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Moshi Moshi Retail Corporation Public
Company Limited Management Discussion
and Analysis (MD&A)
Quarter 1/2026

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Business Overview

Moshi Moshi Retail Corporation Public Company Limited (the company) is a retail business dedicated to creating exquisitely designed products that stand out for their cuteness, refinement, and quality at affordable consumer prices, aiming to deliver happiness to customers every day. The company offers a diverse range of lifestyle products covering home furnishing, plush toys, stationery, clothing, bags, fashions, beauty, cosmetics, IT accessories, toys, snacks, pet accessories, and other categories that present popular products according to consumer demands. The Company primarily targets consumers aged 13–35 years, comprising students and working professionals, with secondary target groups consisting of children aged 6–12 years and working adults aged 35–50 years.

As of 31 March 2026, the total number of branches stood at 207, comprising 201 Moshi Moshi stores, of which 14 are in Standalone format, 4 Garlic stores, 1 Giant store, and 1 The OK Station store, covering 68 provinces across Thailand. The Company's branches are distributed across various areas in Bangkok and the provinces through multiple retail channels, including department stores, leading shopping centers, community malls, hypermarkets, and standalone locations outside of shopping malls. This demonstrates the Company's strong potential to reach consumers broadly and comprehensively, as well as the positive reception from customers nationwide. The Company also has plans to further expand its Standalone format branches in the future, in order to meet customer demand and support continued business growth.

Global and Thai Economy 1Q 2026 and Outlook for 2026

Global Economic

The global economy in the first quarter of 2026 faced mounting pressures on multiple fronts, particularly the escalation of conflict in the Middle East that intensified in early 2026, driving global energy prices to their highest levels during the quarter. Costs of goods, logistics, and electricity rose sharply, while key shipping routes through the Strait of Hormuz and the Red Sea remained vulnerable, forcing shipping lines to reroute via the Cape of Good Hope and adding 2–4 weeks to transit times. Business confidence worldwide declined rapidly, with the ACCA and IMA's Global Economic Conditions Survey (GECS) indicating that geopolitical instability had become the top risk for accountants globally, and the proportion of businesses reporting cost increases reaching 69%, approaching levels last seen during the Russia-Ukraine crisis of 2022. Allianz revised its global GDP growth forecast for 2026 down to 2.6%, while raising its inflation projections for the United States to 3.2% and the Eurozone to 3.0%. UNCTAD and UN DESA similarly projected global growth at 2.7%, below the pre-COVID average of 3.2%. Meanwhile, persistent global inflation continued to erode real household incomes, particularly in areas of food, energy, and housing expenditure.

Thai Economic

The Thai economy in the first quarter of 2026 continued to expand at a subdued pace amid pressures from both domestic and external factors. The World Bank revised its GDP growth forecast for Thailand down to 1.3% in its April 2026 report, noting that Thailand's reliance on energy imports is approximately twice that of neighboring countries, making it one of the most vulnerable economies in ASEAN to the global energy crisis. The Joint Standing Committee on Commerce, Industry and Banking similarly lowered its GDP forecast to 1.2–1.6%, while raising its inflation projection



to 2.0–3.0% from a prior estimate of 0.2–0.7%, and projected that foreign tourist arrivals could decline by approximately one million over the following three months.

The tourism sector, a key driver of the Thai economy, recorded a cumulative total of 11,685,804 international tourist arrivals from 1 January to 30 April 2026, representing a decline of 3.39% compared to the same period of the prior year, despite generating total revenue of over 571,272 million baht. The top five source markets were China, Malaysia, Russia, India, and South Korea. During the Songkran festival week of 6–12 April 2026, international arrivals increased by 8.76% from the preceding week, with short-haul markets growing strongly by 18.32% to reach 400,000 arrivals. However, in the week of 13–19 April 2026, arrivals fell sharply by 24.98% to an average of 66,389 arrivals per day, down from 88,498 per day during the Songkran period, with the Permanent Secretary of the Ministry of Tourism and Sports attributing the decline primarily to reduced flight frequencies and higher airfares resulting from the situation in the Middle East.

This pattern reflects the structural vulnerability of the Thai economy, which remains heavily dependent on tourism as a primary growth driver. With the tourism sector accounting for approximately 12% of GDP and serving as a critical source of income for service businesses, retailers, and SMEs nationwide, the concentration of tourist arrivals during festive periods and their susceptibility to uncontrollable external factors result in uneven support for domestic consumption. This is difficult to offset given that household consumption continues to be weighed down by elevated debt levels and a slow recovery in purchasing power, consistent with the World Bank's downward revision of Thailand's 2026 GDP forecast to 1.3% in April. Retail businesses in tourist destinations must therefore plan inventory management and staffing in alignment with heightened volatility that is expected to exceed prior years.

Retail Business Outlook and Competition for 2026

The overall Thai retail sector in 2026 continued to grow, albeit at a slower pace. The Thai Retailers Association projected retail growth of only 2%, decelerating from the prior year, due to energy cost pressures, sluggish purchasing power recovery, and household debt remaining above 90% of GDP. These factors have driven Thai consumer behavior firmly into an era of "Value-Conscious Consumption," where consumers prioritize value for money over brand loyalty. The retail business confidence index fell by 29.9 points in January 2026, with spending per transaction and purchase frequency declining noticeably, and 65% of retailers expecting first quarter performance to fall below the prior year. While March showed some signs of recovery, department stores and fashion retail continued to face sustained pressure.

On the competitive front, the retail landscape intensified significantly. Thailand's social commerce market is projected to grow by 9.6% to reach 15.2 billion US dollars in 2026, with e-commerce expanding rapidly across fashion, beauty, and lifestyle categories, while the government accelerated consumer protection regulations and support measures for Thai operators on online platforms. Beyond online competition, there has been a marked increase in pressure from the offline expansion of Chinese retailers opening branches across Thailand, offering a broader and more comprehensive range of lifestyle products in prime community and mall locations, providing consumers with greater offline shopping alternatives and directly pressuring Thai operators' ability to retain their customer base.



In terms of emerging risks with significant implications for retail in 2026, the conflict in the Middle East has been the primary concern, impacting the retail sector in two direct ways. Costs of goods, freight, and electricity have risen simultaneously, while shipping routes diverted via the Cape of Good Hope have added 2–4 weeks to lead times, creating risks of stockouts and unpredictable price volatility. Operators have been unable to fully pass on increased costs to consumers given the fragile domestic purchasing power, resulting in margin compression from both sides simultaneously. Should the conflict persist, foreign tourist arrivals to Thailand could decline by a further one million, directly impacting retail sales in key tourist destinations.

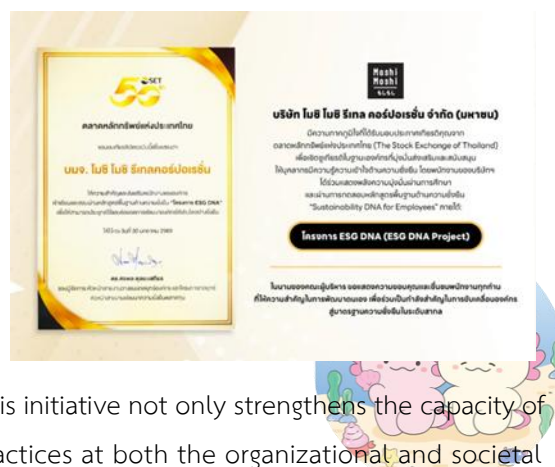
In response, the Company proactively assessed these risks and accelerated its procurement from early March 2026, enabling it to maintain existing cost levels and ensure sufficient inventory availability through the second quarter, while taking steps to manage cost volatility for goods intended for sale in the third quarter. The increase in freight costs during March has not yet materially impacted the Company's cost of goods in this period. Nevertheless, the Company remains acutely aware of the high degree of uncertainty and continues to closely monitor cost developments and supply chain conditions, alongside implementing measures across three areas: managing controllable expenses at appropriate levels to preserve profitability amid potentially rising costs in the coming periods; adjusting product mix selection strategies to align with consumer purchasing power, ensuring that products offered remain at accessible price points consistent with the value-conscious trend prevailing in the market; and strengthening the shopping experience and deepening understanding of Thai consumer behavior to retain the customer base and differentiate from both online and offline competitors, whose presence is expected to intensify throughout 2026.

Corporate Governance and Sustainable Development Operations

The company places great importance on developing and driving its business toward sustainability, ensuring stable growth while comprehensively addressing stakeholder expectations. To this end, the Company has established a sustainability development framework covering the dimensions of Environmental, Social, and Governance (ESG) across all stages of its business operations, cascading down to various operational functions. A sustainability management policy has also been formulated, encompassing the environmental, social, and governance dimensions, and is regularly reviewed and updated to align with the Company's evolving business characteristics in accordance with the dynamics of sustainability development at both national and international levels.

The Company has continuously implemented activities under the "6 GIVES" program, which comprises the following:

On 30 January 2026, the Company was honored to receive a certificate of recognition for the "ESG DNA Program for Corporate Employees" from the Stock Exchange of Thailand, a curriculum specifically designed to elevate sustainability knowledge among employees at all levels across the organization. From January to December 2025, all headquarters staff successfully completed the training and passed the assessments, achieving a 100% completion rate across both customer-facing and support functions. This initiative not only strengthens the capacity of personnel to play an active role in driving sustainable practices at both the organizational and societal



levels, but also serves as a key mechanism for mitigating risks and enhancing business growth opportunities. It reflects the Company's commitment to building a strong foundation to advance the organization toward sustainability in all dimensions, within the context of a world transitioning toward a low-carbon society.



On 20 March 2025, the Company held its first annual conference under the "Give a Better Life: Building Careers Toward Sustainability" project at the Om Yai Warehouse, Nakhon Pathom Province. The project is dedicated to creating stable careers and income for surrounding communities by providing employment opportunities aligned with local skills. In 2025, the Company generated employment for over 83 households, producing total income of 7.6 million

baht, an increase of 46.5% from the prior year, reflecting the Company's commitment to growing sustainably alongside the communities in which it operates.

The Company, represented by Ms. Ploynapat Boonsongkor, made a charitable donation of 200,000 baht to the Siriraj Foundation under the "Give For Life: One Gives, Many Receive" project at the reception room on the 12th floor of the Chaofah Mahachakri Building, Siriraj Hospital. The donation was received by Professor Surojn Supavekin, M.D., Head of the Department of Pediatrics, and Assistant Professor Sasithorn Jantarathin, M.D., Deputy Head of the Department for Inpatient Services, Faculty of Medicine Siriraj Hospital, Mahidol University. This contribution reflects the Company's commitment to giving back to society in support of medical advancement and the sustainable improvement of patient quality of life.

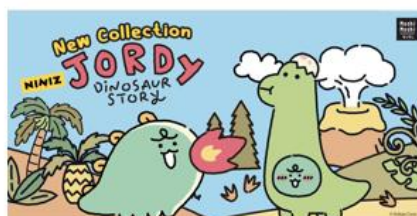


For additional information regarding sustainability development and corporate activities, please visit the website at <https://sustainability.moshimoshi.co.th/en/home>



Important Developments 1Q 2026

1. In the first quarter of 2026, the Company continued to **expand its branch network**. In the first quarter of 2026, the Company continued to expand its branch network. A total of 6 new branches were opened, all under the Moshi Moshi brand, of which 2 were Standalone locations in community areas, reflecting the Company's strategy to reach a broader and more diverse customer base across various regions throughout the country. During the quarter, the Company closed 1 branch, namely the Tops Plaza Singburi . As of 31 March 2026, the total number of branches stood at 207, comprising 201 Moshi Moshi branches, of which 14 are in Standalone format, 4 Garlic branches, 1 Giant branch, and 1 The OK Station branch, covering 68 provinces across Thailand.
2. **Product and Service Development:** The Company remains committed to developing products that continuously meet market demand while maintaining quality at accessible price points. In the first quarter of 2026, the Company thoroughly prepared its product offerings and marketing plans, introducing a diverse range of new products on an ongoing basis to support key festivals and events in the early part of the year, namely National Children's Day and Valentine's Day, which represent significant consumer spending periods and contribute a notable share of annual sales. Thousands of carefully curated new products were introduced, including highly popular licensed collections such as the Jordy Dinosaur Story collection, Gohan, a heroic character eagerly awaited by fans, The Powerpuff Girls, and Choonsik from KAKAO FRIENDS. In addition, the Company's in-house design team launched the Aqua Dream Collection, inspired by the beauty of the ocean, alongside the original characters Abby and Dabby, created to resonate with the modern consumer lifestyle. The quarter's offerings were further complemented by a dedicated Valentine's Day collection designed to celebrate love and joy, as well as National Children's Day activities aimed at creating memorable experiences and smiles for children and families alike.



3. **Marketing and Sales Promotion Activities:** The Company organized several key marketing and promotional activities continuously throughout the quarter. During National Children's Day, the Company also arranged special activities for children, who are one of the Company's target customer, namely **"Moshi Moshi Free Stationery Giveaway"** and **"Squishy Buffet 199.-"** Both activities were warmly received by children and families, creating fun and memorable experiences on this special day.

In addition, the Company organized **"Moshi Moshi Love at First Lunch with Ryujin & Patji"** during the Valentine's Day season, fanclub the opportunity to meet and create special moments with Special Guests Ryujin and Patji at the Fashion Island branch, which attracted significant interest. The **"Moshi Moshi Celebrates 9th Anniversary — Win 9 Baht of Gold!"** activity was also well received by customers, with 9 prizes of 1-baht gold bars awarded to lucky winners. Furthermore, the **"Summer Crush in a Glass with TEETEEPOR"** activity was held at the Central Pinklao branch, giving lucky fans the opportunity to meet and create special moments with TeeTee & Por, along with special gifts from the Company.



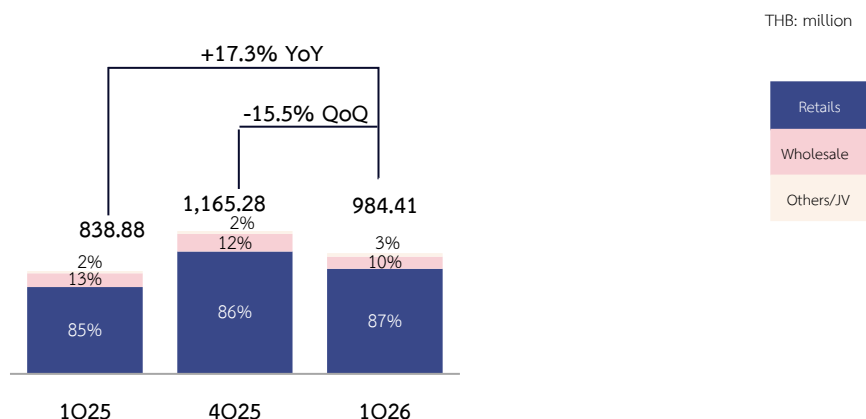
Financial Summary for the Quarter 1/2026

Operating Performance	Q1/25	Q4/25	Q1/26	Change	
				+/-	
Unit: Million THB				%YoY	%QoQ
Operating Revenue	838.88	1,165.28	984.41	17.3%	(15.5%)
Cost of Sales & Services	(374.66)	(505.38)	(430.27)	14.8%	(14.9%)
Gross Profit	464.22	659.90	554.14	19.4%	(16.0%)
Other income	4.35	4.74	3.93	(9.7%)	(17.1%)
Selling expenses	(233.83)	(309.23)	(278.26)	19.0%	(10.0%)
Administrative expenses	(26.35)	(35.20)	(31.70)	20.3%	(9.9%)
Other gain(losses)-net	7.60	4.43	6.80	(10.5%)	53.5%
Financial costs	(21.22)	(21.46)	(21.19)	(0.1%)	(1.3%)
Profit before income tax	194.77	303.18	233.72	20.0%	(22.9%)
Income Tax	(38.76)	(60.61)	(42.74)	10.3%	(29.5%)
Net Profit	156.01	242.57	190.98	22.4%	(21.3%)

Note: Number variations may occur due to decimal rounding conventions.



OPERATING REVENUE



YoY: 1Q2025 VS 1Q2026

In 1Q 2026, the Company recorded total operating revenue of 984.41 million baht, an increase of 145.53 million baht or 17.3% compared to the same period of the prior year, with details by business channel as follows.

The retail business remained the primary driver of the Company's revenue, generating 855.87 million baht, accounting for 87% of total operating revenue, an increase of 147.77 million baht or 20.9% year-on-year, supported primarily by the expansion of 36 new branches, growing the number of Moshi Moshi branches from 165 to 201. (In 1Q 2026, the Company closed 1 branch, namely the Tops Plaza Singburi branch, due to the mall's cessation of operations.)

For the wholesale business, revenue stood at 101.58 million baht, accounting for 10% of total operating revenue, a decrease of 10.19 million baht or 9.1% year-on-year, primarily due to a decline in tourist arrivals, particularly from the Middle East which represents a key customer segment of Platinum Fashion Mall, compounded by traffic congestion caused by bridge construction in front of this Mall, which led tour operators to avoid bringing tour groups to the area and general customers to reduce the frequency of their visits to the mall.

For other channels, comprising online, warehouse sales, and joint venture, combined revenue stood at 26.96 million baht, accounting for 3% of total operating revenue, an increase of 7.95 million baht or 41.8% year-on-year, driven by online revenue growth of 5.82 million baht or 44.4%, alongside warehouse sales growth of 3.12 million baht or 63.5%.

Same Store Sales Growth (SSSG) stood at 3.8% in 1Q 2026, declining from 7.9% in 1Q 2025. Nevertheless, the Company continued to drive sales through both Licensed Products and Non-Licensed Products, as well as seasonal merchandise, to sustain and stimulate sales throughout the quarter.

Regarding the joint venture, Moshi Moshi and Index Creative Village Project Development, the Company did not recognize any transactions related to the joint venture during this quarter.



Moshi Moshi Branch Expansion	1Q2025	4Q2025	1Q2026
No. Net Opened Branch	6	13	6
No. Net Closed Branch	-	-	(1) *
No. of Branch at the End of Period	165	196	201
Operating Revenue and SSSG			
Operating Revenue (THB: million)	838.88	1,165.28	984.41
Same Store Sales Growth	7.9	1.6	3.8

* In 1Q 2026, the Company closed 1 retail branch, namely the Tops Plaza Singburi branch, due to the mall's closure.

QoQ: 4Q2025 VS 1Q2026

Compared to 4Q 2025, the Company's operating revenue decreased by 180.87 million baht or 15.5%, with details by business channel as follows.

The retail business recorded a revenue decrease of 141.07 million baht or 14.2%. However, this decline was in line with normal business cycles and seasonal factors typical of the retail industry, as 4Q 2025 represented the High Season with the highest consumption of the year. During the quarter, the Company continued to expand its retail branch by 6 branches, of which 2 were in Standalone format.

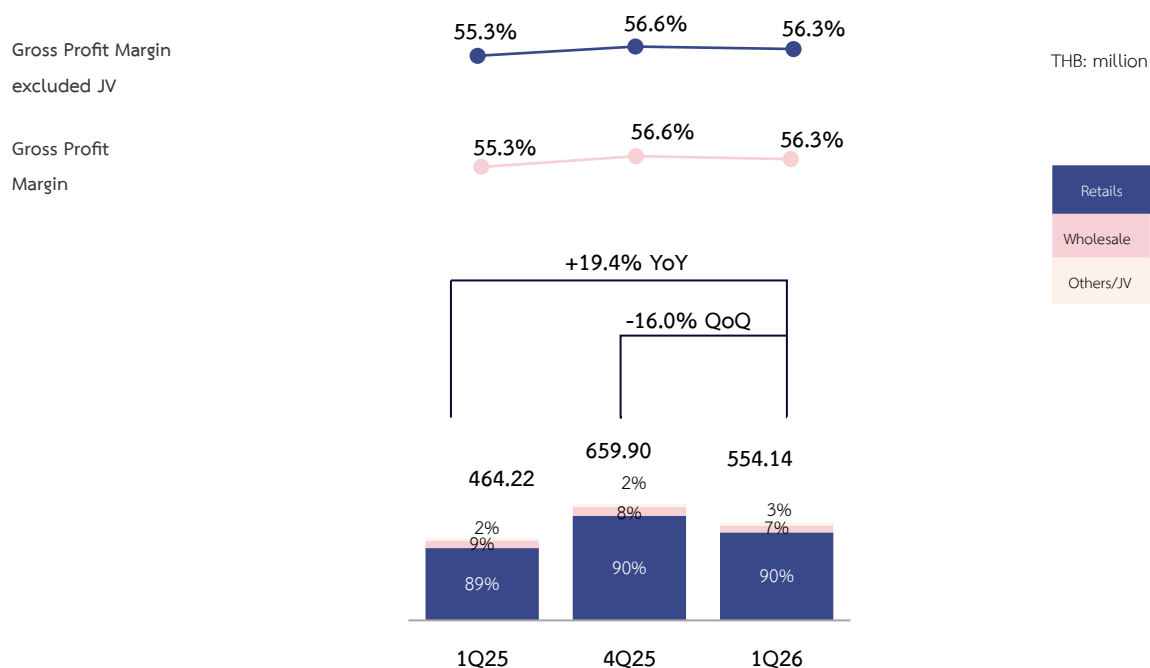
The wholesale business recorded a revenue decrease of 43.16 million baht or 29.8%, resulting from normal seasonal factors, a decline in tourist arrivals, and traffic congestion caused by bridge construction in front of Platinum Fashion Mall, which led tour operators to avoid bringing tour groups to the area and general customers to reduce the frequency of their visits to the mall. The Company has no plans to expand branches in the wholesale channel.

For other channels, revenue increased by 3.35 million baht or 14.2%, driven by continued growth in online revenue and strong growth in warehouse sales from increased activities during the quarter.

As of 31 March 2026, the total number of branches stood at 207, covering 68 provinces across Thailand, comprising 201 Moshi Moshi branches, of which 199 are retail branches and 2 are wholesale branches, 4 Garlic branches, 1 Giant branch, and 1 The OK Station branch.



GROSS PROFIT AND GROSS PROFIT MARGIN



YoY: 1Q2025 VS 1Q2026

In 1Q 2026, the Company recorded total gross profit of 554.14 million baht, an increase of 89.92 million baht or 19.4% compared to the same period of the prior year, resulting in an improvement in gross profit margin from 55.3% to 56.3%, with the retail business gross profit margin continuing to improve.

The improvement in gross profit margin was supported by several factors, namely the expansion of the retail branch network by 36 branches, an increased proportion of imported goods which carry higher gross profit margins than domestic goods across several product categories, continued growth in high-margin product categories such as home furnishing, as well as the appreciation of the Thai baht against the Chinese yuan during the first two months of the quarter, which served as a positive factor in reducing the cost of imported goods and improving the Company's overall gross profit margin.

The Company's gross profit margin reflects the true core operating performance, as there were no joint venture transactions and therefore no impact on gross profit margin.

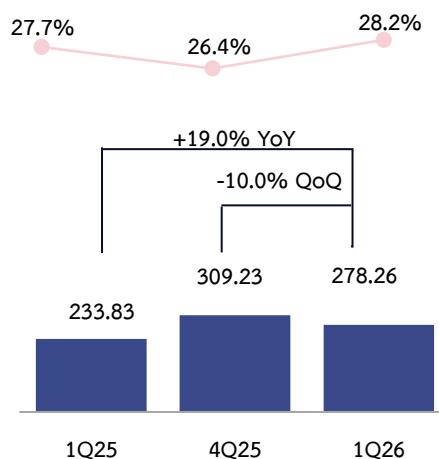
QoQ: 4Q2025 VS 1Q2026

Compared to 4Q 2025, gross profit decreased by 105.76 million baht or 16.0%, with gross profit margin declining slightly from 56.6% to 56.3%, in line with seasonal factors. During the quarter, the Company focused on presenting a diverse range of products aligned with consumer demand, comprising popular licensed products and special collections, as well as seasonal merchandise for National Children's Day, Valentine's Day, and graduation gift bag sets, reflecting the Company's commitment to comprehensively meeting customer needs at every occasion.



SELLING EXPENSES

Selling Expenses
to Total Revenue



THB: million

YoY: 1Q2025 VS 1Q2026

In 1Q 2026, the Company recorded selling expenses of 278.26 million baht, an increase of 44.43 million baht or 19.0% compared to the same period of the prior year. The increase was a result of strategic investment to support continued business expansion, as reflected by the growth of the Moshi Moshi retail branch network by 36 branches from 165 to 201 branches, resulting in planned growth-related expenses including additional personnel and annual salary adjustments, rental and service area fees, utilities, and new store opening expenses.

In addition, the Company continued to invest in marketing to enhance brand awareness and drive engagement with target groups through Social Media engagement and activities with well-known artists, namely Moshi Moshi Love at First Lunch with Ryujin & Patji and Moshi Moshi Summer Crush in a Glass with TeeTee & Por, both of which were well received by consumers.

The selling expense to total revenue ratio increased slightly from 27.7% to 28.2%, primarily due to personnel expenses that increased in line with branch expansion, which is considered a necessary investment to support business growth and is expected to contribute positively to the Company's revenue generation and profitability on a sustainable basis in the future.

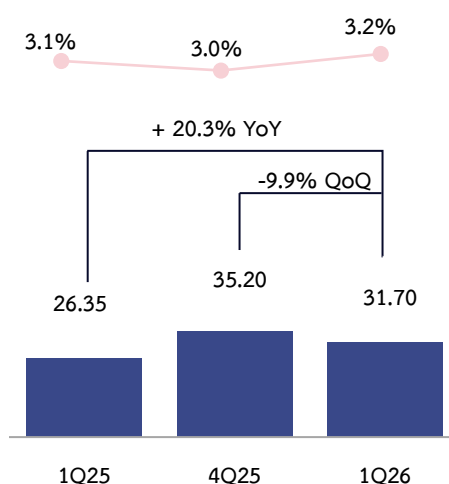
QoQ: 4Q2025 VS 1Q2026

Compared to 4Q 2025, selling expenses decreased by 30.97 million baht or 10.0%, in line with revenue declining following the High Season. However, the selling expense to total revenue ratio increased from 26.4% to 28.2%.



ADMINISTRATIVE EXPENSES

Administrative Expenses
to Total Revenue



THB : million

YoY: 1Q2025 VS 1Q2026

In 1Q 2026, the Company recorded administrative expenses of 31.70 million baht, an increase of 5.35 million baht or 20.3% compared to the same period of the prior year, primarily due to personnel expenses increasing in line with annual salary adjustments, as well as consulting expenses for the implementation of the Key Performance Indicators (KPI) and Performance Management System (PMS), reflecting the Company's commitment to continuously developing personnel capabilities and enhancing organizational management efficiency. The administrative expense to total revenue ratio increased slightly from 3.1% to 3.2%, remaining at a level that is efficiently manageable.

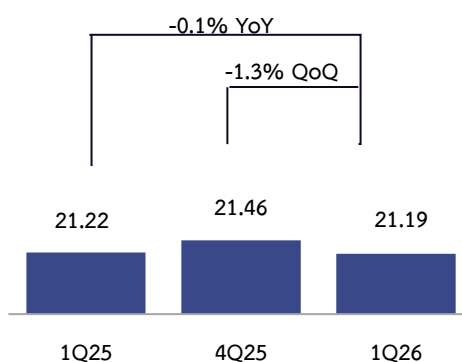
QoQ: 4Q2025 VS 1Q2026

Compared to 4Q 2025, administrative expenses decreased by 3.50 million baht or 9.9%. However, the administrative expense to total revenue ratio increased from 3.0% to 3.2%, as a result of personnel expenses increasing in line with annual salary adjustments.



FINANCE COST

THB: million



YoY: 1Q2025 VS 1Q2026

In 1Q 2026, the Company recorded financial costs of 21.19 million baht, a decrease of 0.03 million baht or 0.1% compared to the same period of the prior year despite the expansion of new stores, as a result of the Bank of Thailand's continuous policy rate reductions throughout 2025, which led to a corresponding decline in the Minimum Lending Rate (MLR) of commercial banks, thereby reducing the Company's financial cost burden under its lease agreements.

QoQ: 4Q2025 VS 1Q2026

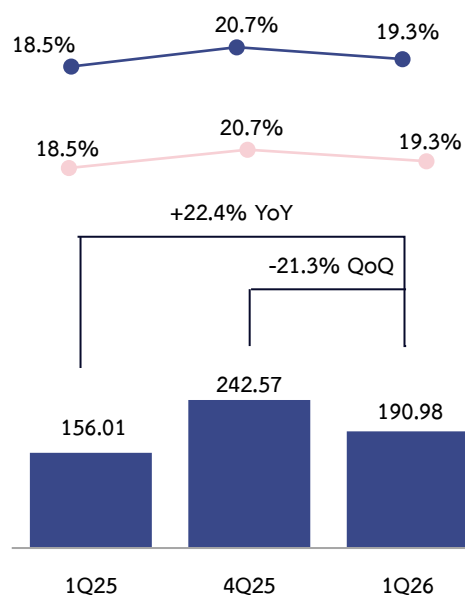
Financial costs decreased by 0.27 million baht or 1.3% compared to the prior quarter, benefiting from the continuous reductions in the Minimum Lending Rate (MLR), despite lease liabilities increasing in line with branch expansion. The Company has no interest expense from borrowings, as all financial costs arise solely from recognition under the financial reporting standard for lease agreements.



NET PROFIT AND NET PROFIT MARGIN

Net Profit Margin
to Total Revenue excluded JV

Net Profit Margin
to Total Revenue



THB: million

YoY: 1Q2025 VS 1Q2026

In 1Q 2026, the Company recorded net profit of 190.98 million baht, an increase of 34.97 million baht or 22.4% compared to the same period of the prior year, resulting in an improvement in net profit margin from 18.5% to 19.3%, supported primarily by the expansion of the retail branch by 36 branches, growth in Same Store Sales Growth (SSSG), and effective cost management throughout the quarter.

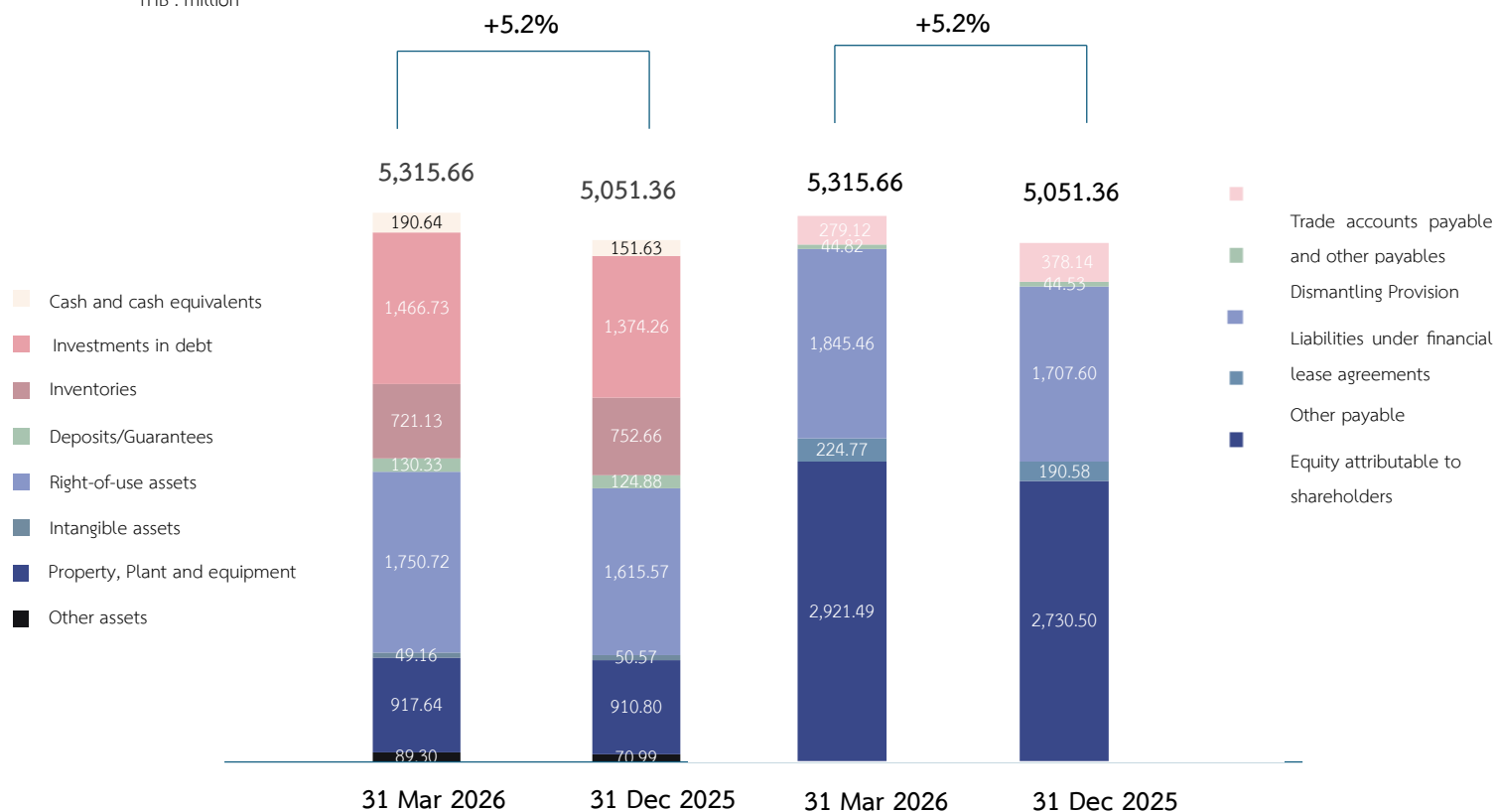
QoQ: 4Q2025 VS 1Q2026

Compared to the prior quarter, net profit decreased by 51.59 million baht or 21.3%, with net profit margin declining from 20.7% to 19.3%. This decline was in line with normal business cycles and seasonal factors typical of the retail industry, as 4Q 2025 represented the High Season with the highest consumption of the year.



STATEMENT OF FINANCIAL POSITION

THB : million



Note: Figures may be subject to rounding differences.

As of March 31, 2026

ASSETS

As at the end of 1Q 2026, the Company's total assets stood at 5,315.66 million baht, an increase of 264.30 million baht or 5.2% from year-end 2025, with significant changes as follows. Right-of-use assets increased by 135.15 million baht as a result of branch expansion and lease renewals. Investments in debt instruments increased by 92.47 million baht, reflecting effective management of excess liquidity. Cash and cash equivalents increased by 39.02 million baht from continued growth in operating performance. Other assets increased by 18.32 million baht from land deposit prepayments. Meanwhile, inventories decreased by 31.53 million baht, in line with inventory management following the High Season.

Liabilities

As at the end of 1Q 2026, the Company's total liabilities stood at 2,394.17 million baht, an increase of 73.31 million baht or 3.2% from year-end 2025, with significant changes as follows. Lease liabilities increased by 137.86 million baht, in line with the increase in right-of-use assets from branch expansion and lease renewals. Other liabilities increased by 34.19 million baht due to higher corporate income tax payable in line with the Company's growing operating performance. Meanwhile, trade and other payables decreased by 99.02 million baht, as the Company had placed advance purchase orders at year-end 2025 to prepare inventory for sale in early 2026 and subsequently made payments for such goods during the quarter.



Shareholders' Equity

Total shareholders' equity stood at 2,921.49 million baht, an increase of 190.99 million baht or 7.0% from year-end 2025, in line with the Company's operating performance.

The Company's overall financial structure remains strong with sound liquidity and no debt borrowing obligations.

STATEMENT OF CASHFLOW FOR For the three months periods ended March 31, 2026	2025	2026	+/-
Unit: Million THB			%YoY
Net cash generated from operating activities	274.77	253.74	(7.7%)
Net cash used in investing activities	(232.25)	(116.05)	(50.0%)
Net cash used in financing activities	(87.10)	(98.67)	13.3%
Net increase (decreased) in cash and cash equivalents	(44.58)	39.02	(187.5%)
Cash and cash equivalents at the beginning of the year	177.19	151.63	(14.4%)
Cash and cash equivalents at the end of the periods	132.61	190.65	43.8%

CASH FLOW FROM OPERATING ACTIVITIES

The Company generated net cash from operating activities of 253.74 million baht, a decrease of 21.03 million baht compared to the prior year. The primary factors were as follows. Profit adjusted for non-cash items increased by 59.93 million baht, reflecting improved operational efficiency. With respect to inventory management, cash flow decreased by 85.40 million baht as the Company increased advance purchases to support business growth and prepare inventory for sale in the second quarter, amid geopolitical conflicts that could potentially impact the supply chain

CASH FLOW FROM INVESTING ACTIVITIES

Net cash used in investing activities amounted to 116.05 million baht, a decrease of 116.20 million baht compared to the same period of the prior year, comprising the following main activities.

- Net cash used for investment in debt instruments decreased by 90.13 million baht.
- Cash paid for net asset acquisitions decreased by 27.50 million baht, as investment in 1Q 2026 was primarily for branch expansion, whereas the same period of the prior year included additional investment in warehouse space extension and the relocation of the new head office.

CASH FLOW FROM FINANCING ACTIVITIES

The Company had net cash used in financing activities of 98.67 million baht, an increase of 11.57 million baht compared to the prior year, with the primary factor:



- Repayment of lease liabilities and interest paid increased by 11.57 million baht, in line with the Company's continued branch expansion.

In summary, the Company's cash flow reflects its strong capacity to generate cash from operations, alongside continued investment to support business expansion, and a balanced financial management approach between long-term growth and delivering appropriate returns to shareholders.

Business Outlook for 2026

1. Retail Network Expansion & Transformation

The Company remains focused on continuously expanding its retail store network in high-potential locations, with plans to open 35 new branches in 2026, of which at least 5 will be in Standalone format, to enhance customer accessibility in potential areas beyond shopping centers. This will be accompanied by the upgrading of existing branches through renovation, area expansion, relocation, and modernization of product display formats to better meet customer shopping experience expectations. The Company has allocated a capital expenditure (CAPEX) budget of approximately 200 million baht for branch expansion and general operations, and a budget of approximately 220 million baht for the construction of a second warehouse to support future business growth.

2. Product Portfolio Development & Retail Excellence

The Company places great importance on continuously developing and launching new products to meet ever-changing customer needs, while elevating in-store product display and presentation standards to create a more engaging and enjoyable shopping experience for customers.

3. Digital Infrastructure & Data-Driven Management

The Company continues to develop its information technology infrastructure to enhance management efficiency, while leveraging data-driven insights to formulate strategies that accurately address customer behavior and needs, as well as adopting technology to improve operational systems and overall effectiveness.

4. Customer Base Expansion

The Company aims to expand its customer base to reach a broader mass market, increasing accessibility across diverse age groups and genders, while strengthening its presence among the primary target group aged 13 to 35 and penetrating the secondary target group aged 6 to 12, in order to build brand awareness from childhood, expand long-term business opportunities, and enhance the Company's ability to reach a wider consumer base.



5. Intensify Marketing & Brand Equity

The Company is committed to intensifying its marketing efforts alongside elevating **Brand Equity** through omnichannel marketing, building a distinctive and clearly differentiated brand image, enhancing the customer experience at every touchpoint, fostering long-term brand affinity and loyalty, and effectively communicating product value, all with the aim of building strong brand recognition, reinforcing credibility, and sustainably strengthening the brand's competitive position.

