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Topic: Management Discussion and Analysis for Quarter2/2026

To: President

The Stock Exchange of Thailand

In the second quarter of 2026, the Thai economy continued to experience a limited recovery, pressured by ongoing geopolitical uncertainties in the Middle East. These conflicts caused volatility and drove up domestic energy prices and certain other product costs, which subsequently weakened consumer sentiment and heightened spending concerns. Additionally, the sluggish broader economy continued to adversely impact consumer purchasing power, suppressing demand within the home improvement and renovation sectors. Despite the implementation of government economic stimulus via the 'Thai Help Thai Plus 60/40' program to alleviate these pressures, aggregate consumer purchasing power has yet to achieve a full recovery.

During the second quarter of 2026, the start of summer in April drove a seasonal surge in demand for cooling appliances, such as air conditioners and fans, before tapering off toward the end of the quarter due to an earlier-than-expected onset of the rainy season. Concurrently, global energy price volatility impacted production and transportation costs, triggering an upward price trend across certain product categories, particularly construction and chemical products. Consequently, contractors and developers accelerated their forward purchasing to mitigate cost risks, a momentum that subsequently normalized. To this end, the Company sustained its focus on driving its high-margin product mix through the strategic management of Private Brands, while maintaining stringent controls over SG&A expenses to alleviate the impacts of fluctuating energy costs and operational overheads.

To drive sales growth, the Company continued its focus on organizing joint promotional and marketing activities with its business partners to stimulate consumer spending. During the second quarter of 2026, the Company hosted the 'HomePro Super Expo' from April 2 to 6, 2026, across both physical stores and online channels, alongside regular monthly 'Double Day' campaigns.

In Q2/2026, the Company expanded its footprint by opening two new stores, including HomePro Samui (Chaweng), situated in a key tourist destination with high-growth potential. Additionally, the Suphanburi store was converted into a Hybrid Store format to enhance competitiveness and broaden the customer base over the long term. Consequently, as of the end of Q2/2026, the Company operated a total of 134 stores, comprising 87 HomePro stores, 4 HomePro S stores, 21 Mega Home stores, 15 Hybrid Stores, and 7 HomePro Malaysia.

The financial results of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2026, which have been reviewed by an auditor, are as follows:

Table 1: Financial Summary for the second quarter of 2026 and 2025 (3-Month Periods)

Unit: Million Baht

Consolidated Financial Statement	Q2'2026	%	Q2'2025	%	Increase (Decrease)	% Change
Revenue from contracts with customers	16,920.05	100.00%	16,391.51	100.00%	528.54	3.22%
Rental income	483.22	2.86%	475.02	2.90%	8.20	1.73%
Other income	651.60	3.85%	590.28	3.60%	61.32	10.39%
Total revenues	**18,054.87**	**106.71%**	**17,456.81**	**106.50%**	**598.06**	**3.43%**
Cost of sales and service	12,227.92	72.27%	12,159.98	74.18%	67.94	0.56%
Gross profit	**4,692.13**	**27.73%**	**4,231.53**	**25.82%**	**460.60**	**10.89%**
Cost of rental	210.99	1.25%	204.42	1.25%	6.57	3.22%
Selling and administrative expenses	3,486.95	20.61%	3,192.04	19.47%	294.91	9.24%
Profit before finance cost and income tax expenses	**2,129.01**	**12.58%**	**1,900.37**	**11.59%**	**228.64**	**12.03%**
Share of profit (loss) from investment in associates	0.16	0.00%	-0.33	0.00%	0.49	147.72%
Finance Income	4.30	0.03%	22.72	0.14%	-18.41	-81.05%
Finance cost	163.68	0.97%	177.88	1.09%	-14.20	-7.98%
Profit before income tax expenses	**1,969.79**	**11.64%**	**1,744.89**	**10.65%**	**224.91**	**12.89%**
Income tax expenses	375.61	2.22%	346.33	2.11%	29.28	8.45%
Profit for the period	**1,594.18**	**9.42%**	**1,398.55**	**8.53%**	**195.63**	**13.99%**

The Company reported a net profit for the second quarter of 2026 of 1,594.18 million Baht, representing an increase of 195.63 million Baht or 13.99% compared to the same period last year. The primary contributing factors are as follows:

1. Total revenue amounted to THB 18,054.87 million, representing an increase of THB 598.06 million or up 3.43%, comprising of the following:
   1.1. Revenue from contracts with customers, which comprises revenue from the sale of goods and revenue from Home Service (Chang HomePro), amounted to THB 16,920.05 million, representing an increase of THB 528.54 million or up 3.22% compared to the same period last year. This growth was primarily

driven by an acceleration in sales of cooling appliances due to the seasonal hot weather in April relative to the previous year's summer season.

1.2. Rental income amounted to THB 483.22 million, representing an increase of THB 8.20 million or up 1.73% from the previous year. This growth was driven by higher rental income across HomePro stores and Market Village shopping malls, particularly in key tourist destinations.

1.3. Other income amounted to THB 651.60 million, representing an increase of THB 61.32 million or up 10.39%. This increase was primarily due to higher co-promotional activities with vendors across both in-store and online channels, as well as higher marketing fee received corresponding to the increase in sales, compared to the same period last year.

2. Gross profit from the sales of goods and Home Service (Chang HomePro) amounted to THB 4,692.13 million, representing an increase of THB 460.60 million or up 10.89% compared to the previous year. The gross profit margin as percentage of sales increased from 25.82% in the previous year to 27.73%. This improvement was driven by effective product mix management, particularly the increased sales proportion of high-margin products and the continued Private Brand expansion, complemented by optimized pricing and cost management amidst rising transportation cost.
3. Cost of rental and related services amounted to THB 210.99 million, an increase of THB 6.57 million or up 3.22%, due to the increase in depreciation costs from rented space.
4. Selling and administrative expenses (SG&A) amounted to THB 3,486.95 million, representing an increase of THB 294.91 million or up 9.24% compared to the previous year. The SG&A as a percentage of sales was 20.61%, up from 19.47% in the previous year. The primary drivers of this increase included higher personnel expenses, depreciation, and credit card fees. However, these were partially offset by reductions in certain costs, such as repairs and maintenance, utilities, and marketing expenses.
5. Finance income amounted to THB 4.30 million, representing a decrease of THB 18.41 million or down 81.05%, from lower interest income.
6. Finance cost amounted to THB 163.68 million, representing a decrease of THB 14.20 million or down 7.98%. This reduction was primarily driven by the refinancing of maturing high-interest debentures, which were replaced by new issuances at lower interest rates. However, interest expenses on lease liabilities (Right-of-Use assets) increased slightly in accordance with TFRS16.
7. Income tax expenses amounted to THB 375.61 million, representing an increase of THB 29.28 million or up 8.45% compared to the previous year as a result of the increase in earnings before tax.

Table 2: Financial Summary for the first half of 2026 and 2025 (6-Month Periods)

Unit: Million Baht

Consolidated Financial Statement	H1'2026	%	H1'2025	%	Increase (Decrease)	% Change
Revenue from contracts with customers	32,961.95	100.00%	33,938.95	100.00%	-977.00	-2.88%
Rental income	955.31	2.90%	946.31	2.79%	8.99	0.95%
Other income	1,286.66	3.90%	1,226.02	3.61%	60.64	4.95%
Total revenues	**35,203.91**	**106.80%**	**36,111.28**	**106.40%**	**-907.36**	**-2.51%**
Cost of sales and service	24,002.05	72.82%	25,112.73	73.99%	-1,110.68	-4.42%
Gross profit	**8,959.90**	**27.18%**	**8,826.22**	**26.01%**	**133.69**	**1.51%**
Cost of rental	407.96	1.24%	412.25	1.21%	-4.28	-1.04%
Selling and administrative expenses	6,749.35	20.48%	6,384.47	18.81%	364.88	5.72%
Profit before finance cost and income tax expenses	**4,044.56**	**12.27%**	**4,201.84**	**12.38%**	**-157.27**	**-3.74%**
Share of profit (loss) from investment in associates	0.27	0.00%	-0.33	0.00%	0.61	182.78%
Finance Income	8.88	0.03%	28.36	0.08%	-19.49	-68.70%
Finance cost	334.35	1.01%	354.92	1.05%	-20.58	-5.80%
Profit before income tax expenses	**3,719.37**	**11.28%**	**3,874.94**	**11.42%**	**-155.58**	**-4.01%**
Income tax expenses	721.21	2.19%	769.01	2.27%	-47.80	-6.22%
Profit for the period	**2,998.15**	**9.10%**	**3,105.93**	**9.15%**	**-107.78**	**-3.47%**

The company's net profit for the first half of the year was THB 2,998.15 million, a decrease of THB 107.78 million or 3.47% compared to the same period of the previous year. The main contributing factors are as follows:

8. Total revenue amounted to THB 35,203.91 million, a decrease of THB 907.36 million or down 2.51%, comprised of the following:
    8.1. Revenue from contracts with customers, which includes revenue from the sale of goods and revenue from Home Service (Chang HomePro), amounted to THB 32,961.95 million, a decrease of THB 977.00 million or down by 2.88% compared to the same period of the previous year. This decline was primarily due to a high revenue comparable base in the first quarter last year, which was bolstered by the government's 'Easy E-Receipt' stimulus campaign, whereas no similar economic stimulus measures were implemented this year. This was further compounded by a prolonged domestic economic slowdown impacting consumer confidence and purchasing power.

Nevertheless, during the second quarter, the Company experienced sales growth in the cooling appliance category driven by the seasonal hot weather in April relative to the previous year's summer season.

8.2. Rental income amounted to THB 955.31 million, an increase of THB 8.99 million or up 0.95% from the previous year. This growth was driven by higher rental income across HomePro stores and Market Village shopping malls, particularly in key tourist destinations.

8.3. Other income amounted to THB 1,286.66 million, an increase of THB 60.64 million or up 4.95% compared to the same period of the previous year. This increase was primarily due to higher co-promotional activities with vendors across both in-store and online channels, as well as higher marketing fee received corresponding to the increase in sales, compared to the same period last year.

9. Gross profit from the sale of goods and Home Service (Chang HomePro) amounted to THB 8,959.90 million, an increase of THB 133.69 million or up 1.51% compared to the previous year. The gross profit margin increased from 26.01% in the previous year to 27.18%. This improvement was driven by effective product mix management, particularly the increased sales proportion of high-margin products and the continued Private Brand expansion, complemented by optimized pricing and cost management amidst rising transportation cost.

10. Cost of rental and related services amounted to THB 407.96 million, a decrease of THB 4.28 million or down 1.04% compared to the previous year, primarily due to a reduction in repairs and maintenance costs as well as depreciation expenses related to leased spaces at Market Village Shopping Center.

11. Selling and administrative expenses (SG&A) amounted to THB 6,749.35 million, an increase of THB 364.88 million or up 5.72% compared to the previous year. The SG&A as a percentage of sales was 20.48%, increasing from 18.81% in the previous year. The primary drivers of this increase included higher personnel expenses, depreciation, credit card fees, repairs and maintenance, and costs associated with new store openings. However, these were partially offset by reductions in certain costs, such as utilities and marketing expenses.

12. Finance income amounted to THB 8.88 million, a decrease of THB 19.49 million or down 68.70% compared to the previous year, due to the decrease in interest income.

13. Finance cost amounted to THB 334.35 million, a decrease of THB 20.58 million or down 5.80% compared to the previous year. This reduction was primarily attributed to the refinancing of maturing high-interest debentures, which were replaced by new issuances at lower interest rates. However, interest expenses on lease liabilities (Right-of-Use assets) increased slightly in accordance with TFRS16.

14. Income tax expenses amounted to THB 721.21 million, a decrease of THB 47.80 million or 6.22% compared to the previous year, in line with the decline in earnings before tax.

Summary of Financial Position

Assets

As of June 30, 2026, the Company and its subsidiaries reported total assets of THB 67,514.26 million, representing a decrease of THB 3,134.22 million or 4.44% from December 31, 2025. This decline was primarily driven by significant movements in key asset categories, including a decrease in cash and cash equivalents of 2,788.25 million Baht, a reduction in trade and other receivables of 515.13 million Baht, and a decrease in property, plant, and equipment of 159.30 million Baht. These decreases were partially offset by increases in certain items, notably inventories, which rose by 327.76 million Baht, as well as other current assets and right-of-use assets, which increased by 85.94 million Baht and 30.52 million Baht, respectively.

Liabilities

As of June 30, 2026, the Company and its subsidiaries reported total liabilities of THB 41,642.45 million, representing a decrease of THB 2,908.80 million or 6.53% from December 31, 2025. This included a decrease in interest-bearing debt of THB 1,593.66 million. Consequently, the Total Debt-to-Equity (D/E) ratio was 1.61 times, while the Interest-Bearing Debt-to-Equity ratio was recorded at 0.65 times.

Shareholder’s equity

As of June 30, 2026, total shareholders' equity of the Company and its subsidiaries amounted to THB 25,871.81 million, representing a decrease of THB 225.42 million or 0.86% from December 31, 2025. Additionally, the Return on Equity (ROE) was recorded at 23.08%.

Liquidity

For the period ended June 30, 2026, the Company and its subsidiaries reported a net decrease in cash and cash equivalents of THB 2,788.25 million, attributed to the movement of cash flows from the following activities:

Net cash flows from operating activities increased THB 4,466.23 million.

Net cash flows used in investing activities decreased THB 1,988.73 million.

Net cash flows used in financing activities decreased THB 5,272.14 million.

Regarding the liquidity position as of June 30, 2026, the Company and its subsidiaries reported current assets of THB 19,293.78 million and current liabilities of THB 23,501.62 million, resulting in a current ratio of 0.82 times. The Company has secured short-term financing facilities sufficiently to maintain adequate liquidity, including an overdraft and bill of exchange, as well as trade finance facilities.

ESG Initiatives

During the second quarter of 2026, the Company remained committed to driving its business in alignment with sustainable development practices. The Company actively advanced its clean energy utilization by expanding Solar Rooftop installations across HomePro and Mega Home stores, Market Village shopping centers, and distribution centers, bringing the total number of operational sites to 103 by the end of Q2/2026.

Furthermore, the Company continued to promote the Circular Economy framework through its 'Trade-In' program (Old for New), encouraging customers to exchange used products for discounts on new purchases. All returned items are sorted and recycled in collaboration with business partners, transitioning them into eco-friendly 'Circular Products' that generate added value. Since its inception through the end of Q2/2026, the program has accumulated over 670,000 items properly processed through recycling and waste management systems. These initiatives not only contribute to waste reduction and mitigate environmental impacts but also serve as a key strategy to drive business growth alongside sustainable social and environmental responsibility.

Sincerely yours,

(Ms. Wannee Juntamongkol)

Executive Vice President – Finance and Investment