Ref. BTNC_BM 08/2569

13 August 2026

Re: Management Discussion and Analysis (MD&A) – Q2 and First Half 2026 Operating Results

To: The Board of Directors and President, The Stock Exchange of Thailand

Operating Results Summary

For Q2/2026, compared to the same period last year, the Company recorded total revenue of Baht 61.64 million, a decrease of 18.91%. Total cost of goods sales and expenses amounted to Baht 65.45 million, a decrease of Baht 13.99 million, or 17.61%, from the previous year. The Company's gross profit was Baht 33.03 million, or 55.68% of sales (previous year: 44.99%). The Company recorded a net loss for Q2 of Baht 2.99 million, compared with a net loss of Baht 3.05 million in the previous year, a decrease in loss of Baht 0.06 million, or 1.97%. The Company recorded another comprehensive income, net income tax of Baht 0.24 million, compared with other comprehensive income of Baht 0.05 million in the previous year, an increase of Baht 0.19 million from the fair value adjustment of investments. In summary, total comprehensive loss for Q2 was Baht 2.75 million, compared with a loss of Baht 3.01 million in the previous year, a decrease in loss of Baht 0.26 million.

Management Discussion and Analysis

<u>For Q2 (April – June)</u>

In Q2/2026, compared to the same period last year, the Company's total sales decreased by Baht 14.48 million, comprising an increase in retail sales of Baht 11.38 million, a decrease in revenue from corporate customers of Baht 25.86 million, and an increase in dividend income of Baht 0.07 million.

- Key factors affecting revenue

  Retail sales – Although affected by the Middle East conflict, which slowed the overall economy of the country and many regions around the world, sales were supported by government spending-stimulus policies and various promotional occasions, encouraging consumers to spend more on apparel. In addition, the online channel continued to grow and was unaffected, particularly for products the Company developed to better match customer needs and preferences, together with the significant expansion of online sales channels, resulting in an overall increase in retail sales.

  Corporate sales – Decreased due to customers postponing delivery schedules, with delivery of certain goods deferred from Q2 to Q3, which was the main reason for the decline in corporate sales this quarter.

- Total cost of sales and expenses decreased by Baht 13.99 million, comprising a decrease in cost of sales of Baht 10.53 million (the prior year also included a Baht 3.61 million write-off of the obsolescence provision for medical equipment), and a decrease in administrative expenses of Baht 3.16 million, while distribution costs increased by Baht 3.48 million, or

14.18%, in line with the increase in retail sales resulting from the expansion of online sales channels.

Cumulative 6 Months (January – June)

- For the six months ended June 2026, compared to the same period last year, the Company recorded total revenue of Baht 127.32 million, a decrease of 8.63%, comprising revenue from sales and services of Baht 120.03 million, a decrease of 0.88%, mainly due to a decrease in service revenue.

- Key factors affecting cumulative revenue

  Retail sales – As the overall economy slowed during the first six months of the year, the government introduced spending-stimulus policies, particularly targeting the retail sector. The Company managed operations by balancing gross margin against liquidity management to move inventory more quickly and continued to grow steadily through both onsite and online channels. Cumulative retail sales increased by Baht 29.75 million despite economic headwinds, reflecting the strength of the brand and its sales channels. Corporate sales decreased cumulatively by Baht 30.83 million due to changes in customers' internal branding/image and delays in placing orders, resulting in total service revenue declining from Baht 42.32 million to Baht 11.49 million, a decrease of 72.85%. Corporate customers took longer to make purchasing decisions due to economic uncertainty.

- Cumulative gross profit for the six months was Baht 65.58 million, an increase from Baht 61.46 million, or 6.70%. The gross margin improved significantly from 50.76% to 54.64%, due to a decrease in the proportion of revenue from higher-cost corporate sales, and the prior year having included an obsolescence provision for medical products.

- Cumulative cost of goods sales and expenses: Total cumulative expenses decreased by Baht 6.70 million, or 4.82%, comprising a decrease in cost of goods sales of Baht 5.18 million (-8.68%) and a decrease in administrative expenses of Baht 10.72 million (-33.27%). However, distribution costs increased by Baht 9.32 million (+19.88%), in line with the expansion of online channels and platform fees. The Company continues to manage expenses carefully, while still needing to invest continuously in expanding its online sales channels.

- Cumulative net loss for the six months was Baht 3.42 million, compared with a cumulative net profit of Baht 1.25 million in the prior year. This was mainly due to lower revenue from corporate sales and dividend income received, partly offset by lower administrative expenses. The cumulative net profit (loss) margin was -2.69%, compared with +0.90% in the same period last year.

Business Outlook

Although this quarter's results were affected by external factors and the absence of replacement corporate customers, the Company's retail revenue base remains strong. The Company has established policies to develop its sales channels and efficiency, resulting in growth in both onsite and online channels, and continues to expand its customer base among Gen Z and Gen Y through new product development that responds to changing needs and ifestyles, while maintaining a focus on producing quality, environmentally friendly products and providing the most convenient service to customers. In terms of corporate sales, the Company continues to expand its customer base, focusing on medical personnel across all specialties, to serve demand for the design and tailoring of uniforms and scrub sets in all forms.

The Company continues to maintain sufficient liquidity and the ability to conduct its business sustainably in line with its targets and plans.

Table 1 – Summary of Operating Results for Q2 and First Half 2026

(Unit: Million Baht)

Summary of Operating Results	Q2		Q1	% Change		January–June		% Change
	2026	2025	2026	YoY	QoQ	2026	2025	
Revenue from sales and services	59.32	73.80	60.71	-19.62	-2.29	120.03	121.09	-0.88
Total revenue	61.64	76.01	65.69	-18.91	-6.17	127.28	139.34	-8.66
Total cost and expenses	65.45	79.44	66.86	-17.61	-2.11	132.40	139.10	-4.82
Gross profit	33.03	33.20	32.55	-0.51	1.47	65.58	61.46	6.70
Net profit (loss)	-2.99	-3.05	-0.43	-1.97	595.35	-3.42	1.25	-373.60

Table 2 – Key Financial Ratios

(Unit: %)

Key Financial Ratios	Q2		Q1	6-Month Cumulative	
	2026	2025	2026	2026	2025
Return on Total Assets (1)	-0.55	-0.56	-0.08	-0.62	0.23
Return on Equity (2)	-0.61	-0.63	-0.08	-0.70	0.26
Net Profit Margin (3)	-4.85	-4.01	-0.65	-2.69	0.90

Notes

(1) Return on Total Assets = Net profit for the period / Total assets

(2) Return on Equity = Net profit for the period / Total shareholders' equity

(3) Net Profit Margin = Net profit (loss) for the period / Total revenue

Total Assets

As of 30 June 2026, the Company had total assets of Baht 547.44 million, including cash and cash equivalents of Baht 2.51 million. The Company also held other current financial assets of Baht 71.14 million.

Total Liabilities and Shareholders' Equity

The Company maintains a strong financial position. As of 30 June 2026, total liabilities were Baht 58.71 million, while total shareholders' equity was Baht 488.72 million. In Q2, the Company paid a dividend to shareholders of Baht 18.00 million on 29 April 2026, and incurred capital expenditure for the renovation of one new branch store.

Table 3 – Financial Position

(Unit: Million Baht)

Financial Position	Q2		Q1	% Change	
	2026	2025	2026	YoY	QoQ
Total assets	547.44	541.43	555.06	1.11	-1.37
Total liabilities	58.71	55.26	45.58	6.24	28.81
Total shareholders' equity	488.72	486.18	509.47	0.52	-4.07
Debt to Equity ratio (1)	0.12	0.11	0.09	9.09	33.33

Note

(1) Debt to Equity ratio = Total liabilities / Total shareholders' equity

Sustainability Development

In Q2/2026, the Company remained committed to driving the organization toward sustainable business operations, encompassing environmental, social, and good corporate governance aspects, reflecting the practices of management and employees at all levels, as follows:

Sustainability: The Company continues to develop, monitor, and improve the utilization of fabric scraps from production by recycling them into new fabric, which is then made into garments under the "Reloop" collection under the Guy Laroche brand.

Environment: The Company recognizes the importance of environmental management and continues to manage waste segregation on an ongoing basis.

Social: In Q2/2026, the Company continued its ongoing corporate social responsibility activities, including donating to the Dr. Thiam Chokwatana Foundation together with companies within the Saha Pathana Inter-Holding Group, to be distributed to various charitable organizations for disaster relief, and supporting healthcare agencies and hospitals to enable the public to access more effective treatment and services.

We would like to inform you accordingly and would appreciate it if you could kindly disseminate this information to shareholders and investors. Thank you very much.

Yours sincerely,

(Mrs. Pravara Ekaraphanich)

Managing Director and CEO