บริษัท 88(ไทยแลนด์) จำกัด (มหาชน)
88(THAILAND) PUBLIC COMPANY LIMITED
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August 10, 2026

Subject Management's Discussion and Analysis (MD&A) for the second quarter and six-month period ended June 30, 2026

Attention The President
Stock Exchange of Thailand

88(Thailand) Public Company Limited and its subsidiary (the "Company") would like to clarify its consolidated operating results for the second quarter and six-month period ended June 30, 2026, with details as follows:

(1) Business Overview, Economic Conditions, and Industry Trends Affecting Operations

(1.1) Business Overview

During the first half of 2026, the Company continued to execute its strategic plan with a focus on driving sustainable growth through three key points: expanding and strengthening the product portfolio under the LYO brand, expanding into international markets and preparing for the launch of its pet care business through its newly established subsidiary. These initiatives are intended to diversify the Company's revenue base and support long-term sustainable growth.

In terms of product development, the Company continued to introduce new products (NPD) under the LYO brand, including LYO My Color, LYO Hair Oil, and LYO Silver. These product launches were aimed at broadening the Company's product portfolio and addressing a wider range of consumer needs.

With respect to international expansion, the Company commenced product deliveries to overseas customers and began recognizing revenue from international markets. The Company has entered into business partnership agreements with distributors in China and Hong Kong and continues to evaluate opportunities to expand into additional international markets to enhance its future growth potential.

Regarding the pet care business, Monster Lab Co., Ltd., the Company's newly established subsidiary, is currently undertaking the necessary preparations for its commercial operations. The subsidiary is in the process of obtaining the required licenses and complying with relevant regulatory requirements, including certain products that are currently under research and development. Commercial launch is expected to commence during the second half of 2026.

On the marketing front, the Company continued to implement proactive marketing strategies while maintaining disciplined budget management. Emphasis was placed on data-driven analysis to support decision-making and enhance the effectiveness of marketing investments. Marketing activities were carried out across multiple channels, including collaborations with both macro and niche influencers, sales promotion through social commerce and live commerce

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platforms, the continued strengthening of the Company's core distribution channels, and the engagement of brand presenters whose image aligns with the Company's products, together with Out-of-Home (OOH) media campaigns in strategic locations, to enhance brand awareness among a broader audience

The Company also continued to implement an Integrated Marketing Communications (IMC) strategy by ensuring consistent messaging across all communication channels. This integrated approach is intended to enhance brand awareness, support sales growth, and strengthen the Company's long-term competitive position.

(1.2) Operating Environment Affecting the Company's Operations

In response to the ongoing conflict in the Middle East, which may affect the prices of raw materials, packaging materials, and logistics costs, the Company has closely monitored developments and continuously assessed their potential impact. The Company has also implemented ongoing cost risk management measures, including advance procurement planning for raw materials and packaging materials in line with its production and sales plans in coordination with distributors during periods when market prices remain at appropriate levels. This approach is intended to mitigate fluctuations in production costs. As of the end of the second quarter of 2026, the Company expects that its current inventory of raw materials and packaging materials will enable it to effectively manage production costs for approximately the next six months, assuming that market conditions do not change materially.

With respect to new product development, the Company continues to prioritize the use of environmentally friendly packaging materials and promote the adoption of materials that reduce dependence on virgin plastic resins. These initiatives support the Company's commitment to sustainable business practices while contributing to long-term cost management.

In terms of logistics management, the Company has implemented efficient transportation planning for the movement of products from manufacturing facilities to its warehouses. Transportation volumes are optimized for each shipment in accordance with vehicle capacity and applicable regulatory requirements to reduce the number of delivery trips, improve resource utilization, and effectively control transportation costs.

However, the Company will continue to closely monitor developments relating to the conflict in the Middle East, as well as broader economic conditions and global supply chain dynamics. Should these factors have the potential to materially affect the Company's operations, the Company is prepared to adjust its procurement strategy, inventory management, and cost control measures, as appropriate, in order to mitigate potential impacts and ensure business continuity.

(1.3) Industry Competitive Landscape

Competition in the beauty and personal care industry remained intense during the period, driven by the large number of existing market participants as well as the continued entry of new competitors. As a result, competition in terms of product offerings, pricing, distribution channels, and marketing activities has become increasingly vigorous. At the same time, the continued exit of market participants reflects the challenges of maintaining competitiveness and effectively managing operations within the industry.

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In addition, the industry continues to be influenced by the Fast Beauty trend, which has accelerated changes in consumer preferences and shortened product life cycles. As a result, market participants are required to accelerate new product development while maintaining effective inventory management. The industry also faces increasing competitive pressure from Chinese beauty brands, which benefit from competitive pricing, rapid product development capabilities, and direct-to-consumer online distribution channels. These factors have further intensified competition in both the domestic and international markets.

Against this competitive backdrop, the Company has continued to strengthen the competitiveness of the LYO brand by continuously enhancing its brand equity and expanding its product portfolio to better meet evolving consumer demand. The Company has also implemented integrated multi-channel marketing initiatives and maintained effective management of its distribution network. These efforts have enabled the Company to continue receiving positive consumer response and to execute its business plan as intended.

Looking ahead, the Company will continue to closely monitor competitive trends and evolving consumer behavior while adapting its product development, marketing, and distribution strategies to align with changing market conditions. These initiatives are intended to preserve the Company's competitive position and support sustainable growth in revenue and operating performance over the long term.

(2) Summary of Significant Events and Developments

(2.1) Establishment of a New Subsidiary – Monster Lab Co., Ltd.

Monster Lab Co., Ltd., the Company's newly established subsidiary, is currently preparing for the commencement of its pet care business operations. The subsidiary is in the process of obtaining the necessary licenses and complying with applicable regulatory requirements, including certain products that are currently under research and development to enhance product formulations and quality in line with market demand. These efforts are intended to ensure the quality and safety of the products prior to their commercial launch.

The Company places significant emphasis on developing differentiated products that effectively address evolving consumer preferences and market demand. Leveraging the expertise and experience of its product development team, together with ongoing analysis of trends in the pet care market, the Company aims to create new business opportunities and strengthen its long-term competitive position.

With respect to its business outlook, the Company expects the subsidiary to commence commercial operations and gradually begin recognizing revenue during the second half of 2026. The level of revenue and operating performance will depend on several factors, including product readiness, market acceptance, distribution capabilities, and the competitive landscape within the industry. The Company will continue to closely monitor and evaluate the subsidiary's operating performance to support business planning, strategic decision-making, and future market expansion opportunities.

(2.2) International Market Expansion

The Company commenced product deliveries and recognized revenue from international markets in the first quarter of 2026, with international revenue accounting for approximately 1% of total revenue. The Company's international operations remain in the early stages of expansion and have received positive responses from business partners and consumers.

The Company continues to closely monitor and evaluate the growth potential of international revenue while continuously exploring opportunities and assessing the feasibility of expanding into new markets. The Company believes that international markets continue to present significant growth potential and will serve as one of the key drivers supporting business expansion and the Company's sustainable long-term growth.

(2.3) New Product Launch (NPD)

The Company launched new products (NPD) under the LYO brand. In the first quarter of 2026, the Company launched LYO My Color, followed by the launch of LYO Hair Oil and LYO Silver in the second quarter of 2026. These new product launches are expected to be key factors supporting the Company's revenue growth in 2026. However, the level of revenue contribution will depend on market acceptance, product launch timing, and distribution effectiveness. The Company expects these products to gradually generate revenue and contribute to operating performance from the third quarter of 2026 onwards.

In terms of expenses, the Company places importance on investment in marketing activities and brand awareness enhancement to support product growth and expand its customer base over the long term. The Company has implemented careful budget planning and management while maintaining appropriate cost controls in line with sales performance. In addition, the Company continues to optimize marketing expenses and operating costs to maximize efficiency, preserve profitability, and support sustainable long-term growth.

(3) Summary of Operating Results

The consolidated operating results for the second quarter of 2026 are as follows:

Consolidated Operating Results

Description	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	137.82	100.00	151.82	100.00	14.00	10.16
Cost of sales and services	43.02	31.21	49.58	32.66	6.56	15.25
Gross Profit	**94.80**	**68.79**	**102.24**	**67.34**	**7.44**	**7.85**
Other income	0.35	0.25	0.40	0.26	0.05	14.29
Selling and distribution expenses	54.38	39.46	68.67	45.23	14.29	26.28
Administrative expenses	16.95	12.30	17.37	11.44	0.42	2.48
Operating Profit	**23.82**	**17.28**	**16.60**	**10.93**	**(7.22)**	**(30.31)**
Financial Cost	(0.12)	(0.08)	(0.09)	(0.06)	0.03	(25.00)
Profit before income tax expenses	**23.70**	**17.20**	**16.51**	**10.87**	**(7.19)**	**(30.34)**
Income tax expenses	(5.09)	(3.69)	(3.35)	(2.21)	1.74	(34.18)
Profit for the period	**18.61**	**13.51**	**13.16**	**8.67**	**(5.45)**	**(29.29)**

Revenue from sales and services

The Company's Revenue Structure from Sales and Services is classified into 2 main categories, as follows:

(1) Revenue from Sales and Services by Product Group

Revenue from sales and services is categorized by product categories	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Hair Care Products	**125.10**	**90.77**	**127.53**	**84.00**	**2.43**	**1.94**
1.1 LYO Anti-Hair Loss	49.15	35.66	45.90	30.23	(3.25)	(6.61)
1.2 LYO Hair Color	44.16	32.04	44.83	29.53	0.67	1.52
1.3 LYO Herbal	31.79	23.07	25.71	16.93	(6.08)	(19.13)
1.4 LYO My Color	-	-	4.70	3.10	4.70	100.00
1.5 LYO Hair Oil	-	-	1.02	0.67	1.02	100.00
1.6 LYO Silver	-	-	5.37	3.54	5.37	100.00
2. Skincare Products	**9.70**	**7.04**	**10.24**	**6.74**	**0.54**	**5.57**
3. Cosmetics Products	**1.49**	**1.08**	**0.73**	**0.48**	**(0.76)**	**(51.01)**
4. Other sales and service revenue	**1.53**	**1.12**	**13.32**	**8.77**	**11.79**	**770.59**
Total Revenue from sales and services	**137.82**	**100.00**	**151.82**	**100.00**	**14.00**	**10.16**

(2) Revenue from Sales and Services by Distribution Channel

Revenue from sales and services is categorized by distribution channel	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Agent	**53.19**	**38.59**	**34.87**	**22.97**	**(18.32)**	**(34.44)**
2. Modern Trade and Home Shopping	**47.72**	**34.62**	**54.35**	**35.80**	**6.63**	**13.89**
2.1 Modern Trade	42.37	30.74	44.28	29.17	1.91	4.51
2.2 Home Shopping	5.35	3.88	10.07	6.63	4.72	88.22
3. Online	**36.19**	**26.26**	**49.69**	**32.73**	**13.50**	**37.29**
4. OEM	**0.72**	**0.52**	**12.91**	**8.51**	**12.19**	**1,695.17**
Total Revenue from sales and services	**137.82**	**100.00**	**151.82**	**100.00**	**14.00**	**10.16**

The Company recorded revenue from sales and services of THB 151.82 million, representing an increase of THB 14.00 million, or 10.16%, compared with the same period of the previous year. The increase in revenue from sales and services was primarily attributable to the following factors:

- Revenue from other sales and services increased by THB 11.79 million, or 770.59%, compared with the same period of the previous year. The increase was mainly driven by higher revenue from the OEM business of the subsidiary under customers' own brands, as a result of increased purchase orders from existing customers who have confidence in the product quality and manufacturing standards of the subsidiary.
- Revenue from hair care products increased by THB 2.43 million, or 1.94%, compared with the same period of the previous year.

- Revenue from LYO Herbal products decreased by THB 6.08 million, or 19.13%, and revenue from LYO Anti-Hair Loss products decreased by THB 3.25 million, or 6.61%, compared with the same period of the previous year. The decrease was primarily due to lower purchase orders from distributors.
- Meanwhile, revenue from LYO Hair Color products increased by THB 0.67 million, or 1.52%, compared with the same period of the previous year.
- In addition, newly launched products, including LYO My Color, LYO Hair Oil, and LYO Silver, generated additional revenue of THB 4.70 million, THB 1.02 million, and THB 5.37 million, respectively, representing an increase of 100.00% compared with the same period of the previous year.

- Revenue from agents channels decreased by THB 18.32 million, or 34.44%, compared with the same period of the previous year. The decrease was partly attributable to changing consumer purchasing behavior, with consumers increasingly shifting toward online purchasing channels.
- Revenue from modern trade channels increased by THB 1.91 million, or 4.51%, compared with the same period of the previous year, reflecting continued positive consumer acceptance of the Company's products.
- Revenue from home shopping channels increased by THB 4.72 million, or 88.22%, compared with the same period of the previous year.
- Revenue from online channels increased by THB 13.50 million, or 37.29%, compared with the same period of the previous year. The growth was in line with the Company's sales strategy, which focuses on increasing sales through online channels, as online distribution channels continue to demonstrate strong growth potential.
- Revenue from OEM services increased by THB 12.19 million, or 1,695.17%, compared with the same period of the previous year, reflecting customers' confidence in the Company's manufacturing standards and capabilities.

Cost of sales and services and gross profit

Cost of sales and services	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Cost of Goods Sold	42.64	99.11	41.33	83.36	(1.31)	(3.07)
2. Cost of OEM	0.38	0.89	8.25	16.64	7.87	2,055.90
Total Cost of sales and services	**43.02**	**100.00**	**49.58**	**100.00**	**6.56**	**15.24**

Description	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	137.82	100.00	151.82	100.00	14.00	10.16
Cost of sales and services	43.02	31.21	49.58	32.66	6.56	15.25
Gross Profit	**94.80**	**68.79**	**102.24**	**67.34**	**7.44**	**7.85**

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The Company recorded costs of sales and services of THB 49.58 million, representing an increase of THB 6.56 million, or 15.24%, compared with the same period of the previous year. The increase in costs of sales and services was in line with the growth in revenue from sales and services.

However, the gross profit margin decreased from 68.79% in the second quarter of 2025 to 67.34% in the second quarter of 2026. This decrease was primarily due to increased promotional activities, discounts, and marketing campaigns conducted through online channels, which contributed to the lower gross profit margin compared with the same period of the previous year.

Selling and Distribution expenses

Selling and distribution expenses	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Marketing expenses	41.17	75.71	48.62	70.80	7.45	18.10
Salaries and other employee benefits	5.15	9.47	6.43	9.36	1.28	24.85
Shipping Expenses	2.06	3.79	1.38	2.01	(0.68)	(33.01)
Online Platform fees	5.98	11.00	12.24	17.82	6.26	104.68
Other Selling Expenses	0.02	0.04	-	0.00	(0.02)	(100.00)
Total selling and distribution expenses	**54.38**	**100.00**	**68.67**	**100.00**	**14.29**	**26.28**
% to Total Revenue		***39.46***		***45.23***		

The Company recorded selling and distribution expenses of THB 68.67 million, representing 45.23% of revenue from sales and services. Selling and distribution expenses increased by THB 14.29 million, or 26.28%, compared with the same period of the previous year. The increase was primarily attributable to the following factors:

- Marketing expenses increased due to higher publicity expenses associated with engagements with well-known personalities, as well as out-of-home (OOH) advertising media expenses, which were aligned with product sales and the Company's marketing initiatives. This increase was primarily attributable to the launch of the new product, LYO Hair Oil and LYO Silver, during the second quarter of 2026, with the objective of enhancing consumer awareness of the product.
- Advertising expenses on online platforms and social media, as well as service fees charged by online platforms, increased in line with adjustments to platform fee structures and conditions imposed by service providers. Such increase was consistent with the growth in revenue generated from sales and services through the online distribution channel.
- Employee salaries and benefits increased primarily as a result of the annual salary adjustment.

Administrative expenses

Administrative expenses	Consolidated financial statement					
	For the three-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Salaries and other employee benefits	9.31	54.92	9.76	56.20	0.45	4.83
Office expenses	2.71	15.99	2.43	13.99	(0.28)	(10.33)
Professional fees	3.02	17.82	3.37	19.40	0.35	11.59
Depreciation and amortization	1.32	7.79	1.15	6.62	(0.17)	(12.88)
Other administrative expenses	0.59	3.48	0.66	3.80	0.07	11.86
Total Administrative expenses	**16.95**	**100.00**	**17.37**	**100.00**	**0.42**	**2.48**
% to Total Revenue		***12.30***		***11.44***		

The Company recorded administrative expenses of THB 17.37 million, representing 11.44% of revenue from sales and services. Administrative expenses increased by THB 0.42 million, or 2.48%, compared with the same period of the previous year.

The increase was primarily attributable to higher operating expenses incurred by the newly established subsidiary, including professional advisory fees for product research and development, expenses related to product registration processes, as well as marketing and public relations expenses, compared with the same period of the previous year.

In addition, employee salaries and other benefits increased due to the annual salary adjustment, while office expenses increased mainly from corporate public relations activities.

Net Profit

The Company recorded a net profit of THB 13.16 million, representing a decrease of THB 5.45 million, or 29.29%, compared with the same period of the previous year.

The decrease was primarily attributable to higher selling and distribution expenses, as the Company increased its marketing investment to enhance brand awareness in preparation for the launch of new products, LYO Hair Oil and LYO Silver. These products are expected to gradually contribute more significantly to revenue from the third quarter of 2026 onwards. In addition, the Company incurred expenses related to licensing applications, product registrations, and research and development activities for the newly established subsidiary, which is expected to commence revenue recognition during the second half of 2026.

These factors resulted in a decrease in the Company's net profit margin from 13.51% in the second quarter of 2025 to 8.67% in the second quarter of 2026.

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The consolidated operating results for the six-month period ended June, 30 2026 are as follows:

<u>Consolidated Operating Results</u>

Description	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	306.80	100.00	316.42	100.00	9.62	3.14
Cost of sales and services	100.38	32.72	103.20	32.61	2.82	2.81
Gross Profit	**206.42**	**67.28**	**213.22**	**67.39**	**6.80**	**3.29**
Other income	0.61	0.20	0.46	0.15	(0.15)	(24.59)
Selling and distribution expenses	110.21	35.92	132.75	41.95	22.54	20.45
Administrative expenses	33.07	10.78	36.77	11.62	3.70	11.19
Operating Profit	**63.75**	**20.78**	**44.16**	**29.09**	**(19.59)**	**(30.73)**
Financial Cost	(0.20)	(0.07)	(0.19)	(0.06)	0.01	(5.00)
Profit before income tax expenses	**63.55**	**20.71**	**43.97**	**28.96**	**(19.58)**	**(30.81)**
Income tax expenses	(13.10)	(4.27)	(8.91)	(2.82)	4.19	(31.98)
Profit for the period	**50.45**	**16.44**	**35.06**	**11.08**	**(15.39)**	**(30.51)**

Revenue from sales and services

The Company's Revenue Structure from Sales and Services is classified into 2 main categories, as follows:

(1) Revenue from Sales and Services by Product Group

Revenue from sales and services is categorized by product categories	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Hair Care Products	**277.66**	**90.50**	**264.23**	**83.51**	**(13.43)**	**(4.84)**
1.1 LYO Anti-Hair Loss	96.96	31.60	100.85	31.87	3.89	4.01
1.2 LYO Hair Color	103.86	33.85	95.35	30.13	(8.51)	(8.19)
1.3 LYO Herbal	76.84	25.05	50.48	15.95	(26.36)	(34.31)
1.4 LYO My Color	-	-	11.16	3.53	11.16	100.00
1.5 LYO Hair Oil	-	-	1.02	0.32	1.02	100.00
1.6 LYO Silver	-	-	5.37	1.70	5.37	100.00
2. Skincare Products	**19.48**	**6.35**	**20.20**	**6.38**	**0.72**	**3.70**
3. Cosmetics Products	**5.14**	**1.68**	**1.49**	**0.47**	**(3.65)**	**(71.01)**
4. Other sales and service revenue	**4.52**	**1.47**	**30.50**	**9.64**	**25.98**	**574.78**
Total Revenue from sales and services	**306.80**	**100.00**	**316.42**	**100.00**	**9.62**	**3.14**

(2) Revenue from Sales and Services by Distribution Channel

Revenue from sales and services is categorized by distribution channel	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Agent	**133.94**	**43.66**	**74.91**	**23.67**	**(59.03)**	**(44.07)**
2. Modern Trade and Home Shopping	**102.75**	**33.49**	**120.14**	**37.97**	**17.39**	**16.92**
2.1 Modern Trade	92.02	29.99	99.49	31.44	7.47	8.12
2.2 Home Shopping	10.73	3.50	20.65	6.53	9.92	92.45
3. Online	**67.28**	**21.93**	**91.65**	**28.96**	**24.37**	**36.22**
4. OEM	**2.83**	**0.92**	**29.72**	**9.39**	**26.89**	**950.18**
Total Revenue from sales and services	**306.80**	**100.00**	**316.42**	**100.00**	**9.62**	**3.14**

The Company recorded revenue from sales and services of THB 316.42 million, representing an increase of THB 9.62 million, or 3.14%, compared with the same period of the previous year. The increase in revenue from sales and services was primarily attributable to the following factors:

- Revenue from other sales and services increased by THB 25.98 million, or 574.78%, compared with the same period of the previous year. The increase was mainly driven by higher revenue from the OEM business of the subsidiary under customers' own brands, as a result of increased purchase orders from existing customers who have confidence in the product quality and manufacturing standards of the subsidiary.
- Revenue from hair care products decreased by THB 13.43 million, or 4.84%, compared with the same period of the previous year.
    - Revenue from LYO Herbal products decreased by THB 26.36 million, or 34.31%, and revenue from LYO Hair Color decreased by THB 8.51 million, or 8.19%, compared with the same period of the previous year. The decrease was primarily due to lower purchase orders from distributors.
    - Meanwhile, revenue from LYO Anti-Hair Loss products increased by THB 3.89 million, or 4.01%, compared with the same period of the previous year.
    - In addition, newly launched products, including LYO My Color, LYO Hair Oil, and LYO Silver, generated additional revenue of THB 11.16 million, THB 1.02 million, and THB 5.37 million, respectively, representing an increase of 100.00% compared with the same period of the previous year.
- Revenue from agent channels decreased by THB 59.03 million, or 44.07%, compared with the same period of the previous year. The decrease was partly attributable to changing consumer purchasing behavior, with consumers increasingly shifting toward online purchasing channels.
- Revenue from modern trade channels increased by THB 7.47 million, or 8.12%, compared with the same period of the previous year, reflecting continued positive consumer acceptance of the Company's products.
- Revenue from home shopping channels increased by THB 9.92 million, or 92.45%, compared with the same period of the previous year.

- Revenue from online channels increased by THB 24.37 million, or 36.22%, compared with the same period of the previous year. The growth was in line with the Company's sales strategy, which focuses on increasing sales through online channels, as online distribution channels continue to demonstrate strong growth potential.
- Revenue from OEM services increased by THB 26.89 million, or 950.18%, compared with the same period of the previous year, reflecting customers' confidence in the Company's manufacturing standards and capabilities.

Cost of sales and services and gross profit

Cost of sales and services	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
1. Cost of Goods Sold	99.04	98.67	87.29	84.58	(11.75)	(11.87)
2. Cost of OEM	1.34	1.33	15.91	15.42	14.57	1,087.31
Total Cost of sales and services	**100.38**	**100.00**	**103.20**	**100.00**	**2.82**	**2.81**

Description	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	306.80	100.00	316.42	100.00	9.62	3.14
Cost of sales and services	100.38	32.72	103.20	32.61	2.82	2.81
Gross Profit	**206.42**	**67.28**	**213.22**	**67.39**	**6.80**	**3.29**

The Company recorded costs of sales and services of THB 103.20 million, representing an increase of THB 2.82 million, or 2.81%, compared with the same period of the previous year. The increase in costs of sales and services was in line with the growth in revenue from sales and services.

However, the gross profit margin increased from 67.28% in the same period of the previous year to 67.39% in the second quarter of 2026 (six-month period ended 30 June 2026). The increase was primarily attributable to the higher proportion of sales generated through online distribution channels, which achieved a higher gross profit margin compared with other distribution channels. As a result, the Company's overall gross profit margin increased compared with the same period of the previous year.

Selling and Distribution expenses

Selling and distribution expenses	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Marketing expenses	85.41	77.50	97.31	73.30	11.90	13.93
Salaries and other employee benefits	9.97	9.05	11.96	9.01	1.99	19.96
Shipping Expenses	4.27	3.87	2.82	2.12	(1.45)	(33.96)
Online Platform fees	10.54	9.56	20.65	15.56	10.11	95.92
Other Selling Expenses	0.02	0.02	0.01	0.01	(0.01)	(50.00)
Total selling and distribution expenses	**110.21**	**100.00**	**132.75**	**100.00**	**22.54**	**20.45**
% to Total Revenue		***35.92***		***41.95***		

The Company recorded selling and distribution expenses of THB 132.75 million, representing 41.95% of revenue from sales and services. Selling and distribution expenses increased by THB 22.54 million, or 20.45%, compared with the same period of the previous year. The increase was primarily attributable to the following factors:

- Marketing expenses increased due to higher publicity expenses associated with engagements with well-known personalities, as well as out-of-home (OOH) advertising media expenses, which were aligned with product sales and the Company's marketing initiatives. This increase was primarily attributable to the launch of the new product, LYO My Color during the first quarter of 2026, LYO Hair Oil and LYO Silver during the second quarter of 2026, with the objective of enhancing product awareness among consumers.
- Advertising expenses on online platforms and social media, as well as service fees charged by online platforms, increased in line with adjustments to platform fee structures and conditions imposed by service providers. Such increase was consistent with the growth in revenue generated from sales and services through the online distribution channel.
- Employee salaries and benefits increased primarily as a result of the annual salary adjustment.

Administrative expenses

Administrative expenses	Consolidated financial statement					
	For the six-month period ended June, 30					
	2025		2026		Changed	
	MB.	%	MB.	%	MB.	%
Salaries and other employee benefits	19.83	59.96	20.55	55.89	0.72	3.63
Office expenses	4.44	13.43	4.70	12.78	0.26	5.86
Professional fees	5.31	16.06	6.90	18.77	1.59	29.94
Depreciation and amortization	2.45	7.41	2.31	6.28	(0.14)	(5.71)
Other administrative expenses	1.04	3.14	2.31	6.28	1.27	122.12
Total Administrative expenses	**33.07**	**100.00**	**36.77**	**100.00**	**3.70**	**11.19**
% to Total Revenue		***10.78***		***11.62***		

The Company recorded administrative expenses of THB 36.77 million, representing 11.62% of revenue from sales and services. Administrative expenses increased by THB 3.70 million, or 11.19%, compared with the same period of the previous year.

The increase was primarily attributable to higher operating expenses incurred by the newly established subsidiary, including professional advisory fees for incorporation of the new subsidiary, product research and development, expenses related to product registration processes, as well as marketing and public relations expenses, compared with the same period of the previous year.

In addition, employee salaries and other benefits increased due to the annual salary adjustment, while office expenses increased mainly from corporate public relations activities.

Net Profit

The Company recorded a net profit of THB 35.06 million, representing a decrease of THB 15.39 million, or 30.51%, compared with the same period of the previous year. The decrease was primarily attributable to higher selling and distribution expenses, as the Company increased its marketing investment to enhance brand awareness in preparation for the launch of new products, namely LYO My Color during the first quarter of 2026, LYO Hair Oil and LYO Silver during the second quarter of 2026. These products are expected to gradually contribute more significantly to revenue from the third quarter of 2026 onwards. In addition, the Company incurred expenses related to licensing applications, product registrations, and research and development activities for the newly established subsidiary, which is expected to commence revenue recognition during the second half of 2026.

These factors resulted in a decrease in the Company's net profit margin from 16.44% in the six-month period of 2025 to 11.08% in in the six-month period of 2026.

(4) Summary of Financial Position

Financial Position

Financial position	December 31, 2025		June 30, 2026		Changed	
	MB.	%	MB.	%	MB.	%
Total assets	555.44	100.00	562.00	100.00	6.56	1.18
Total liabilities	68.81	12.39	79.61	14.17	10.81	15.70
Total Shareholders' equity	486.64	87.61	482.39	85.83	(4.25)	(0.87)

Asset

The Company’s principal assets comprise Cash and Cash Equivalents, Trade and Other Current Receivables, Inventories, Advance payments for goods and services and Property, Plant and Equipment. For the six-month period ended June 30, 2026, the Company’s total assets amounted to THB 562.00 million, with the principal assets consisting of the following:

1. Cash and Cash Equivalents amounting to THB 323.19 million, representing 57.51% of total assets.
2. Trade and Other Current Receivables totaling THB 77.01 million, representing 13.70% of total assets.
3. Inventories totaling THB 85.77 million, representing 15.26% of total assets.
4. Advance payments for goods and services totaling THB 20.50 million, representing 3.65% of total assets.
5. Property, Plant and Equipment amounting to THB 25.76 million, representing 4.58% of total assets.

Liabilities

The Company’s principal liabilities consist of Trade and Other Current Payables, Current Portion of Lease Liabilities due within one year, Income Tax Payable and Non-current provision for employee benefits. For the six-month period ended June 30, 2026, the Company's total liabilities amounted to THB 79.61 million, representing 14.17% of total Liabilities and Shareholders’ Equity. The principal liabilities comprise the following:

1. Trade and Other Current Payables amounting to THB 54.92 million, representing 9.77% of total Liabilities and Shareholders' Equity.
2. Current Portion of Lease Liabilities due within one year totaling THB 4.89 million, representing 0.87% of total Liabilities and Shareholders' Equity.
3. Income Tax Payable totaling THB 10.23 million, representing 1.82% of total Liabilities and Shareholders' Equity.
4. Non-current provision for employee benefits totaling THB 4.09 million, representing 0.73% of total Liabilities and Shareholders' Equity.

Shareholders' Equity

The Company's total Shareholders' Equity as of June 30, 2026, amounted to THB 482.39 million, representing 85.83% of total Liabilities and Shareholders' Equity. Shareholders' Equity comprises the following:

1. Issued and Paid-up Share Capital amounting to THB 212.50 million, representing 37.81% of total Liabilities and Shareholders' Equity.
2. Premium on Ordinary Shares totaling THB 183.23 million, representing 32.60% of total Liabilities and Shareholders' Equity.
3. Retained Earnings – Appropriated for Legal Reserve amounting to THB 12.98 million, representing 2.31% of total Liabilities and Shareholders' Equity.
4. Retained Earnings – Unappropriated totaling THB 73.68 million, representing 13.11% of total Liabilities and Shareholders' Equity.

Key Financial ratio

Key financial ratio	Unit	December 31, 2025	June 30, 2026
Current ratio	Times	8.21	6.98
Debt-to-equity ratio (D/E)	Times	0.14	0.17
Return on assets (ROA)	Percent	30.38	24.89
Return on equity (ROE)	Percent	28.54	24.72

Current Ratio

As of June 30, 2026, the Company's liquidity ratio was 6.98 times, decreasing from 8.21 times as of December 31, 2025. The decrease was mainly due to trade and other payables increasing by THB 14.74 million compared to December 31, 2025, resulting from the Company's advance purchases of raw materials and packaging materials in line with its production plan, as well as purchases of finished goods for the Company's new products.

Debt to Equity ratio (D/E Ratio)

As of June 30, 2026, the Company's debt-to-equity ratio (D/E Ratio) was 0.17 times, increasing from 0.14 times as of December 31, 2025. The increase was mainly due to total liabilities increased by THB 10.81 million as of June 30, 2026, mainly due to the Company's advance purchases of raw materials and packaging materials in line with its production plan, together with purchases of finished goods for the Company's new products. In addition, income tax payable increased as a result of the Company's net profit generated during the first quarter of 2026.

Return on assets (ROA)

As of June 30, 2026, the Company's return on assets (ROA) was 24.89%, decreasing from 30.38% as of December 31, 2025. The decrease was mainly due to a decline in profit before finance costs and income tax expense (annualized based on the current quarter's results combined with those of the preceding three quarters). In addition, average total assets as of June 30, 2026 were higher than those as of December 31, 2025, mainly due to increases in inventories, as well as advance payments for goods and services related to the production of new products.

Return on equity (ROE)

As of June 30, 2026, the Company's return on equity (ROE) was 24.72%, decreasing from 28.54% as of December 31, 2025. The decrease was mainly due to a decline in net profit (annualized based on the current quarter's results combined with those of the preceding three quarters), while average shareholders' equity decreased compared to December 31, 2025, primarily due to the payment of annual dividends to shareholders.

Cash cycle

Cash cycle	Unit	December 31, 2025	June 30, 2026
Average Collection Period	Days	42.00	44.00
Average Inventory Period	Days	120.00	145.00
Average Payment Period	Days	29.00	35.00
Cash cycle	Days	133.00	154.00

As of June 30, 2026, the Company's cash conversion cycle was 154 days, representing a increase of 21 days compared to that as of December 31, 2025. The increase was primarily attributable to a longer inventory holding period for finished goods and an increase in the average collection period.

(5) Factors That May Affect Future Operations or Growth

In 2026, the Thai economy continues to face pressure from several factors, including the anticipated slowdown in the global economy, trade protectionist policies implemented by major economies, as well as domestic structural vulnerabilities. Meanwhile, political uncertainty remains ongoing, and its economic impact will depend largely on the continuity of government policy implementation. These factors may result in the Thai economy maintaining a stabilizing trend in 2026 rather than experiencing accelerated growth.

Nevertheless, the beauty and personal care product market continues to demonstrate growth potential, driven by increasing consumer awareness of health and personal appearance, the expansion of online distribution channels, and the development of products that address more personalized consumer needs. But the industry continues to face challenges arising from intense competition, volatility in raw material costs and marketing expenses, as well as changes in consumer behavior and regulatory requirements. To maintain competitiveness and achieve sustainable growth, industry participants are required to continuously develop product innovations, enhance cost management efficiency, and expand distribution channels across both domestic and international markets.

Yours Sincerely,

88(Thailand) Public Company Limited

-Miss Wiraya Panpiboon-

Chief Financial Officer