with funds being deployed toward business expansion and capital management strategies.

(A) Cash flows from operating activities

For 1H/2026, the Company reported profit before income tax of Baht 108.87 million from core business operations. Adjusting for non-cash items and other related adjustments, most notably depreciation and amortization of Baht 45.86 million, alongside working capital changes in operating assets and liabilities resulted in the following movements:

(1) Working Capital Outflows

Significant cash deployment was attributable to an increase in inventories of Baht 130.08 million to support upcoming orders, delivery schedules, and inventory preparation for new showrooms, with a portion of this increase comprising goods in transit imported from overseas. Additionally, trade and other current receivables increased by Baht 49.19 million, in line with the timing of revenue recognition and customer billings.

(2) Working Capital Inflows:

Working capital was partially supported by an increase in trade and other current payables of Baht 60.66 million and an increase in unearned revenue of Baht 59.98 million. These inflows offset a portion of the working capital requirement, highlighting the Company's business model wherein cash advances are partially collected from customers prior to product delivery and revenue recognition.

Following working capital adjustments and income tax paid of Baht 21.96 million, the Company generated net cash receipts from operating activities of Baht 66.16 million, representing an increase from Baht 60.79 million reported in the same period of the previous year. Maintaining positive operating cash flows, even during a period of inventory and receivables expansion to support future operational demand, demonstrates strong core cash-generation capability, underpinned by working capital support from trade payables and customer advances inherent to the Company's business model.

(B) Cash flows from investing activities

For 1H/2026, net cash payments for investing activities were Baht 73.89 million, compared to net cash receipts from investing activities of Baht 46.45 million reported in the same period of the previous year. In the current period, major cash outflows comprised cash payments for purchase of right-of-use assets of Baht 76.44 million, primarily related to construction and site preparation for new showrooms scheduled to open in 2026. Concurrently, cash payments for purchase of buildings and equipment and cash payments for purchase of intangible assets totaled Baht 2.73 million to support ongoing operations. On the other hand, cash inflows from investing activities were mainly supported by cash receipts from interest amounting to Baht 4.80 million.

The variance in investing cash flows compared to the same period of the previous year was partially driven by net cash receipt from short-term investments recorded in 1H/2025, whereas no such transaction occurred in the current period. Consequently, the year-on-year shift in investing cash flows was not solely driven by increased asset expenditure. Cash deployment for investments in the current period forms part of structural and operational space preparation to support product portfolio expansion and the Company's growth in subsequent periods.

(C) Cash flows from financing activities

For 1H/2026, net cash payments for financing activities were Baht 110.59 million, compared to Baht 106.53 million in the same period of the previous year. Major cash outflows in the current period comprised: (1) dividends payment of Baht 76.20 million, (2) cash payments for lease liabilities of Baht 18.23 million, (3) cash payments for interest expenses of Baht 7.96 million, (4) cash payments for treasury shares of Baht 7.19 million, and (5) cash payments for long-term loans from financial institutions of Baht 1.00 million. Consequently, cash outflows for financing activities during the first half of the year were primarily driven by shareholder returns via dividend payments and the share repurchase program, alongside regular obligations including cash payments for lease liabilities, interest expenses, and loan principal repayments.

Significant financial ratio:

Significant financial ratio	Unit	Q2/2025	Q1/2026	Q2/2026	1H/2025	1H/2026
Profitability Ratio						
Gross profit margin [1]	%	48.44	50.65	48.76	48.61	49.68
Earnings before Interest, Tax, Depreciation and Amortization expenses (EBITDA margin) [1]	%	20.13	22.86	20.42	20.80	21.71
Net profit margin [2]	%	9.93	12.53	10.61	10.27	11.55

Notes: [1] Percentage proportion compared to Revenue from sales and services, [2] Percentage proportion compared to total revenue

Significant financial ratio	Unit	31 Dec 2025	30 Jun 2026
Profitability Ratio			
Return on Equity [3]	%	14.81	17.94
Efficiency Ratio			
Return on Asset [4]	%	9.65	10.41
Liquidity Ratio			
Current Ratio	Times	1.42	1.26
Averaged Collection Period [5]	Days	27	27
Averaged Inventory Period	Days	408	427
Averaged Payment Period	Days	306	324
Financial Policy Ratio			
Debt to Equity	Times	1.24	1.36
Interest Bearing Debt to Equity [6]	Times	0.00	0.00

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

Management's Outlook for 2026:

During 1H/2026, the Company's revenue from sales and services grew by 12.62% year-on-year, while profit for the period expanded by 26.86%, with gross profit margin remaining high at 49.68%. These financial results reflect progress under the Luxury Lifestyle and Wellness Living Solutions strategy, which the Company has continuously executed to expand its business scope beyond its core Luxury Living foundation. This strategy aims to deliver products and services that comprehensively cover customer lifestyles across three core pillars: Luxury Living & Aesthetic Excellence, Technology & Smart Living, and Wellness & Health. This strategic focus has diversified revenue streams from both the Business-to-Consumer (B2C) group—which remains the Company's primary revenue base—and the Business-to-Business (B2B) group, which played an increasing role in supporting growth during the first half of the year. Concurrently, brand and product portfolio diversification has enabled the Company to fulfill customer requirements more holistically and enhance cross-selling opportunities within its existing customer base.

For the full year 2026, management maintains its revenue growth target from sales and services at 10% – 15% year-on-year, supported by sustained B2C revenue momentum, progressive revenue recognition from B2B project backlogs, as well as the expansion of product categories and new display areas in the second half of the year. During this period, the Company expects additional growth momentum from Wellness, Health, and lifestyle enhancement categories, which continue to draw interest from target customer segments. These offerings encompass products for health, fitness, sleep, and rest, alongside life-enhancing technologies. In line with this strategy, the Company is preparing to launch a dedicated Wellness & Health space within the Euro Creations T3 project in the late part of the year to expand display areas and enable customers to select multi-category products and solutions within a single destination.

Concurrently, the Company continues to advance preparations for the official launch of B&B Italia as its Exclusive Distributor, alongside the development of the Euro Creations T3 project—a key component of its next-phase expansion plans. The Company aims to develop T3 into a "Luxury & Wellness Destination" that consolidates products and solutions across Luxury Living, Smart Living, Wellness, Sound, Bedding, and Lifestyle within a unified location. This integrated shopping experience is designed to drive cross-selling opportunities and strengthen long-term revenue-generating capabilities from both existing and new client bases.

The expansion of inventories and investments incurred during the first half of the year formed part of operational preparations for upcoming product deliveries and new space openings. The Company will continue to manage its investment plans in alignment with operating cash flows, liquidity, and available credit facilities with financial institutions, while prioritizing financial discipline alongside growth-oriented investments. Beyond business expansion, the Company focuses on enhancing operational capabilities to support long-term growth. Salesforce CRM serves as a critical infrastructure component for managing customer data and relationships, enabling sales teams to track opportunities, analyze customer requirements, and refine service quality effectively. Furthermore, the Company is progressively adopting technology and artificial intelligence (AI) in suitable operational workflows to boost data analytics efficiency, reduce manual tasks, and support managerial decision-making, alongside capability development for the sales force via the Sales Academy to elevate product expertise and consultative selling skills in line with luxury market standards.

Management believes that continuous execution across products, brand portfolios, display spaces, technology, data systems, and human capital development—coupled with disciplined management of costs, working capital, and liquidity—will serve as vital drivers in achieving the Company's 2026 growth targets and establishing a strong foundation for long-term sustainable expansion.

Commitment and Sustainability Performance (ESG)

The Company remains committed to conducting business sustainably, recognizing the importance of operating in alignment with the United Nations Sustainable Development Goals (UN SDGs). The Company is dedicated to integrating Environmental, Social, and Governance (ESG) principles into its strategies, operational processes, and business plans across all dimensions to foster quality growth, mitigate negative impacts, and create sustainable value for all stakeholders, including shareholders, investors, customers, business partners, employees, as well as surrounding communities and society.

(1) Environmental Aspect
The Company prioritizes comprehensive and continuous environmental management across all operations. Key initiatives include expanding the use of renewable energy to reduce reliance on fossil fuels and enhancing internal resource management efficiency, alongside establishing a systematic carbon emission reporting framework. This involves studying relevant regulations and standards, as well as implementing rigorous data collection and tracking processes to ensure that greenhouse gas (GHG) reporting for Scope 1 (Direct GHG Emissions) and Scope 2 (Energy Indirect GHG Emissions) is accurate, transparent, and aligned with international sustainability reporting standards.

(2) Social Aspect:
The Company strictly adheres to socially responsible business practices throughout its value chain. It focuses on building and maintaining sustainable relationships with customers and business partners, while promoting employee health, welfare, and capability development through continuous training and upskilling programs. Furthermore, the Company consistently supports social activities and community engagement. Concurrently, the Company has initiated concrete sustainability criteria as part of its partner brand selection process—thoroughly evaluating manufacturers' environmental standards and production processes—to ensure that business partners maintain aligned practices that promote long-term supply chain sustainability.

(3) Governance Aspect:

The Company is dedicated to elevating and upholding high standards of Good Corporate Governance, operating with transparency, accountability, and effective risk management across all operational levels. This is supported by dedicated board committees, working teams, and clear, regular, and equitable information disclosure processes for all stakeholder groups. These practices serve to build sustainable confidence among shareholders, investors, and all stakeholders, establishing a solid foundation to support long-term business growth.

Best regards,

Euro Creations Public Company Limited