AUCT-OS 018/2026

7 August 2026

Subject: Management Discussion and Analysis for the 2nd quarter of 2026, ending 30 June 2026

To: The President of the Stock Exchange of Thailand

Union Auction Public Company Limited ("the Company") would like to submit the financial statements for the 2nd quarter of 2026, ending 30 June 2026. They were reviewed by the Company's external auditor together with the explanation of the Management Discussion and Analysis for the Company's operating results as follows:

The performance of the 2nd quarter of 2026 and the 6-month of 2026

(Unit: Million Baht)

Statement of Comprehensive Income	The 2nd quarter 2026	The 2nd quarter 2025	The 2nd quarter %YoY	1Q/2026	%QoQ	The 6-month 2026	The 6-month 2025	The 6-month %YoY
Revenue from services	177.59	258.53	(31.3%)	227.13	(21.8%)	404.71	522.25	(22.5%)
Other revenues	2.42	4.01	(39.7%)	1.36	77.9%	3.78	6.69	(43.5%)
Total revenues	**180.00**	**262.54**	**(31.4%)**	**228.49**	**(21.2%)**	**408.49**	**528.93**	**(22.8%)**
Cost of services	(116.24)	(153.55)	(24.3%)	(133.40)	(12.9%)	(249.63)	(300.12)	(16.8%)
Gross profit	61.35	104.98	(41.6%)	93.73	(34.5%)	155.08	222.13	(30.2%)
Gross profit margin (%)	34.5%	40.6%	(6.1%)	41.3%	(6.7%)	38.3%	42.5%	(4.2%)
Service and administrative expenses	(42.96)	(44.63)	(3.7%)	(43.27)	(0.7%)	(86.23)	(88.32)	(2.4%)
Profit before financial cost and income tax	20.81	64.36	(67.7%)	51.81	(59.8%)	72.63	140.49	(48.3%)
Financial Cost	(8.31)	(7.59)	9.5%	(8.28)	0.4%	(16.59)	(15.29)	8.5%
Income tax	(2.62)	(12.31)	(78.7%)	(8.72)	(70.0%)	(11.34)	(26.00)	(56.4%)
Net profit	**9.88**	**44.47**	**(77.8%)**	**34.81**	**(71.6%)**	**44.70**	**99.20**	**(54.9%)**
Net profit margin (%)	**5.5%**	**16.9%**	**(11.4%)**	**15.2%**	**(9.7%)**	**10.9%**	**18.8%**	**(7.8%)**

Remarks: %YoY is the rate of change compared to the previous year and %QoQ is the rate of change Compared to the previous qua rter.

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Revenue from services consists of:

(Unit: Million Baht)

Revenue from services	The 2nd quarter			1Q/2026	%QoQ	The 6-month		
	2026	2025	%YoY			2026	2025	% YoY
1) Revenue from auctions	150.07	202.94	(26.1%)	185.64	(19.2%)	335.71	424.20	(20.9%)
2) Revenue from transportation and other services	27.52	55.59	(50.5%)	41.49	(33.7%)	69.01	98.05	(29.6%)
Total	**177.59**	**258.53**	**(31.3%)**	**227.13**	**(21.8%)**	**404.71**	**522.25**	**(22.5%)**

In quarter 2/2026, the Company's revenue from services was Baht 177.59 million decreased by Baht 80.94 million or 31.3% compared to the same period of the previous year. Revenue from auctions amounted to Baht 150.07 million decreased by Baht 52.87 million or 26.1% compared to the same period of the previous year. It decreased by Baht 35.56 million or 19.2% compared to the previous quarter. This decline was still primarily due to the impact of the "You Fight, We Help" program, which has led to a continued slowdown in the number of repossessed vehicles entering auction yards and the volume of ended vehicle auctions since the late 4/2024 quarter.

The Company's service fees increased since 1 May 2025 as follows:

(Unit: Baht)

Vehicle Types	Existing	New
Cars	10,000	12,000
6-Wheel Trucks	12,000	14,000
10-Wheel Trucks	15,000	17,000
Motorcycles under 250 cc	1,500	2,000
Motorcycles under 500 cc	3,000	3,500
Motorcycles 500 cc and above	3,000	5,000

In quarter 2/2026, revenue from transportation and other services were Baht 27.52 million decreased by Baht 28.07 million or 50.5% compared to the same period of the previous year, mainly due to the recognition of revenue from radio frequency spectrum auction management services in the previous year, and decreased by Baht 13.97 million or 33.7% compared to the previous quarter according with the continued slowdown in vehicle volume.

For the 6-month of 2026, the Company's service revenue was Baht 404.71 million, decreased by Baht 117.54 million, or 22.5%, compared with the same period of the previous year. Revenue from auction services amounted to Baht 335.71 million, decreased by Baht 88.49 million, or 20.9% year-on-year. In addition, revenue from transportation and other services totaled Baht 69.01 million, decreased by Baht 29.04 million, or 29.6%, compared with the same period of the previous year.

Cost of services

In quarter 2/2026, the Company's cost of services was Baht 116.24 million, decreased by Baht 37.31 million or 24.3% compared to the same period of the previous year, and decreased by Baht 17.16 million or 12.9% compared to the previous quarter. The primary due to lower vehicle transportation costs and auction-related expenses, in line with the decline in the volume of vehicles entering the auction yards and the volume of ended vehicle auctions.

For the 6-month of 2026, the Company's cost of services was Baht 249.63 million, decreased by Baht 50.49 million or 16.8%, compared with the same period of the previous year.

The Company's cost of services primarily consisted of employee expenses, depreciation and amortization expenses, and depreciation of right-of-use assets related to leased land under lease agreements.

Gross profit

In quarter 2/2026, the Company's gross profit was Baht 61.35 million, decreased by Baht 43.63 million or 41.6% compared to the same period of the previous year and decreased by Baht 32.38 million or 34.5% compared to the previous quarter.

For the 6-month of 2026, the Company's gross profit was Baht 155.08 million, decreased by Baht 67.05 million, or 30.2%, compared with the same period of the previous year.

Service and administrative expenses

In quarter 2/2026, the Company's service and administrative expenses were Baht 42.96 million, decreased by Baht 1.67 million or 3.7% compared to the same period of the previous year, and decreased by Baht 0.31 million or 0.7% compared to the previous quarter. The increase was mainly due to higher employee salaries and related personnel expenses.

For the 6-month 2026, the Company's service and administrative expenses were Baht 86.23 million, decreased by Baht 2.09 million or 2.4%, compared with the same period of the previous year.

Finance cost

In quarter 2/2026, the Company's finance cost was Baht 8.31 million, increased by Baht 0.72 million or 9.5% compared to the same period of the previous year, and increased by Baht 0.03 million or 0.4% compared to the previous quarter. Most of the finance cost was attributable to interest expenses on lease liabilities.

For the 6-month 2026, the Company's finance cost was Baht 16.59 million, increased by Baht 1.30 million or 8.5%, compared with the same period of the previous year.

Net Profit

In quarter 2/2026, the Company's net profit was Baht 9.88 million, decreased by Baht 34.59 million or 77.8% compared to the same period of the previous year and decreased by Baht 24.93 million or 71.6% compared to the previous quarter.

For the 6-month 2026, the Company's net profit was Baht 44.70 million, decreased by Baht 54.50 million, or 54.9%, compared with the same period of the previous year.

Statement of Financial Position and Financial Ratio

(Unit: Million Baht)

Statement of Financial Position	30 June 2026	31 December 2025	% ▲
Total Assets	1,740.50	1,809.75	(3.8%)
Total Liabilities	1,306.81	1,308.05	(0.1%)
Owner's Equity	433.69	501.71	(13.6%)
Unappropriated Retained Earnings	98.44	166.46	(40.9%)
ROA (%)	11.87	18.50	
ROE (%)	31.77	49.56	
D/E (time(s))	3.01	2.61	
Adjusted D/E - Exclude lease liabilities (time(s))	0.76	0.62	
Adjusted D/E - Exclude lease liabilities & Trade payables - vehicles (time(s))	0.42	0.44	

As of 30 June 2026, total assets were Baht 1,740.50 million, decreased by Baht 69.25 million or 3.8% compared to the balance as of 31 December 2025. The decrease was mainly due to other current financial assets of Baht 60 million, which were used for the payment of dividends.

Total liabilities were Baht 1,306.81 million, decreased by Baht 1.24 million or 0.1% compared to the balance as of 31 December 2025.

Total shareholders' equity was Baht 433.69 million, decreased by Baht 68.02 million or 13.6% compared to the balance as of 31 December 2025 from unappropriated retained earnings.

Cash Flows Statement

(Unit: Million Baht)

Cash Flows Statement	The 6-month of			
	2026	2025	Difference	%YoY
Net Cash Flows from Operating Activities	151.96	160.07	(8.11)	(5.1%)
Net Cash Flows (used) in Investing Activities	43.78	104.36	(60.58)	(58.0%)
Net Cash Flows (used) in Financing Activities	(162.75)	(229.45)	(66.70)	(29.1%)
Cash Increase (Decrease)	**32.99**	**34.99**	**(2.00)**	**5.7%**
Beginning Cash	126.96	169.41	(42.45)	(25.1%)
Ending Cash	**159.95**	**204.40**	**(44.45)**	**(21.7%)**

In quarter 2/2026, the Company generated net cash flows from operating activities of Baht 151.96 million, decreased by Baht 8.11 million compared to the same period of the previous year. Net cash flows from investing activities were Baht 43.78 million, decreased by Baht 60.58 million compared to the same period of the previous year. Net cash flows from financing activities decreased by Baht 66.70 million. The Company's ending cash balance was Baht 159.95 million. The Company maintains a strong financial position and high liquidity, with no need to borrow from financial institutions, and has sufficient access to a diverse range of funding sources.

Business trends

Due to the Thai Chuay Thai Plus spending stimulus program and the decrease in domestic oil prices after a slight increase in the early period, the Consumer Confidence Index improved in June. Consumers have started to feel less worried about the war situation, showing that they have a more positive view of the current economic situation. In Contrast, the business sector is still concerned about the economy. Even though the government has introduced stimulus measures, including support for tourism, these measures are not yet enough to help the economy recover fully. As a result, the economic slowdown is expected to continue affecting businesses and the economy both the current period and the near-term future.

Overall new vehicle sales in the first half of 2026 increased by 14.61% compared with the same period in 2025. The growth was primarily driven by the continued expansion of the electric vehicle (EV) segment and passenger car sales. Meanwhile, pickup truck sales declined from the previous year, mainly due to the ongoing tightening of credit approval standards by financial institutions. Household debt continued to rise and remained at a high level, while personal loans secured by vehicle registration increased slightly.

Although the volume of vehicles entering the auction business has slowed compared with the same period last year, the primary factor has been the postponement of the recognition and disposal of non-performing assets held for sale by financial institutions. This situation is a continuing effect of debtor assistance measures previously implemented by the financial sector. As these debtor relief measures have gradually expired, the number of repossessed vehicles entering the auction market has increased slightly. However, due to lenders' more prudent credit management practices and their stronger focus on risk control, the overall volume of vehicles entering the auction system has remained subdued. As a result of the limited vehicle supply, the average auction price has remained relatively stable at a level higher than the previous year. For the second half of 2026, the Company expects the volume of vehicles entering the auction system to gradually increase. The recovery is anticipated to be progressive rather than accelerated, and its pace will largely depend on the overall trend in credit quality across the financial system.

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