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Subject Management Discussion and Analysis: MD&A Operating Result of the 2nd Quarter and the 1st Half of 2026

Attention: Director and Manager of the Stock Exchange of Thailand

Operating Results

In the second quarter of 2026, the external economic environment and competitive landscape continued to affect the Company's operations. Consumer purchasing power recovered only gradually, spending remained cautious, and competition intensified across both online and offline channels. In response, the Company continued to align its operating strategy with market conditions, with emphasis on maintaining inventory at appropriate levels, reducing slow-moving stock, enhancing existing products to better address consumer needs, and improving sales effectiveness across all channels.

The Company continued to strengthen the positioning and value of its proprietary brands, while developing new brands and products by leveraging its existing expertise and customer base. The Company also pursued opportunities in new businesses through the resources and networks within the Group's ecosystem, including educational institutions, residential projects, and related communities, with the objective of diversifying revenue sources and creating growth beyond the existing core businesses.

In the second quarter of 2026, revenue from sales and services amounted to THB 1,803 million, representing a decrease of 8% compared with the same period of the previous year and 9% compared with the previous quarter, reflecting continued pressure from market conditions and the limited recovery in consumer purchasing power. Nevertheless, gross profit amounted to THB 605 million, declining by only 2% compared with the same period of the previous year, while gross profit margin improved from 31.5% to 33.6%, supported by more effective management of cost of sales and inventories. Revenue by product group comprised cosmetics and fragrances of THB 217 million, women's and men's apparel of THB 1,022 million, mother and child products of THB 271 million, consumer goods of THB 257 million, and other products of THB 36 million.

For the first half of 2026, revenue from sales and services amounted to THB 3,776 million, decreasing by 7% from the corresponding period of the previous year. Revenue by product group comprised cosmetics and fragrances of THB 397 million, women's and men's apparel of THB 2,433 million, mother and child products of THB 325 million, consumer goods of THB 531 million, and other products of THB 90 million.

Distribution costs and administrative expenses

In the second quarter of 2026, Distribution costs and administrative expenses totaled THB 800 million, representing a decrease of 1% compared with the same period of the previous year and remaining broadly stable compared with the previous quarter, reflecting the Company's continued cost discipline. At the same time, the Company continued to allocate necessary resources to the development of distribution channels, marketing, technology, and inventory management systems in order to enhance competitiveness and respond to changing consumer behavior.

Operating Results for the Second Quarter and the First Half of 2026

In the second quarter of 2026, EBITDA amounted to THB 195 million, representing a decrease of 30% compared with the same period of the previous year and 9% compared with the previous quarter. EBITDA margin was 9%, compared with 12% in the corresponding period of the previous year. The decline was mainly attributable to lower total revenue, particularly other income and dividend income, while the Company was able to maintain its gross profit level and exercise control over selling and administrative expenses.

Net profit attributable to equity holders of the parent company for the second quarter of 2026 amounted to THB 141 million, representing a decrease of 26% compared with the same period of the previous year, but an increase of 3% compared with the previous quarter. Net profit for the period amounted to THB 135 million, representing a decrease of 32% compared with the same period of the previous year.

For the first half of 2026, EBITDA amounted to THB 410 million, representing a decrease of 57% compared with the same period of the previous year, while net profit attributable to equity holders of the parent company amounted to THB 278 million, decreasing by 65%. The decline was mainly attributable to dividend income decreasing from THB 1,015 million to THB 505 million, together with lower revenue from sales and services in line with market conditions. Nevertheless, net cash flows from operating activities improved to an inflow of THB 210 million, compared with an outflow of THB 48 million in the corresponding period of the previous year, supported by improved management of receivables and inventories.

Table 1 –Operating Results

Operating Result	Unit	Q2		Q1	change		January-June		Change
		2026	2025	2026	% YoY	% QoQ	2026	2025	% YoY
Revenue from sales and rendering of services	MB	1,803	1,953	1,973	-8%	-9%	3,776	4,082	-7%
Total income	MB	2,156	2,366	2,265	-9%	-5%	4,421	5,265	-16%
Costs of sales and rendering of services	MB	1,198	1,338	1,318	-10%	-9%	2,516	2,818	-11%
Gross profit	MB	605	615	655	-2%	-8%	1,260	1,263	0%
Distribution costs and Administrative expenses	MB	800	811	801	-1%	0%	1,600	1,641	-2%
EBITDA (1)	MB	195	278	215	-30%	-9%	410	950	-57%
Net (Loss) Profit	MB	135	199	138	-32%	-2%	273	800	-66%
Profit (Loss) attributable to owners of parent	MB	141	191	137	-26%	3%	278	799	-65%

Remark

(1) EBITDA is calculated as profit before finance costs, income tax, depreciation, and amortization.It excludes Distribution ans Share of (profit) loss of investments in associates accounted for using equity method.

Table 2 – Key Financial Ratios

Key Financial Ratio	Unit	Q2		Q1	January-June	
		2026	2025	2026	2026	2025
EBITDA Margin	%	9%	12%	10%	9%	18%
Net Profit Margin (1)	%	6%	8%	6%	6%	15%
Profit Margin whice attributable to owners of parent (2)	%	8%	10%	7%	7%	20%
Return on Equity (3)	%	0%	1%	0%	1%	3%
Return on Total Assets (4)	%	0%	1%	0%	1%	2%

Remark

(1) Net Profit Margin is calculated by dividing profit (or loss) for the period/year by total revenue.

(2) Profit Margin whice attributable to owners of paren is calculated by dividing the profit

(3) Return on Equity (ROE) is calculated by dividing the profit for the period/year by the shareholders' equity.

(4) Return on Total Assets (ROA) is calculated by dividing net profit attributable to owners of the parent by total assets.

Total Assets

As of June 30, 2026, the Company reported total assets of THB 35,144 million, including cash and cash equivalents and other current financial assets totaling THB 2,556 million.

Total Liabilities and Shareholders' Equity

As of June 30, 2026, the Company reported total liabilities of THB 5,005 million and shareholders' equity of THB 30,139 million, reflecting a strong financial position and stable capital structure that support ongoing operations and future investment opportunities. In the second quarter of 2026, capital expenditures and investments totaled THB 302 million, with investments focused on supporting business growth alongside ongoing operational efficiency enhancement initiatives.

Table 3 – Financial position

Financial Status	Unit	Q2		Q1	Change	
		2026	2025	2025	% YoY	% QoQ
Total Assets	MB	35,144	35,031	34,815	0%	1%
Total liabilities	MB	5,005	5,181	5,063	-3%	-1%
Net Debt	MB	2,448	2,710	2,446	-10%	0%
Total equity	MB	30,139	29,850	29,751	1%	1%
Net Debt to Equity (1)	times	0.08	0.09	0.08		
Net Debt to EBITDA (2)	times	4.61	2.44	3.99		

Remark

(1) Net Debt-to-Equity Ratio is calculated by dividing net debt by total shareholders' equity.

(2) Net Debt-to-EBITDA Ratio is calculated by dividing net debt by EBITDA over the past 12 months.

Sustainable Development

In the second quarter of 2026, the Company continued to advance its sustainability agenda under the Environmental, Social and Governance (ESG) framework in alignment with its corporate strategy. Key priorities included customer-centric growth, technology-enabled workforce development, innovation, and the development of a modern, trusted, and sustainable organization.The Company translated its strategic direction into implementation at the business-unit level through clearly defined action plans, performance indicators, and reporting systems, while applying technology and data to improve efficiency, transparency, and traceability.

Environmental Dimension the Company continued to promote efficient resource utilization by expanding the application of Digital Enablement and Process Optimization to reduce paper consumption and eliminate duplicative work processes. The Company also continued to monitor greenhouse gas emissions and resource consumption, promote proper waste separation, and support the reuse and recycling of materials where appropriate.

Social Dimension the Company focused on strengthening employees'digital capabilities through the use of Google Workspace, AppSheet, dashboards, and AI tools to support collaboration and data-driven decision-making. These initiatives were complemented by knowledge sharing, reskilling, and continued support for community activities relating to education, opportunity creation, and quality of life.

Governance Dimension the Company remained committed to good corporate governance, transparency, accountability, and business ethics. It continued to enhance performance monitoring and approval processes to improve efficiency and auditability, while promoting compliance with its Code of Conduct, Anti-Corruption Policy, and corporate governance principles.

Management recognizes the impact of external market conditions and changing consumer behavior. Accordingly, the Company continues to focus on improving operating efficiency, maintaining inventory at appropriate levels, developing existing products, and strengthening the positioning and value of its proprietary brands, while building new brands and products on its established expertise. The Company also intends to expand into new businesses and product categories and optimize the use of ICC's resources and related business networks to diversify revenue sources and generate growth beyond the existing core businesses. With its sound financial position and extensive distribution network, Management believes that the Company is well positioned to manage market volatility and pursue sustainable long-term growth.

Thank you for your attention and please kindly disseminate this information to all shareholders and investors accordingly.

Yours Sincerely,

(Mr. Thamarat Chokwatana)

President and Executive Chairman