

May 12, 2026

Subject Management's Discussion and Analysis (MD&A) for the first quarter ended March 31, 2026
Attention The President
Stock Exchange of Thailand

88(Thailand) Public Company Limited and its subsidiary (the "Company") would like to clarify its consolidated operating performance for the first quarter ended March 31, 2026, with details as follows:

(1) Business Overview, Economic Conditions, and Industry Trends Affecting Operations

Business Overview

In 2026, the Company has established its growth strategy based on 3 key points:

- Continuous development and expansion of the "LYO" brand as the Company's core brand.
- Expansion into international markets, with a primary focus on China and Hong Kong, where the Company has already entered into business cooperation agreements and is currently in discussions and assessing the feasibility of further expansion into additional countries.
- Expansion into the pet care products business through its newly established subsidiary, Monster Lab Co., Ltd., a high-value market with strong growth potential, aimed at creating new revenue streams and supporting long-term growth.

On the marketing front, the Company continues to implement proactive marketing strategies alongside disciplined management practices, emphasizing data-driven decision-making and efficient budget allocation to maximize the effectiveness of marketing investments.

Such strategies are executed through key marketing initiatives, including:

- Systematic influencer marketing campaigns covering both macro influencers and niche influencers to broaden access to diverse target customer segments;
- Driving sales growth through Social Commerce and Live Commerce channels while maintaining the strength of the Company's core distribution channels;
- Careful selection of brand presenters who effectively reflect the brand image and resonate with target audiences, such as Khun NuNew for the "LYO MY COLOR" product line etc.
- Utilization of Out-of-Home (OOH) advertising media at strategic locations to enhance broad-based brand awareness.

The Company adopts an Integrated Marketing Communication (IMC) approach by aligning all communication channels in a consistent direction to support sustainable and quality business growth.

Operating Environment Affecting the Company's Operations

With respect to the impact of the conflict situation in the Middle East, the Company has proactively planned the procurement of raw materials and packaging in advance in accordance with its production and sales plans in collaboration with suppliers during periods when price levels remained relatively stable. This approach is intended to effectively manage production costs and mitigate any potentially significant adverse impacts. At present, the Company expects that it will be able to manage raw material and packaging costs over the next 6–12 months.

For future product development, the Company focuses on the use of environmentally friendly packaging and reducing dependence on plastic resin materials in support of its sustainable business practices.

In terms of logistics management, the Company has implemented transportation planning for the delivery of goods from factories to warehouses by optimizing shipment volumes for each trip to full legal capacity. This approach helps reduce the number of transportation cycles and enhances transportation cost efficiency.

However, the Company continues to closely monitor the conflict situation in the Middle East. Should the situation become prolonged, the Company will consider implementing additional measures and guidelines to appropriately and promptly minimize any potential impacts.

Industry Competitive Landscape

Competition within the industry is expected to intensify as the market remains sizable and relatively accessible to new entrants. Currently, there are more than 9,000 operators in the industry, and the number continues to increase each year. At the same time, the number of business closures has also risen, reflecting the increasing challenges associated with market competition and business management.

In addition, operators are facing risks arising from the Fast Beauty trend, which accelerates changes in consumer preferences and product popularity cycles, thereby affecting inventory management. The industry is also facing increasing competition from Chinese cosmetic brands, which have rapidly expanded in both global and Thai markets, particularly through direct online sales channels from manufacturers to consumers. Such developments may place further pressure on the long-term competitiveness of Thai operators.

(2) Summary of Significant Events and Developments

Establishment of a New Subsidiary – Monster Lab Co., Ltd.

Monster Lab Co., Ltd., the Company's newly established subsidiary, is currently in the process of obtaining relevant licenses and conducting research and development of product formulations in preparation for future business operations.

With regard to competition, the Company recognizes that there are existing operators in the market to a certain extent. Nevertheless, the Company remains confident in the potential of its products, as well as its capability to develop and extend its product offerings to meet consumer demand and create competitive differentiation in the market.

In terms of revenue outlook, the Company expects to begin recognizing revenue from such subsidiary during the second half of 2026. The Company will continue to closely monitor and assess revenue growth trends in order to support future business planning and strategic development.

International Market Expansion

The Company commenced product deliveries and recognized revenue from international markets in the first quarter of 2026, accounting for approximately 2% of total revenue. At present, operations in international markets remain in the early stage of growth and have received positive responses from both business partners and consumers.

The Company continues to closely monitor and evaluate revenue growth trends from international markets while continuously assessing opportunities for further market expansion. The Company believes that international markets continue to offer significant growth potential and will serve as one of the key drivers supporting the Company's long-term growth.

New Product Launch (NPD) – LYO My Color

The Company launched a new product (NPD) under the name "LYO My Color," which is expected to be one of the key factors supporting revenue growth in 2026. However, the level of revenue contribution will depend on market response, as well as the timing of product launch and distribution. The product is expected to gradually generate additional revenue beginning in the second quarter and possesses strong long-term growth potential.

In terms of expenses, the Company focuses on investments in marketing and brand building during the initial stage of operations, while maintaining prudent budget planning. The Company places emphasis on cost management in line with sales levels, as well as effective control of marketing and operating expenses, in order to maintain the Company's profitability levels.

(3) Summary of Operating Results

Operating Results

Descriptions	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	168.98	100.00	164.61	100.00	(4.37)	(2.59)
Cost of sales and services	57.55	34.06	53.62	32.57	(3.93)	(6.83)
Gross Profit	111.43	65.94	110.99	67.43	(0.44)	(0.39)
Other income	0.26	0.15	0.06	0.04	(0.20)	(76.92)
Selling and distribution expenses	55.64	32.93	64.08	38.93	8.44	15.17
Administrative expenses	16.12	9.54	19.40	11.79	3.28	20.35
Operating Profit	39.93	23.62	27.57	16.75	(12.36)	(30.95)
Financial Cost	(0.08)	(0.04)	(0.10)	(0.06)	(0.02)	25.00
Profit before income tax expenses	39.85	23.58	27.47	16.69	(12.38)	(31.07)
Income tax expenses	(8.01)	(4.74)	(5.57)	(3.38)	2.44	(30.46)
Profit for the period	31.84	18.84	21.90	13.30	(9.94)	(31.22)

Revenue from sales and services

The Company's Revenue Structure from Sales and Services is classified into 2 main categories, as follows:

(1) Revenue from Sales and Services by Product Group

Revenue from sales and services is categorized by product categories	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Hair Care Products	152.56	90.28	136.70	83.04	(15.86)	(10.40)
1.1 LYO Anti-Hair Loss	47.81	28.29	54.95	33.38	7.14	14.93
1.2 LYO Hair Color	59.70	35.33	50.51	30.69	(9.19)	(15.39)
1.3 LYO Herbal	45.05	26.66	24.78	15.05	(20.27)	(44.99)
1.4 LYO My Color	-	-	6.46	3.92	6.46	100.00
2. Skincare Products	9.78	5.79	9.96	6.05	0.18	1.84
3. Cosmetics Products	3.65	2.16	0.76	0.46	(2.89)	(79.18)
4. Other sales and service revenue	2.99	1.77	17.19	10.44	14.20	474.92
Total Revenue from sales and services	168.98	100.00	164.61	100.00	(4.37)	(2.59)

(2) Revenue from Sales and Services by Distribution Channel

Revenue from sales and services is categorized by distribution channel	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Agent	80.75	47.79	40.04	24.32	(40.71)	(50.41)
2. Modern Trade and Home Shopping	55.03	32.57	65.79	39.97	10.76	19.55
2.1 Modern Trade	49.65	29.38	55.21	33.54	5.56	11.20
2.2 Home Shopping	5.38	3.18	10.58	6.43	5.20	96.65
3. Online	31.09	18.40	41.97	25.50	10.88	35.01
4. OEM	2.11	1.25	16.81	10.22	14.70	696.39
Total Revenue from sales and services	168.98	100.00	164.61	100.00	(4.37)	(2.59)

For the operating performance in the first quarter ended March 31, 2026, the Company reported revenue from sales and services totaling THB 164.61 million, an decrease of THB 4.37 million, or 2.59%, compared to the same period in 2025. The increase in revenue from sales and services was primarily due to the following reasons:

- Revenue from sales and services of Hair Care products decreased by THB 15.86 million, or 10.40%, compared to the same period last year. This growth was driven by:
 - An decrease in revenue from the sale of LYO Herbal hair care products (derived from herbal extracts) by THB 20.27 million or 44.99%, compared to the same period last year and also from the sale of LYO Hair Color which decreased by THB 9.19 million or 15.39% compared to the same period last year, respectively.
 - Meanwhile, revenue from anti-hair loss products (LYO Anti-Hair Loss) increased by THB 7.14 million, or 14.93%, compared to the same period last year.
 - In addition, revenue from hair color changing products (LYO My Color) increased by THB 6.46 million, or 100.00%, compared to the same period last year, as the Company commenced distribution of LYO My Color in March 2026.
- Revenue from other sales and services increased by THB 14.20 million, or 474.92%, compared to the same period last year.
- Revenue from sales through the agent channel decreased by THB 40.71 million, or 50.41%, compared to the same period last year.
- Revenue from sales through Modern Trade channels increased by THB 5.56 million, or 11.20%, compared to the same period last year, reflecting positive consumer acceptance of the Company's products.
- Revenue from Home Shopping channels increased by THB 5.20 million, or 96.65%, compared to the same period last year.
- Revenue from Online channels increased by THB 10.88 million, or 35.01%, compared to the same period last year, in line with the Company's strategic focus on expanding online sales, which are considered a high-growth potential channel.

- Revenue from contract manufacturing business increased by THB 14.70 million, or 696.39%, compared to the same period last year, reflecting customers' confidence in the Company's manufacturing standards.

Cost of sales and services and gross profit

Cost of sales and services	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Cost of Goods Sold	56.47	98.12	45.96	85.71	(10.51)	(18.61)
2. Cost of OEM	1.08	1.88	7.66	14.29	6.58	609.26
Total Cost of sales and services	57.55	100.00	53.62	100.00	(3.93)	(6.83)

Descriptions	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	168.98	100.00	164.61	100.00	(4.37)	(2.59)
Cost of sales and services	57.55	34.06	53.62	32.57	(3.93)	(6.83)
Gross Profit	111.43	65.94	110.99	67.43	(0.44)	(0.39)

For the first quarter ended March 31, 2026, the Company reported a Cost of Sales and Services of THB 53.62 million, an decrease of THB 3.93 million, or 6.83%, compared to the same period last year which is consistent with the decrease in revenue from sales and services.

Furthermore, the Gross Profit Margin increased from 65.94% in the same period last year to 67.43% in the first quarter of the current year. The main reason for this was the significant increase in the proportion of sales through the Online distribution channel, as the gross profit margin the Company earns from online sales is higher than other channels.

Selling and Distribution expenses

Selling and distribution expenses	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Marketing expenses	44.05	79.17	48.69	75.98	4.64	10.53
Salaries and other employee benefits	4.82	8.66	5.53	8.63	0.71	14.73
Shipping Expenses	2.21	3.97	1.44	2.25	(0.77)	(34.84)
Online Platform fees	4.56	8.20	8.41	13.12	3.85	84.43
Other Selling Expenses	-	0.00	0.01	0.02	0.01	N.M.
Total selling and distribution expenses	55.64	100.00	64.08	100.00	8.44	15.17
% to Total Revenue		32.93		38.93		

Note : N.M. (Not Meaningful) is used in cases where the changes or comparisons are not considered financially meaningful for analytical purposes.

For the first quarter ended March 31, 2026 operating results, the Company reported Selling and Distribution Expenses of THB 64.08 million, representing 38.93% of total revenue from sales and services. Selling and Distribution Expenses increased by THB 8.44 million, or 15.17%, compared to the same period last year.

This increase was mainly due to:

- Marketing expenses increased due to higher publicity expenses associated with engagements with well-known personalities, as well as out-of-home (OOH) advertising media expenses, which were aligned with product sales and the Company's marketing initiatives. This increase was primarily attributable to the launch of the new product, LYO MY COLOR, toward the end of the first quarter, with the objective of enhancing consumer awareness of the product.
- Advertising expenses on online platforms and social media, as well as service fees charged by online platforms, increased in line with adjustments to platform fee structures and conditions imposed by service providers. Such increase was consistent with the growth in revenue generated from sales and services through the online distribution channel.
- Employee salaries and benefits increased primarily as a result of the annual salary adjustment.

Administrative expenses

Administrative expenses	Consolidated financial statement					
	For the three-month period ended March, 31					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Salaries and other employee benefits	10.52	65.25	10.79	55.63	0.27	2.57
Office expenses	1.73	10.73	2.27	11.70	0.54	31.21
Professional fees	2.29	14.21	3.53	18.20	1.24	54.15
Depreciation and amortization	1.13	7.01	1.16	5.98	0.03	2.65
Other administrative expenses	0.45	2.79	1.65	8.51	1.20	266.67
Total Administrative expenses	16.12	100.00	19.40	100.00	3.28	20.35
% to Total Revenue		9.54		11.79		

For the first quarter ended March 31, 2026 operating results, the Company reported Administrative Expenses of THB 19.40 million, representing 11.79% of total revenue from sales and services. This was an increase of THB 3.28 million, or 20.35%, compared to the same period last year.

The increase was mainly attributable to specialized professional fees incurred in relation to consultations for the establishment of a new subsidiary, as well as advisory services related to marketing and public relations activities, compared to the same period last year. In addition, administrative expenses increased due to costs associated with product registration processes for the new subsidiary.

However, such increases were partially offset by higher employee salaries and benefits resulting from annual salary adjustments, as well as an increase in office expenses arising from corporate public relations activities.

Net Profit

For the first quarter ended March 31, 2026, the Company reported net profit of THB 21.90 million, representing a decrease of THB 9.94 million, or 31.22%, compared to the same period last year. The decline was primarily attributable to the Company's increased marketing expenditures aimed at enhancing brand awareness among consumers, the benefits of which are expected to be progressively realized through revenue recognition commencing from the second quarter of 2026 onwards. In addition, the Company incurred expenses related to licensing applications and registrations for its newly established subsidiary, which is expected to commence revenue recognition in the second half of 2026.

As a result, the Company's net profit margin decreased from 18.84% in the first quarter of 2025 to 13.30% in the first quarter of 2026.

(4) Summary of Financial Position

Financial Position

Financial position	December 31, 2025		March 31, 2026		Changed	
	MB.	%	MB.	%	MB.	%
Total assets	555.44	100.00	602.63	100.00	47.18	8.49
Total liabilities	68.81	12.39	94.09	15.61	25.28	36.74
Total Shareholders' equity	486.64	87.61	508.54	84.39	21.90	4.50

Asset

The Company's principal assets comprise Cash and Cash Equivalents, Trade and Other Current Receivables, Inventories, Property, Plant and Equipment, and Advance payments for goods and services. For the first quarter ended March 31, 2026, the Company's total assets amounted to THB 602.63 million, with the principal assets consisting of the following:

1. Cash and Cash Equivalents amounting to THB 378.53 million, representing 62.81% of total assets.
2. Trade and Other Current Receivables totaling THB 74.94 million, representing 12.43% of total assets.
3. Inventories totaling THB 74.75 million, representing 12.41% of total assets.
4. Property, Plant and Equipment amounting to THB 26.30 million, representing 4.36% of total assets.
5. Advance payments for goods and services totaling THB 17.24 million, representing 2.86% of total assets.

Liabilities

The Company's principal liabilities consist of Trade and Other Current Payables, Income Tax Payable, Current Portion of Lease Liabilities due within one year, and Lease Liabilities net of current portion due within one year. For the first quarter ended March 31, 2026, the Company's total liabilities amounted to THB 94.09 million, representing 15.61% of total Liabilities and Shareholders' Equity. The principal liabilities comprise the following:

1. Trade and Other Current Payables amounting to THB 61.63 million, representing 10.23% of total Liabilities and Shareholders' Equity.
2. Income Tax Payable totaling THB 16.25 million, representing 2.70% of total Liabilities and Shareholders' Equity.
3. Current Portion of Lease Liabilities due within one year totaling THB 5.72 million, representing 0.95% of total Liabilities and Shareholders' Equity.
4. Lease Liabilities, net of current portion due within one year totaling THB 3.38 million, representing 0.56% of total Liabilities and Shareholders' Equity.

Shareholders' Equity

The Company's total Shareholders' Equity as of March 31, 2026, amounted to THB 508.54 million, representing 84.39% of total Liabilities and Shareholders' Equity. Shareholders' Equity comprises the following:

1. Issued and Paid-up Share Capital amounting to THB 212.50 million, representing 35.27% of total Liabilities and Shareholders' Equity.
2. Premium on Ordinary Shares totaling THB 183.23 million, representing 30.40% of total Liabilities and Shareholders' Equity.
3. Retained Earnings – Appropriated for Legal Reserve amounting to THB 12.98 million, representing 2.15% of total Liabilities and Shareholders' Equity.
4. Retained Earnings – Unappropriated totaling THB 99.83 million, representing 16.57% of total Liabilities and Shareholders' Equity.

Key Financial ratio

Key financial ratio	Unit	December 31, 2025	March 31, 2026
Current ratio	Times	8.21	6.31
Debt-to-equity ratio (D/E)	Times	0.14	0.19
Return on assets (ROA)	Percent	30.38	24.29
Return on equity (ROE)	Percent	28.54	23.92

Current Ratio

As of March 31, 2026, the Company's liquidity ratio was 6.31 times, decreasing from that as of December 31, 2025. The decrease was mainly due to trade and other payables increasing by THB 21.50 million compared to December 31, 2025, resulting from the Company's advance purchases of raw materials and packaging materials in line with its production plan, as well as purchases of finished goods for the Company's new products.

Debt to Equity ratio (D/E Ratio)

As of March 31, 2026, the Company's debt-to-equity ratio (D/E Ratio) was 0.19 times, increasing from that as of December 31, 2025. The increase was mainly due to total liabilities increased by THB 25.28 million as of March 31, 2026, mainly due to the Company's advance purchases of raw materials and packaging materials in line with its production plan, together with purchases of finished goods for the Company's new products. In addition, income tax payable increased as a result of the Company's net profit generated during the first quarter of 2026.

Return on assets (ROA)

As of March 31, 2026, the Company's return on assets (ROA) was 24.29%, decreasing from 30.38% as of December 31, 2025. The decrease was mainly due to a decline in profit before finance costs and income tax expense (annualized based on the current quarter's results combined with those of the preceding three quarters). In addition, average total assets as of March 31, 2026 were higher than those as of December 31, 2025, mainly due to increases in cash and cash equivalents, as well as advance payments for goods and services related to the production of new products.

Return on equity (ROE)

As of March 31, 2026, the Company's return on equity (ROE) was 23.92%, decreasing from 28.54% as of December 31, 2025. The decrease was mainly due to a decline in net profit (annualized based on the current quarter's results combined with those of the preceding three quarters), while average shareholders' equity as of March 31, 2026 increased compared to that as of December 31, 2025, as a result of the Company's net profit generated during the first quarter of 2026.

Cash cycle

Cash cycle	Unit	December 31, 2025	March 31, 2026
Average Collection Period	Days	42.00	51.00
Average Finish Goods Period	Days	76.00	69.00
Average Inventory Period	Days	120.00	127.00
Average Payment Period	Days	29.00	49.00
Cash cycle	Days	133.00	129.00

As of March 31, 2026, the Company's cash conversion cycle was 129 days, representing a decrease of 4 days compared to that as of December 31, 2025. The decrease was mainly due to a shorter average finished goods period, together with a longer average payment period.

(5) Factors That May Affect Future Operations or Growth

In 2026, the Thai economy continues to face pressure from several factors, including the anticipated slowdown in the global economy, trade protectionist policies implemented by major economies, as well as domestic structural vulnerabilities. Meanwhile, political uncertainty remains ongoing, and its economic impact will depend largely on the continuity of government policy implementation. These factors may result in the Thai economy maintaining a stabilizing trend in 2026 rather than experiencing accelerated growth.

However, the Thai cosmetics industry is expected to continue expanding, supported by the government's economic stimulus measures and the recovery of international tourism.

In addition, various government initiatives aimed at enhancing the competitiveness of Thai entrepreneurs are expected to contribute to the continued growth of export value in the periods ahead.

Yours Sincerely,

88(Thailand) Public Company Limited

-Mr. Chanapat Kaoubol-

Chief Financial Officer