

11 May 2026

Subject: Management Discussion and Analysis for the period ended 31 March 2026

To: President, The Stock Exchange of Thailand

Index Living Mall Public Company Limited (“the Company”), are pleased to provide you our management discussion and analysis for the period ended 31 March 2026 of the Company and the subsidiaries as follow:

### **Overview of the Thai economy and the Company's performance in the first quarter of 2026**

In the first quarter of 2026, the Thai economy continued to face significant challenges arising from geopolitical tensions in the Middle East, which pushed global energy prices upward and raised transportation and raw material costs, impacting overall business operating costs and weakening consumer confidence. Meanwhile, ongoing volatility in the global economy, together with uncertainties, international trade policies, continued to soften export activities and soften overseas demand.

On the domestic factors, consumer purchasing power remained constrained by high household debt levels, while the rising cost of living and high energy prices led consumers to exercise greater caution in spending and postpone purchases of durable goods. In addition, the decline in foreign tourist arrivals during the first quarter limited the recovery in the tourism sector. Collectively, these factors affected consumer sentiment and overall purchasing demand.

Amid these challenges, the Company remained focused on cost optimization and operational efficiency improvements to mitigate the impact of rising energy and raw material costs. Despite ongoing external pressures, the Company maintained solid profitability, reporting a net profit of Baht 185.4 million, an increase of 3.1% from the same period last year, reflecting its resilience and effective adaptability. Details are as follows:

## Summary of Operating Results

	Q1/2026	Q4/2025	Q1/2025	% Change	
				QoQ	YoY
(Unit: THB million)					
Revenue from sale of goods	2,217.1	2,406.4	2,288.6	-7.9%	-3.1%
Revenue from rental and rendering of services	224.7	210.7	191.1	6.6%	17.6%
<b>Operating revenue</b>	<b>2,441.8</b>	<b>2,617.1</b>	<b>2,479.7</b>	<b>-6.7%</b>	<b>-1.5%</b>
Cost of sale of goods	1,174.0	1,289.7	1,229.7	-9.0%	-4.5%
Cost of rental and rendering of services	102.0	83.5	91.2	22.2%	11.8%
<b>Cost of sales and services</b>	<b>1,276.0</b>	<b>1,373.2</b>	<b>1,320.9</b>	<b>-7.1%</b>	<b>-3.4%</b>
<b>Gross profit</b>	<b>1,165.8</b>	<b>1,243.9</b>	<b>1,158.8</b>	<b>-6.3%</b>	<b>0.6%</b>
Other income	33.7	47.8	42.1	-29.5%	-20.0%
Selling and Administrative expenses	2,475.5	2,664.9	2,521.8	-7.1%	-1.8%
Finance costs	920.4	1,009.9	894.9	-8.9%	2.8%
<b>Profit before income tax expenses</b>	<b>55.2</b>	<b>56.5</b>	<b>53.1</b>	<b>-2.3%</b>	<b>4.0%</b>
Tax expenses	225.4	225.4	253.0	0.0%	-10.9%
Profit for the period	38.0	45.4	38.3	-16.3%	-0.8%
<b>Profit for the Company</b>	<b>185.4</b>	<b>180.0</b>	<b>214.6</b>	<b>3.0%</b>	<b>-13.6%</b>
(Unit: THB million)	<b>185.4</b>	<b>179.9</b>	<b>215.4</b>	<b>3.1%</b>	<b>-13.9%</b>

## Revenue from sale of goods

	Q1/2026	Q4/2025	Q1/2025	% Change	
				QoQ	YoY
(Unit: THB million)					
<b>Domestic sales</b>					
1.1 Retail stores	1,676.0	1,823.8	1,747.4	-8.1%	-4.1%
1.2 Projects	99.3	193.5	120.9	-48.7%	-17.8%
1.3 Dealers	16.7	14.8	19.4	12.8%	-14.1%
1.4 Online	406.0	351.3	329.0	15.6%	23.4%
<b>Total revenue from domestic sales</b>	<b>2,198.0</b>	<b>2,383.4</b>	<b>2,216.7</b>	<b>-7.8%</b>	<b>-0.8%</b>
<b>Overseas sales</b>	<b>19.1</b>	<b>23.0</b>	<b>71.9</b>	<b>-17.0%</b>	<b>-73.5%</b>
<b>Total revenue from sale of goods</b>	<b>2,217.1</b>	<b>2,406.4</b>	<b>2,288.6</b>	<b>-7.9%</b>	<b>-3.1%</b>
Cost of sales of goods	1,174.0	1,289.7	1,229.7	-9.0%	-4.5%
Gross profit from sale of goods	1,043.1	1,116.7	1,058.9	-6.6%	-1.5%
(Unit: THB million)	47.0%	46.4%	46.3%		

## Revenue from sale of goods

In Q1/2026, the Company reported revenue from sales of Baht 2,217.1 million.

- YoY:** Revenue from sales decreased by Baht 71.5 million, or -3.1%, retail store sales declined mainly due to the absence of government stimulus measures such as the Easy E-Receipt program, which had supported consumer spending in the previous year. In addition, the conflict in the Middle East contributed to higher pressure from rising oil prices and higher product costs, leading consumers to become more cautious in their spending. Branches located in tourist destinations were also affected by the decline in tourist arrivals as travel expenses increased, while the Hat Yai branch remained

under renovation following the flooding incident. Overseas sales also declined as the large OEM project orders recorded in the previous year had already been completed, while several project customers postponed product deliveries. Nevertheless, online sales continued to demonstrate solid growth and remained the only channel to achieve year-on-year expansion.

- **QoQ:** Revenue from sales decreased by Baht 148.8 million, or -7.9%, retail store sales were affected by weak consumer purchasing power, geopolitical tensions that impacted tourist arrivals, and lower project sales following accelerated project deliveries completed at the end of the previous year. Meanwhile, overseas sales continued to decline due to lower OEM orders. Nevertheless, the online channel remained the key growth driver, continuing to expand and partially offset the decline in overall sales compared to the previous quarter.

### Gross profit and gross profit margin from sales

In **1Q/2026**, the Company reported a gross profit from sales of Baht 1,043.1 million.

- **Compared to 1Q/2025 and 4Q/2025**, gross profit from sales declined YoY and QoQ due to lower sales revenue. Nevertheless, effective discount management across both retail stores and online channels helped improve the gross profit margin compared to both the previous year and the previous quarter.

### Revenue from rental and service income

	Q1/2026	Q4/2025	Q1/2025	% Change	
				QoQ	YoY
(Unit: THB million)					
<b>Revenue from rental and services</b>	<b>224.7</b>	<b>210.7</b>	<b>191.1</b>	<b>6.6%</b>	<b>17.6%</b>
Cost of rental and services	102.0	83.5	91.2	22.2%	11.8%
Gross Profit from rental and services	122.7	127.2	99.9	-3.5%	22.8%
Gross Profit Margin from rental and services	54.6%	60.4%	52.3%		

### Revenue from rental and service income

In **Q1/2026**, the Company reported revenue from rental and service revenue of Baht 224.7 million.

- **YoY:** Revenue from rental and service income increased by Baht 33.6 million or +17.6%, the growth driven by the opening of new branches, Little Walk Ramkhamhaeng in late Q3/2025 and Little Walk Phran Nok–Phutthamonthon in March 2026.
- **QoQ:** Revenue from rental and service income increased by Baht 14.0 million or +6.6%, partly due to the recognition of rental revenue from Little Walk Prannok–Phutthamonthon, which commenced operations in late March 2026.

### Gross profit and gross profit margin from rental and services

In **Q1/2026**, the Company reported gross profit from rental and services of Baht 122.7 million.

- **YoY:** Gross profit from rental and services increased by Baht 22.8 million or +22.8%, driven by additional leasable space from the openings of Little Walk Ramkhamhaeng and Little Walk

Prannok–Phutthamonthon. In addition, the average occupancy rate improved, resulting in a higher gross profit margin.

- **QoQ:** Although rental and service income, as well as the average occupancy rate, improved in 1Q/2026, gross profit and gross profit margin declined compared to the previous year. This was primarily due to an accounting reclassification recorded in the prior period, whereby depreciation expenses amounting to Baht 19.1 million were reclassified from cost of rental and services to selling and administrative expenses to better reflect the purpose of asset utilization. As a result, rental and service costs in the prior period were unusually low. Excluding the impact of this retrospective accounting adjustment for the first nine months of the previous year, gross profit would have increased by approximately 8.7%, while gross profit margin would have improved by 1.0%.

### Selling and Administrative Expenses

	Q1/2026	Q4/2025	Q1/2025	% Change	
(Unit: THB million)				QoQ	YoY
Selling and Administrative Expenses	920.4	1,009.9	894.9	-8.9%	2.8%
Percentage to Operating Revenue	37.7%	38.6%	36.1%		

### Selling and Administrative Expenses

In Q1/2026, the Company reported selling and administrative expenses of Baht 920.4 million.

- **YoY:** Selling and administrative expenses increased by Baht 25.5 million, or +2.8%, mainly due to the new branch expansions and higher online platform fees in line with the growth in online sales. Meanwhile, as overall sales declined, the ratio of selling and administrative expenses to operating revenue increased accordingly.
- **QoQ:** Selling and administrative expenses decreased by Baht 89.5 million, or -8.9%. The main reasons were that the previous quarter recorded a provision for flood-related damages at the Hat Yai branch (the Company expects to receive insurance compensation within 2026), as well as accounting adjustments that resulted in higher depreciation expenses being recorded under selling and administrative expenses, as mentioned above. Excluding these provisions and accounting adjustments, selling and administrative expenses would have decreased by -4.1% from the previous quarter, while the ratio of selling and administrative expenses to operating revenue would have increased slightly.

### Finance Costs and Tax Expenses

	Q1/2026	Q4/2025	Q1/2025	% Change	
(Unit: THB million)				QoQ	YoY
Finance Costs	55.2	56.5	53.1	-2.3%	4.0%
Tax Expenses	38.0	45.4	38.3	-16.3%	-0.8%

## Finance Costs

In Q1/2026, the Company reported finance costs of Baht 55.2 million.

- **YoY:** Finance costs increased Baht 2.1 million or +4.0%, consisting of the financial costs from lease liabilities increased by Baht 2.7 million and financial costs from loans decreased by Baht 0.7 million due to lower loan interest rates compared to the previous year.
- **QoQ:** Finance costs decreased by Baht 1.3 million or -2.3%, consisting of the financial costs from lease liabilities decreased by Baht 0.4 million and financial costs from loans decreased by Baht 0.9 million due to a reduction in short-term loans.

## Tax Expenses

In Q1/2026 the Company reported tax expenses of Baht 38.0 million

- **YoY:** Although the Company received BOI tax incentives of Baht 6.0 million from new machinery investments in the first quarter of this year, which was lower than the Baht 7.9 million tax incentives received from solar system installations in the same period last year, Nevertheless, income tax expenses declined by Baht 0.3 million, due to profit before tax being THB 23.7 million lower than the prior-year period.
- **QoQ:** Although profit before tax remained at the same level comparable to the previous quarter, income tax expenses in this quarter decreased by Baht 7.4 million, attributable to the absence of tax incentive benefits in the previous quarter.

## Profit for the Company and Net Profit Margin

(Unit: THB million)	Q1/2026	Q4/2025	Q1/2025	% Change	
				QoQ	YoY
Profit for the Company	185.4	179.9	215.4	3.1%	-13.9%
Net Profit Margin	7.5%	6.8%	8.5%		

In Q1/2026, the Company reported the profit attributable to the equity holders of Baht 185.4 million

- **YoY:** Profit attributable to owners of the parent and net profit margin decreased from the previous year, mainly due to lower operating revenue and lower tax incentives received in the current year compared with the prior year.
- **QoQ:** Although operating revenue declined from the previous quarter, profit attributable to owners of the parent and net profit margin improved in this quarter, primarily because the previous quarter included provisions related to the Hat Yai branch, together with the absence of tax incentive benefits.

## Statement of Financial Position

	31 Mar 2026	Proportion	31 Dec 2025	Proportion	Change	% Change
<b>(Unit: THB million)</b>						
Cash and cash equivalents	136.7	1.0%	176.6	1.3%	-39.9	-22.6%
Trade accounts receivable	232.3	1.7%	224.1	1.7%	8.2	3.6%
Other current receivables	386.5	2.9%	406.7	3.1%	-20.2	-5.0%
Inventories	1,837.0	13.7%	1,779.0	13.4%	58.1	3.3%
Other current assets	15.5	0.1%	15.1	0.1%	0.4	2.3%
<b>Total current assets</b>	<b>2,608.0</b>	<b>19.4%</b>	<b>2,601.5</b>	<b>19.6%</b>	<b>6.5</b>	<b>0.3%</b>
Other non-current financial assets	24.1	0.2%	24.3	0.2%	-0.1	-0.5%
Investment properties	2,482.0	18.5%	2,434.4	18.4%	47.7	2.0%
Property, plant and equipment	5,034.5	37.5%	4,944.5	37.3%	90.1	1.8%
Right-of-use assets	2,864.1	21.3%	2,847.3	21.5%	16.8	0.6%
Intangible assets	72.3	0.5%	70.9	0.5%	1.5	2.1%
Deferred tax assets	236.4	1.8%	231.8	1.7%	4.6	2.0%
Other non-current assets	119.4	0.9%	102.5	0.8%	16.9	16.5%
<b>Total non-current assets</b>	<b>10,832.9</b>	<b>80.6%</b>	<b>10,655.6</b>	<b>80.4%</b>	<b>177.4</b>	<b>1.7%</b>
<b>Total assets</b>	<b>13,440.9</b>	<b>100.0%</b>	<b>13,257.1</b>	<b>100.0%</b>	<b>183.9</b>	<b>1.4%</b>
Short-term borrowings from financial institutions	250.0	1.9%	470.0	3.5%	-220.0	-46.8%
Trade accounts payables	801.3	6.0%	760.1	5.7%	41.2	5.4%
Deposit for purchase of inventory	441.9	3.3%	386.5	2.9%	55.4	14.3%
Accrued expenses	204.7	1.5%	242.0	1.8%	-37.3	-15.4%
Other current payables	462.9	3.4%	401.8	3.0%	61.2	15.2%
Current portion of lease liabilities	63.8	0.5%	56.0	0.4%	7.8	13.9%
ST loans from and interest payable from related parties	295.0	2.2%	295.0	2.2%	-0.0	0.0%
Corporate income tax payable	124.0	0.9%	96.7	0.7%	27.3	28.3%
Other current liabilities	81.8	0.6%	79.6	0.6%	2.2	2.8%
<b>Total current liabilities</b>	<b>2,725.5</b>	<b>20.3%</b>	<b>2,787.7</b>	<b>21.0%</b>	<b>-62.2</b>	<b>-2.2%</b>
Lease liabilities	3,285.3	24.4%	3,231.2	24.4%	54.1	1.7%
Non-current provisions for employee benefits	377.8	2.8%	373.7	2.8%	4.1	1.1%
Other non-current liabilities	451.4	3.4%	449.0	3.4%	2.4	0.5%
<b>Total non-current liabilities</b>	<b>4,114.5</b>	<b>30.6%</b>	<b>4,053.8</b>	<b>30.6%</b>	<b>60.6</b>	<b>1.5%</b>
<b>Total liabilities</b>	<b>6,840.0</b>	<b>50.9%</b>	<b>6,841.5</b>	<b>51.6%</b>	<b>-1.5</b>	<b>0.0%</b>
Issued and paid-up share capital	2,525.0	18.8%	2,525.0	19.0%	-	0.0%
Share premium on ordinary shares	1,741.1	13.0%	1,741.1	13.1%	-	0.0%
Retained earnings	2,334.8	17.4%	2,149.4	16.2%	185.4	8.6%
<b>Equity attributable to owners of the parent</b>	<b>6,600.9</b>	<b>49.1%</b>	<b>6,415.5</b>	<b>48.4%</b>	<b>185.4</b>	<b>2.9%</b>
Non-controlling interests	0.0	0.0%	0.0	0.0%	0.0	4.9%
<b>Total equity</b>	<b>6,600.9</b>	<b>49.1%</b>	<b>6,415.6</b>	<b>48.4%</b>	<b>185.4</b>	<b>2.9%</b>
<b>Total liabilities and equity</b>	<b>13,440.9</b>	<b>100.0%</b>	<b>13,257.1</b>	<b>100.0%</b>	<b>183.9</b>	<b>1.4%</b>

## Assets

As of 31 March 2026, the Company reported total assets of Baht 13,440.9 million, an increase of Baht 183.9 million or +1.4% from Baht 13,257.1 million at the end of 2025. Key changes included 1) Inventories increased by Baht 58.1 million, driven by a strategic buildup of raw material reserves to mitigate the risk of rising input costs amid heightened tensions in the Middle East. 2) Investment properties increased by Baht 47.7 million, mainly attributable to new projects currently under development. 3) Plant and equipment increased by Baht 90.1 million, partly driven by investments in new branch expansion projects. Meanwhile Cash and cash equivalents decreased by Baht 39.9 million compared to the end of 2025, partly due to the repayment of short-term loans from financial institutions. In addition, other current receivables decreased by Baht 20.2 million, mainly resulting from lower deposits for imported merchandise purchases.

## Liabilities

As of 31 March 2026, the Company reported total liabilities of Baht 6,840.0 million, remaining relatively stable compared to year-end 2025. Key movements included an increase in trade payables of Baht 41.2 million, driven by additional raw material purchases to support production planning and mitigate cost risks associated with the situation in the Middle East. Deposits from customers increased by Baht 55.4 million, primarily from project-based customers, while other current payables increased by Baht 61.2 million, partly attributable to advance compensation received from the insurance company in relation to the Hat Yai branch. Lease liabilities increased by Baht 61.9 million in line with the expansion of new branches, offset by a decrease in short-term borrowings from financial institutions of Baht 220.0 million.

## Equity

As of 31 March 2026, the Company reported total equity of Baht 6,600.9 million, an increase of Baht 185.4 million from the end of 2025, driven by the Company's net profit generated during the first quarter of 2026.

## Business Outlook

The furniture industry faced broad economic pressures, with geopolitical uncertainties driving up energy prices and raw material costs, while weakening consumer purchasing power further. In response to these challenges, the Company intensified its strategic management measures, focusing on production efficiency through the installation of new automated machinery to optimize capacity and control labor costs, streamlining logistics and inventory management for greater efficiency, and adopting proactive raw material procurement to mitigate supply risks and stabilize costs.

In addition, the Company has integrated Artificial Intelligence (AI) into its operations to enhance competitiveness and keep pace with rapid technological advancements, while further reinforcing its Sustainable Design strategy to align with global megatrends and create product differentiation. This includes an emphasis on environmentally friendly materials and the efficient utilization of resources. These integrated strategic initiatives will play a vital role in strengthening the Company's long-term competitiveness and supporting sustainable growth in the future.

### **Key Business Developments**

For the rest of 2026, the Company remains committed to strengthening its retail network in furniture, home decorative items, and lifestyle businesses to support long-term growth potential. The Company continues to execute its store expansion plans in line with its business roadmap. Since the beginning of the year, the Company has opened the new Little Walk Phrannok–Phutthamonthon project, relocated Index Living Mall Ubon Ratchathani to a larger and more strategic location, and opened four additional Flying Tiger Copenhagen stores. These developments are aimed at expanding the customer base and enhancing shopping experiences that better reflect evolving lifestyle needs.

At the same time, the Company continues to focus on enhancement of operational efficiency. Earlier this year, the Company installed and commenced operations of a new automated production line at the factory, improving production efficiency, reducing labor costs, and supporting future capacity expansion. In addition, the Company has further strengthened its deliveries and logistics management to enhance flexibility amid continued volatility in energy costs. These investments and strategic initiatives reflect the Company's commitment to build sustainable business growth while delivering new experiences that seamlessly align with customers' lifestyles.

### **Key Sustainability Developments**

The Company remains committed to conducting its business under the concept of “Sustainable Living for Future Lifestyle.” In the first quarter of 2026, the Company focused on strengthening the foundation of its sustainability framework and enhancing the completeness, accuracy, and alignment of sustainability disclosures with regulatory requirements and internationally recognized reporting standards.

The Company has been preparing for assessment under the FTSE Russell ESG Rating criteria of the London Stock Exchange Group (LSEG), in collaboration with the Stock Exchange of Thailand. The Company has also continued to advance its climate change management initiatives through the verification of its Carbon Footprint for Organization (CFO) data, covering both direct and indirect greenhouse gas emissions (Scope 1 and Scope 2). These efforts aim to enhance the accuracy, transparency, and credibility of the Company's environmental disclosures. The Company has also continued to enhance and update its sustainability website as a key platform for communicating ESG information to all stakeholders, supporting the Company's long-term commitment to strengthening sustainability standards and creating sustainable value for the future.