

No. L007/2026

13th May 2026

Subject : The explanation of operating results for the 1st quarter 2026
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month ended 31st March 2026, Thailand's hospitality sector, particularly Phuket's tourism industry, continues to perform strongly. During the peak season, hotels showed excellent results across key metrics, especially average daily rates (ADR), and revenue per available room (RevPAR), reflecting the high demand of this period. Meanwhile, revenue from property sales operations declined year-on-year, in line with the unit handover plan and construction schedule. As a result, the performance of Laguna Resorts & Hotels Public Company Limited ("the Company") is lower than the same period last year. The company reported a net profit of 494 million in the first quarter of this year, compared to a net profit of Baht 680 million in the same period previous year.

Total revenue for the three-month decreased by Baht 269 million as compared to the same period last year due to the followings:

- The overall revenue from hotel operations increased by Baht 25 million, primarily driven by higher Average Daily Rates (ADR) and Revenue Per Available Room (RevPAR) across our Phuket hotels, despite a slight year-over-year decline in the occupancy rate. However, this growth was partially offset by a reduction in revenue following the disposal of all shares held by the Company in Banyan Tree Gallery (Thailand) Limited to a related party at the end of 2025.
- Revenue from property development operations decreased by Baht 208 million. The variance is primarily driven by the fact that the revenue recognised from Laguna Beachside project has a higher average unit value than that of Skypark Celeste project recognised this year. However, revenue recognition continues as planned, aligning with the current construction progress and handover timeline. At the time of this report, there was a total of Baht 16,120 million in the property sales backlog which will be recognised in the future.
- Other income decreased by Baht 86 million year-over-year. This decline was primarily due to no significant non-recurring items recognised in the same period last year, specifically a gain on the revaluation of investment properties of Baht 69 million and a gain on a bargain purchase of Baht 15 million from the acquisition of additional shares in Tropical Resorts Limited and its subsidiaries.



Total expenses decreased by Baht 159 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 10 million due to an increase in line with the hotel revenue.
- The cost of property development operations decreased by Baht 124 million as a result of lower revenue recognition of property sales during this period.
- Selling expenses increased by Baht 2 million, this was primarily due to ongoing promotional expenses and sustained sales staff salaries incurred to support the marketing and launch of new property projects.
- Administrative expenses decreased by Baht 59 million, primarily driven by the disposal of all shares in Banyan Tree Gallery (Thailand) Limited to a related party at the end of 2025. The decrease was further supported by lower consulting fees, following prior year M&A activities, and reduced foreign exchange losses on IDR.

Share of profits from investments in joint venture and associates decreased significantly by Baht 146 million year-over-year. This decline was primarily driven by the non-recurrence of a Baht 96 million gain from the fair value adjustment of Tropical Resorts Limited, which was recorded in the same period last year prior to its reclassification as a subsidiary. Furthermore, the current quarter's performance was impacted by the recognition of a Baht 50 million share of loss from investments in associates, primarily attributable to Bibace Investments Ltd.

Finance costs increased by Baht 4 million year-over-year. This was primarily driven by a significant increase in the outstanding principal balance compared to the same period last year.

Income tax expenses decreased by Baht 37 million compared to the same period last year. This decline is mainly attributable to lower corporate income tax expenses, reflecting the reduced volume of revenue recognition from property sales in this quarter.

Profit attributable to the non-controlling interests of the subsidiaries decreased by Baht 22 million. This decline was primarily driven by foreign currency translation adjustments and the allocation of loss from the associate, held through Tropical Resorts Group.



Summary of Financial Position

Assets

As at 31 March 2026, the Group reported total assets of Baht 36,335 million, an increase of Baht 468 million or 1% from 31 December 2025. The variances were primarily attributable to the following factors:

- Cash and cash equivalents rose by Baht 134 million, resulting from net cash flows from operating activities of Baht 680 million, partially offset by net cash flows used in investing activities of Baht 169 million and financial activities of Baht 380 million.
- Other current assets increased by Baht 90 million, this increase was primarily driven by set up of prepaid land and building tax amounting to Baht 69 million, along with an additional advance payment of Baht 25 million for the purchase of land held for property development.
- Trade accounts receivable and long-term trade accounts receivable increased by Baht 68 million mainly due to revenue recognition of property sales projects during the period.
- Cost to obtain contracts with customers increased by Baht 65 million, primarily due to an increase in property sales during the period.
- Property development cost increased by Baht 56 million, driven by property sale projects currently under construction.
- Property, plant and equipment rose by Baht 37 million, reflecting higher capital expenditures (CAPEX) of Baht 173 million, partially offset by depreciation of Baht 135 million for the period.

Liabilities

As at 31 March 2026, the Group reported total liabilities of Baht 17,711 million, representing a decrease of Baht 41 million or 0.2% from 31 December 2025. The variances were primarily attributable to the following factors:

- Short-term loans from financial institutions decreased by Baht 410 million, mainly due to partial repayments, as the Group maintained sufficient cash flow to support its operations.
- Deferred tax liabilities increased by Baht 109 million, driven primarily by temporary differences between the accounting and tax treatments of land leases and condominium leasehold units. This resulted from revenue recognition associated with the Skypark Celeste (leasehold units) and the land lease of the Banyan Tree Beach Residences Aegir projects, as tax regulations require this income to be recognized over a 30-year period. Additionally, the increase was attributable to capitalized commissions from new property sales.



- Other current liabilities increased by Baht 132 million, mainly due to set up accrued land and building tax for the current year and accrued specific business tax arising from revenue recognition of property sales.
- Income tax payable rose by Baht 48 million, resulting from corporate income tax based on taxable profit generated from revenue recognition for property sales projects this period, including Skypark Celeste, and Banyan Tree Beach Residences Aegir projects.
- Advance received from customers rose by Baht 39 million, driven by new property sales and solid backlog of customer agreements.
- Long-term loan from financial institutions including current portion, increased by Baht 38 million during the period. This was primarily driven by loan drawdowns of Baht 193 million to fund hotel CAPEX and property development, partially offset by repayments totaling Baht 155 million.

Shareholders' equity

As at 31 March 2026, the Group had total shareholders' equity of Baht 18,624 million, an increase of Baht 509 million or 3% from 31 December 2025. This variance was primarily driven by the net profit for the period of Baht 494 million, other comprehensive income of Baht 37 million, and an allocation of equity attributable to non-controlling interests amounting to Baht 22 million.

Liquidity

As at 31 March 2026, approximately 28% of the Group's debt will mature in less than one year based on the carrying value of debts (excluding advance received from customers). Moreover, the Group had current assets of Baht 11,180 million and current liabilities of Baht 7,966 million, which's a current ratio equal to 1.4 times. The Group believes that it can maintain liquidity and that the risks connected to its debt are low.

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Senior Assistant Vice President – Head of Finance and Corporate Affairs

