

-Translation-



DO DAY DREAM PUBLIC COMPANY LIMITED

Management Discussion and Analysis **for the first quarter ended March 31, 2026**

08 May 2026

Management Discussion and Analysis

For the first quarter ended March 31, 2026

1. Summary of Performance

1.1. Overview of Total Income

Revenue by Segment	Consolidated financial statements				Change	
	For the three-month period ended 31 March				Increase/(Decrease)	
	2025		2026			
	THB mm	%	THB mm	%	THB mm	%
1) Skincare segments	185.07	55.68%	143.19	50.96%	(41.88)	-22.63%
1.1) Revenue from local sales	123.50	37.16%	94.13	33.50%	(29.37)	-23.78%
1.2) Revenue from export sales	61.57	18.52%	49.06	17.46%	(12.51)	-20.32%
2) Beauty products segments	134.05	40.33%	127.80	45.48%	(6.25)	-4.66%
2.1) Revenue from local sales	133.18	40.07%	127.80	45.48%	(5.38)	-4.04%
2.2) Revenue from export sales	0.87	0.26%	-	0.00%	(0.87)	-100.37%
Total sales	319.12	96.01%	270.99	96.44%	(48.13)	-15.08%
Other income ^{/a}	13.25	3.99%	10.00	3.56%	(3.25)	-24.52%
Total revenue	332.37	100.00%	280.99	100.00%	(51.38)	-15.46%

Notes: ^{/a} Other income comprises mainly consists of interest, dividend income, and net gains from fair value measurement of financial assets."

A. Sale Revenue

For the first quarter ended March 31, 2025 and 2026, the Company's sales revenue amounted to THB 319.12 million and THB 270.99 million, respectively, representing a decrease of THB 48.13 million or 15.08%. The factors affecting the decrease in revenue are summarized as follows:

- Revenue from the skincare products segment decreased by 22.63% compared to the same period of the previous year, mainly due to weakened purchasing power and the overall market slowdown, as well as geopolitical conflicts which caused consumers to become more cautious in their spending. Nevertheless, sales through online channels continued to show positive growth during the current period.

- b) Revenue from the beauty products segment decreased by 4.66% compared to the same period of the previous year, primarily due to intensified competition in the beauty products market, resulting in consumers having a wider variety of product choices, together with a decline in store foot traffic.

Nevertheless, the Company has focused on adjusting its strategy to further strengthen sales through online channels in order to align with changing consumer behavior, stimulate sales growth, and enhance the Company’s competitiveness.

B. Other Income

For the first quarter ended March 31, 2026, the Company recorded other income of THB 10.00 million. The major components of other income consisted primarily of interest income and gains from the fair value measurement of financial assets, which decreased by THB 3.25 million or 24.52% compared to the previous period. This decrease was mainly attributable to the continued downward trend in interest rates. In addition, the Company has maintained a conservative investment policy and exercised prudent investment management in order to mitigate risks arising from the highly volatile economic environment.

1.2. Cost of Good

Total cost of sales for the first quarter ended March 31, 2025 and 2026 amounted to THB 131.88 million and THB 136.35 million, respectively, representing an increase of THB 4.46 million or 3.38%. This increase was primarily attributable to geopolitical conflicts, which directly impacted transportation costs, raw material costs, and production expenses, all of which increased during the period. In addition, changes in sales mix and stock clearance promotional activities resulted in a higher overall average cost. Nevertheless, the Company continues to focus on efficient cost management while continuously enhancing its revenue-generating capabilities.

1.3. Gross Profit

For the first quarter ended March 31, 2025 and 2026, the Company recorded gross profit of THB 187.24 million and THB 134.64 million, respectively, representing gross profit margins of 58.67% and 49.68% of sales revenue, respectively. The decline was attributable to the slowdown in sales revenue during the current period, together with the increase in product costs.

Nevertheless, the Company continues to focus on effectively managing its cost structure and product sales mix in order to support revenue recovery and sustain future growth.

1.4. Selling and Administrative Expenses

A. Selling Expenses

Selling expenses for the first quarter ended March 31, 2025 and 2026 amounted to THB 94.13 million and THB 89.24 million, respectively, representing a decrease of THB 4.89 million or 5.19%. The decrease was mainly attributable to lower sales promotion expenses in line with the Company’s ongoing cost control policy. In addition, the Company has adjusted its strategies to keep pace with changing market conditions, including expanding purchasing channels to ensure broader customer access to its products.

B. Administrative Expenses

Administrative expenses for the first quarter ended March 31, 2025 and 2026 amounted to THB 86.21 million and THB 83.77 million, respectively, representing a decrease of THB 2.44 million or 2.83%. The Company has continued to maintain effective operational expense management efficiency in line with its strategic objectives.

In 2026, the Company is in the process of dissolving its joint venture in the Philippines (Joint Venture Dissolution). In this regard, the Company recorded one-time expenses related to such process amounting to Baht 11.58 million for the first quarter ended March 31, 2026.

1.5. Net Profit

For the first quarter ended March 31, 2025, the Company reported net profit of THB 16.48 million, representing a net profit margin of 4.96% of total revenue. In contrast, for the first quarter ended March 31, 2026, the Company recorded a net loss of THB 28.58 million, representing a net loss margin of 10.17% of total revenue.

The operating results for the current period were mainly affected by the slowdown in sales revenue, which resulted in a decline in gross profit. Nevertheless, the Company continues to place emphasis on the efficient management of selling and administrative expenses, while

continuously adjusting its business strategies to strengthen competitiveness and support the recovery of operating performance in the future.

2. Financial Position

2.1. Total Assets

As of March 31, 2026, the Company's total assets amounted to THB 4,764.71 million, decreasing by THB 61.73 million or 1.28% from THB 4,826.44 million at the end of the previous year. The decrease in total assets was mainly attributable to a reduction in trade receivables and other current receivables of THB 77.71 million, resulting from normal debt collections during the period.

However, the Company recorded a net increase of THB 17.54 million in cash, temporary investments, and short-term financial assets, primarily driven by cash flows generated from operating activities during the current period.

In this regard, the liquidity management in the capital market of the Company has an investment value of 0% of total assets according to the consolidated financial statements and not more than 40% without meeting the investment conditions that are characterized as operating an investment management business according to the announcement NorPor.5/2023

2.2. Total Liabilities

As of March 31, 2026, the Company's total liabilities amounted to THB 245.62 million, decreasing by THB 30.07 million or 10.91% from THB 275.69 million at the end of the previous year. The decrease in total liabilities was mainly attributable to the settlement of trade payables in accordance with normal payment terms.

2.3. Shareholders' Equity

As of March 31, 2026, the Company's total shareholders' equity amounted to THB 4,519.08 million, representing a decrease of THB 31.67 million or 0.70%. The decrease was mainly attributable to the net loss incurred during the current period.

3. Financial Ratio

Financial Ratio	As of 31 March 2025	As of 31 March 2026
Liquidity Ratio (times)	15.38	23.55
Debt to Equity Ratio (times)	0.08	0.05
Return on Equity - ROE (%)	0.36%	-0.63%
Return on Assets - ROA (%)	0.41%	-0.59%
Net Profit Margin (%)	4.96%	-10.17%