No. ITTHI 2026-009

11 August 2026

Subject Management's Discussion and Analysis and explanation for the three-month period and six-month period ended 30 June 2026

To The President of the Stock Exchange of Thailand

Itthirit Nice Corporation Public Company Limited ("the Company", "ITTHI") and its subsidiaries ("the Group") would like to provide the management's analysis and explanation for the three-month period and six-month period ended 30 June 2026 as follows:

The operating results for 2Q26 and 6M26 as follows:

1. The financial performance comparison for the three-month periods ended 30 June 2026 and 2025

Consolidated financial information **(Unit : Million Baht)**

Statement of Comprehensive Income	30 June 2026	%	30 June 2025	%	Increase / (Decrease)	%
Revenues from sales and rendering services	107.7	100.0	200.5	100.0	(92.8)	(46.3)
Cost of sales and rendering services	(89.6)	(83.2)	(173.0)	(86.3)	(83.4)	(48.2)
Gross Profit	**18.1**	**16.8**	**27.5**	**13.7**	**(9.4)**	**(34.2)**
Other income	1.2	1.1	0.4	0.2	0.8	200.0
Selling expenses	(4.3)	(4.0)	(6.1)	(3.1)	(1.8)	(29.7)
Administrative expenses	(11.8)	(11.0)	(14.6)	(7.3)	(2.8)	(19.2)
Expected credit loss (reversal)	0.2	0.2	2.6	1.3	2.4	(92.3)
Other gains (lossess)	0.1	0.1	(0.0)	-	0.1	600.0
Share of loss of a joint venture accounted for using the equity method	-	-	0.0	-	(0.0)	(100.0)
Profit before finance costs and income tax	**3.5**	**3.2**	**9.8**	**4.9**	**(6.3)**	**(64.3)**
Finance costs	(1.1)	(1.0)	(0.5)	(0.3)	0.6	111.5
Profit before income tax expenses	**2.4**	**2.2**	**9.3**	**4.6**	**(6.9)**	**(74.1)**
Income tax	(0.6)	(0.6)	(1.7)	(0.8)	(1.1)	(64.7)
Net profit for the period	**1.8**	**1.7**	**7.6**	**3.8**	**(5.8)**	**(76.3)**
Basic earnings per share (Baht per share)	**0.007**		**0.028**			
Diluted earnings per share (Baht per share)	**0.006**		**0.028**			

Remark : Percentage in statement of comprehensive income derived from reneues from sale and rendering services

2. The financial performance comparison for the six-month periods ended 30 June 2026 and 2025

Consolidated financial information **(Unit : Million Baht)**

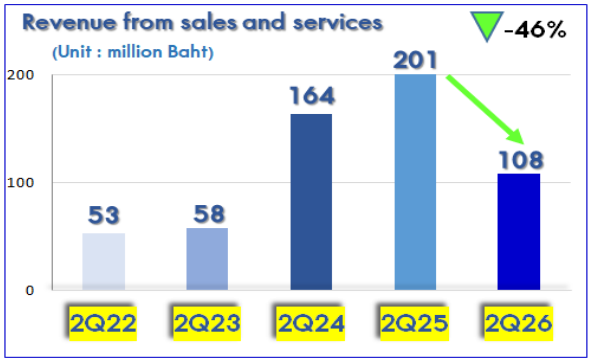
Statement of Comprehensive Income	30 June 2026	%	30 June 2025	%	Increase / (Decrease)	%
Revenues from sales and rendering services	290.1	100.0	388.1	100.0	(98.0)	(25.3)
Cost of sales and rendering services	(246.9)	(85.1)	(330.1)	(85.1)	(83.2)	(25.2)
Gross profit	**43.2**	**14.9**	**58.0**	**14.9**	**(14.8)**	**(25.5)**
Other income	1.5	0.5	0.7	0.2	0.8	111.4
Selling expenses	(10.8)	(3.7)	(11.1)	(2.9)	(0.3)	(2.7)
Administrative expenses	(23.4)	(8.1)	(27.4)	(7.1)	(4.0)	(14.6)
Expected credit loss	0.1	-	3.1	0.8	3.0	(96.8)
Other gains	0.2	0.1	-	-	(0.2)	-
Share of loss of a joint venture accounted for using the equity method	-	-	0.0	-	0.0	(100.0)
Profit before finance costs and income tax	**10.8**	**3.7**	**23.3**	**6.0**	**(12.5)**	**(53.7)**
Finance costs	(1.5)	(0.5)	(1.1)	(0.3)	(0.4)	36.4
Profit before income tax	**9.3**	**3.2**	**22.2**	**5.7**	**(12.9)**	**(58.2)**
Income tax	(2.1)	(0.7)	(4.3)	(1.1)	(2.2)	(51.2)
Net profit for the year	**7.2**	**2.5**	**17.9**	**4.6**	**(10.7)**	**(59.9)**
Basic earnings per share (Baht per share)	**0.027**		**0.066**			
Diluted earnings per share (Baht per share)	**0.026**		**0.066**			

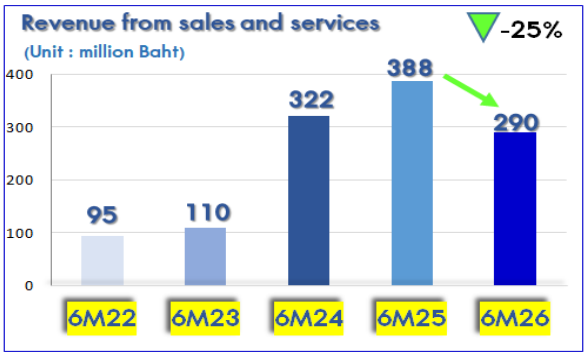
Remark : Percentage in statement of comprehensive income derived from reneues from sale and rendering services

Revenue from Sales and Services

For the second quarter of 2026 and the first six months of 2026, the Group's total revenue was primarily generated from the distribution of lighting equipment and renewable energy products.

Revenue from lighting product distribution business

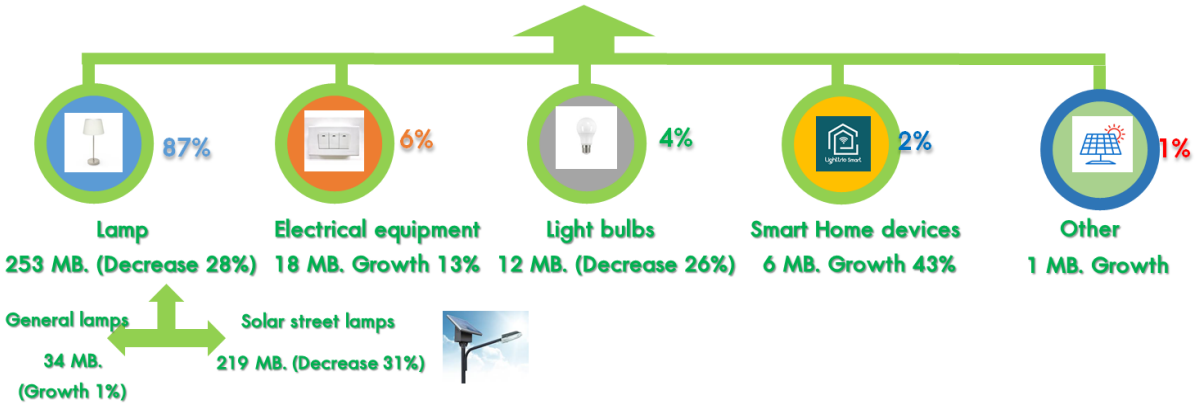




For the second quarter of 2026, the Group generated revenue from the distribution of lighting equipment and renewable energy products of THB 108 million, a decrease of 46% compared with the second quarter of 2025. For the first six months of 2026, revenue amounted to THB 290 million, a decrease of 25% compared with the first six months of 2025.

The key reasons were as follows:

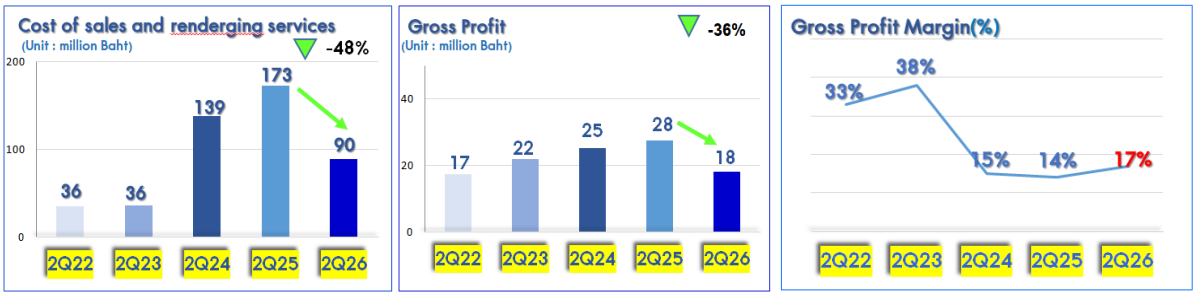
- The Group sold solar street lighting products to government project customers during the six-month period, with total sales of THB 219 million, representing 76% of total revenue. However, this decreased by 31% compared with the second quarter of 2025.



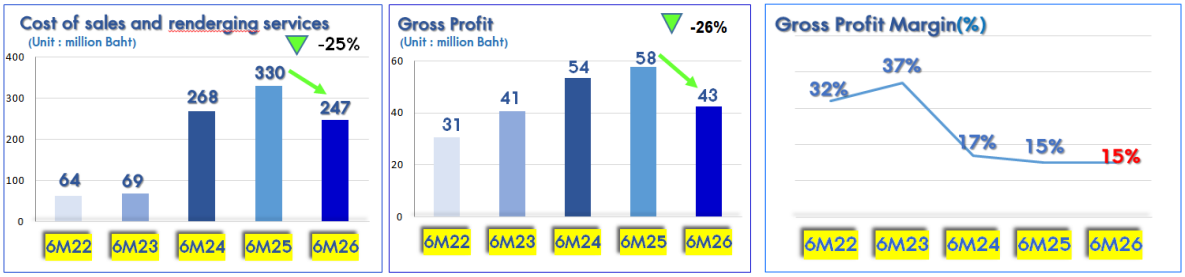
- The Group was able to sell products to customers in several real estate development projects. However, due to the slowdown in the real estate development business in 2026, project customers delayed construction activities, resulting in a continued decline in sales to the real estate sector.



Cost of sales and rendering services, gross profit and gross profit margin of lighting products distribution business



For the second quarter of 2026, the Group's cost of sales and services amounted to THB 90 million, representing 83% of revenue from sales and services, a decrease of THB 83 million or 48% compared with the second quarter of 2025. Gross profit amounted to THB 18 million, representing a gross profit margin of 17%, a decrease of THB 10 million or 36% compared with the second quarter of 2025, in line with the decrease in revenue from sales and services.



For the first six months of 2026, the Group's cost of sales and services amounted to THB 247 million, representing 85% of revenue from sales and services, a decrease of THB 83 million or 25% compared with the first six months of 2025. Gross profit amounted to THB 43 million, representing a gross profit margin of 15%, compared with THB 15 million in the second quarter of 2025, representing a decrease of 26%.

Although the Group's gross profit for the second quarter of 2026 and the first six months of 2026 decreased, the gross profit margin increased because revenue from government project customers, which

represented a relatively high proportion of total revenue at 76%, decreased. This customer group has a relatively low gross profit margin, averaging only 10% of revenue.

Selling Expenses

For the second quarter of 2026, the Group's selling expenses amounted to THB 4.3 million, a decrease of THB 1.8 million or 29.7% compared with the second quarter of 2025. For the first six months of 2026, selling expenses amounted to THB 10.8 million, a decrease of THB 0.3 million or 2.7% compared with the first six months of 2025. The decrease was mainly attributable to commissions and product referral fees, which vary in line with the decrease in sales.

Administrative Expenses

For the second quarter of 2026, the Group's administrative expenses amounted to THB 11.8 million, a decrease of THB 2.8 million or 19.2% compared with the second quarter of 2025. For the first six months of 2026, administrative expenses amounted to THB 23.4 million, a decrease of THB 4.0 million or 14.6% compared with the first six months of 2025. The decrease was mainly due to lower directors' and executives' remuneration and employee-related expenses.

Reversal of Expected Credit Loss

For the second quarter of 2026, the Group recorded a reversal of expected credit losses of THB 0.2 million, a decrease of THB 2.4 million or 92.3% compared with the second quarter of 2025. For the first six months of 2026, the Group recorded a reversal of expected credit losses of THB 0.1 million, a decrease of THB 3.0 million or 96.8% compared with the first six months of 2025, due to measures implemented by the Company to address long-outstanding receivables and collections from such overdue customers.

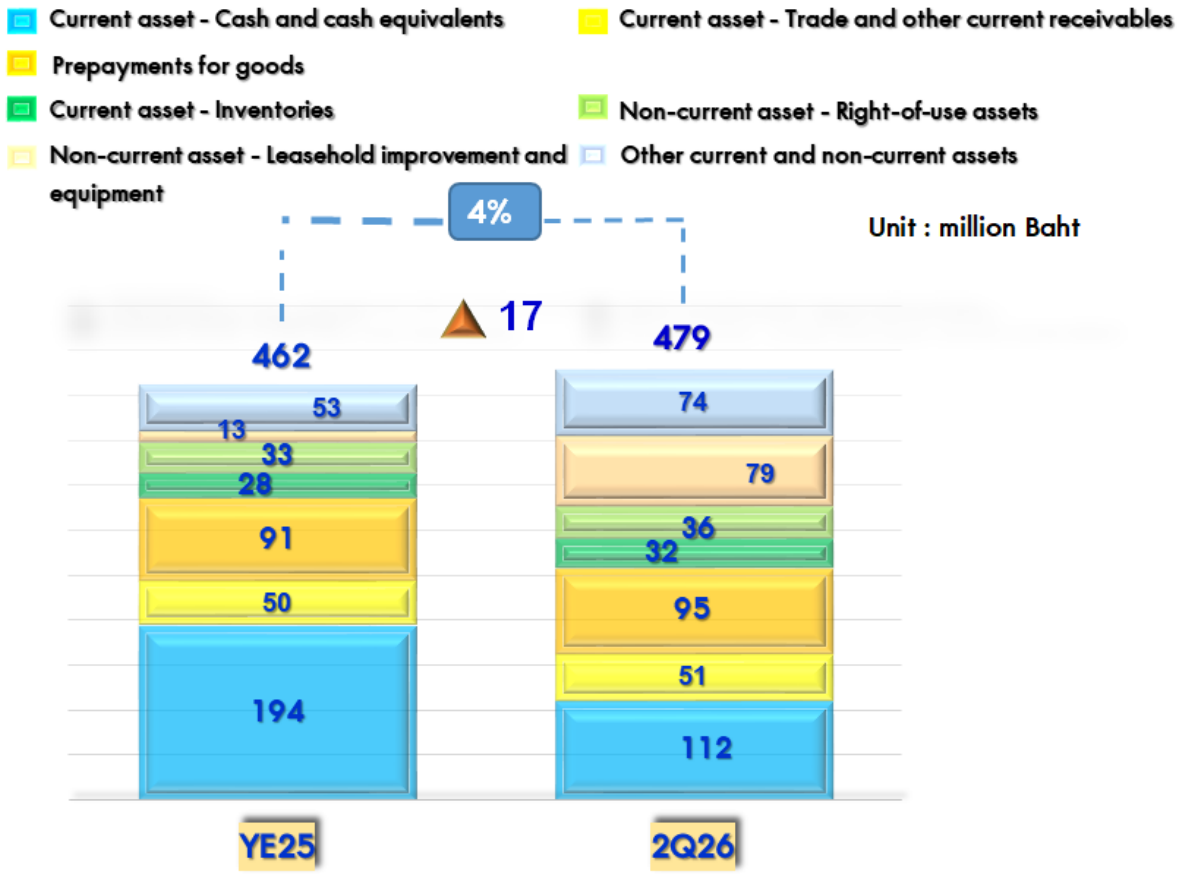
Income Tax

For the second quarter of 2026, the Group's income tax amounted to THB 0.6 million, a decrease of THB 1.1 million or 64.7% compared with the second quarter of 2025. For the first six months of 2026, the Group's income tax amounted to THB 2.1 million, a decrease of THB 2.2 million or 51.2% compared with the first six months of 2026, due to the decrease in profit before income tax.

Net Profit for the Period

For the second quarter of 2026, the Group recorded net profit for the three-month period of THB 1.8 million, representing a net profit margin of 1.7%, a decrease of THB 5.8 million or 76.3% compared with the second quarter of 2025. For the first six months of 2026, the Group recorded net profit for the six-month period of THB 7.2 million, a decrease of THB 10.7 million or 59.9% compared with the first six months of 2025. The key reason was the decrease in revenue from sales and services. The Company expects to improve its control over administrative expenses and finance costs.

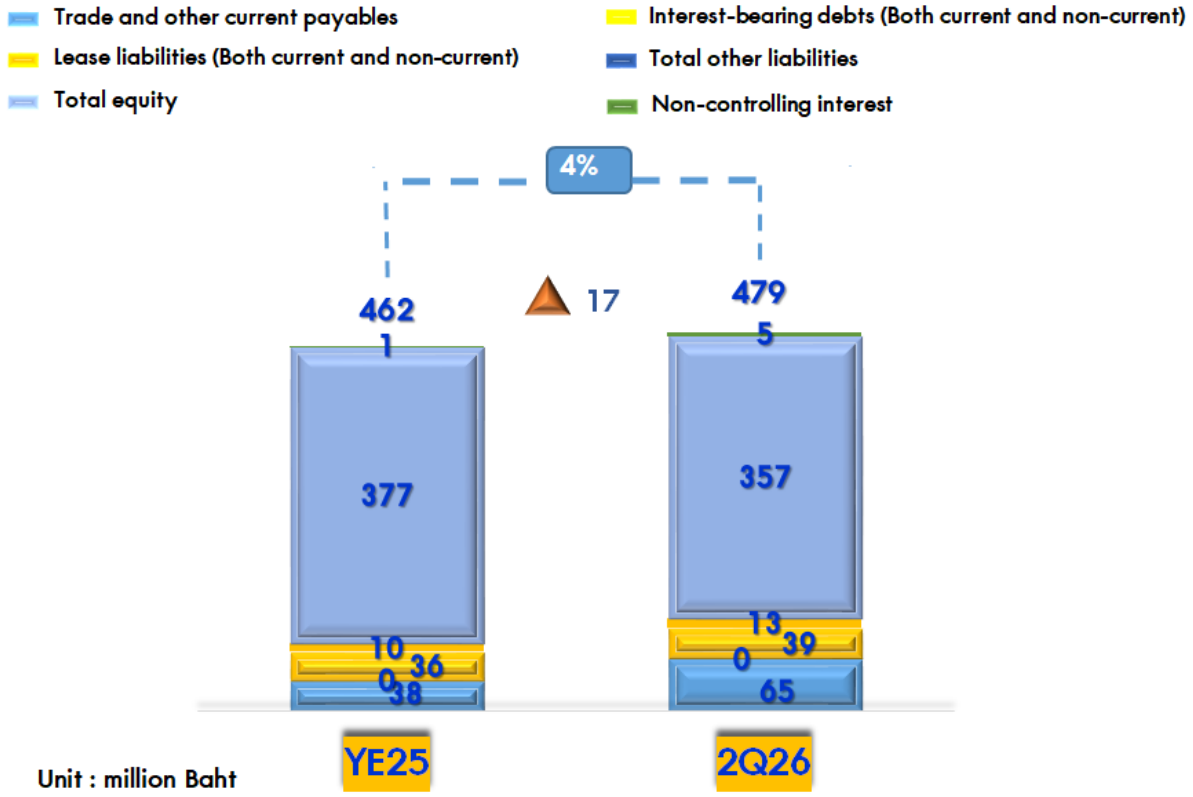
2. Consolidated Statement of Financial Position (Condensed)



Assets

As at 30 June 2026, the Group had total assets of THB 479 million, an increase of THB 17 million or 4% from 31 December 2025. The key factors were as follows:

- Cash and cash equivalents decreased by THB 82 million, mainly due to investments in assets of subsidiaries, dividend payments and payments related to normal operating activities.
- Other current and non-current assets, including trade receivables and inventories, increased by THB 30 million, partly due to deposits restricted by the bank for the use of bank guarantee facilities.
- Building improvements and equipment and right-of-use assets increased by THB 69 million, mainly from investments in assets of subsidiaries.



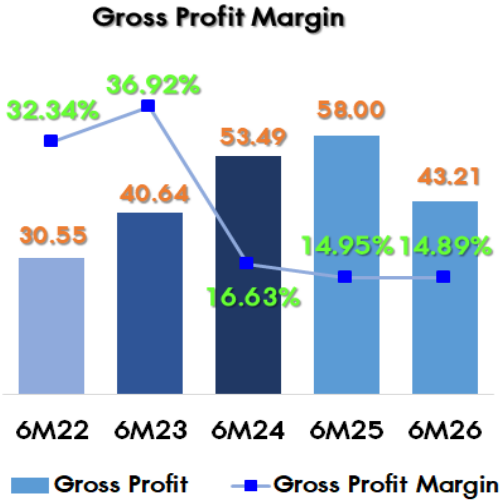
Liabilities

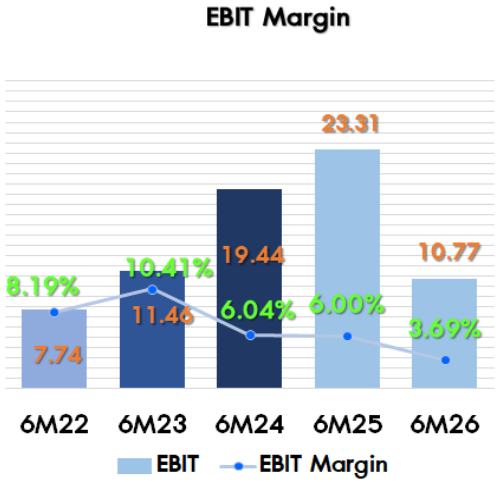
As at 30 June 2026, the Group had total liabilities of THB 117 million, an increase of THB 33 million or 28.2% from 31 December 2025. This was mainly due to payables for purchases of assets by subsidiaries and lease liabilities of subsidiaries.

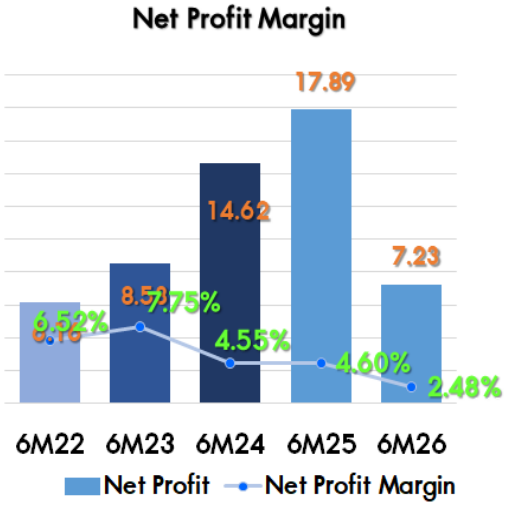
Equity

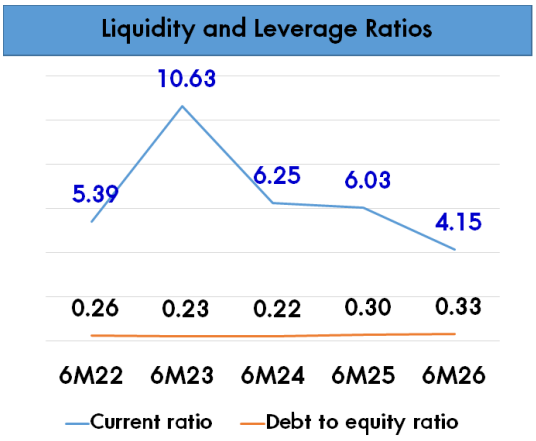
As at 30 June 2026, the Group had total shareholders' equity of THB 357 million, a decrease of THB 20 million or 5.3% from 31 December 2025. This was mainly due to the Group recording net profit of THB 7 million for the six-month period of 2026, paying dividends to shareholders of THB 27 million, and an increase in non-controlling interests of THB 4 million.

3. Significant financial ratios

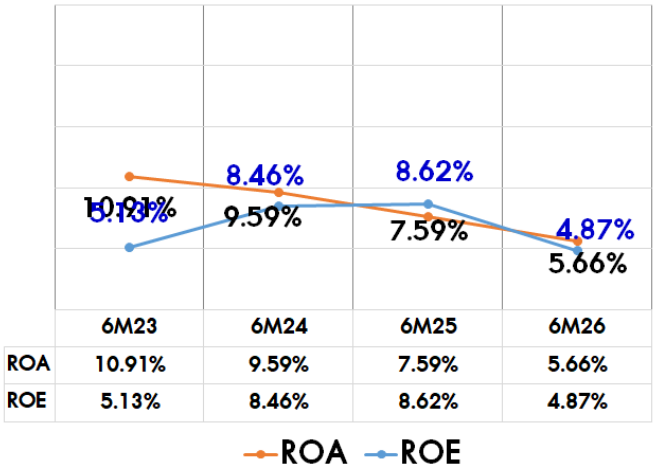








Return on Investment Ratios



	6M23	6M24	6M25	6M26
ROA	10.91%	9.59%	7.59%	5.66%
ROE	5.13%	8.46%	8.62%	4.87%

4. Factors That May Affect Future Operations or Growth

The Group's goal and direction are to achieve sustainable growth, with continued emphasis on selling products to government project customers. This is in line with the country's infrastructure development plans, particularly the distribution of solar street lighting and renewable energy products to government agencies nationwide, which has the potential for significant further growth. The Company will need to maintain sufficient inventory for sale and adequate personnel at appropriate costs and prices. A factor that may have a negative impact on operations in this customer group is the imposition of liquidated damages for late delivery of products to government agencies. In this regard, the Company controls and monitors delivery schedules to ensure compliance with contractual terms and to minimize or eliminate the risk of penalties.

5. Sustainability Development

Based on the Group's operational objectives, in 2026 the Company carried out the following sustainability initiatives:

1. Economic and Corporate Governance

The Group distributes solar-powered street lighting products, which are considered environmentally friendly products as they can help reduce electricity consumption. In addition, the Group has plans to strengthen and enhance its good corporate governance practices. Accordingly, the Group has set targets to achieve a **5-star rating, or "Excellent," under the Corporate Governance Report (CGR) assessment**, as well as to obtain an **ESG Rating**.

2. Environment and Social

The Group also has plans to undertake environmental initiatives through various activities, including tree planting in mangrove forest areas to help reduce carbon emissions and proper waste segregation within the Group. These initiatives are carried out under the concept of **"ITTHI GOING GREEN,"** which the Group plans to implement continuously for a period of at least five years. In the second quarter of 2026, the Group implemented the **"Light of Educational Opportunities, Year 2 and Mangrove Reforestation, Year 4"** project. The activities were successfully completed in July 2026 and will continue to be implemented on an ongoing basis. The project received cooperation from the Group's suppliers, customers, business partners, and other stakeholders across various sectors. The objective of the project is to sustainably improve the quality of life and the environment for communities in the areas where the Group operates.

Please be informed accordingly.

Sincerely Yours,

-Aekkachai Archaphiphat-

(Mr. Aekkachai Archaphiphat)

Chief Financial Officer