No. L015/2026

11th November 2026

Subject : Explanation of Operating Results for the Third Quarter 2026
Attention : The President
The Securities and Exchange Commission

Dear Sir,

For the three-month ended 30th September 2026, Thailand's hospitality sector transitioned into its traditional low season and monsoon period. 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 overall performance of Laguna Resorts & Hotels Public Company Limited ("the Company") improved compared to the same period last year. The company reported a net loss of 201 million in the third quarter of this year, compared to a net loss of Baht 326 million in the same period previous year.

Total revenue for the three-month increased by Baht 477 million as compared to the same period last year due to the followings:

- Revenue from hotel operations decreased by Baht 89 million year-over-year, primarily due to the temporary closure of two hotels for renovation, which resulted in a decline in overall hotel revenues during the period.

- Revenue from property development operations increased by Baht 558 million. This significant variance is largely attributable to the recognition of revenue from property sales projects during the current period, namely Skypark Celeste and Banyan Tree Beach Residences Nammu projects, whereas no such revenue was recognized in the same period last year. At the time of this report, there was a total of Baht 16,200 million in the property sales backlog which will be recognised in the future.

- Other income increased by Baht 8 million year-over-year, primarily attributable to the ongoing receipt of insurance settlements during the year in relation to last year's earthquake.

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Total expenses increased by Baht 305 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 56 million year-over-year. Although direct variable costs of the hotels declined in line with the temporary closures, the overall increase was primarily driven by ongoing fixed costs necessary to maintain hotel-related businesses, coupled with higher depreciation expenses from the RAVA beach club following its completion late last year.

- The cost of property development operations increased by Baht 237 million as a result of higher revenue recognition of property sales during this period.

- Selling expenses increased by Baht 7 1 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.

- Admintrative expenses decreased by Baht 60 million, primarily in line with the decline in hotel revenue, which resulted in lower management and royalty fees. This decrease was further supported by cost savings realized during certain hotel renovations.

Share of loss from investments in joint venture and associates increased by Baht 24 million year-over-year, mainly due to higher losses incurred by Bibace Investments Ltd. compared to the same period last year.

Finance income increased by Baht 16 million. This was mainly due to higher interest income from property sales receivables following increased property sales recognition.

Income tax expenses increased by Baht 53 million, primarily due to higher profits from property sales and higher deferred tax liabilities from the recognition of revenue profit from property sales (leasehold units).

Summary of Financial Position

Assets

As at 30 September 2026, the Group reported total assets of Baht 36,928 million, an increase of Baht 1,061 million or 3% from 31 December 2025. The variances were primarily attributable to the following factors:

- Property development cost increased by a net of Baht 515 million as capitalized construction costs for ongoing projects partially offset the reduction from recognizing the cost of completed and sold units.
- Property, plant and equipment rose by Baht 451 million, reflecting higher capital expenditures (CAPEX) of Baht 871 million, partially offset by depreciation of Baht 416 million for the period.
- Cost to obtain contracts with customers increased by Baht 149 million, primarily due to an increase in property sales during the period.
- Trade accounts receivable and long-term trade accounts receivable increased by Baht 123 million mainly due to revenue recognition of property sales projects during the period, partially offset by a decrease in accounts receivable from hotel operations due to the low season in Q3.
- Other non-current assets increased by Baht 50 million, primarily driven by a Baht 21 million refundable withholding tax for the year 2025, along with a Baht 29 million increase in advances to suppliers for property, plant, and equipment.
- Other current assets increased by Baht 42 million, primarily driven by increases in prepaid half-year corporate income tax, prepaid land and building tax, prepaid insurance, and prepaid advertising. This increase was partially offset by a decrease in advance payments for the purchase of land held for property development.
- Cash and cash equivalents declined by Baht 264 million, resulting from net cash flows from operating activities of Baht 305 million and financial activities of Baht 156 million, and partially offset by net cash flows used in investing activities of Baht 734 million.

Liabilities

As at 30 September 2026, the Group reported total liabilities of Baht 18,607 million, representing an increase of Baht 855 million or 5% from 31 December 2025. The variances were primarily attributable to the following factors:

- Advance received from customers rose by Baht 304 million, mainly driven by new property sales and solid backlog of customer agreements.
- Short-term loans from financial institutions increased by Baht 295 million, mainly due to additional drawdowns to support working capital requirements in line with the expansion of business operations
- Deferred tax liabilities increased by Baht 187 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.
- Long-term loan from financial institutions including current portion, increased by Baht 117 million during the period. This was primarily driven by loan drawdowns of Baht 283 million to fund hotel CAPEX and property development, partially offset by repayments totaling Baht 168 million.
- Income tax payable decreased by Baht 50 million, primarily due to the payment of the previous year's corporate income tax during the year, which exceeded the current year's tax provision.

Shareholders' equity

As at 30 September 2026, the Group had total shareholders' equity of Baht 18,321 million, an increase of Baht 206 million or 1% from 31 December 2025. This variance was primarily driven by the net profit for the period of Baht 431 million, other comprehensive income of Baht 77 million, dividend paid of Baht 242 million, and an allocation of equity attributable to non-controlling interests amounting to Baht 60 million.

Liquidity

As at 30 September 2026, approximately 30% 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 11,276 million and current liabilities of Baht 9,840 million, resulting in a current ratio of 1.3 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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