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DO DAY DREAM PUBLIC COMPANY LIMITED

Management Discussion and Analysis

For the third quarter ended September 30, 2026

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06 November 2026

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1. Summary of Performance

1.1. Overview of Total Income

Revenue by Segment	Consolidated financial statements For the three-month periods ended 30 Sep				Change Increase/(Decrease)		Consolidated financial statements For the nine-month periods ended 30 Sep				Change Increase/(Decrease)	
	2025		2026				2025		2026			
	THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%
1) Skincare segments	185.26	54.63%	198.16	57.83%	12.90	6.96%	572.12	56.88%	508.35	55.61%	(63.77)	-11.15%
1.1) Revenue from local sales	140.55	41.45%	114.58	33.44%	(25.97)	-18.48%	387.45	38.52%	324.85	35.54%	(62.60)	-16.16%
1.2) Revenue from export sales	44.70	13.18%	80.44	23.47%	35.74	79.95%	184.67	18.36%	180.36	19.73%	(4.31)	-2.33%
1.3) Revenue from rendering of services from local	-	0.00%	3.14	0.91%	3.14	100.00%	-	0.00%	3.14	0.34%	3.14	100.00%
2) Beauty products segments	133.89	39.48%	138.99	40.56%	5.10	3.81%	400.18	39.79%	383.75	41.98%	(16.43)	-4.11%
2.1) Revenue from local sales	133.65	39.41%	138.46	40.40%	4.81	3.60%	398.84	39.66%	382.95	41.90%	(15.89)	-3.98%
2.2) Revenue from export sales	0.23	0.07%	0.53	0.16%	0.30	127.80%	1.33	0.13%	0.80	0.09%	(0.53)	-39.79%
Total revenue from sale and rendering of services	319.14	94.11%	337.16	98.39%	18.02	5.65%	972.29	96.67%	892.10	97.60%	(80.19)	-8.25%
Other income[/1]	19.97	5.89%	5.53	1.61%	(14.44)	-72.33%	33.47	3.33%	21.98	2.40%	(11.49)	-34.33%
Total revenue	339.11	100.00%	342.69	100.00%	3.58	1.06%	1,005.76	100.00%	914.08	100.00%	(91.68)	-9.12%

Notes: [/1] Other income mainly comprised interest income, net gains from fair value measurement of financial assets, and net gains on disposal of financial assets.

A. Sales Revenue

For the third quarters ended September 30, 2025 and 2026, the Company recorded revenue from sales and services of THB 972.29 million and THB 892.10 million, respectively, representing a decrease of THB 80.19 million or 8.25%. The decrease was primarily attributable to the following key factors:

a) Revenue by Segmentation

- Revenue from the skincare products segment decreased by 11.15% compared to the same period of the previous year, primarily due to weakened consumer purchasing power and an overall market slowdown. In addition, geopolitical tensions prompted consumers to adopt a more cautious approach to spending.

- Nevertheless, for the three-month period ended September 30, 2026, revenue from this segment increased by 6.96% compared to the same period of the previous year. This growth was primarily driven by a significant increase of 79.95% in export sales, which helped offset the slowdown in the domestic market and contributed positively to overall revenue growth.
- Furthermore, the Company's performance during the period was supported by the recognition of revenue from Multy Prime Co., Ltd., a cosmetics distribution business in which the Company invested during the quarter. Multy Prime Co., Ltd. generated sales to customers of THB 12.06 million, of which THB 7.36 million was recognized as revenue in the consolidated financial statements, providing an additional contribution to revenue for the current period.
- Revenue from the beauty products segment decreased by 4.11% compared to the same period of the previous year, primarily due to intensified market competition, which provided consumers with a wider range of product choices. In addition, customer footfall at physical retail stores declined by more than 40%.
- In response, the Company adjusted its marketing strategies and distribution channels to better align with changing consumer behavior and the competitive market environment, with the aim of stimulating sales and strengthening its competitive position. As a result, revenue from this segment increased by 3.81% for the three-month period ended September 30, 2026, compared to the same period of the previous year, reflecting the effectiveness of the Company's strategies in driving revenue recovery.

b) The Company implemented sales promotion initiatives through increased price discounts as part of its stock clearance activities, resulting in a reduction in net sales revenue recognized during the period.

c) Nevertheless, sales through online channels continued to maintain a positive growth trend during the current period.

B. Other Income

For the third quarter ended September 30, 2026, the Company recorded other income of THB 21.98 million, primarily comprising interest income and gains from fair value measurement of financial assets. Other income decreased by THB 11.49 million or 34.33% compared to the same period of the previous year. This decrease was mainly attributable to the recognition of a gain of THB 16.71 million from the disposal of financial assets in the corresponding period of the previous year, which was a one-time transaction. In addition, interest rates continued to follow a downward trend. The Company maintained its conservative and prudent investment approach, prioritizing capital preservation to mitigate risks arising from heightened economic volatility.

1.2. Cost of Good

Total cost of sales for the third quarters ended September 30, 2025 and 2026 amounted to THB 388.69 million and THB 473.19 million, respectively, representing an increase of THB 84.50 million or 21.74%. The increase was primarily attributable to the following factors:

a) Geopolitical tensions, which directly contributed to higher transportation costs, raw material costs, and production expenses.

b) Changes in the sales mix, with a higher proportion of sales generated from lower-margin products compared to higher-margin products.

c) The Company continued to adopt a prudent approach to business management, including the assessment and recognition of inventory provisions, taking into consideration the following factors:

- Reduction in inventory holding targets: Business partners reduced their inventory holding targets (Inventory Month Cover) in response to heightened economic volatility and weakening consumer demand.
- Slow-moving inventory: Certain products experienced slower inventory turnover.

- Brand portfolio optimization: The Company adjusted its brand portfolio management strategy, which may result in the discontinuation of certain brands and product categories in the future.
- Reversal of inventory provisions: Nevertheless, such provisions may be reversed when the Company subsequently manages and sells the relevant inventory, subject to applicable accounting requirements.

d) The implementation of sales promotion initiatives through increased price discounts as part of stock clearance activities, resulting in higher cost of sales relative to net sales revenue.

e) Following the acquisition of the business through Multy Prime Co., Ltd. during the quarter, the Company began recognizing the associated cost of sales in its consolidated financial statements. This resulted in a slight increase in overall cost of sales, consistent with the expansion of the Company's business operations and commercial activities arising from its investment in the new business.

The Company remains committed to effective cost management while continuously enhancing its revenue-generating capabilities.

1.3. Gross Profit

For the third quarters ended September 30, 2025 and 2026, the Company recorded gross profit of THB 583.61 million and THB 418.91 million, respectively, representing gross profit margins of 60.02% and 46.96% of revenue from sales and services. The decline in gross profit margin was primarily attributable to sales revenue falling short of the Company's targets, coupled with rising product costs and increased inventory provisions recognized during the current period.

Nevertheless, the Company remains focused on optimizing its cost structure and sales mix to support revenue recovery and sustainable growth in the periods ahead.

1.4. Selling and Administrative Expense

A. Selling Expense

Selling expenses for the third quarters ended September 30, 2025 and 2026 amounted to THB 291.55 million and THB 308.21 million, respectively, representing an increase of THB 16.67

million. Selling expenses as a percentage of revenue from sales and services were 29.99% and 34.55%, respectively. The increase was primarily attributable to the following factors:

- Higher sales promotion expenses through convenience stores and modern trade channels to support sales growth and strengthen the Company's competitiveness.
- Increased e-commerce platform fees, reflecting changes in the fee structures of platform service providers, which have continued to trend upward.

B. Administrative Expense

Administrative expenses for the third quarters ended September 30, 2025 and 2026 amounted to THB 255.39 million and THB 263.69 million, respectively, representing an increase of THB 8.30 million or 3.25%. The increase was primarily attributable to expenses associated with the liquidation process of the Company's joint venture in the Philippines.

1.5. Net Profit

For the third quarter ended September 30, 2025, the Company recorded a net profit of THB 50.41 million, representing a net profit margin of 5.01% of total revenue. In contrast, for the third quarter ended September 30, 2026, the Company recorded a net loss of THB 126.74 million, representing a net loss margin of 13.87% of total revenue. The net loss was primarily attributable to the following factors:

a) Sales revenue falling short of the Company's targets.
b) Insufficient gross profit to cover the selling expenses incurred during the period.
c) Selling expenses and one-time accounting provisions recognized during the current reporting period.
d) Increased selling expenses resulting from higher sales promotion costs and upward adjustments in e-commerce platform fees.

Nevertheless, the Company remains committed to effectively managing its costs, selling expenses, and administrative expenses, while continuously refining its business strategies to strengthen its competitiveness and support the recovery of its operating performance in the periods ahead.

2. Financial Position

2.1. Total Assets

As of September 30, 2026, the Company reported total assets of THB 4,706.42 million, representing a decrease of THB 120.03 million or 2.49% from THB 4,826.44 million at the end of the previous year. The decrease was primarily attributable to the following factors:

a) Cash and cash equivalents, short-term investments, and short-term financial assets collectively decreased by THB 20.59 million, primarily due to cash payments of THB 178.00 million for the acquisition of a new business, dividend payments to shareholders of THB 59.42 million, and lease liability repayments of THB 12.35 million.

Nevertheless, the Company maintained a strong liquidity position, supported by positive net cash flows from operating activities of THB 226.72 million during the period, which were sufficient to support its investment in the new business. This reflects the Company's ability to generate operating cash flows and effectively manage its liquidity.

b) Trade and other current receivables decreased by THB 157.96 million, primarily due to collections of outstanding receivables in the normal course of business during the period, consistent with the decline in sales revenue.

c) Inventories decreased by THB 139.74 million, reflecting effective inventory management through the alignment of purchasing volumes with market demand and the sale of existing inventories during the period.

d) Non-current assets increased by THB 189.56 million, primarily as a result of the acquisition of a new business, which led to increases in several non-current asset categories, including property, plant and equipment, right-of-use assets, goodwill, and other non-current assets.

During the current quarter, the Company recognized goodwill of THB 122.58 million arising from the acquisition of the new business. The fair value assessment of the identifiable assets acquired and liabilities assumed has not yet been completed and is currently being conducted by an independent valuer.

In this regard, the liquidity management in the capital market of the Company has an investment value of 0% of total assets according to the consolidated financial statements and not more than 40% without meeting the investment conditions that are characterized as operating an investment management business according to the announcement NorPor.5/2023

2.2. Total Liabilities

As of September 30, 2026, the Company reported total liabilities of THB 341.22 million, representing an increase of THB 65.53 million or 23.77% from THB 275.69 million at the end of the previous year. The increase was primarily attributable to the acquisition of a new business, which resulted in higher balances across several liability categories, including trade and other current payables and lease liabilities.

2.3. Shareholders' Equity

As of September 30, 2026, the Company reported total shareholders' equity of THB 4,365.20 million, representing a decrease of THB 185.56 million or 4.08% from the end of the previous year. The decrease was primarily attributable to the net loss recognized during the current period, together with dividend payments to shareholders.

3. Financial Ratio

Financial Ratio	As of 30 September 2025	As of 30 September 2026
Liquidity Ratio (times)	17.28	14.03
Debt to Equity Ratio (times)	0.07	0.07
Return on Equity - ROE (%)	1.11%	-2.90%
Return on Assets - ROA (%)	1.32%	-2.75%
Net Profit Margin (%)	5.01%	-13.87%