11 August 2026

Subject: Management Discussion and Analysis for the period ended 30 June 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 30 June 2026 of the Company and the subsidiaries as follow:

Overview of the Thai economy and the Company's performance in the second quarter of 2026

In the second quarter of 2026, the Thai economy continued to recover at a slow pace. Although GDP expanded by 2.8% in the first quarter of 2026, the recovery remained uneven across sectors. Geopolitical tensions continued to contribute to elevated volatility in oil prices, exerting pressure on inflation, energy costs, and the overall cost of living. At the same time, household debt remained at a high level, limiting the recovery in private consumption and resulting in only modest growth in domestic spending. While the tourism sector continued to recover gradually but remained sensitive to uncertainties surrounding various situations.

The furniture and home furnishing retail industry continued to face challenges from weak consumer purchasing power, the prolonged slowdown in the property sector, and intense competition from both domestic retailers and imported products sold through online channels. At the same time, energy price volatility continued to directly affect transportation and operating costs, requiring operators to focus on cost management and operational efficiency in order to preserve profitability.

In 2Q/2026, the Company continued to grow despite the challenging economic environment. Operating revenue increased by 5.0%, supported by higher domestic sales across all channels, particularly from the opening of new retail stores, the full reopening of renovated stores, as well as higher project and online sales. Rental and service income also continued to grow, supported by new branches and improved average occupancy rates. The Company also continued to develop its technology and management systems, including the use of Artificial Intelligence (AI) to improve discount management, the improvement of its logistics system to increase delivery efficiency, and the upgrade of machinery and production lines to support greater automation. These efforts helped control costs and improve operating efficiency, resulting in a 21.1% increase in net profit and an improvement in net profit margin. Overall, these improvements supported the Company's continued growth and strengthened its business foundation, providing greater confidence in its future growth.

Summary of Operating Results

	Q2/2026	Q1/2026	Q2/2025	% Change		6M/2026	6M/2025	% Change
(Unit: THB million)				QoQ	YoY			YoY
Revenue from sale of goods	2,324.6	2,217.1	2,089.2	4.8%	11.3%	4,541.7	4,377.9	3.7%
Revenue from rental and rendering of services	239.2	224.7	199.6	6.5%	19.8%	463.8	390.7	18.7%
Operating revenue	**2,563.8**	**2,441.8**	**2,288.8**	**5.0%**	**12.0%**	**5,005.5**	**4,768.6**	**5.0%**
Cost of sale of goods	1,183.7	1,174.0	1,096.2	0.8%	8.0%	2,357.7	2,325.9	1.4%
Cost of rental and rendering of services	108.0	102.0	96.1	5.9%	12.4%	210.0	187.3	12.1%
Cost of sales and services	**1,291.7**	**1,276.0**	**1,192.3**	**1.2%**	**8.3%**	**2,567.7**	**2,513.2**	**2.2%**
Gross profit	**1,272.1**	**1,165.8**	**1,096.5**	**9.1%**	**16.0%**	**2,437.9**	**2,255.4**	**8.1%**
Other income	44.1	33.7	28.6	30.9%	54.2%	77.8	70.7	10.0%
Total Revenue	**2,607.9**	**2,475.5**	**2,317.4**	**5.3%**	**12.5%**	**5,083.3**	**4,839.2**	**5.0%**
Selling and Administrative expenses	1,003.5	920.4	853.5	9.0%	17.6%	1,923.4	1,748.4	10.0%
Finance costs	56.3	55.2	53.3	2.0%	5.6%	111.5	106.4	4.8%
Profit before income tax expenses	**257.5**	**225.4**	**218.3**	**14.2%**	**18.0%**	**480.9**	**471.3**	**2.0%**
Tax expenses	44.8	38.0	42.6	17.9%	5.2%	82.8	80.9	2.3%
Profit for the period	212.7	185.4	175.7	14.7%	21.1%	398.1	390.4	2.0%
Profit for the Company	**212.7**	**185.4**	**175.7**	**14.7%**	**21.1%**	**398.1**	**391.1**	**1.8%**

Revenue from sale of goods

	Q2/2026	Q1/2026	Q2/2025	% Change		6M/2026	6M/2025	% Change
(Unit: THB million)				QoQ	YoY			
Domestic sales								
1.1 Retail stores	1,718.4	1,676.0	1,596.4	2.5%	7.6%	3,394.4	3,343.9	1.5%
1.2 Projects	156.6	99.3	103.0	57.7%	52.0%	255.9	223.8	14.3%
1.3 Dealers	16.3	16.7	15.7	-2.4%	3.8%	33.0	35.1	-6.0%
1.4 Online	414.4	406.0	317.1	2.1%	30.7%	820.4	646.1	27.0%
Total revenue from domestic sales	**2,305.7**	**2,198.0**	**2,032.2**	**4.9%**	**13.5%**	**4,503.7**	**4,248.9**	**6.0%**
Overseas sales	18.9	19.1	57.0	-1.0%	-66.8%	38.0	129.0	-70.5%
Total revenue from sale of goods	**2,324.6**	**2,217.1**	**2,089.2**	**4.8%**	**11.3%**	**4,541.7**	**4,377.9**	**3.7%**
Cost of sales of goods	1,183.7	1,174.0	1,096.2	0.8%	8.0%	2,357.7	2,325.9	1.4%
Gross profit from sale of goods	1,140.9	1,043.1	993.0	9.4%	14.9%	2,184.0	2,052.0	6.4%
Gross profit margin from sale	*49.1%*	*47.0%*	*47.5%*			*48.1%*	*46.9%*	

Revenue from sale of goods

In Q2/2026, the Company recorded revenue from sales of Baht 2,324.6 million, an increase of Baht 235.4 million or +11.3% YoY, and an increase of Baht 107.5 million or +4.8% QoQ. For **the six-month period of 2026**, revenue from sales amounted to Baht 4,541.7 million, an increase of Baht 163.8 million or +3.7% YoY. The growth was mainly driven by higher domestic sales across several channels. Retail sales were supported by same-store sales growth, the opening of a new ILM store in Chiang Rai, the relocation of the ILM Ubon Ratchathani store to a new location, and the full reopening of the ILM Hat Yai store in May following major renovations after the flooding. Online sales also continued to grow. In addition, domestic project sales increased due to accelerated deliveries to real estate customers. However, international sales declined compared with the previous year, mainly because the previous year included revenue from a large overseas OEM project, which has already been completed.

Gross profit and gross profit margin from sales

In 2Q/2026, the Company reported a gross profit from sales of Baht 1,140.9 million, an increase of Baht 147.9 million or +14.9% YoY, and an increase of Baht 97.8 million or +9.4% QoQ. For **the six-month period of 2026**, gross profit from sales amounted to Baht 2,184.0 million, an increase of Baht 132.0 million or +6.4% YoY. The increase was mainly driven by higher sales across key channels, including retail stores, online sales, and domestic project sales. This was supported by more effective discount management across both retail and online channels, as well as better advance planning of raw material purchases, which helped control production costs effectively. As a result, the gross profit margin from sales improved, despite a higher proportion of project revenue compared with the previous year and the previous quarter. This reflects the Company's improved operational efficiency and management.

Revenue from rental and service

	Q2/2026	Q1/2026	Q2/2025	% Change		6M/2026	6M/2025	% Change
(Unit: THB million)				QoQ	YoY			YoY
Revenue from rental and services	**239.2**	**224.7**	**199.6**	**6.5%**	**19.8%**	**463.8**	**390.7**	**18.7%**
Cost of rental and services	108.0	102.0	96.1	5.9%	12.4%	210.0	187.3	12.1%
Gross Profit from rental and services	131.2	122.7	103.5	6.9%	26.8%	253.8	203.4	24.8%
Gross Profit Margin from rental and services	*54.8%*	*54.6%*	*51.9%*			*54.7%*	*52.1%*	

Revenue from rental and service

In Q2/2026, the Company reported revenue from rental and service of Baht 239.2 million, an increase of Baht 39.6 million or +19.8% YoY, and an increase of Baht 14.5 million or +6.5% QoQ. For **the six-month period of 2026**, revenue from rental and service amounted to Baht 463.8 million, an increase of Baht 73.1 million or +18.7% YoY. The increase was mainly driven by the continued expansion of rental and service areas, particularly the opening of Little Walk Ramkhamhaeng in the third quarter of 2025 and Little Walk Prannok–Phutthamonthon in the first quarter of 2026. In addition, new rental space was added through store renovations, while the average occupancy rate of existing locations also improved. As a result, rental and service income continued to grow both YoY and QoQ.

Gross profit and gross profit margin from rental and services

In Q2/2026, the Company reported gross profit from rental and services of Baht 131.2 million, an increase of Baht 27.7 million or +26.8% YoY, and an increase of Baht 8.4 million or +6.9% QoQ. For **the six-month period of 2026**, gross profit from rental and service amounted to Baht 253.8 million, an increase of Baht 50.4 million or +24.8% YoY. The increase was mainly driven by continued growth in rental and service income from new store openings and additional rental space, as well as improved average occupancy rates at existing locations. In addition, the average Ft electricity tariff decreased compared with the same period last year, helping to control rental and service costs better. As a result, the gross profit margin from rental and service income improved both YoY and QoQ.

Selling and Administrative Expenses

	Q2/2026	Q1/2026	Q2/2025	% Change		6M/2026	6M/2025	% Change
(Unit: THB million)				QoQ	YoY			YoY
Selling and Administrative Expenses	1,003.5	920.4	853.5	9.0%	17.6%	1,923.4	1,748.4	10.0%
Percentage to Operating Revenue	*39.1%*	*37.7%*	*37.3%*			*38.4%*	*36.7%*	

Selling and Administrative Expenses

In Q2/2026, the Company reported selling and administrative expenses of Baht 1,003.5 million, an increase of Baht 150.0 million or +17.6% YoY, and an increase of Baht 82.6 million or +9.0% QoQ. For **the six-month period of 2026**, total selling and administrative expenses amounted to Baht 1,923.4 million, an increase of Baht 175.0 million or +10.0% YoY. The increase was mainly due to higher expenses related to the expansion of stores, service areas, and operations to support revenue growth. Online platform fees also increased in line with higher sales and changes in fee structures by various online platforms. In addition, transportation and installation costs increased in line with sales volume and higher diesel prices. Although the selling and administrative expenses to operating revenue ratio increased compared with the same period last year, the Company continued to focus on careful cost management and improving operational efficiency. This was reflected in the continued growth in net profit and net profit margin.

Finance Costs and Tax Expenses

	Q2/2026	Q1/2026	Q2/2025	% Change		6M/2026	6M/2025	% Change
(Unit: THB million)				QoQ	YoY			YoY
Finance Costs	56.3	55.2	53.3	2.0%	5.6%	111.5	106.4	4.8%
Tax Expenses	44.8	38.0	42.6	17.9%	5.2%	82.8	80.9	2.3%

Finance Costs

In Q2/2026, the Company reported finance costs of Baht 56.3 million.

- **YoY:** Finance costs increased Baht 3.0 million or +5.6%, consisting of the financial costs from lease liabilities increased by Baht 3.6 million and financial costs from loans decreased by Baht 0.6 million due to the lower interest rate.
- **QoQ:** Finance costs increased Baht 1.1 million or +2.0%, primarily due to Baht 1.0 million increase in finance costs from lease liabilities, and Baht 0.1 million from loans.

For 6M/2026, the Company reported finance costs of Baht 111.5 million, an increase of Baht 5.1 million or +4.8%, compared to the same period in 2025. Finance costs from lease liabilities increased by Baht 6.3 million YoY, netted with Finance costs from loans decreased by Baht 1.2 million due to the lower interest rate.

Tax Expenses

In Q2/2026 the Company reported tax expenses of Baht 44.8 million

- **YoY:** Tax expenses increased Baht 2.2 million or +5.2%, although the Company recognized Baht 6.0 million in tax incentives granted by the Board of Investment (BOI) during the current period, compared with no such incentives in the prior year, income tax expense increased due to the Baht 37.2 million increase in profit before income tax.
- **QoQ**: Tax expenses increased Baht 6.8 million, due to higher profit before income tax. Tax incentives granted by the Board of Investment (BOI) remained unchanged at Baht 6.0 million in both quarters.

For 6M/2026, the Company reported tax expenses of Baht 82.8 million**,** an increase of Baht 1.9 million or +2.3%, compared to the same period in 2025. The increase was mainly attributable to higher profit before income tax in line with improved operating performance. This was partially offset by higher tax incentives granted by the Board of Investment (BOI), which amounted to Baht 12.0 million in the first six months of 2026, compared with Baht 7.9 million in the same period last year.

Profit for the Company and Net Profit Margin

	Q2/2026	Q1/2026	Q2/2025	% Change		6M/2026	6M/2025	% Change
(Unit: THB million)				QoQ	YoY			YoY
Profit for the Company	212.7	185.4	175.7	14.7%	21.1%	398.1	391.1	1.8%
Net Profit Margin	*8.2%*	*7.5%*	*7.6%*			*7.8%*	*8.1%*	

Profit for the Company and Net Profit Margin

In Q2/2026, the Company reported the profit attributable to the equity holders of Baht 212.7 million, an increase of Baht 37.0 million or +21.2% YoY, and an increase of Baht 27.3 million or +14.7% QoQ. For **the six-month period of 2026**, profit attributable to the equity holders amounted to Baht 398.1 million, an increase of Baht 7.0 million or +1.8% YoY. The increase in net profit during the quarter reflected improved operating performance, driven by higher revenue and improved gross profit margins from both sales and rental businesses, as well as tax benefits received during the year. Although selling and administrative expenses and finance costs increased in line with business expansion, the net profit margin in the second quarter of 2026 improved both YoY and QoQ. This reflects the Company's continued ability to maintain profitability and support sustainable long-term growth.

Statement of Financial Position

	31 Jul 2026	Proportion	31 Dec 2025	Proportion	Change	% Change
(Unit: THB million)						
Cash and cash equivalents	117.0	0.9%	176.6	1.3%	-59.6	-33.7%
Trade accounts receivable	256.1	1.9%	224.1	1.7%	32.0	14.3%
Other current receivables	391.6	2.9%	406.7	3.1%	-15.1	-3.7%
Inventories	1,910.2	14.2%	1,779.0	13.4%	131.2	7.4%
Other current assets	15.8	0.1%	15.1	0.1%	0.7	4.6%
Total current assets	**2,690.9**	**19.9%**	**2,601.5**	**19.6%**	**89.4**	**3.4%**
Other non-current financial assets	24.1	0.2%	24.3	0.2%	-0.2	-0.8%
Investment properties	2,525.6	18.7%	2,434.4	18.4%	91.2	3.7%
Property, plant and equipment	5,019.3	37.2%	4,944.5	37.3%	74.8	1.5%
Right-of-use assets	2,819.9	20.9%	2,847.3	21.5%	-27.4	-1.0%
Intangible assets	69.8	0.5%	70.9	0.5%	-1.1	-1.6%
Deferred tax assets	233.8	1.7%	231.8	1.7%	2.0	0.9%
Other non-current assets	112.4	0.8%	102.5	0.8%	9.9	9.7%
Total non-current assets	**10,804.9**	**80.1%**	**10,655.6**	**80.4%**	**149.3**	**1.4%**
Total assets	**13,495.8**	**100.0%**	**13,257.1**	**100.0%**	**238.7**	**1.8%**
Short-term borrowings from financial institutions	569.0	4.2%	470.0	3.5%	99.0	21.1%
Trade accounts payables	815.6	6.0%	760.1	5.7%	55.4	7.3%
Deposit for purchase of inventory	457.7	3.4%	386.5	2.9%	71.2	18.4%
Accrued expenses	237.2	1.8%	242.0	1.8%	-4.8	-2.0%
Other current payables	368.4	2.7%	401.8	3.0%	-33.4	-8.3%
Current portion of lease liabilities	69.5	0.5%	56.0	0.4%	13.5	24.1%
ST loans from and interest payable from related parties	295.0	2.2%	295.0	2.2%	-	0.0%
Corporate income tax payable	56.3	0.4%	96.7	0.7%	-40.4	-41.8%
Other current liabilities	81.7	0.6%	79.6	0.6%	2.1	2.6%
Total current liabilities	**2,950.3**	**21.9%**	**2,787.7**	**21.0%**	**162.6**	**5.8%**
Lease liabilities	3,279.5	24.3%	3,231.2	24.4%	48.3	1.5%
Non-current provisions for employee benefits	372.6	2.8%	373.7	2.8%	-1.1	-0.3%
Other non-current liabilities	458.4	3.4%	449.0	3.4%	9.4	2.1%
Total non-current liabilities	**4,110.6**	**30.5%**	**4,053.8**	**30.6%**	**56.8**	**1.4%**
Total liabilities	**7,060.9**	**52.3%**	**6,841.5**	**51.6%**	**219.4**	**3.2%**
Issued and paid-up share capital	2,525.0	18.7%	2,525.0	19.0%	-	0.0%
Share premium on ordinary shares	1,741.1	12.9%	1,741.1	13.1%	-	0.0%
Retained earnings	2,168.7	16.1%	2,149.4	16.2%	19.3	0.9%
Equity attributable to owners of the parent	**6,434.8**	**47.7%**	**6,415.5**	**48.4%**	**19.3**	**0.3%**
Non-controlling interests	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total equity	**6,434.9**	**47.7%**	**6,415.6**	**48.4%**	**19.3**	**0.3%**
Total liabilities and equity	**13,495.8**	**100.0%**	**13,257.1**	**100.0%**	**238.7**	**1.8%**

Assets

As of 30 June 2026, the Company reported total assets of Baht 13,495.8 million, an increase of Baht 238.7 million or +1.8% from Baht 13,257.1 million at the end of 2025. The key changes were mainly attributable to: (1) an increase in Inventories of Baht 131.2 million, driven by the strategic increase of raw material inventories to mitigate the risk of higher costs arising from geopolitical tensions in the Middle East; (2) an increase in Investment Properties of Baht 91.2 million, primarily due to new projects under construction; and (3) an increase in Property, Plant and Equipment of Baht 74.8 million, mainly related to investments in new branch expansion. These increases were partially offset by a decrease in cash and cash equivalents of Baht 59.6 million, primarily due to dividend payments, and a decrease in Other Current Receivables of Baht 15.1 million, mainly resulting from lower deposits for imported goods.

Liabilities

As of 30 June 2026, the Company reported total liabilities of Baht 7,060.9 million, an increase of Baht 219.4 million or +3.2% from Baht 6,841.5 million at the end of 2025. The key changes were primarily attributable to: (1) an increase in short-term borrowings from financial institutions of Baht 99.0 million to support working capital requirements; (2) an increase in customer deposits of Baht 71.2 million from project customers; (3) an increase in lease liabilities of Baht 61.9 million, mainly driven by the expansion of new branches; and (4) an increase in trade accounts payable of Baht 55.4 million due to higher raw material purchases to mitigate cost risks arising from the situation in the Middle East. These increases were partially offset by a decrease in other current payables of Baht 33.4 million, mainly due to the settlement of construction-related payables and software expenses during 2026.

Equity

As of 30 June 2026, the Company reported total equity of Baht 6,434.9 million, an increase of Baht 19.3 million from the end of 2025, resulting from the Company's profits for the first haft of 2026, netting off with the Dividend payment.

Business Outlook

For the rest of 2026, the Company expects the furniture and home furnishing retail industry to continue facing challenges, mainly from limited consumer purchasing power. The Office of the National Economic and Social Development Council (NESDC) expects Thailand’s GDP to grow by 1.5–2.5%, while private consumption is expected to grow by approximately 2%. Inflation and volatility in global oil prices also remain key pressures, which could affect transportation, raw material, and overall operating costs. Meanwhile, the recovery of the real estate sector remains limited, resulting in continued high competition within the industry.

To prepare for these challenges, the Company continues to focus on cost management and improving operational efficiency. This includes the installation of new machinery and automated production lines, as well as effective inventory and advanced raw material management to reduce the impact of cost fluctuations. The Company is also applying artificial intelligence (AI) to data analysis, discount management, and product planning.

At the same time, the Company continues to develop products based on sustainable design concepts to maintain competitiveness and support stable long-term growth.

Key Business Developments

For the remainder of 2026, the Company will continue to strengthen its furniture and home furnishing retail network while expanding its lifestyle retail business to support long-term growth. Since the beginning of the year, the Company has opened a new Little Walk Prannok–Phutthamonthon store and relocated the Index Living Mall Ubon Ratchathani store to a new location. The Company is also constructing a new Index Living Mall Hua Hin store, which will replace the existing location with a larger space that can better serve customer needs. Moreover, the major renovation of The Walk Kaset–Nawamin has been completed to refresh the store and enhance the customer experience in the area. The Company has also opened seven new additional Flying Tiger Copenhagen stores since the beginning of the year, bringing the total number of stores to 13. This expansion helps broaden the customer base and provides greater access to consumers with diverse lifestyles.

In addition to expanding its store network, the Company continues to focus on improving operational efficiency. New machinery and automated production lines have been installed and are now in operation at the factory to improve production efficiency, reduce reliance on labor, and control production costs over the long term. These investments and strategic initiatives reflect the Company's commitment to strengthening its competitiveness, supporting stable business growth, and creating enhanced experiences that better meet customers' diverse lifestyle needs.

Key Sustainability Developments

The Company remains committed to conducting its business responsibly while creating long-term value for society and the environment through sustainable development across its value chain. During the second quarter of 2026, the Company completed and published its "Sustainability Report" in both Thai and English as a full report that separate from the Form 56-1 One Report. The report has been made available on the Company's sustainability website to enhance ESG disclosure in line with international standards and strengthen communication with stakeholders. It also provides comprehensive ESG information to support the Company's FTSE Russell ESG Rating assessment.

The Company also conducts annual ESG assessments of its suppliers, covering key environmental, social, and governance aspects to strengthen supply chain risk management and promote sustainable business practices. Suppliers are categorized according to their strategic importance and risk profile (Tier-1, non-Tier-1, and Critical Suppliers), with ESG performance evaluated accordingly. Assessment results are disclosed on an aggregated basis without identifying individual suppliers to protect business confidentiality while ensuring transparency in ESG reporting.

All these initiatives, the Company continues to strengthen its corporate governance framework with a strong emphasis on transparency, accountability, and stakeholder engagement. These efforts reinforce the Company's long-term sustainability and support its vision of "Sustainable Living for Future Lifestyle."