

THANASIRI



Thanasiri Group Public Company Limited

Management Discussion and Analysis (MD&A)

For the Quarter 1/2026 ended 31 March 2026

1. Business Overview and Industry Conditions Affecting Operations

Thailand's economy in Q1 2026 showed signs of slowing growth compared to the previous year, due to household purchasing power that had not fully recovered, persistently high household debt levels, and financial institutions maintaining cautious lending practices. This resulted in continued demand-side pressure on the residential real estate sector, particularly among middle-to-lower income customers.

Although the government continued to accelerate capital expenditure disbursements and economic stimulus measures — which partially supported economic activity — the overall real estate market remained highly competitive. Operators continued to employ pricing strategies and promotional campaigns to encourage consumer purchasing decisions.

Meanwhile, the continued recovery of the tourism sector and the return of foreign buyers in certain locations remained supportive factors for the condominium and resort-town property markets. However, slowing global economic growth and uncertainty in global trade remained risk factors that could affect consumer confidence and investment decisions going forward.

Credit and Monetary Policy

Commercial bank credit in Q1 2026 continued to expand at a low level, as financial institutions maintained strict credit assessment standards amid concerns over asset quality and slow purchasing power recovery — particularly for housing loans and retail credit, which saw limited growth.

Household Debt: Thailand's household debt remained elevated relative to GDP. Although it has gradually declined from previous periods, it continues to suppress purchasing power and the capacity of households to take on new debt, affecting home purchase decisions.

Monetary Policy: The Bank of Thailand showed a tendency toward more accommodative monetary policy to support economic recovery amid low inflation and below-expected economic growth. However, financial institutions continued to exercise caution in lending, resulting in a gradual recovery of the real estate sector.

2. Summary of Significant Events and Developments

2.1 Approval of Asset Disposal Transaction by Subsidiary (TPD)

The Board of Directors Meeting No. 6/2568, held on December 29, 2025, approved Thanasiri Property Development Co., Ltd. ("TPD"), a subsidiary, to proceed with the disposal of assets — specifically three plots of vacant land in Kamala Sub-district, Kathu District, Phuket Province, with a total area of approximately 105 rai 2 ngan 76.9 square wah (42,276.9 square wah). TPD will sell these three land plots to Rom Pho Properties Public Company Limited ("TITLE"), an unrelated third party, for a total transaction value of approximately 898.38 million baht, with a book value of 60 million baht and an appraised value of 849.35 million baht. The company expects the land sale transaction to be completed within 2027.

3. Summary of Operating Results

Table: Real Estate Sales and Revenue Recognition

ITEMS	1Q25	4Q25	1Q26
	MB	MB	MB
Net-Presales from Real Estate			
Real Estate:Company-Owned	85	87	95
Real Estate:JV	169	149	147
TOTAL Net-Presales	254	236	241
Revenue from Real Estate & Services			
Real Estate:Company-Owned	53	89	54
Real Estate:JV	113	132	154
Revenue from services business	15	19	17
Revenue from sales	0.2	2	2
Total Revenue from Real Estate & Services	182	242	227

In Q1 2026, the company recorded total net real estate sales of 242 million baht, comprising 95 million baht from the company group and 147 million baht from joint venture partners. In Q1 2026, the company recorded total net real estate sales of 227 million baht, comprising 54 million baht from the company group and 154 million baht from joint venture partners.

Real estate revenue recognized in Q1 2026 totaled 208 million baht, with 26% from the company group and 74% from joint venture partners. Compared to the prior period, recognized revenue decreased by 35 million baht, or 40% quarter-on-quarter, and increased slightly year-on-year.

Service business revenue in Q1 2026 was 17 million baht, down 2 million baht from the prior quarter — a decrease of approximately 2 million baht from services — and up 2 million baht year-on-year, driven by a 2 million baht increase from the Homey Plus service business, which provides renovation and living solution products and services.

Total revenue from sales and services in Q1 2026 was 227 million baht, down 14 million baht quarter-on-quarter and up 45 million baht year-on-year.

Table: Gross Profit Margin by Business Type (Consolidated)

ITEMS	1Q25		4Q25		1Q26	
	MB	%	MB	%	MB	%
Revenue from Real Estate & Services						
Revenue from Real Estate	53	77.9%	89	81.0%	54	73.6%
Revenue from Service Business	15	21.8%	19	17.4%	17	23.5%
Revenue from sales	0	0.2%	2	1.7%	2	2.9%
Total Revenue from Real Estate & Services	68	100.0%	110	100.0%	73	100.0%
Cost of Real Estate & Services						
Cost of Real Estate	42	78.7%	68	76.5%	46	86.7%
Cost of Services	4	29.3%	5	25.0%	8	44.2%
Cost of Sales	0.2	99.6%	1	52.8%	2	83.7%
Total Cost of Real Estate & Services	47	68.0%	74	66.9%	56	76.6%
Gross Profit						
GP from Real Estate	11	21.3%	21	23.5%	7	13.3%
GP from Services	11	70.7%	14	75.0%	10	55.8%
GP from Sales	0	0.4%	1	47.2%	0	16.3%
Total Gross Profit	22	32.0%	36	33.1%	17	23.4%

Gross Profit Margin by Business Type (Consolidated Financial Statements)

In Q1 2026, the consolidated financial statements recorded total revenue from sales and services of 73 million baht, comprising:

- Real estate sales revenue: 54 million baht, representing 73.6% of total revenue — similar to the same quarter of the prior year at 53 million baht — and down 35 million baht or 39% from the prior quarter (89 million baht). The decline was due to significantly slowing economic conditions, particularly in the real estate sector, where consumers spent more cautiously. Monthly average sales decreased from the prior quarter by 1.7 units per month, and average prices per unit declined by approximately 0.6 million baht due to the absence of transfers in the 15–20 million baht price range.
- Service revenue: 17 million baht, representing 23.5% of total revenue — up 2 million baht from the prior year's 15 million baht, and down 2 million baht from the prior quarter.
- Product sales revenue: 2 million baht, representing 2.9% of total revenue — up 2 million baht and in line with the prior quarter.

Overall gross profit margin across all business types was 23.4%, down 8.6% year-on-year. The decline was driven by lower profitability in the real estate segment. By business type:

- Real estate: Gross margin of 13.3%, down 8.0% year-on-year and down 10.2% quarter-on-quarter.
- Services: Gross margin of 55.8%, down 14.9% year-on-year and down 10.2% quarter-on-quarter.
- Product sales: Gross margin of 16.3%, up 15.9% year-on-year.

Operating Results for the Period Ended March 31, 2026 and March 31, 2025

Table : Comprehensive Income Statement for the Period Ended March 31, 2026

Statement of Comprehensive Income					
Items (MB)	Consolidates financial statements				
	2026	%	2025	%	increase / (decrease)
Revenues from sales of real estate	53.6	73.6%	53.3	77.9%	0.3
Revenue from services	17.1	23.5%	14.9	21.8%	2.2
Revenue from sales	2.1	2.9%	0.2	0.2%	1.9
Total revenue from sales and services	72.8	100.0%	68.4	100.0%	4.4
Gross Profit of real estate sold	7.1	13.3%	11.3	21.3%	-4.2
Gross Profit of services	9.6	55.8%	10.5	70.7%	-1.0
Gross Profit of sales	0.3	16.3%	0.0	0.6%	0.3
Gross Profit	17.0	23.4%	21.9	32.0%	-4.9
Other Income	0.2	0.2%	0.3	0.4%	-0.1
Selling and distribution expenses	9.4	12.9%	8.0	11.8%	-1.3
Administration expenses	26.1	35.9%	27.0	39.5%	0.9
Profit / (Loss) from operating activities	(18.3)	(25.1%)	(12.9)	(18.9%)	-5.4
Financial cost	(3.4)	(4.7%)	(4.7)	(6.8%)	1.2
Finance income	1.4	1.9%	0.9	1.4%	0.5
Share of Profit / (Loss) from investment in	4.7	6.5%	(0.5)	(0.7%)	5.2
Income tax revenue (Expense)	2.8	3.9%	1.3	1.9%	1.5
Non - controlling interests	(0.7)	(1.0%)	(0.7)	(1.0%)	-0.0
Net profit - Owners of the Parent	(12.1)	(16.6%)	(15.1)	(22.1%)	3.1

In Q1 2026 and Q1 2025, the consolidated net loss attributable to the company was -12.1 million baht and -15.1 million baht, representing -16.6% and -22.1% of total revenue respectively.

Real estate sales revenue increased slightly year-on-year, while service revenue was 2.2 million baht higher than the prior year, though at a gross margin 4.9% lower than the prior year, due to the expansion of the Homey+ service for comprehensive resident care. In Q1 2026, the company focused on building service revenue across its projects to support residential living needs, through a policy of aggressively selling ready-to-transfer inventory and continuous price reduction strategies, accelerating sales in residential service businesses, and launching the Thana Habitat Ratchaphruek – West Ville project during the quarter.

Selling and Distribution Expenses

Selling and distribution expenses in Q1 2026 were 9.4 million baht, or 12.9% of revenue — slightly up 1.4% from the prior year — due to increased costs related to juristic person registration preparation and additional estimated repair costs for older projects.

Administrative Expenses

Administrative expenses in Q1 2026 were 26.1 million baht, up 0.9 million baht year-on-year, due to slightly higher advisory fees related to the asset disposal transaction.

Share of Profit (Loss) from Joint Ventures

Share of profit from joint ventures in Q1 2026 was 4.7 million baht, derived from revenue recognition across three joint venture companies: Anabuki Thanasiri (Thailand) Co., Ltd. (ATT), Thanasiri Lofis (Thailand) Co., Ltd. (TLT), and Hommy Wellness Co., Ltd. Revenue recognition was lower than forecast, reducing the joint venture profit share, but the overall figure still improved by 5.2 million baht.

Finance Costs

Finance costs in Q1 2026 were 3.4 million baht, down 1.3 million baht from the same period of the prior year, as the company repaid loans per contractual terms, reducing interest expenses.

Statement of Financial Position

Statements of Financial Position						
Key Indicator	Consolidated financial statements					
	as of Mar 31, 2026		as of Dec. 31, 2025		increase / (decrease)	
	MB	%	MB	%		%
Total Assets	1,273	100%	1,145	100%	128	
Total Liabilities	723	57%	582	51%	141	6%
Total Shareholders' equity	551	43%	563	49%	-13	-6%
Total Liabilities and Shareholders' equity	1,273	100%	1,145	100%	128	

Total assets of 1,273 million baht, up 127 million baht (11%) from year-end 2025, driven by investment in the Thana Habitat Ratchaphruek – West Ville project.

Total liabilities increased by 41 million baht, primarily from receiving 60 million baht in deposits under land purchase agreements.

Shareholders' equity decreased by 13 million baht, reflecting the Q1 net loss of 12.1 million baht.

Statement of Cash Flows

STATEMENTS OF CASH FLOWS				
Key indicator	Consolidated financial statements		Separate financial statements	
	end of Mar.31, 2026	end of Mar.31, 2025	end of Mar.31, 2026	end of Mar.31, 2025
	Unit : million Baht	Unit : million Baht	Unit : million Baht	Unit : million Baht
Net Cash Provided by (Used in) Operating activities	17.4	16.7	-26.4	6.9
Net Cash Provided by (Used in) Investing activities	-18.0	5.0	21.0	-3.1
Net Cash Provided by (Used in) Financing activities	-15.0	-41.7	-14.3	-19.7
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-15.6	-20.0	-19.7	-15.9
CASH AND EQUIVALENTS-BEGINNING OF THE PERIOD	48.9	45.3	43.4	28.9
CASH AND CASH EQUIVALENTS-END OF THE PERIOD	33.3	25.3	23.7	13.0

As of March 31, 2026, the company held cash and cash equivalents of 33.3 million baht, up 8.0 million baht from the same period of the prior year. Key changes:

- Net cash from operating activities: 17.4 million baht, primarily from
 - net cash receipts up approximately 0.7 million baht from sales across Park Prévé (2 projects launched in 2024) and Thana Village projects, though customer response softened in Q3 2026
 - inventory decreased by approximately 82.7 million baht from price reduction strategies
 - land purchase deposits increased by 23.84 million baht for new project development
 - trade and other receivables decreased by 4.7 million baht from collections from joint venture companies
 - share of JV profit decreased by 4.7 million baht.
- Net cash used in investing activities: 18.0 million baht, mainly from
 - interest received on loans to affiliates and subsidiaries of 4.2 million baht
 - net loans to related parties of 20.0 million baht.
- Net cash used in financing activities: 15.0 million baht, mainly from
 - loan repayments to financial institutions and other parties (both short and long-term)
 - interest payments per contractual terms.

4. Key Factors That May Affect Future Operations and Growth of the Real Estate Business

1. Market Overview and Outlook for 2026

The Thai real estate market in 2026 continues to face uncertainty across multiple dimensions — both domestic and external. CBRE Thailand noted that this year requires developers and investors to strategically balance "risk and return." SCB EIC forecasts that nationwide residential transfer values will contract for the fourth consecutive year at -5% YOY to approximately 824,000 million baht, and if the Middle East conflict persists, the risk could intensify to -10% to -15% YOY.

Despite the challenging outlook, certain market segments still show growth potential, driven by changing consumer behavior, government stimulus measures, and global trends. Operators who can adapt quickly and maintain business flexibility will gain significant competitive advantage.

2. Key Negative Factors and Risks

Slow Domestic Purchasing Power Recovery

Structural purchasing power constraints remain the market's primary limitation. Long-accumulated household debt, combined with expenses rising faster than income, means consumers — particularly middle-to-lower income groups — still cannot fully access housing. Financial institutions have continued strict lending standards since 2025, keeping loan rejection rates elevated, especially in the mid-town and suburban markets, directly impacting ownership transfer volumes.

Impact of Middle East Conflict

The Middle East conflict is a significant compounding variable affecting multiple areas simultaneously:

- Rising energy prices directly increase production costs for energy-intensive building materials such as steel, cement, and tiles, which have energy costs representing 35–50% of total costs.
- Imported raw material prices fluctuate with global commodity prices and rising freight costs.
- As of March 11, 2026, Billet prices in China rose 6% from February, and if the Strait of Hormuz closure is prolonged, construction material prices face further upside risk.
- Consumer and investor confidence is declining, causing property purchase decisions to be deferred.
- US Policy Uncertainty and Geopolitical Tensions

Uncertainty around US trade policy and overall geopolitical tensions could slow Thailand's exports, affecting income and employment, which would ultimately dampen residential purchasing power and industrial investment.

Oversupply in Certain Markets

The retail market is expected to add 300,000 sqm of new space in 2026, bringing the total to 8.55 million sqm. New supply is expected to outpace demand, pushing overall occupancy below 90%. The modern logistics market is also expected to see vacancy rates rise from 10% to 13%, as new supply enters the market faster than current demand.

Low Developer Confidence

New residential land subdivision permit applications in Bangkok and surrounding areas fell 30% in 2025, reflecting operator caution. SCB EIC forecasts only approximately 39,000 new project launches in Bangkok and surrounding areas in 2026 — a -5% YOY contraction for the fourth consecutive year.

3. Business Adaptation Strategies

For real estate developers: Launch new projects cautiously, particularly in areas with high unsold inventory and lower-end markets. Focus on locations with clear demand drivers — near transit hubs, educational institutions, and hospitals. Accelerate expansion into high-purchasing-power foreign buyer markets and adapt business models to domestic purchasing constraints through rental and hire-purchase offerings.

For construction contractors: Manage advance purchase orders for building materials, diversify risk through multiple supplier partnerships, and accelerate construction completion per plan to maintain liquidity.

For building materials operators: Prioritize cost management, inventory clearance, and leverage technology for data analysis to forecast conditions and make business decisions more effectively.

4. Role of the Government

The government plays an important role in mitigating impacts — through import duty reductions on construction raw materials, improving energy access for operators, extending contract terms and accelerating K-payment disbursements for government projects, and relaxing regulations to attract foreign buyers and long-stay residents to Thailand, which would further boost market purchasing power.

Summary: The Thai real estate market in 2026 presents a clearly bifurcated picture. Segments with positive outlook include luxury condominiums and hotels, Grade A+ office buildings, and industrial real estate. Segments facing pressure include mid-to-lower end residential, suburban retail, and logistics. The two most critical deciding factors are geopolitical stability and domestic economic recovery. Operators who will succeed in this environment must possess agility, clarity in location and target selection, and effective cost management.

5. Sustainability Developments

ESG Performance Summary — Q1 2026

Environmental The company achieved tangible progress in environmental impact reduction and green space expansion:

- **Green space expansion:** Evolved the concept from "1 house, 1 tree" to "1 person, 1 tree," increasing green areas across projects. The Thana Habitat Ratchaphruek – West Ville [TH05] project planted 324 trees, capable of reducing CO₂ by 3,240 kg per year. An existing tree conservation policy within project areas further supports sustainability.
- **Clean energy:** Installed a Solar Cell On-Grid system at the clubhouse and model home at Thana Habitat Ratchaphruek – West Ville [TH05]. The 10 kWh system can reduce carbon emissions by 7,620 kg per year and save over 47,000 baht per year in electricity costs. All homes are also pre-equipped for future EV Charger installation.

- **Waste management** "Thana Plant Joy": Natural material scraps are managed as organic fertilizer for the communal vegetable garden, shared with homeowners within the project.
- **Resource management:**
 - **Paper reduction:** Reduced paper usage by 54.6 reams, equivalent to reducing greenhouse gas emissions by approximately 287.69 kg of carbon.
 - **Water-saving innovation:** Replaced traditional tree watering with a "mist spray system" at Thana Habitat Ratchaphruek – West Ville [TH05], reducing carbon emissions by 531.18 kg of carbon per quarter and cutting project costs by approximately 25,515 baht.

Social The company prioritizes personnel development and social responsibility.

- **Skills development:** Enhanced employee capabilities through online learning to promote continuous learning. In Q1 2026, employees completed 103 online learning topics, with 77 participants logging a total of 1,260 hours.
- **Worker camp development:** Elevated hygiene and living conditions for "Builders" through ongoing collaboration with BSI, resulting in zero accidents and zero conflicts within project areas this quarter.
- **Community activities:** Conducted "Thana Volunteer" and "Thana Shares" activities, including a calendar donation project to create Braille learning materials for the visually impaired.

Governance Committed to transparent and ethical business operations:

- **Corporate governance:** The company maintained product quality standards without reducing material specifications despite rising construction costs, resulting in zero complaints within project areas this quarter.
- **Transparency:** Conducted 100% vendor comparison in the construction materials procurement division to ensure transparency and obtain the best terms.

Conclusion: Q1 2026 performance reflects Thana Green's commitment to elevating sustainable living through a combination of energy-saving innovations, efficient resource management, and strict adherence to good governance principles — creating shared value for residents and society over the long term.

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