Management Discussion and Analysis

Quarter 2 ended June 30, 2026

Eureka Design Public Company Limited

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Subject Management Discussion and Analysis for the Second Quarter and Six-Month Period Ended June 30, 2026

To Dear Directors and Managers

Stock Exchange of Thailand

Eureka Design Public Company Limited and its subsidiaries (the "Company") would like to report the operating results and financial position for the second quarter and the six-month period ended June 30, 2026, with the key highlights as follows:

Operating Results for the Six-Month Period Ended June 30, 2026

Summary of UREKA's performance	EBIT	Net profit	Change	Net profit margin
	22.99 M.	10.55 M.	5.33 M.	11.59%

Income Statement Unit: million baht	Year 2026	Year 2025	Change Million	Change (%yoy)
Revenues				
Revenue from sales and services	87.36	120.83	**(33.47)**	**-27.70%**
Other income	3.65	4.34	**(0.69)**	**-15.90%**
Total revenue	**91.01**	**125.17**	**(34.16)**	**-27.29%**
Expenses				
Cost of good sold	52.29	89.44	**(37.15)**	**-41.54%**
Selling costs	0.02	0.17	**(0.15)**	**-86.47%**
Administrative expenses	15.71	20.32	**(4.61)**	**-22.69%**
Interest expense	8.15	9.62	**(1.47)**	**-15.28%**
Total expenses	**76.17**	**119.55**	**(43.38)**	**-36.29%**
Share of loss of associates accounted for using the equity method	2.00	0.00	2.00	
Profit (loss) before income tax	14.84	5.62	**9.22**	**164.06%**
Income (expenses) income tax	(4.29)	(0.40)	**(3.89)**	**972.50%**
Net profit (loss)	**10.55**	**5.22**	**5.33**	**102.11%**

Business Overview for the First Six Months of 2026

The Company operates two core business segments: (1) the production and distribution of tap water, which represents the Group's water infrastructure business, and (2) the production and distribution of recycled plastic pellets, which supports resource efficiency in line with the circular economy concept.

During the first six months of 2026, the Group's revenue from sales decreased compared with the same period of the previous year, primarily due to lower revenue from the recycled plastic pellet business. The decrease reflected prevailing market conditions and the Company's management of production and sales volumes to align with competitive conditions in the industry. Meanwhile, the tap water production and distribution business continued to record revenue growth and remained an important source of recurring and stable revenue for the Group.

Despite the decline in overall revenue, the Company's profitability improved compared with the same period of the previous year. This improvement was supported by growth in the tap water business, a more favorable revenue mix, the effective management of costs and production capacity in response to market conditions, as well as continued control over operating expenses and finance costs. As a result, the Company recorded improvements in both gross profit margin and operating profitability.

The overview of UREKA's consolidated profit and loss statement are as follows:

1. The Company recorded revenue from sales and services of Baht 87.36 million, a decrease of Baht 33.47 million, or 27.70%, compared with Baht 120.83 million in the same period of the previous year.

   By business segment, the tap water production and distribution business generated revenue of Baht 56.79 million, increasing from Baht 51.57 million, or 10.12%, compared with the same period of the previous year. This reflects the recurring and stable nature of revenue generated from tap water production and distribution under existing contracts. Meanwhile, the recycled plastic pellet production and distribution business generated revenue of Baht 30.58 million, decreasing from Baht 69.26 million, or 55.85%. The decline was primarily attributable to changes in the sales mix resulting from continued intense price competition, together with an oversupply of plastic resins in the region and cautious purchasing by industrial customers amid an economic environment that has yet to fully recover. Accordingly, the Company continued to focus on managing its customer mix, raw material costs, production capacity, and selling prices at appropriate levels in order to maintain competitiveness and the quality of its operating performance over the long term.

2. The Company recorded other income of Baht 3.65 million, a decrease of Baht 0.69 million, or 15.90%, compared with Baht 4.34 million in the same period of the previous year, despite an increase in foreign exchange gains recognized by the Group during the current period. When revenue from sales and services and other income were combined, the Company recorded total revenue of Baht 91.01 million, decreasing from Baht 125.17 million in the same period of the previous year, primarily due to the decline in revenue from sales and services.
3. The Company recorded cost of sales and services of Baht 52.29 million, a decrease of Baht 37.15 million, or 41.54%, compared with Baht 89.44 million in the same period of the previous year. Although the Company continued to face pressure from raw material and energy costs, as well as volatility in the global economic environment, it was able to manage costs more efficiently through production cost control, raw material management, alignment of production capacity with market conditions, and improvements in internal operating efficiency. As a result, the rate of decline in costs was greater than the rate of decline in revenue.
4. The Company recorded distribution costs of Baht 0.02 million, a decrease of Baht 0.15 million, or 86.47%, compared with Baht 0.17 million in the same period of the previous year. The decrease was primarily attributable to lower export volumes and a reduction in overseas transportation costs per unit.
5. The Company recorded administrative expenses of Baht 15.71 million, a decrease of Baht 4.61 million, or 22.69%, compared with Baht 20.32 million in the same period of the previous year. The decrease reflects the Company's continued cost control and effective management of corporate expenses.
6. The Company recorded finance costs of Baht 8.15 million for the period ended June 30, a decrease of Baht 1.47 million, or 15.28%, compared with Baht 9.62 million in the same period of the previous year. The decrease was in line with the gradual repayment of long-term borrowings from financial institutions, reflecting the Company's effective management of debt and borrowings.
7. The Company had net profit for the second quarter of 2026 ended June 30, 2026, which amounts to 8.55 million baht, an increase of 3.33 million baht or an increase of 63.79% compared to the same period last year when the net profit was 5.22 million baht. Although the Company's total revenue declined in line with market conditions and competitive pressure within the industry, its overall operating performance improved significantly, reflecting the Company's continued enhancement in cost management and operational efficiency. The Company placed strong emphasis on controlling production costs, optimizing production capacity in line with market demand, managing operating expenses prudently, and effectively managing financing costs. As a result, the Company's net profit margin improved compared to the same period of the previous year.

Unit: million baht Current assets	Year 2026	Year 2025	Change Million	Change (% yoy)
Non-current assets	169.21	183.31	(14.10)	-7.69%
Total assets	1,700.08	1,692.02	8.06	0.48%
Liability	**1,869.29**	**1,875.33**	**(6.04)**	**-0.32%**
Equity	290.30	305.79	(15.49)	-5.07%
Liability and Equity	1,578.99	1,569.54	9.45	0.60%
Total Liability and Equity	**1,869.29**	**1,875.33**	**(6.04)**	**-0.32%**

The overview of UREKA's consolidated financial statement are as follows:

1. As of June 30, 2026, the Company had total assets of Baht 1,869.29 million, a decrease of Baht 6.04 million, or 0.32%, from Baht 1,875.33 million as of December 31, 2025. Current assets amounted to Baht 169.21 million, while non-current assets amounted to Baht 1,700.08 million. Significant components of non-current assets included property, plant and equipment of Baht 1,320.89 million, goodwill of Baht 271.60 million, and investment in an associate of Baht 58.64 million. The significant movement during the period was primarily attributable to changes in advance payments for shares, in line with the progress of the Company's investment transaction.
2. The Company had liabilities as of June 30, 2026 in the amount of 290.30 million baht, a decrease of 15.49 million baht or 5.07% from liabilities as of December 31, 2025. The decrease was primarily attributable to the gradual repayment of long-term borrowings from financial institutions, in line with the Company's capital structure management policy, which emphasizes maintaining financial discipline, prudent debt management, and strengthening long-term financial stability. As a result, the Company's debt burden ratio continued to improve steadily.
3. Shareholders' equity increased as a result of the Company's improved and consistently profitable operating performance. As of June 30, 2026, the Company had retained earnings of Baht 159.47 million, an increase of Baht 9.45 million from Baht 150.02 million as of December 31, 2025. The increase in retained earnings reflects the Company's continued ability to generate profits from its operations and has further strengthened its equity base, which enhanced financial stability and supported the Company's ongoing operations and future growth.

Other key financial ratios as follows:

Key financial ratios	Year 2026	Year 2025
Leverage Ratio		
D/E	0.18	0.19
Liquidity Ratio		
Current Ratio	0.97	1.42
Profitability Ratios		
Net Profit Margin	9%	4%

Sustainable Business Development

The Company is committed to creating growth based on enhancing resource efficiency and productivity (Resource Productivity) through two key business development approaches: Green Infrastructure and Circular Platform, while integrating ESG principles, risk management, and good corporate governance. This approach aims to ensure that the Company's growth generates economic returns, creates value for society, and delivers positive environmental impacts over the long term.

Under Green Infrastructure, the Company focuses on developing and managing water infrastructure to enhance efficiency and resilience throughout the value chain, including water source and reserve management, water production and distribution, reduction of water losses, improvement of energy efficiency, and the adoption of renewable energy in operations. These initiatives are intended to support water security, reduce operating costs, and improve the utilization efficiency of existing assets.

Under the Circular Platform, the Company focuses on creating greater value from resources and materials that can be recovered and reused. The recycled plastic pellet production and distribution business forms part of this approach by bringing plastic materials back into the production cycle, reducing reliance on virgin raw materials, and supporting the Circular Economy, while simultaneously managing costs, product quality, and product mix to generate appropriate economic returns.

The Company applies ESG principles as a framework for business development and growth management, with the following key approaches:

1. Environmental and Resource Efficiency

The Company places importance on improving the efficiency of water, energy, and raw material utilization throughout its operations. In the water business, the Company focuses on appropriate management of water sources and water reserves, enhancing the efficiency of water production and distribution systems, and considering measures to reduce water losses. These initiatives are aimed at improving infrastructure efficiency and supporting long-term water security.

With respect to energy management, the Company has implemented a Floating Solar system to generate electricity from solar energy for its operations, thereby reducing reliance on grid electricity and improving energy cost efficiency. Solar-generated electricity currently accounts for approximately 28% of electricity consumption and contributes to an estimated reduction in carbon dioxide emissions of approximately 444.09 tons per year.

For the recycled plastic pellet business, the Company focuses on creating greater value from resources by recycling plastic materials for reuse. This forms part of the development of the Circular Platform and supports efficient resource utilization in accordance with circular economy principles.

2. Social, Safety, and Stakeholder Responsibility

The Company recognizes that the development of Green Infrastructure must be undertaken alongside responsible management of employees, contractors, customers, communities, and other relevant stakeholders. The Company places particular importance on occupational health and safety, risk assessment and control, as well as the reporting and analysis of accidents and near-miss incidents, in order to continuously establish appropriate corrective and preventive measures.

The Company also promotes the development of employees' knowledge and skills, including multi-skilling, to enhance organizational flexibility and operational efficiency.

In the water business, the Company recognizes that its operations generate not only economic returns but also contribute to water security, continuity of economic activities, and access to quality water for communities and industrial users within its service areas.

3. Corporate Governance and Quality Growth

The Company places strong emphasis on good corporate governance, internal control, and risk management. Business development and investments under both the Green Infrastructure and Circular Platform strategies are required to undergo appropriate assessment in terms of strategic alignment, technical feasibility, financial returns, cash flows, asset utilization efficiency, contractual obligations, legal considerations, and environmental and social impacts prior to implementation in accordance with the relevant approval authorities.

The Company emphasizes risk management from the early stages of project development to ensure that investment risks, as well as environmental and social risks, can be appropriately identified and managed. The Company also conducts its business in accordance with its anti-corruption policy, conflict-of-interest prevention measures, and applicable laws and regulations.

The Company is committed to achieving quality growth, with consideration extending beyond revenue expansion to include profitability, cash flow generation, asset utilization efficiency, revenue stability, and manageable risk levels. This approach is intended to create sustainable long-term value for the Company, its shareholders, and all stakeholders.

Please be informed accordingly and kindly disseminate this information to investors.

Best Regards,

(Noppadol Mingchinda)

Chief Executive Officer and Director