No. L012/2026

11th August 2026

Subject : **Explanation of Operating Results for the Second Quarter 2026**
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month ended 30th June 2026, Thailand's hospitality sector transitioned into its traditional shoulder season. Overall revenue from hotel operations experienced a year-over-year decline, which was primarily impacted by the scheduled renovations at Banyan Tree Bangkok and Angsana Laguna Phuket hotels. Conversely, revenue from property sales operations increased year-over-year. This growth was in line with the Company's construction progress and unit handover schedule. As a result, the performance of Laguna Resorts & Hotels Public Company Limited ("the Company") is higher than the same period last year. The company reported a net profit of 138 million in the second quarter of this year, compared to a net loss of Baht 124 million in the same period previous year.

Total revenue for the three-month increased by Baht 932 million as compared to the same period last year due to the followings:

- Revenue from property development operations increased by Baht 943 million. This significant variance is largely attributable to the recognition of revenue from property sales projects, namely Skypark Celeste, Banyan Tree Beach Residences Aegir, Banyan Tree Beach Residences Nammu, Angsana Oceanview Residences, and Laguna Beach Residences Seashore projects compared to the prior year, which only included revenue from Laguna Beach Residence Reef and Angsana Beachfront Residence projects. At the time of this report, there was a total of Baht 15,655 million in the property sales backlog which will be recognised in the future.

- Other income increased by Baht 27 million year-over-year, primarily attributable to insurance compensation recognized in relation to last year's earthquake.

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Total expenses increased by Baht 548 million as compared to the same period last year which is generally attributed to the followings:

- The cost of property development operations increased by Baht 408 million as a result of higher revenue recognition of property sales during this period.

- Selling expenses increased by Baht 108 million year-over-year. This was primarily driven by higher property sales commissions for agents and staff, aligned with sales growth, along with marketing and promotional expenses to support the marketing of current ongoing projects.

Share of profits from investments in joint venture and associates increased by Baht 10 million year-over-year, mainly due to a turnaround to profitability for Bibace Investments Ltd., which had recorded a loss in the previous year.

Finance income increased by Baht 10 million. This was mainly due to higher interest income from property sales receivables following increased property sales recognition.

Income tax expenses increased by Baht 137 million, primarily due to an increase in deferred tax liabilities arising from unearned income. This increase is a direct result of higher revenue recognition from property sales compared to the previous year.

Summary of Financial Position

Assets

As at 30 June 2026, the Group reported total assets of Baht 36,306 million, an increase of Baht 439 million or 1% from 31 December 2025. The variances were primarily attributable to the following factors:

- Property development cost increased by a net of Baht 273 million as capitalized construction costs for ongoing projects partially offset the reduction from recognizing the cost of completed and sold units.
- Trade accounts receivable and long-term trade accounts receivable increased by Baht 195 million mainly due to revenue recognition of property sales projects during the period.
- Cost to obtain contracts with customers increased by Baht 128 million, primarily due to an increase in property sales during the period.
- Property, plant and equipment rose by Baht 102 million, reflecting higher capital expenditures (CAPEX) of Baht 376 million, partially offset by depreciation of Baht 273 million for the period.

- Other non-current assets increased by Baht 39 million, primarily driven by a Baht 26 million refundable withholding tax for the year 2025, along with a Baht 13 million increase in advances to suppliers for property, plant, and equipment.
- Cash and cash equivalents declined by Baht 301 million, resulting from net cash flows from operating activities of Baht 411 million, partially offset by net cash flows used in investing activities of Baht 384 million and financial activities of Baht 336 million.

Liabilities

As at 30 June 2026, the Group reported total liabilities of Baht 17,807 million, representing an increase of Baht 56 million or 0.3% from 31 December 2025. The variances were primarily attributable to the following factors:

- Deferred tax liabilities increased by Baht 174 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, and Banyan Tree Beach Residences Nammu 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.
- Advance received from customers rose by Baht 76 million, driven by new property sales and solid backlog of customer agreements.
- Long-term loan from financial institutions including current portion, increased by Baht 75 million during the period. This was primarily driven by loan drawdowns of Baht 235 million to fund hotel CAPEX and property development, partially offset by repayments totaling Baht 162 million.
- Short-term loans from financial institutions decreased by Baht 160 million, mainly due to partial repayments, as the Group maintained sufficient cash flow to support its operations.
- Trade and other current payables decreased by Baht 112 million. This was primarily driven by payments to contractors (Baht 107 million), payments to hotel suppliers amid lower low-season volumes (Baht 56 million), and lower service charge payable (Baht 29 million). These were partially offset by higher accrued commissions from property sales (Baht 52 million), increased construction retentions (Baht 22 million), and advances from property resales pending refund (Baht 21 million).

Shareholders' equity

As at 30 June 2026, the Group had total shareholders' equity of Baht 18,499 million, an increase of Baht 383 million or 2% from 31 December 2025. This variance was primarily driven by the net profit for the period of Baht 631 million, other comprehensive income of Baht 41 million, dividend paid of Baht 242 million, and an allocation of equity attributable to non-controlling interests amounting to Baht 47 million.

Liquidity

As at 30 June 2026, approximately 28% of the Group's debt will mature in less than one year based on the carrying amount of debts (excluding advance received from customers). Moreover, the Group had current assets of Baht 10,908 million and current liabilities of Baht 8,060 million, resulting in a current ratio of 1.4 times. The Group believes that it has sufficient liquidity and manageable debt-related risks.

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Senior Assistant Vice President – Head of Finance and Corporate Affairs

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