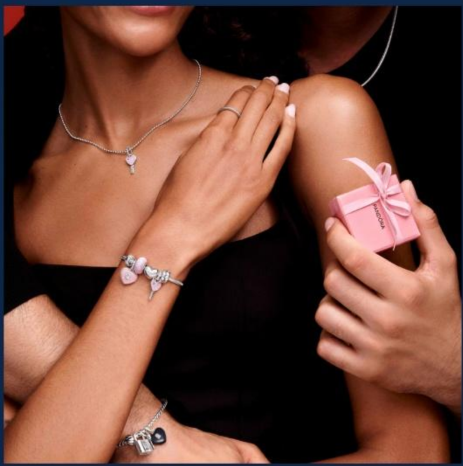





Creating
and Delivering
Meaningful
Lifestyle



Management Discussion and Analysis
Quarter 2/2026

TANACHIRA

Tanachira Retail Corporation Public Company Limited

Executive Summary

For the operating performance in Q2/2026, Tanachira Retail Corporation Public Company Limited ("the Group" or "the Company") reported total revenue growth compared to the same period last year but contracted slightly compared to previous quarter. Historically, the Group's revenue and profitability in the second quarter are lower compared to the first quarter, representing the lowest performing period of the fiscal year due to seasonal factors. Compared to the Private Consumption Index (PCI)—which reflects moderate year-on-year (YoY) growth in overall private consumption for Q2/2026 at an average rate of 2.4% to 5.1%, with signs of deceleration emerging from late Q1 through early Q2 due to the Middle East conflict that began in late February—the Group's Q2/2026 performance outpaced the broader market indicators. Total revenue expanded by 12.8% compared to Q2/2025, driven by sustained, robust growth in overseas operations and online channels. Specifically, overseas revenue grew by 41.2% year-on-year, while domestic revenue increased by 8.8%. Furthermore, for the first six months of 2026, the Group's online revenue surged by 54.4% year-on-year.

For the first half of 2026, the Private Consumption Index (PCI) grew moderately at an average rate of 2.4% to 6.7%. In comparison, the Group's performance outpaced the macroeconomic indicator, with revenue expanding by 8.3% year-on-year. Net profit attributable to the parent company reached THB 35.3 million, representing a robust growth of 26.9%. This performance reflects a strong recovery in profitability, confirming that the Group has successfully navigated its lowest point of the fiscal year.

Figure 1 **Private Consumption Index, YoY** (Source: Bank of Thailand)

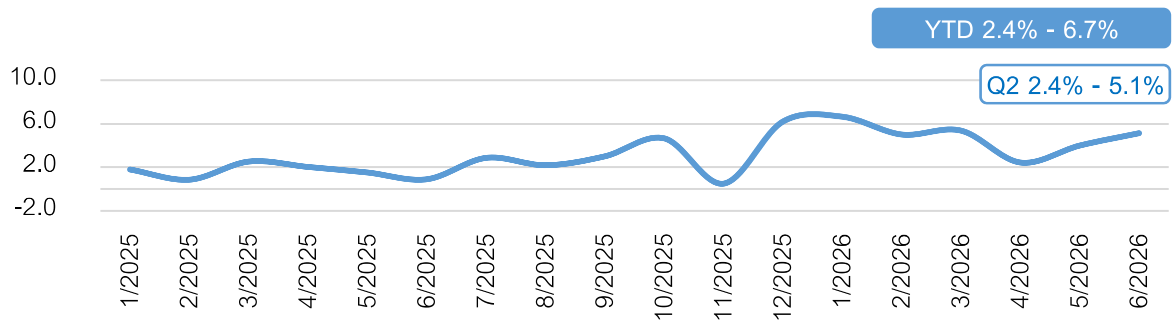


Figure 2 Revenue by Country (after Eliminating Related Party Transaction)

Unit: Million THB	6M/2025*	6M/2026	Change	% Change
China	40	68	28	70.6%
Singapore	35	43	9	24.9%
Vietnam	16	18	1	7.5%
Japan	10	9	-2	-18.9%
Thailand	792	832	39	5.0%

Note: *Revenue in local currency converted to THB with 6M/2026 exchange rate

Revenue in Japan reduced from the same period last year due to closure of Hankyu Umeda branch.

During the first half of 2026, geopolitical tensions escalating from late Q1 through Q2 posed headwinds to energy costs, freight logistics, and target consumers' spending sentiment, thereby impacting the Group's top-line revenue. Despite these challenges, the Group delivered year-on-year growth, with H1 revenue expanding by 8.3% (and Q2 revenue growing by 12.8%). Net profit attributable to the parent company improved significantly, driven by enhanced performance in overseas operations, increased profitability from online businesses, more efficient expense and tax management, and foreign exchange gains. Specifically, optimized management in overseas operations sustained revenue growth while tightening expense controls. In terms of taxation, tax expenses decreased year-on-year due to a reduction in non-deductible tax expenses and an increase in tax-exempt income. Furthermore, the year-on-year increase in other income for Q2/2026 was primarily driven by foreign exchange rate revaluation, which resulted in a gain of THB 2.6 million, outpacing the same period last year. Nevertheless, such exchange rate revaluations are subject to fluctuations and may positively or negatively affect financial performance in any given quarter.

For the second quarter of 2026, the Group's domestic blended same-store sales growth (SSSG) declined by 2.0%. This was primarily due to the direct impact of the geopolitical conflict and rising oil prices on target consumers' purchasing power during the early part of the quarter. However, following internal strategic adjustments, operational performance during May and June rebounded strongly, driving a 12.8% increase in total revenue for the entire second quarter. Performance was particularly robust within the Lifestyle, Fashion, and Beauty & Wellness segments. Conversely, the Food & Beverage segment faced ongoing challenges due to contracting purchasing power among target consumers, exacerbated by a year-on-year decrease in tourist arrivals to Thailand, though a recovery trend began to emerge toward the end of the quarter. Meanwhile, the online segment continued to deliver outstanding SSSG, driven by a growing follower base built on long-term, sustained brand equity. This sustained digital growth was further supported by collaborative team efforts to optimize product offerings, highly effective marketing expenditure aligned with sales conversion, and the agility to understand and swiftly adapt to shifting consumer behaviors.

Figure 3. **Consolidated Domestic Revenue by Business Group Offline and Online Channels**

Unit: Million THB	6M/2025	6M/2026	Change	% Change
Lifestyle (Excluding Online)	398.3	395.0	-3.3	-0.8%
Fashion (Excluding Online)	177.1	191.5	14.4	8.1%
Beauty & Wellness (Excluding Online/Export)	81.3	90.9	9.6	11.8%
Food & Beverage (Including Delivery)	63.3	55.3	-7.9	-12.5%
Online (Domestic)*	69.3	94.8	25.5	36.8%

*Brands with Online Domestic Sales are PANDORA, CATH KIDSTON, MARIMEKKO and HARNN

Several of the Group's business segments have demonstrated strong resilience against the contraction of consumer purchasing power caused by various adverse events. This outstanding performance underscores the Group's robust business fundamentals, which are driven by two key factors. The first factor is the capability of the Group's personnel. Teams across various brands share a deep understanding of the importance of preserving the brand's economic franchise while enhancing competitiveness to ensure target customers continue to purchase and remain loyal to the brands. Furthermore, the newly implemented customer-centric system, driven by a dedicated CRM focus under the Tanachira Club, increased its membership to 99,949 members from its inception in September 2025 through the end of Q2/2026, and expanded further to 110,183 members as of August 5, 2026. This continuous growth in the member base plays a pivotal role in reinforcing the Group's strategic direction, which emphasizes compelling value propositions for customers to maintain and elevate their membership status with the Group's brands. The second factor is the Group's ability to effectively diversify risks away from a single business segment. Consequently, during events that psychologically affect the spending of one specific customer group—such as high-end consumers who immediately defer non-essential purchases due to concerns over the medium- to long-term impacts of the conflict—the Gen Z customer base remains relatively unaffected by such geopolitical headwinds, generally perceiving them as distant issues. Furthermore, the Group's agile strategic realignment, which positions the online channel as a core revenue driver, ensures continued top-line expansion. This structural resilience enables the Group to deliver robust financial results even during periods of heightened economic volatility.

Furthermore, the Group remains confident in the potential of its brand portfolio to compete effectively within the broader macroeconomic downturn. The Group recognizes the inherent risk of revenue concentration within any single brand and continues to execute its strategy to diversify brand reliance and mitigate revenue concentration across any particular business segment. This includes planning for international expansion to serve as a primary long-term growth engine, as consistently highlighted in previous quarterly reports. A detailed breakdown of revenue by segment will be provided in the subsequent sections of this report.

Regarding digital transformation initiatives aimed at enhancing the Group's long-term competitive edge, progress remains well on track. Key achievements include the successful deployment of a new Point of Sale (POS) system across all stores for PANDORA, the first brand to undergo this transition, with full implementation across all remaining brands scheduled by Q4/2026. Additionally, the customer relationship management (CRM) initiative, launched under the "TANACHIRA CLUB" in Q3/2025, continues to deliver highly successful results.

In Q2/2026, the Company consistently advanced the development of its customer relationship management system via the TANACHIRA CLUB. The primary focus centered on optimizing member base value, driving repeat purchases, and fostering cross-brand customer synergy to enhance the Group's Customer Lifetime Value. Compared to Q1/2026, the key performance metrics are outlined below:

1. Member Revenue was at THB 190.9 million, representing a 6.9% decrease from THB 205.1 million in the preceding quarter. This decline aligned with seasonal trends following major sales campaigns in Q1/2026. Nevertheless, member-generated sales remained robust, serving as a core revenue driver and accounting for 42.1% of total sales—a sequential increase of 3.6 percentage points.
2. Active Members stood at 23,671 members, a marginal decrease of 4.8% from 24,850 members. This reflects strong member retention and stable ongoing engagement across the Group's brand portfolio.
3. Repurchase Frequency held steady at 1.1 times per member and Average Ticket Value at THB 6,836. These high figures correspond with the Group's sales structure and consumer spending patterns. The average spending level continues to reflect the resilient purchasing power of the Group's high-income member segment.
4. The Group began capturing positive outcomes from its cross-brand strategy. The number of members purchasing across different business units doubled from 164 to 322 members (+96% QoQ). Concurrently, revenue generated by this segment grew from THB 3.89 million to THB 8.04 million (+107% QoQ). This growth demonstrates the effective integration of the customer base across internal brands, serving as a vital driver for long-term Customer Lifetime Value expansion.

Figure 4. Member Performance Overview (Q1/2026 vs. Q2/2026)

	Q1 2026	Q2 2026	% Change
% of Gross Sales from Member	40.6%	42.1%	+3.6%
Gross Sales from Member (Million Baht)	205.1	191.0	-6.9%
Members with Purchases (Active Members)	24,850	23,671	-4.7%

Figure 5 Cross-Business Unit Purchase of TANACHIRA CLUB Members (Cross-Brand Purchase)

	Quarter 1/2026		Quarter 2/2026	
Business Unit	Members	Cross-Business Unit Sales (Baht)	Members	Cross-Business Unit Sales (Baht)
LIFESTYLE + FASHION	77	2,647,676	260	7,126,147
LIFESTYLE + BEAUTY & WELLNESS	54	713,085	39	373,159
FASHION + BEAUTY & WELLNESS	14	286,408	19	489,326
LIFESTYLE + F&B	13	117,644	3	31,158
FASHION + F&B	2	100,388	1	17,026
BEAUTY & WELLNESS + F&B	4	21,543	-	-
Total	164	3,886,744	322	8,036,816

When evaluating international business expansion, particularly the growth of the HARNN brand, the Group continues to execute in line with its strategic roadmap. HARNN's expansion within the Chinese market has delivered solid performance, supported by a scalable operational foundation that is well-positioned to secure continuous, long-term growth.

Figure 6 HARNN Revenue Development Overseas (after Eliminating Related Party Transaction)

Unit: Million THB	6M/2025*	6M/2026	Change	% Change
Thailand	88.9	102.2	13.3	15.0%
Thailand (Excluding Cross-border E-commerce)	88.7	102.2	13.6	15.3%
Cross-border E-commerce	0.2	-	-0.2	-100.0%
China (Including Cross-border E-commerce)	40.1	68.4	28.3	70.6%
Vietnam	11.9	11.6	-0.4	-3.1%
Singapore	3.3	3.8	0.5	15.4%
Japan	10.5	8.5	-2.0	-18.9%
Total	154.7	194.5	39.8	25.7%

Note: *Revenue in local currency converted to THB with 6M/2026 exchange rate

Revenue in Japan reduced from the same period last year due to closure of Hankyu Umeda branch.

The following section outlines the quarterly performance overview, condensed financial results, and the domestic-versus-international breakdown. These figures demonstrate continuous top-line expansion and sustained positive earnings momentum. Notably, international business growth has served as a pivotal driver for the Group's expansion, establishing a robust foundation to secure sustainable revenue streams moving forward.

Figure 7 Quarterly Performance

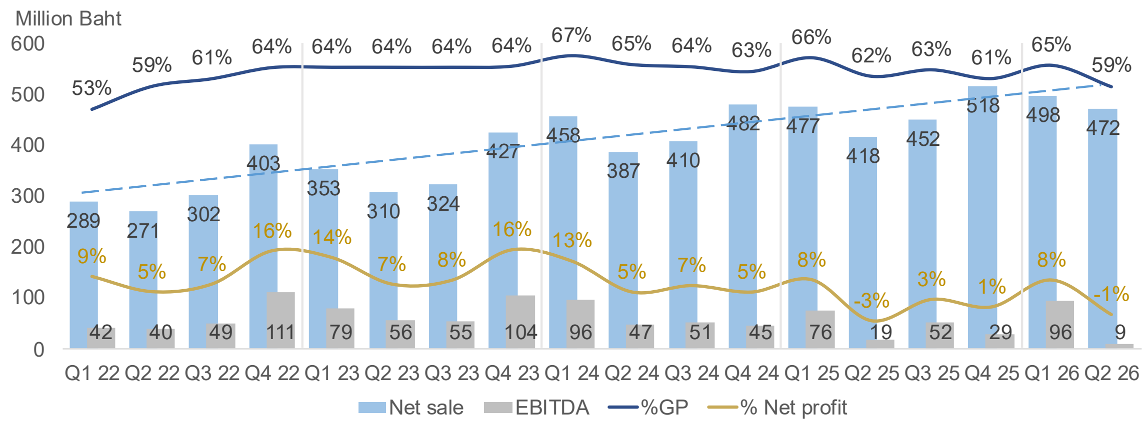


Figure 8. Summary Operating Results

Unit : THB Million	Q2/25	Q1/26	Q2/26	%YoY	%QoQ	6M/25	6M/26	%YoY
Revenues	418.4	497.6	471.9	12.8%	-5.2%	895.0	969.4	8.3%
Gross Profit	258.0	321.0	278.0	7.8%	-13.4%	574.8	599.0	4.2%
EBITDA	85.3	149.2	69.2	-18.9%	-53.6%	230.5	218.4	-5.3%
Net Profit for the Company	-11.1	40.1	-4.9	56.3%	-112.1%	27.8	35.3	26.9%
Gross Profit Margin (%)	61.6%	64.5%	58.9%	-2.7%	-5.6%	64.2%	61.8%	-2.4%
EBITDA margin (%)	20.4%	30.0%	14.7%	-5.7%	-15.3%	25.8%	22.5%	-3.2%
Net Profit Margin for the Company (%)	-2.7%	8.1%	-1.0%	1.6%	-9.1%	3.1%	3.6%	0.5%

Figure 8.1 Summary of Operating Results Domestic and Overseas for Q2/2025 and Q2/2026

Unit : THB Million	Q2/25 Domestic	Q2/25 Overseas	Q2/25 Total	Q2/26 Domestic	Q2/26 Overseas	Q2/26 Total	%YoY Domestic	%YoY Overseas	%YoY Total
Revenue from Sales & Services	367	52	418	399	73	472	8.8%	41.2%	12.8%
Other Income	2	1	3	2	2	4	29.1%	79.8%	51.8%
Profit before Interest and Tax	40	-39	1	39	-33	6	-4.0%	16.5%	638.3%
EBIT margin (%)	11.0%	-76.4%	0.2%	9.7%	-45.2%	1.2%	-1.3%	31.2%	1.0%

Figure 8.2 Summary of Operating Results Domestic and Overseas for 6M/2025 and 6M/2026

Unit : THB Million	6M/25 Domestic	6M/25 Overseas	6M/25 Total	6M/26 Domestic	6M/26 Overseas	6M/26 Total	%YoY Domestic	%YoY Overseas	%YoY Total
Revenue from Sales & Services	792	103	895	832	138	969	5.0%	34.0%	8.3%
Other Income	6	2	7	4	10	14	-27.4%	536.5%	94.1%
Profit before Interest and Tax	103	-37	65	97	-31	66	-5.4%	17.1%	1.3%
EBIT margin (%)	13.0%	-36.4%	7.3%	11.7%	-22.5%	6.8%	-1.3%	13.9%	-0.5%

Important Events in Q2/2026

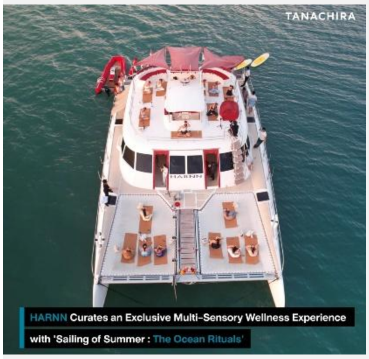
Apr. 2026: HARNN Wellness & Hospitality, officially launched "HARNN Heritage Spa Surawong" at Aiden Surawong Bangkok—a sanctuary of relaxation that uniquely bridges the charm of the past with a contemporary experience. The spa stands out with a distinctive design that seamlessly blends contemporary art with Thai heritage. Vibrant tones and intricate details reflect the rich history and former prosperity of the Surawong district, while the ambiance harmoniously connects classic elegance with modern sophistication, enhanced by subtle Chino-Portuguese influences.

HARNN crafts the concept of living meaningfully every day. With a deep understanding of Lifestyle Curation, HARNN has created its Body Oil in a new size: 85 ml, blending functionality with thoughtful design to suit an on-the-go lifestyle, turning self-care into a simple, effortless beauty ritual. A New Size for Your Daily Glow: On days filled with sunlight or outdoor activities, let HARNN Body Oil replenish moisture, soothe your skin, and restore balance to both body and mind — turning every ordinary day into something a little more special.

The Company held the Annual General Meeting of Shareholders for the year 2026 in electronic format (E-AGM). The meeting resolved to approve a dividend payment for the fiscal year 2025 operating results at a rate of THB 0.27 per share, totaling THB 80 million. The record date for shareholders entitled to receive the 2025 dividend has been set for May 7, 2026, with the dividend payment scheduled for May 26, 2026. This reflects the company's strong operating performance and its commitment to delivering stable and sustainable returns to shareholders.

Tanachira Group is committed to bringing world-class brand management to deliver meaningful lifestyle experiences. The Company was honored to welcome Simone Legno, Co-Founder & Chief Creative Officer of tokidoki, on the occasion of his visit to Thailand. During his visit, he had the opportunity to meet closely with collectors and art toy enthusiasts, as well as explore the special Cath Kidston x tokidoki collection, which perfectly blends the identities of art and fashion.

Marimekko hosted The Joy of Summer event to present its Spring/Summer ’26 collection. The collection features vibrant florals, signature stripes, and lively summer hues, celebrating the brand’s Art of Pattern—one of its core identities—alongside a strong commitment to sustainability that connects nature, print design, and conscious living. The event reflected Tanachira’s vision of meaningfully bringing together fashion, nature, and lifestyle. Friends of Marimekko gathered to create a warm and joyful atmosphere filled with laughter and smiles.



HARNN hosted "Sailing of Summer: The Ocean Rituals — Sunset Yoga on Yacht," a collaboration with JOJAI Club, Bangkok Yoga Diary, and Pattaya Marriott Resort and Spa. The event brought the concept of Multi-Sensory Experience to life, seamlessly blending body and mind wellness activities. HARNN team warmly welcomed all distinguished guests throughout the journey. Guests were treated to a breathtaking sunset over the horizon aboard a private yacht, paired with yoga sessions and a curated skincare experience featuring HARNN's premium products — all wrapped up with a special dining moment in a truly relaxing and memorable setting.

LIVE!, a premium activewear brand from Brazil managed by Tanachira Group, partnered with Physique 57 Bangkok to host an energetic 'Sculpt Class' designed to enhance bodily strength and flexibility. During the session, participants experienced LIVE! Activewear, which seamlessly combines design, fashion, and high performance to support and instill confidence in every movement. Furthermore, the initiative drove brand engagement through the creation of 'TeamLIVE!', a health-conscious community focused on sharing daily wellness inspiration.

May 2026: The Company celebrated the grand opening of Marimekko's newest store at Jewel Changi Airport — one of Singapore's most iconic world-class landmarks. The celebration was honored by the presence of CEO of Jewel Changi Airport Development, along with her executive team. This newest opening reflects Tanachira Group's vision to expand world-class fashion and lifestyle experiences across the region, while further strengthening the Marimekko brand's presence in Southeast Asia and bringing the timeless spirit of Finnish design to audiences around the world.

HARNN Vietnam was proudly represented at the exclusive "Hannah Olala – 10 Years Journey Celebration" event hosted by Hannah Olala — HARNN Vietnam's Brand Ambassador 2025 and one of Vietnam's most influential Beauty & Lifestyle creators, whose essence perfectly embodies HARNN's vision of Timeless Beauty. At the event, HARNN Black Tea Body Wash was honored with the inaugural "Hannah Olala Best Choice Award" in the category of Best Body Wash — a significant milestone that reflects the exceptional quality of our product and our brand's unwavering commitment to delivering premium skincare and lifestyle experiences. This recognition further reinforces Tanachira Group's vision of elevating Thai brands onto the international stage.

Cath Kidston, the British Everyday Lifestyle brand famed for its modern-vintage prints, has launched its latest Concept Store at Central Khon Kaen Campus (G Floor)—a brand-new destination in the heart of Northeast Thailand. Managed by Tanachira Group, this opening marks a strategic move to connect with the younger generation, including university students and young professionals, by tapping into a vibrant hub of education, creativity, and lifestyle. The new store features a complete lineup of everyday essentials, from iconic bags to lifestyle accessories, alongside the latest collections that perfectly embody Cath Kidston's signature fun and cheerful spirit.

The Group participated in Central Pattana's Better Futures Project 2026 under the "Green Partnership" initiative. The participation reflects Tanachira Group's commitment to sustainability throughout the entire supply chain. The Company focus on responsible sourcing of products and materials, partnering with like-minded allies, and improving operational efficiency to reduce environmental impact and support a circular economy.

Jun. 2026: In celebration of Pride Month, LIVE! Activewear the premium Brazilian activewear brand managed by TANACHIRA Group has partnered with Central Park Bangkok and Physique 57 Bangkok to host a Barre Tone Class. This event aims to promote wellness while celebrating diversity, equality, and the freedom to embrace one's authentic self with pride. Tanachira Group is dedicated to creating shared value through its brands and experiences that enhance quality of life, well-being, and equal opportunities for all. The group remains committed to fostering an inclusive society that respects differences and drives sustainable growth together.

THE SPA by HARNN Partners with voco Muscat Al Mouj by IHG to Debut First Premium Thai Spa Experience, Set to Open in 2026

THE SPA by HARNN Partners with voco Muscat Al Mouj by IHG to Debut First Premium Thai Spa Experience, Set to Open in 2026. The Company's senior executives visited the THE SPA by HARNN project at voco Muscat Al Mouj by IHG in Oman to ensure the facility is fully prepared for its official grand opening in late 2026. The expansion marks a significant milestone for Tanachira Group to elevate Thai brands on the global stage and delivering the unique art of Thai wellness and hospitality, seamlessly blending rich cultural heritage with world-class standards.


Cath Kidston Turn Over Sunny Flavour Café into a Haven of Happiness, Designed to Inspire and Create Unforgettable Brand Moments

Cath Kidston, the British lifestyle brand managed by Tanachira Group, continues to elevating its iconic prints with the launch of the "Cath Kidston x Sunny Flavour Café" pop-up. For the first time, the "Fruit Friends" collection comes to life through a variety of engaging activities, including a photo booth, dedicated photography corners, and a selection of drinks and desserts inspired by the season's signature prints. Guests can also get closer to the brand through the interactive DIY Cookie Sandwich activity. This collaboration reflects Tanachira Group's brand-building philosophy, which focuses on driving growth through brand equity, strategic partnerships, and people to foster long-term, sustainable relationships.

GANNI, the Danish fashion brand managed by the Group, continues its expansion in Thailand with the launch of its 5th store at EmQuartier (M Floor). The opening ceremony featured a welcoming exchange between senior executives from both the Company and EM District. Prominent celebrities, 'Tu' Tontawan and 'Ally' Achiraya, attended to showcase GANNI's total looks, engaging closely with local fashion enthusiasts. This 5th store underscores GANNI's robust growth in the Asian market and reaffirms its commitment to enhancing brand awareness and expanding its luxury fashion customer base in Thailand.

TANACHIRA GROUP MARKS A NEW MILESTONE ACROSS ASIA PACIFIC AS HARNN HERITAGE SPA WINS BEST HOTEL SPA

HARNN Heritage Spa has achieved a remarkable milestone at the Travel + Leisure Luxury Awards Asia Pacific 2026, securing 6 prestigious awards across 2 countries and reaffirming its position as a global leader in luxury wellness. At HARNN Heritage Spa, located within ANA InterContinental Beppu Resort & Spa at Japan, the spa proudly retained its title of Best Hotel Spa in Japan for the third consecutive year. In addition, the resort was honored with the awards for Best Hotel Pools and Best Beach Island / Upcountry Hotel in Japan. Meanwhile, at HARNN Heritage Spa within InterContinental Phu Quoc Long Beach Resort at Vietnam, the spa was awarded Best Hotel Spa in Vietnam, alongside accolades for Best Hotel Pools and Best Beach + Island Resort in Vietnam.

Analysis of Statement of Income

Tanachira Retail Corporation Public Company Limited would like to report the operating results of the consolidated financial statements for the second quarter ended June 30, 2026, compared to the same period in 2025. Revenue from sales and services reached THB 471.9 million, representing a 12.8% year-on-year increase, while net loss attributable to owners of the parent company narrowed to THB 4.9 million. In the corresponding period last year, revenue stood at THB 418.4 million, with a net loss of THB 11.1 million. This top-line growth was driven by expansions in both domestic and international operations. Meanwhile, the bottom-line improvement was propelled by enhanced performance in overseas business units, higher profitability from online channels, operational realignments, and optimized expense and tax efficiencies.

Compared to Q1/2026, which recorded revenue from sales and services of THB 497.6 million and net profit attributable to owners of the parent company of THB 40.1 million, both revenue and earnings in Q2/2026 declined-in line with seasonal patterns of lower retail and service consumption in Q2 than in Q1 of every year.

For the first half of 2026, compared to the first half of 2025, the Group's revenue from sales and services reached THB 969.4 million, expanded by 8.3%. Net profit attributable to owners of the parent company rose by 26.9% YoY to THB 35.3 million. In the same period last year, revenue stood at THB 895.0 million, with a net profit attributable to owners of the parent company of THB 27.8 million, as detailed in the table below.

Figure 9 Operating Result of the Company

Unit : THB Million	Q2/25	Q1/26	Q2/26	%YoY	%QoQ	6M/25	6M/26	%YoY
Revenue from Sales & Services	418.4	497.6	471.9	12.8%	-5.2%	895.0	969.4	8.3%
Cost of Sales & Services	-160.5	-176.5	-193.9	20.8%	9.8%	-320.1	-370.5	15.7%
Gross Profit	258.0	321.0	278.0	7.8%	-13.4%	574.8	599.0	4.2%
Selling and Distribution Expenses	-196.4	-206.2	-200.3	1.9%	-2.9%	-386.1	-406.5	5.3%
Administrative Expenses	-63.5	-64.5	-76.2	20.0%	18.1%	-130.8	-140.6	7.5%
Other Income	2.7	10.2	4.2	51.8%	-59.2%	7.4	14.4	94.1%
Profit before Interest and Tax	0.8	60.5	5.7	638.3%	-90.6%	65.3	66.2	1.3%
Interest	-6.8	-9.0	-7.6	11.4%	-15.4%	-14.7	-16.5	12.2%
Profit before Income Tax Expenses	-6.0	51.6	-1.9	68.7%	-103.7%	50.6	49.7	-1.8%
Corporate Income Tax	-9.3	-12.4	-5.2	-44.4%	-58.0%	-26.8	-17.6	-34.5%
Net Profit	-15.4	39.2	-7.1	53.9%	-118.1%	23.7	32.1	35.1%
Net Profit for the Company	-11.1	40.1	-4.9	56.3%	-112.1%	27.8	35.3	26.9%

1. Revenue from sales

The Company' revenue from sales consisted of sales through two main distribution channels i.e. offline and online channel. The offline channel consisted of (1) Concept store (2) Shop in shop and (3) Other offline channel i.e. B2B, event and sales through distributors. Revenue of the Company can be categorized into Business Group including (1) Lifestyle, (2) Fashion, (3) Beauty and Wellness, and (4) Food and Beverage.

For Q2/2026, the Group's revenue from sales and services reached THB 471.9 million, representing a 12.8% YoY growth compared to the same period in 2025. This overall expansion was primarily driven by revenue increases from overseas subsidiaries in China and Singapore. This achievement aligns with the Group's strategic roadmap to establish vital new revenue streams, diversify reliance away from core legacy brands, and mitigate domestic market dependency. Domestic revenue within the Beauty & Wellness, Fashion, and online segments delivered exceptional growth. For Q2/2026, domestic operations contributed 85% of total revenue, while overseas operations accounted for 15%. International revenue stood at THB 73.0 million, +41.2% YoY.

Compared to Q1/2026, revenue decreased by 5.2% quarter-on-quarter. This performance is consistent with the Group's historical trends, where revenue in the second quarter typically underperforms the first quarter of the same fiscal year due to seasonal patterns that lead to lower retail and service consumption in Q2 annually.

Revenue from overseas operations increased, driven by 3 key markets: China, Singapore, and Vietnam. In the first half of 2026, China accounted for the largest share of international revenue, following its operational commencement in the mid-Q3 2024. The Group has structured its sales channels into 3 main channels: (1) online, (2) wholesale through provincial and local distributors, and (3) retail through Concept Stores. Product distribution began in late August 2024 and has continued to expand. Currently, HARNN products are available across more than 620 points of sale through cosmetic chain stores, drug stores, and specialty stores. This comprises national retail chains as well as provincial and local distributors across 16 provinces, autonomous regions, and municipalities. These territories include Guangdong, Henan, Heilongjiang, Jiangsu, Zhejiang, Anhui, Sichuan, Shanxi, Shandong, Jiangxi, Shaanxi, Hubei, Hunan, Tibet, Xinjiang, Inner Mongolia, and Shanghai. Additionally, there are 10 distributor-operated HARNN Concept Stores. For online channels, which serve as the primary sales driver for the business in China, performance remained strong across major e-commerce and cross-border platforms (under licensed rights transferred from HARNN Thailand), as well as various livestreaming channels. Key platforms include Tmall, RED (Xiaohongshu), Douyin, Kuaishou, and JD.

In Singapore, sales are primarily driven by the Marimekko brand, which possesses high potential for generating substantial average ticket sizes and successfully caters to the lifestyle needs of both tourists and local residents. In Q2/2026, the Company successfully elevated its total revenue base in Singapore compared to the same period last year and opened a new Marimekko branch at Jewel Changi Airport. Sales performance for HARNN in Singapore is moving forward on a favorable direction. However, sales in Singapore must continue to grow consistently to help the overall Singapore business achieve a break-even point as quickly as possible.

Meanwhile, operations in Vietnam generate most of their sales from domestic consumers across both the HARNN and Cath Kidston brands. Currently, the Group operates a network of 12 points of sale located within premium shopping malls across Ho Chi Minh City and Hanoi, comprising 7 locations for HARNN and 5 for Cath Kidston. Additionally, the online channel—spanning e-commerce platforms and live-streaming—contributes a revenue share comparable to that of offline channels, supported by the Company's robust network of Key Opinion Leaders (KOLs). Toward the end of Q2, the Group introduced lifestyle products under its multi-brand store, "UKILA," starting with "Chakolab," a highly popular beverage container brand. For the first half of 2026, total revenue from Vietnam operations increased by 2.1% YoY in THB terms (7.5% YoY growth in local currency).

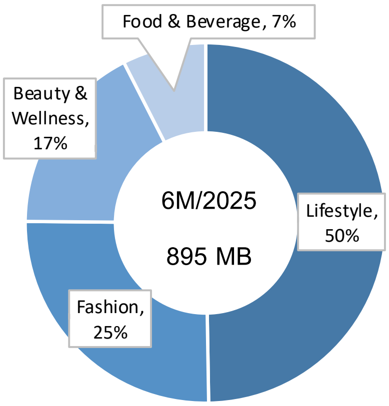
For operations in Japan, the Group has focused on developing its wholesale business and spa management services. Leveraging the well-established brand awareness of HARNN among Japanese consumers, the Company has generated strong traction in product distribution through regional partners across various prefectures. This strategy has enabled HARNN to rapidly and steadily expand its market coverage during this initial phase. Concurrently, emphasis has been placed on marketing initiatives and elevating service standards through managing spas for premium hotels in key tourist destinations. However, for Q2 and the first half of 2026, total revenue declined year-on-year, primarily due to the closure of the branch at Hankyu Umeda in Osaka upon contract expiration at the end of Q2/2025. Despite this, the Company successfully expanded its e-commerce channels, reflecting increased brand recognition for HARNN, complemented by steady order flows secured through participation in trade exhibitions.

The revenue from overseas operations has exhibited significant development, rising from an average of 2% in 2023 to 8% in 2024, 13% in 2025, and 15% in Q2/2026. This upward trajectory is driven by accelerated overseas investments initiated since Q4/2023, notably the strategic expansion of Marimekko in Singapore and HARNN in China. By deploying a regional growth strategy alongside domestic operations and actively diversifying reliance away from any single brand, a larger international revenue base will safeguard the Group’s long-term sustainable profitability. Management recognizes the necessity of allocating time during this initial incubation phase to absorb front-loaded startup losses associated with overseas greenfield ventures. Nevertheless, the net losses from international operations have consistently narrowed, showing marked improvement in the current quarter.

The business group revenue structure, for both domestic and international markets, in the first half of 2026 compared to the same period last year indicates expansion in revenue contribution from the Beauty & Wellness segment with the HARNN brand increasing its share from 17% to 20% YoY, driven by solid sales volume growth across both domestic and overseas channels. This comprehensive expansion aligns with management's strategic initiative to elevate HARNN’s brand equity globally and broaden its international distribution network, thereby reducing historical dependency on inbound tourist arrivals to Thailand. Meanwhile, the Fashion segment's revenue contribution rose from 25% to 27% YoY, propelled by steady gains from GANNI, United Arrows, and MM6, alongside Marimekko’s continuous top-line growth in Singapore. Conversely, the Lifestyle segment's share contracted from 50% to 47% YoY. Within this group, PANDORA delivered robust growth, capitalized by effective brand ambassador engagements and online expansion through the launch of the PANDORA TikTok Shop, while Cath Kidston experienced a decline in total revenue due to the strategic closure of underperforming branches. Meanwhile, the Food & Beverage segment's revenue contribution edged down from 7% to 6% YoY, primarily weighed down by geopolitical headwinds that adversely impacted target consumer discretionary spending.

The revenue breakdown by distribution channel for the first half of 2026, compared to the same period last year, highlights an increased revenue contribution from online channels, rising from 11% to 16% YoY due to exceptional sales growth across both domestic and international markets. While the revenue share from concept stores experienced a relative decline, it remains the largest channel at 67%. This high concept store proportion positively supports the Group's long-term gross profit margin and validates the marketing strategy, reflecting a deep understanding of consumer purchasing behavior. The revenue share from department stores (Shop-in-Shop) increased slightly from 11% to 12% YoY. Additionally, the revenue contribution from other offline channels expanded, primarily driven by wholesale distribution revenue through partners in China.

Figure 10 Revenue structure by Business Group



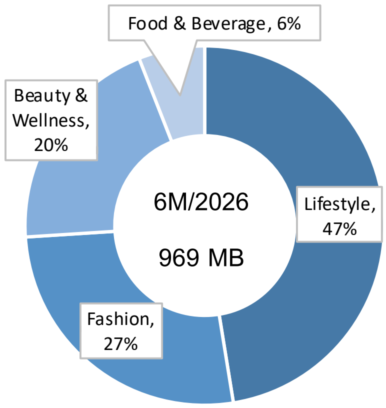
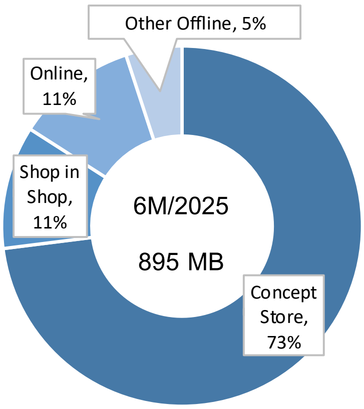


Figure 11 Revenue structure by Distribution Channel



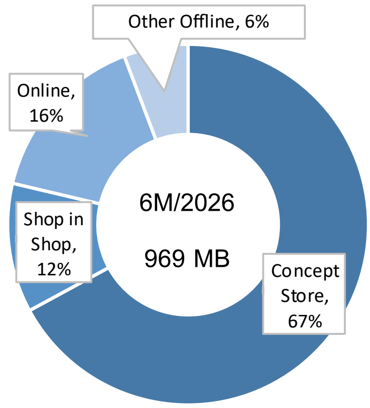
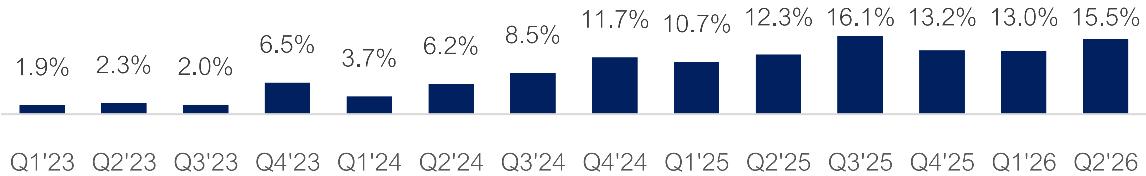
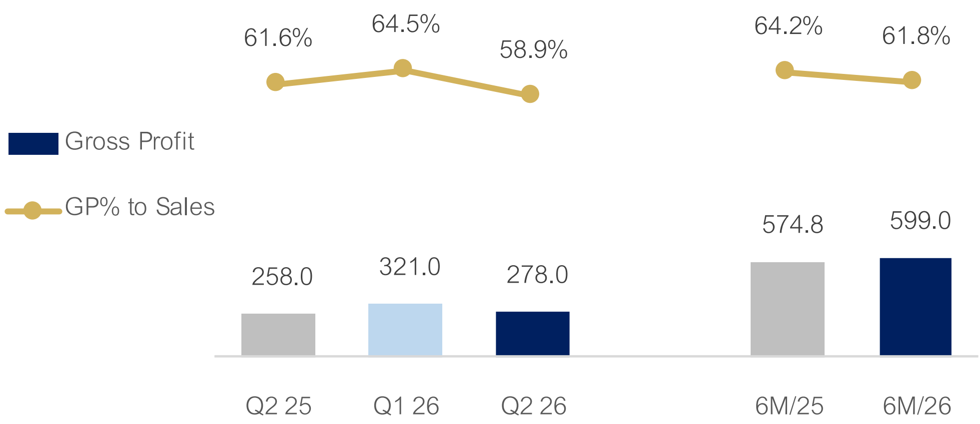


Figure 12 Revenue proportion from overseas compared to total revenue



2. Gross profit and gross profit margin

THB Million

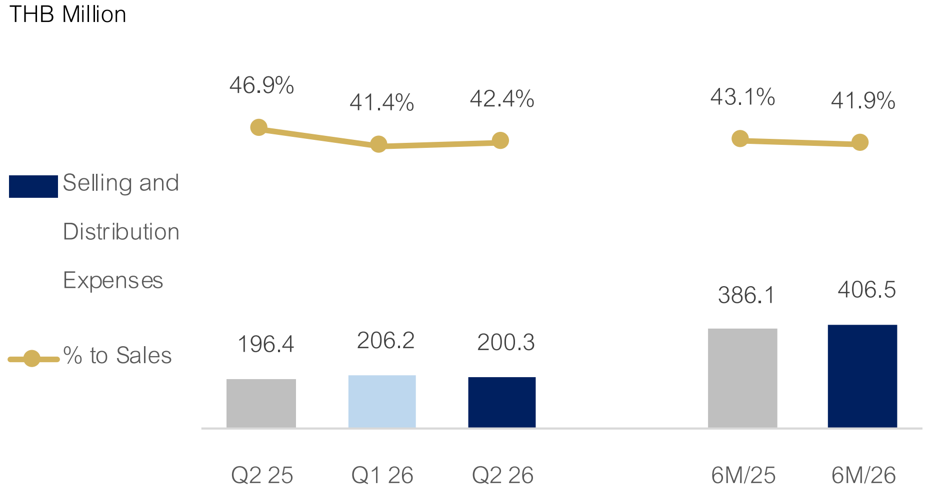


For Q2/2026, the Group recorded a gross profit of THB 278.0 million, representing an increase of THB 20.0 million or 7.8% compared to the same period in 2025. Gross profit margins for Q2/2026 and Q2/2025 were 58.9% and 61.6%, respectively. The growth in gross profit was primarily driven by higher sales volume. However, the gross profit margin contracted due to higher discounts during the end-of-season sale to stimulate sales, coupled with a major clearance of obsolete inventory at the end of the quarter, which carried higher-than-normal promotional impacts.

Compared to Q1/2026, gross profit for Q2/2026 decreased in line with lower sales volume. The gross profit margin declined due to higher discount rates and the aforementioned end-of-quarter clearance activities for obsolete inventory.

For the first half of 2026, gross profit grew in line with revenue expansion compared to the same period last year. Meanwhile, the gross profit margin decreased slightly Year-on-Year, yet remained within the Group’s projected target range. The Group prioritizes brand building, which enables the continuous and long-term sustainable maintenance of a high gross profit margin. This reflects our commitment to delivering lifestyle products and services that add value to customers. In accordance with the Group's policy, we implement effective pricing strategies to safeguard gross profit margins and avoid excessive discounting in both domestic and international markets.

3. <u>Selling and distribution expenses</u>



Selling and distribution expenses comprise branch personnel expenses, rental expenses, depreciation and amortization, marketing expenses, commission expenses, branch utilities, and royalty fees.

For Q2/2026, the Group's selling and distribution expenses increased Year-on-Year. This was primarily driven by business expansion and higher expenses related to new store openings, particularly within the fashion segment both domestically and internationally. While the quarter-on-quarter changes in the number of branches began to rise in line with revenue growth, the rate of increase remained relatively stable (Figure 13). This reflects a strict evaluation process for further branch expansion in Q2/2026, which focused on ensuring highly predictable returns in accordance with the business plan, while simultaneously closing underperforming branches. Consequently, the selling and distribution expenses-to-revenue ratio improved compared to the same period last year, driven by rigorous cost control and revenue growth.

Compared to Q1/2026, selling and distribution expenses decreased. The selling and distribution expenses-to-revenue ratio for Q2/2026 increased slightly, due to lower revenue generated in comparison to Q1/2026.

For the first half of 2026, selling and distribution expenses increased Year-on-Year, driven by enhanced marketing activities and higher expenses related to an increased cumulative store count both domestically and internationally. However, the selling and distribution expenses-to-revenue ratio decreased, reflecting strict cost control measures, particularly within international operations.

An analysis of the changes in storefront headcount reveals that it tracks in tandem with the quarterly changes in store count (Figure 14), reflecting the Group's continuous efforts to strictly control expenses.

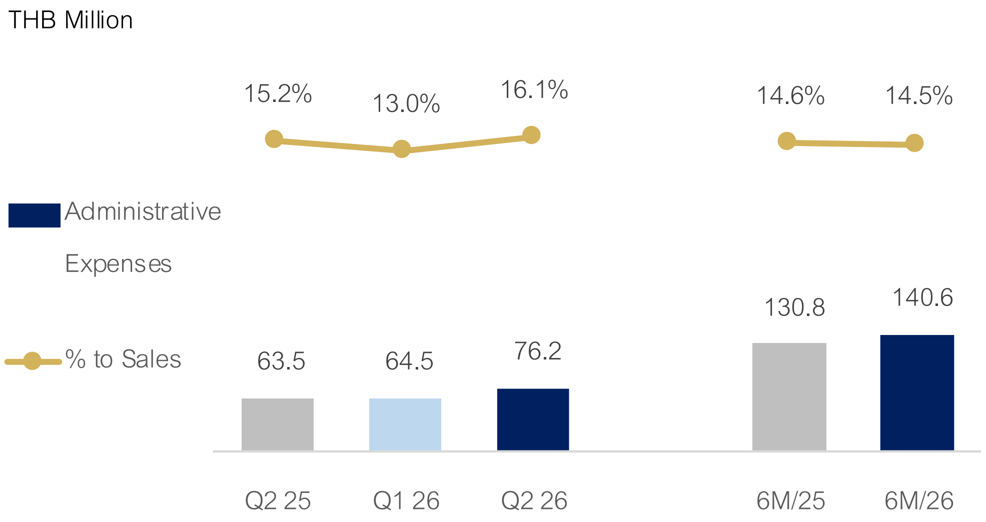
<u>Figure 13</u> Number of Store (Domestic and Overseas)

End of	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
No. of Store	145	143	146	146	149	151
Amount Change YoY	8	2	5	-3	4	8
% Change YoY	6%	1%	4%	-2%	3%	6%

Figure 14 Store Headcount (Domestic and Overseas)

End of	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Headcount: Selling	597	570	568	588	596	613
Amount Change YoY	87	64	40	-8	-1	43
% Change YoY	17%	13%	8%	-1%	0%	8%

4. Administrative Expenses



Administrative expenses comprise office personnel salaries and benefits, consultancy and professional fees, depreciation and amortization relating to the head office, and office rental expenses.

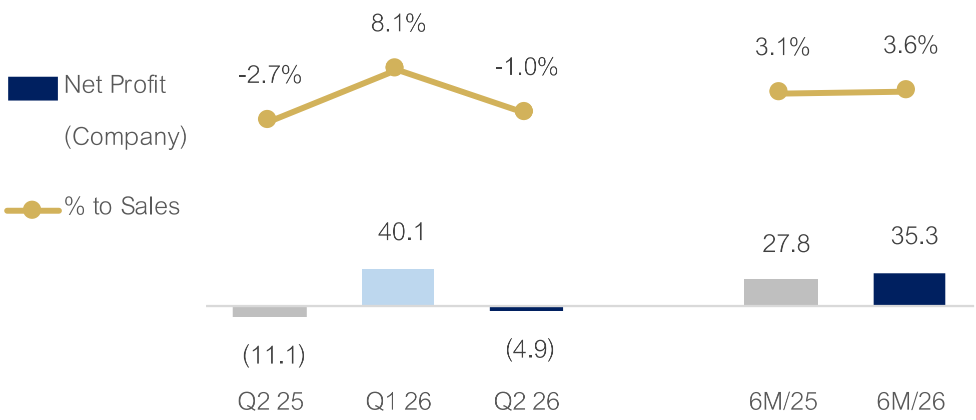
For Q2/2026, the Group's administrative expenses and administrative expenses-to-revenue ratio increased Year-on-Year. This was primarily driven by higher costs associated with an increased cumulative headcount both domestically and internationally, office and premises expenses, depreciation and amortization, as well as the relocation of the office in China to a larger facility.

Compared to Q1/2026, both administrative expenses and the administrative expenses-to-sales ratio increased. This was driven by a rise in cumulative headcount, traveling expenses, professional fees, outsourced service costs, office and premises expenses, and depreciation and amortization, alongside the office relocation to a larger facility in China. Also, Q2/2026 included a domestic branch asset write-off valued at THB 0.9 million.

For the first half of 2026, the Group's administrative expenses amounted to THB 140.6 million, representing an increase of THB 9.9 million or 7.5% compared to the first half of 2025. This increase was primarily driven by cumulative headcount expansion both domestically and internationally, office and premises expenses, as well as depreciation and amortization. However, the administrative expenses-to-revenue ratio for the first half of 2026 decreased slightly compared to the first half of 2025, reflecting continuous cost control measures aligned with business operations.

5. <u>Net profit and net profit margin</u>

THB Million



For Q2/2026, the Group reported a net loss attributable to owners of the parent of THB 4.9 million, representing an improvement of THB 6.3 million or 56.3% compared to Q2/2025. This recovery was driven by the enhanced performance of international operations, efficient expense and tax management, and foreign exchange gains. Specifically, strategic management adjustments in international operations stimulated revenue growth while enabling better cost control. Income tax expenses decreased Year-on-Year due to a reduction in non-deductible tax expenses and an increase in tax-exempt income. Furthermore, other income for Q2/2026 increased Year-on-Year, primarily driven by a foreign exchange rate revaluation gain of THB 2.6 million, which exceeded that of the same period last year. However, such exchange rate revaluations may incur positive or negative impacts in any given quarter. Ultimately, the revenue growth achieved by both domestic and international operations significantly contributed to the Year-on-Year improvement in overall financial performance.

Compared Q1/2026, the net profit attributable to owners of the parent and the net profit margin for Q2/2026 decreased. This decline aligns with the Group's normal business cycle, where revenue in the second quarter is typically lower than in the first quarter of the same year, due to seasonal factors that result in lower purchasing volume for products and services in the second quarter of every year.

For the first half of 2026, the Group achieved a net profit attributable to owners of the parent of THB 35.3 million, representing a growth of 26.9%, with a net profit margin of 3.6%. This reflects an improvement compared to the first half of 2025, primarily driven by revenue and profit expansion across both domestic and international operations, efficient cost management aligned with revenue growth, and lower income tax expenses. Looking forward, the Group maintains its intention to expand its business foundation to support the future long-term growth of new ventures both domestically and internationally. Consequently, strong emphasis is placed on strategic expansion in overseas markets during this initial phase, alongside continuous growth in Thailand, where the long-term macroeconomic growth outlook faces certain limitations.

6. Finance cost

Finance costs comprise interest expenses on borrowings and the recognition of lease liability interest in accordance with TFRS 16 (Leases). For Q2/2026, lease liability interest amounted to THB 3.8 million, accounting for 45.7% of total finance costs. Interest expenses on borrowings for Q2/2026 stood at THB 4.6 million, representing an increase of THB 2.1 million compared to the same period last year.

7. Effective Tax Rate

The Effective Tax Rate represents the ratio of corporate income tax expense for the current period to accounting net profit before tax. Corporate income tax expense comprises current income tax calculated in accordance with Revenue Department regulations and deferred income tax recognized in profit or loss. For the six-month period of 2026, the effective tax rate was higher than the statutory corporate income tax rate but decreased compared to the corresponding period last year, primarily driven by:

(1) The calculation base for the effective tax rate is derived from consolidated net profit, which varies from taxable net profit. Consolidated net profit is calculated from the Group's consolidated financial statements in accordance with Generally Accepted Accounting Principles, excluding intercompany transactions within the Group, such as intercompany sales of goods from HARNN Global Co., Ltd. to HARNN Greater China Co., Ltd. and other overseas subsidiaries.

(2) Income tax impacts from permanent differences, including tax-exempt dividend income and a substantial decrease in tax penalties and surcharges.

(3) Deferred tax assets and liabilities arising from temporary differences (timing differences), such as depreciation and interest on finance leases, provisions for employee retirement benefits, allowances for obsolete inventory, and depreciation of right-of-use assets (ROU - Depreciation).

8. Segmented Performance Report of the Group

For Q2 and the first half of 2026, revenue for the Lifestyle Segment grew Year-on-Year, primarily driven by strong sales growth from PANDORA, alongside the introduction of LIVE!, a premium activewear brand from Brazil. The first branch of LIVE! commenced operations in mid-September 2025. From the first quarter through the second quarter, PANDORA experienced continuous revenue growth, supported by the appointment of a brand ambassador, the expansion of online sales channels via the launch of the Pandora TikTok Shop, and internal operational restructurings across multiple departments to better serve customer needs. Conversely, Cath Kidston recorded a decline in sales Year-on-Year due to a reduced branch count. However, the brand's online sales channels continued to deliver outstanding and consistent growth.

The Fashion Segment recorded revenue growth, primarily driven by Marimekko in Singapore, which expanded through improved team management and the opening of an additional branch at Jewel Changi Airport in the second quarter. Meanwhile, fashion brands in Thailand continued to grow well, particularly GANNI, United Arrows, and MM6. This growth was achieved despite ongoing challenges from geopolitical tensions, which negatively impacted energy costs, freight and logistics, and customer spending sentiment. Overall profit increased, supported by significantly improved performance in Singapore resulting from higher revenue and more efficient expense management.

The Beauty and Wellness Segment achieved strong revenue growth, driven by international expansion, particularly in China and Vietnam, where the brands received positive market responses. However, the segment incurred a minor loss from its investment in China. The overall situation has significantly improved following corrective actions taken to address operational weaknesses that previously caused the loss. Additionally, domestic revenue increased Year-on-Year, supported by strong operational readiness, effective marketing strategies, and continuous staff development, all of which contributed clear positive impacts. Consequently, the Beauty and Wellness Segment delivered an outstanding profit increase compared to the same period last year.

The Food and Beverage Segment generated revenue primarily from brands under the Gordon Ramsay group. Sales for the first half of 2026 decreased (mostly in the first quarter), mainly due to overall macroeconomic conditions that negatively impacted the customer base. The segment's operating performance remained in a net loss position, largely because the business scale has not yet reached its break-even point, coupled with a Year-on-Year decline in international tourist arrivals. To address this, the segment has introduced value-for-money menus to attract more customers, while continuously enhancing communication effectiveness and adjusting marketing strategies to drive customer engagement.

Figure 15 Segment Revenue and Operating Profit (Loss) Table: Domestic and Overseas Operations for Q2/2025 and Q2/2026

Total Company	Lifestyle		Fashion		Beauty & Wellness		Food & Beverage		Consolidate	
Unit : THB Million	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26
Revenue from Sales & Services	200	209	117	144	72	92	30	28	419	473
Other Income	4	19	0	1	0	1	0	0	-1	5
Profit before Interest and Tax	28	25	6	12	-18	6	-11	-17	1	7
EBIT margin (%)	14.1%	12.2%	5.5%	8.3%	-24.9%	6.3%	-36.0%	-58.8%	0.2%	1.4%

Domestic	Lifestyle		Fashion		Beauty & Wellness		Food & Beverage		Consolidate	
Unit : THB Million	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26
Revenue from Sales & Services	197	204	103	123	38	46	29	27	367	399
Other Income	4	17	0	0	-1	1	0	0	-3	2
Profit before Interest and Tax	33	30	14	14	-6	9	-9	-16	40	39
EBIT margin (%)	16.7%	14.6%	14.0%	11.0%	-14.7%	19.7%	-32.2%	-58.1%	11.0%	9.7%

Overseas	Lifestyle		Fashion		Beauty & Wellness		Food & Beverage		Consolidate	
Unit : THB Million	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26	Q2/25	Q2/26
Revenue from Sales & Services	3	5	14	21	34	46	2	1	52	74
Other Income	0	1	0	1	0	1	0	0	1	2
Profit before Interest and Tax	-5	-4	-8	-2	-12	-3	-2	-2	-39	-33
EBIT margin (%)	-177.2%	-81.4%	-58.4%	-7.2%	-36.5%	-6.9%	-107.3%	-157.6%	-76.4%	-44.6%

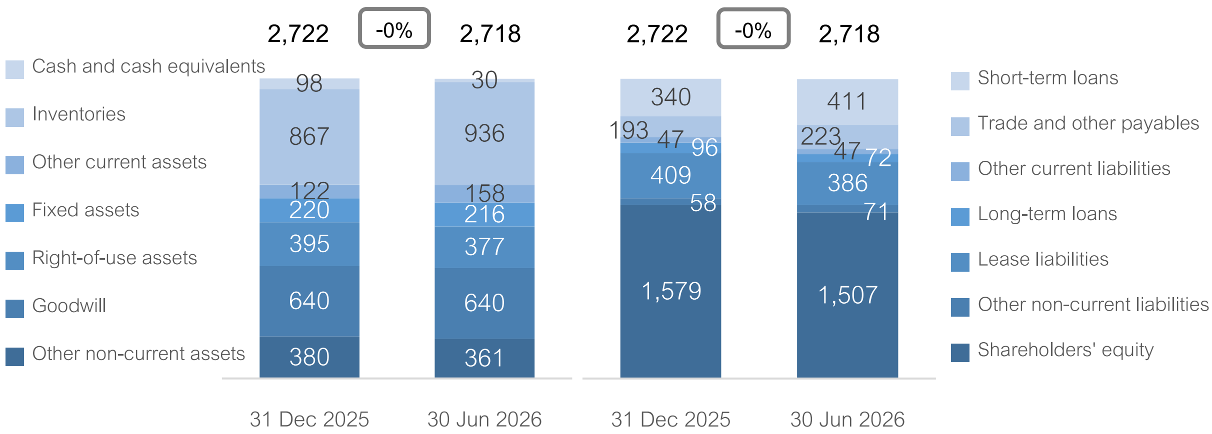
Figure 16 Segment Revenue and Operating Profit (Loss) Table: Domestic and Overseas Operations for 6M/2025 and 6M/2026

Total Company	Lifestyle		Fashion		Beauty & Wellness		Food & Beverage		Consolidate	
Unit : THB Million	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26
Revenue from Sales & Services	445	460	228	257	155	195	67	58	896	971
Other Income	10	31	0	5	2	6	0	0	7	15
Profit before Interest and Tax	86	80	14	22	-12	18	-17	-32	65	66
EBIT margin (%)	19.3%	17.3%	6.2%	8.5%	-7.8%	9.1%	-24.8%	-54.7%	7.3%	6.8%

Domestic	Lifestyle		Fashion		Beauty & Wellness		Food & Beverage		Consolidate	
Unit : THB Million	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26
Revenue from Sales & Services	440	454	200	220	89	102	63	56	792	832
Other Income	10	30	0	0	1	2	0	0	6	4
Profit before Interest and Tax	93	85	31	25	0	23	-15	-28	103	96
EBIT margin (%)	21.2%	18.7%	15.5%	11.1%	-0.2%	22.2%	-24.1%	-50.6%	13.0%	11.6%

Overseas	Lifestyle		Fashion		Beauty & Wellness		Food & Beverage		Consolidate	
Unit : THB Million	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26	6M/25	6M/26
Revenue from Sales & Services	5	6	28	37	67	93	4	2	103	139
Other Income	0	1	0	5	1	4	0	0	2	10
Profit before Interest and Tax	-7	-5	-17	-3	-12	-5	-1	-4	-37	-31
EBIT margin (%)	-152.3%	-86.2%	-60.8%	-7.3%	-18.0%	-5.3%	-37.2%	-150.5%	-36.4%	-22.3%

Analysis of Statement of Financial Position



1. <u>Assets</u>

As of June 30, 2026, the Group's total assets amounted to THB 2,717.9 million. The primary assets comprised (1) inventories, (2) goodwill, and (3) right-of-use assets, which collectively accounted for 71.8% of total assets. Total assets decreased by THB 3.8 million or 0.1% compared to the end of 2025. This was primarily driven by: (1) a decrease in cash due to dividend payments; (2) a decrease in other non-current assets from deposits; and (3) a decrease in right-of-use (ROU) assets resulting from the exclusion of service components from the lease calculation, which were reallocated to selling expenses. The Group reviewed its calculation of ROU assets and lease liabilities to include only payments that meet the definition of lease payments under the relevant accounting standards, thereby excluding service elements to better reflect economic reality. Consequently, this resulted in a lower remeasurement of both ROU assets and lease liabilities in the statement of financial position. Meanwhile, inventories increased compared to the end of 2025, mainly from goods in transit valued at THB 29.2 million, stock allocation for new branches amounting to THB 26.7 million, and a THB 1.0 million increase in packaging materials for HARNN products.

2. <u>Liabilities</u>

As of June 30, 2026, the Group's total liabilities stood at THB 1,210.7 million. The primary obligations comprised (1) lease liabilities, (2) short-term borrowings from financial institutions, and (3) trade and other payables, which collectively accounted for 84.3% of total liabilities. Total liabilities increased by THB 67.6 million or 5.9% compared to the end of 2025. This increase was primarily driven by: (1) a rise in short-term borrowings from financial institutions, specifically in the form of Trust Receipts (T/R) utilized for foreign exchange risk management; and (2) an increase in trade and other payables. Conversely, this growth was partially offset by decreases in: (1) long-term borrowings; and (2) lease liabilities, which declined due to the exclusion of service components from the calculation and their reallocation to selling expenses, as previously mentioned.

3. Shareholder's Equities

As of June 30, 2026, the Group's total equity stood at THB 1,507.2 million, a decrease of THB 71.4 million compared to December 31, 2025. This was primarily driven by total dividend payments of THB 80.8 million.

Analysis of Statement of Cash Flow

Unit: Million Baht For the six-month period ended 30 June	2025	2026
Net cash from (used in) operating activities	42.8	123.8
Net cash used in investing activities	-33.7	-27.3
Net cash from (used in) financing activities	-91.8	-139.9
Increase (decrease) in translation adjustments	-0.4	-23.7
Net increase (decrease) in cash and cash equivalents	**-83.2**	**-67.1**
Cash and cash equivalents at beginning of period	146.2	97.6
Cash and cash equivalents at end of period	**63.0**	**30.5**

The statement of cash flows for the six-month period ended June 30, 2026, registered positive net cash provided by operating activities, reflecting strong cash-generating capabilities from business operations. Net cash used in financing activities was primarily driven by dividend payments of THB 80.8 million, lease liability payments, and the repayment of long-term borrowings. As of June 30, 2026, cash and cash equivalents stood at THB 30.5 million.

Operating Performance Trends

Amidst highly volatile economic conditions, the management remains confident in achieving continuous revenue growth to meet its target of 10% to 12%. Continuous growth from international operations is projected to outpace domestic business this year. Consequently, the revenue contribution of international operations to the total revenue is expected to increase compared to the previous year, targeting a level of 15% to 17% this year. Domestic business is forecasted to experience modest growth due to a slowdown in spending within the target customer segment. However, driven by strategic investments to expand distribution channels and increase the proportion of online sales, domestic revenue is expected to rise compared to the same period last year. The fashion segment and the beauty and wellness segment are anticipated to sustain good growth throughout the remainder of the year, while the lifestyle segment is projected to remain relatively stable. Meanwhile, the food and beverage segment is expected to begin a recovery in the second half of the year. The implementation of intensified operational strategies, including the integration of the new POS system across all brands, will enhance rewards via the TANACHIRA CLUB and drive domestic revenue growth in the second half of this year. Nevertheless, the growth rate remains dependent on domestic factors, such as government economic stimulus policies, as well as geopolitical developments that require close monitoring. Additionally, the continuous arrival of high-quality tourists is expected to significantly boost revenue for both the beauty and wellness segment and the food and beverage segment.

Ensuring that revenue growth outpaces the rise in expenses remains a critical priority for 2026. Consequently, management is focusing heavily on capital expenditure for business expansion while further reducing non-essential expenses. In late Q3/2026, the Marimekko branch at ION Orchard in Singapore will close due to lease expiration. While this may cause a temporary decline in Singapore's quarterly revenue, expenses will decrease at a higher proportion. However, a partial asset write-off for the remaining assets of this branch will be recorded in the second half of 2026. Overall, profitability for the Singapore operations is expected to improve significantly and become more tangible for the remainder of 2026, driven by continuous improvements in the total expense-to-revenue ratio in Singapore.

In collaboration with the Saha Pathana Group, the Group anticipates revenue generation from a new venture within the fashion segment, which is expected to materialize in the first quarter of 2027. The investment focus will target the "Value-for-Money" customer segment, as previously disclosed in the prior report. Regarding Digital Transformation initiatives, the Line CRM with Rewards Program was successfully integrated with the new POS system in the second quarter of 2026, starting with the PANDORA brand. This roll-out is scheduled for full completion across all brands by the beginning of the fourth quarter of 2026. Analyzing this larger database will enable the utilization of Real-Time Marketing Automation, which is expected to deliver satisfactory results in driving sales from an expanding customer base across the Group's portfolio this year. Furthermore, the ERP SAP S/4 HANA system remains on track for deployment in the fourth quarter of 2026. Collectively, these advancements will empower all business segments within the Group with precise data management systems, enhancing our capability to navigate operational challenges in the future.

Furthermore, the Group maintains its forecast for significantly improved operating performance compared to the previous year, driven by revenue growth that outpaces the rise in expenses across both domestic and international operations.

ESG Strategy 2025–2030

Creating and Delivering Meaningful Lifestyle

Through Consistency, Sustainability, and Long-Term Growth

TAN ESG Strategy 2025-2030: Establishing a Solid Foundation for Sustainable Growth

Consistency-Sustainability-Long-Term Growth

TANACHIRA is committed to becoming a regional leader in the lifestyle sector, catering to all dimensions of modern living. We conduct our business with a core responsibility toward the environment, society, and the economy, while upholding the highest standards of product quality & service excellence to consistently deliver exceptional experiences to our employees, customers, and all stakeholders.

	PLANET (Environment)	PEOPLE (Social)	PROSPERITY & WEALTH (Governance)
Action	• Minimize resource use via environmentally friendly packaging and the promotion of recycled content • Promoting sustainable products and practices, specifically through HARNN's Upcycle Packaging initiative	• Employee Capability Enhancement: Professional service training via the 'GSM PLUS' • Social: 'TANACHIRA CARE' to empower society through business-aligned sustainability projects • Reducing inequality through professional career creation for the visually impaired via the 'Blind Massage' initiative	• Consistent and sustainable growth, underpinned by long-term financial stability • Creating economic value through product quality and service excellence
Indicator	• Sales share of environmentally friendly products • Energy consumption reduction • Greenhouse Gas emission reduction numbers	• Increase level in the learning culture development in the organization • Employees, customers, and business partners generate satisfaction, trust, collaboration, and sustainable engagement.	• Operating results of the organization • Continuous Business Expansion and Development • Customer Satisfaction Score

Q2/2026 Key Projects and Highlights

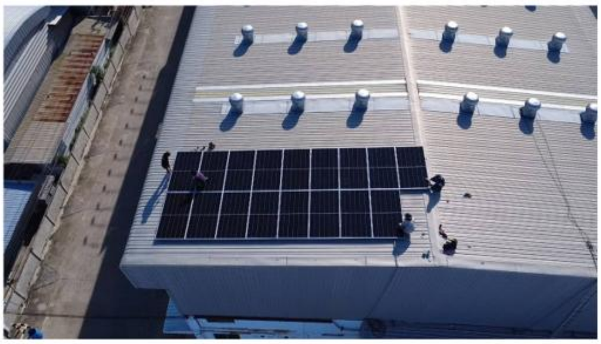
Guided by the core concepts of **Consistency, Sustainability, and Long-Term Growth**, the Company remains committed to ensuring operational continuity. We strive to balance corporate growth with long-term sustainability while delivering sustainable value to all stakeholders through key projects and initiatives across various dimensions, as outlined below:

Environment

Climate Action and Energy Management: In Q2/2026, TANACHIRA Group undertook renewable energy investments aimed at enhancing energy efficiency, reducing greenhouse gas emissions, and driving the transition toward low-carbon operations. As part of this commitment, the Group installed a Solar Rooftop system in 2026 at the warehouse of HARNN Global Co., Ltd., a subsidiary of the Group. This project features a 12.240 kWp on-grid solar rooftop system, representing a key initiative under the Group's Climate Action and Green Operations framework. This project aligns with its "High Purpose Organization" approach, which is dedicated to generating long-term environmental and social value.

Based on the warehouse's 2025 electricity consumption of approximately 45,830 kWh/year, the solar rooftop system is projected to generate around 18,000 kWh/year. This output accounts for roughly 39.27% of the building's total power consumption, thereby reducing reliance on the national grid and improving the organization's overall energy efficiency. In terms of financial impact, the Company anticipates reducing electricity expenses by approximately THB 144,000 per annum. This projection is based on the volume of solar energy generated to replace grid purchases, assuming an average electricity tariff of THB 8 per kWh. Actual savings may vary depending on fluctuations in system generation and prevailing electricity rates over time. Ultimately, this initiative will enhance operational cost efficiency and strengthen the long-term return on investment (ROI) for renewable energy.

Regarding environmental impact, the Company projects a reduction in indirect greenhouse gas emissions from purchased electricity (Scope 2) of approximately 9 tonnes of carbon dioxide equivalent per annum (tCO_2e/year). This initiative directly supports the Group's corporate emission reduction targets and advances its transition toward a low-carbon business operations model. The implementation of this project underscores a tangible integration of Environmental, Social, and Governance (ESG) principles into our core operations. By balancing operational efficiency, cost management, and environmental mitigation, the Company drives long-term value creation for all stakeholders and fosters sustainable corporate growth.



Social

People Development for Shared Value Creation

In Q2/2026, the Company maintained its focus on human capital development and fostering a learning culture to support sustainable corporate growth. To drive this, a "Shared Knowledge" initiative was organized in collaboration with the executive team and specialists from PANDORA Production. This program facilitated the exchange of insights and experiences between the retail sector and the crafting & supply sector, thereby promoting cross-functional and cross-organizational learning.

During the session, the Company shared valuable customer insights, store operational experiences, and direct customer feedback. These inputs aim to support product development and enhance the overall customer experience to more effectively meet market demands.

Additionally, the Company launched the "1 Day in Store Immersion" program. This initiative provided executives and leaders from the Crafting & Supply division with firsthand exposure to real-world retail operations. The program fostered two-ways communication, covering critical areas such as storefront operations, customer feedback, touchpoint experience management, retail operations, e-commerce, CRM, and visual merchandising.

These initiatives underscore the Company's commitment to human capital development, employee engagement, and cultivating a knowledge-sharing culture. By bridging organizational silos, these programs enhance operational efficiency across the entire value chain and support shared value creation for long-term sustainable growth.

Economic & Governance

Driving Corporate Growth alongside Good Corporate Governance: Under the Economic & Governance dimension, the Company hosted its Town Hall 2026 in Q2/2026 under the theme "A Roadmap to Long-term Sustainable Business." The event aimed to communicate the corporate vision, strategic direction, and sustainable growth strategy to executives and employees across the organization. This initiative underscores the Company's commitment to transparent governance while fostering alignment and employee engagement to drive the organization toward becoming a regional leader in the lifestyle sector.

During the event, Mr. Tanapong Chirapanidchakul, Chief Executive Officer, along with the executive team, outlined the strategic roadmap for 2026. The strategy prioritizes international growth acceleration alongside domestic market consolidation and customer expansion. This will be achieved by unlocking new business opportunities and elevating customer experiences. Concurrently, the Company emphasizes organizational development, talent enhancement, and cultivating a corporate culture rooted in environmental and social responsibility to support long-term, stable, and sustainable growth.

This strategic communication via the Town Hall format reflects sound corporate governance practices. By prioritizing transparent communication, reinforcing strategic alignment, and enhancing employee participation at all levels, the Company ensures cohesive execution to deliver sustainable value to all stakeholders.

List of Shareholders as of 31 July 2026

No.	Shareholders	Number of shares	% Shares
1	MR. TANAPONG CHIRAPANIDCHAKUL	223,531,700	74.51%
2	SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED	27,000,000	9.00%
3	MR. KACHEN BENJAKUL	6,711,600	2.24%
4	MR. AKAPOP AREEWONG	5,397,800	1.80%
5	MISS SUPASSORN JAOVISIDHA	2,426,300	0.82%
6	MR. SOMNARONG CHIRAPANIDCHAKUL	1,322,300	0.44%
7	MR. SAKCHAI MALEEMONGKOL	1,271,100	0.42%
8	MR. WISUT LERTVIRIYASAK	1,248,000	0.42%
9	MISS KONGKARN DENPHAISARN	1,002,800	0.33%
10	MRS. SIRIRAT CHAROENWISAL	870,000	0.29%

* List of Top 10 Shareholders