Executive Summary 2Q26 and 6M26

In 2Q26, the tourism industry was affected by geopolitical uncertainties, resulting in slower growth in international tourist arrivals in certain markets including Thailand, Philippines and Japan especially during the early part of the quarter. Nevertheless, the recovery of Chinese travelers remained an important driver of the tourism sectors in Thailand and the Philippines, while international tourist arrivals to South Korea continued to grow, supported by government tourism promotion measures. In contrast, the recovery of Chinese travelers in Japan remained gradual. In response, the Company adjusted its sales and marketing strategies by increasing its focus on short haul and domestic travelers, enabling its overall hotel portfolio to maintain growth compared with the same period last year despite continued market volatility.

For the performance of The Erawan Group Public Company Limited and its subsidiaries ("the Company") in 2Q26, on a normalized basis, the Company recorded total revenues of 1,828 million baht, representing a 4 percent increase from 2Q25. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) amounted to 502 million baht, an increase of 1 percent from the same period last year, while normalized net profit after tax (NPAT) totaled 83 million baht, reflecting a 31 percent increase from 2Q25. The improvement in net profit was primarily attributable to lower finance costs resulting from the Company's ongoing capital structure management initiatives. After including a one-time prepayment fee of 11 million baht related to the early repayment of loans, reported NPAT amounted to 72 million baht, representing a 14 percent increase from the same period last year.

The Company's performance in 6M26 reflected its ability to sustain revenue and profit growth. On a normalized basis, the Company recorded total revenues of 4,084 million baht, representing a 5 percent YoY increase. EBITDA amounted to 1,337 million baht, an increase of 4 percent YoY, while normalized net profit after tax (NPAT) totaled 472 million baht, reflecting a 16 percent YoY increase. After including a one-time prepayment fee of 24 million baht related to the early repayment of loans, reported NPAT stood at 448 million baht, representing a 10 percent YoY increase. The results reflected the Company's effective revenue management, marketing strategy adjustments, and capital structure management initiatives aimed at reducing its long term interest costs.

Consolidated Normalized Profit & Loss Statement as of 30 June 2026

THB Millions	2Q25	2Q26	Change	6M25	6M26	Change
Hotel Operating Income	1,711	1,786	4%	3,804	3,993	5%
Rental and Service Income	34	34	0%	67	69	2%
Total Group Operating Income	1,745	1,820	4%	3,871	4,062	5%
Other Income	9	8	-14%	19	22	18%
Total Income	1,754	1,828	4%	3,890	4,084	5%
Operating Expenses	(1,259)	(1,326)	5%	(2,610)	(2,747)	5%
EBITDA	495	502	1%	1,280	1,337	4%
% EBITDA Margin	28.2%	27.5%	-0.7%	32.9%	32.7%	-0.2%

Depreciation & Amortization	(256)	(281)	10%	(508)	(554)	9%
Operating Profit	239	221	-7%	772	783	1%
Finance Costs	(157)	(133)	-15%	(317)	(273)	-14%
Pre-tax Profit	82	88	8%	455	510	12%
Taxes (Expense) Income	(12)	(6)	-47%	(23)	(23)	0%
Non-Controlling Interest	(7)	1	-111%	(24)	(15)	-37%
Normalized Net Profit	63	83	31%	408	472	16%
% Normalized Net Profit	3.6%	4.5%	0.9%	10.5%	11.6%	1.1%

Consolidated Profit & Loss Statement as of 30 June 2026

THB Millions	2Q25	2Q26	Change	6M25	6M26	Change
Total Revenues	1,754	1,828	4%	3,890	4,084	5%
EBITDA	495	502	1%	1,280	1,337	4%
Net Profit	63	72	14%	408	448	10%
E.P.S. (Baht)	0.0129	0.0147	0.0018	0.0836	0.0916	0.0080
Extraordinary Items						
Prepayment fee	-	(11)	N/A	-	(24)	NA

Overview of Thailand's Tourism Industry

According to the Bank of Thailand's statistical report, the average occupancy rate of Thailand's hotel industry was 68 percent in 2Q26, representing a 3 percent YoY decrease , while the average room rate (ARR) was 1,859 baht per night, representing a 4 percent YoY increase. Hotels in the Central region and Bangkok recorded an average occupancy rate of 71 percent, comparable to the same period last year, while ARR was 2,083 baht per night, reflecting a 3 percent YoY decline.
For 6M26, the average occupancy rate of Thailand's hotel industry was 72 percent, representing a 1 percent YoY decrease, while ARR was 1,907 baht per night, representing a 4 percent YoY increase. ARR increased across all regions except the Central region and Bangkok, with the strongest growth recorded in the Southern region, where ARR increased by 9 percent YoY.

The Company's hotels in Thailand continued to outperform the industry in 2Q26, achieving an average occupancy rate of 76 percent, which increased by 1 percent from the same period last year. Meanwhile, ARR was 1,725 baht per night, a decrease of 2 percent YoY, primarily due to the continued expansion of the budget-hotel portfolio. Excluding hotels that commenced operations after 1 April 2025, ARR of the existing hotel portfolio was 1,797 baht per night, representing a 2 percent YoY increase. In addition, existing hotels in the Central region and Bangkok recorded an average occupancy rate of 78 percent, representing a 4 percent YoY increase and continuing to outperform the industry average, while ARR increased by 1 percent YoY to 2,477 baht per night.

For 6M26, the portfolio recorded an average occupancy rate of 79 percent, representing a 1 percent YoY increase. ARR was 1,908 baht per night, a decrease of 2 percent YoY, reflecting the higher proportion of budget hotels within the Company's portfolio. Considering only hotels that commenced operations before 1 January 2025, ARR was 2,016 baht per night, representing a 2 percent YoY increase.

Key Drivers for Each Hotel Segment

Luxury, Midscale and Economy hotels

In 2Q26, the performance of the Luxury to Economy hotel segments was affected by the slowdown in international tourist arrivals during the early part of the quarter, while the continued recovery of Chinese travelers remained a key driver of lodging demand. More than 90 percent of the Company's customers base in this segment consists of international travelers. As a result, the segment's performance is closely linked to international travel trends in the countries where the Company operates. In Thailand, international tourist arrivals totaled 6.6 million in 2Q26, representing a 4 percent YoY decline. The top three source markets were China, Malaysia, and India. Meanwhile, the Philippines recorded 1.3 million international tourist arrivals, an 1 percent YoY decrease, with the United States, South Korea and China being the three largest source markets.

Budget Hotels (HOP INN)

Thailand

Domestic travel remained a key driver of the performance of the budget hotel segment (HOP INN) in Thailand. In 2Q26, Thailand recoded a total of 72.5 million domestic visits, representing a 2 percent increase from same period last year, while the country's GDP was expected to grow by 1.7 percent. The primary customer base of HOP INN hotels in Thailand consists of domestic travelers, with more than 70 percent of room nights generated by business travel. As a result, the performance of this hotel segment is closely linked to the level of domestic travel and overall economic activity in Thailand.

The Philippines

Domestic economic activity was a key driver of the performance of the budget hotel segment (HOP INN) in the Philippines. In 2Q26, the Philippine's GDP grew by 2.8 percent YoY. At the same time, the recovery of Chinese travelers continued to support the overall tourism environment and economic activity in the country. The primary customer base of HOP INN hotels in the Philippines consists of domestic travelers, accounting for more than 80 percent of total guests, while over 70 percent of stays are generated by leisure travelers. As a result, the segment's performance remained closely linked to domestic economic activity and consumer spending.

Japan

International travel trends continued to be an important driver of the performance of the budget hotel segment (HOP INN) in Japan. In 2Q26, Japan recorded 10 million international tourist arrivals, representing a 5 percent

YoY decline, with arrivals decreasing throughout the quarter. The top three source markets were South Korea, Taiwan, and the United States. Chinese tourist arrivals declined significantly by 58 percent YoY, primarily due to strained international relations. Nevertheless, the Company recorded an increase in both the number and proportion of domestic guests compared with the same period last year, which helped support hotel occupancy amid weaker demand from certain international markets. International travelers accounted for more than 80 percent of total guests at HOP INN hotels in Japan, making inbound tourism demand a key determinant of the segment's performance.

South Korea

The strong growth in international tourist arrivals supported the performance of the budget hotel segment (HOP INN) in South Korea. In 2Q26, South Korea recorded 6.0 million international tourist arrivals, representing a 20 percent YoY increase, supported by government tourism promotion measures. The top three source markets were China, Japan, and Taiwan. International travelers currently account for more than 95 percent of total guests at HOP INN hotels in South Korea, making the segment's performance highly dependent on trends in South Korea's tourism industry.

Company Highlight in 2Q26

- In May 2026, the Company commenced the phased renovation of selected and guest rooms and meeting room facilities at Grand Hyatt Erawan Hotel Bangkok as of its asset enhancement strategy aimed at creating sustainable long term value. The renovation has been carefully phased to enable the hotel to continue operations throughout the project. The initiative is intended to elevate the experience of the premium guests and further enhance the hotel's competitiveness in the luxury hotel segment. This renovation is expected to be completed by 2027.

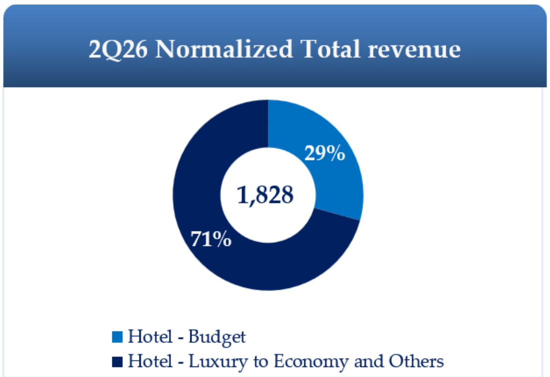
Group Performance in 2Q26 and 6M26

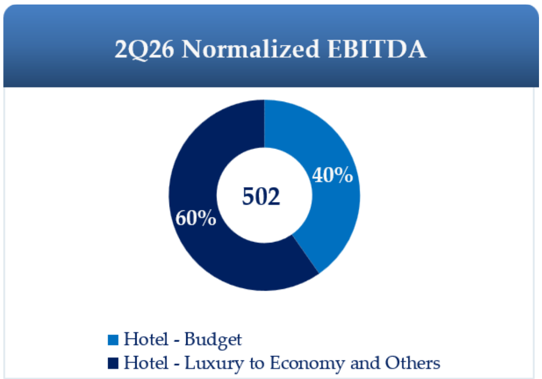
In 2Q26, the Company recorded normalized total revenues of 1,828 million baht, representing a 4 percent increase compared with 2Q25. Normalized EBITDA amounted to 502 million baht, an increase of 1 percent, while normalized NPAT totaled 83 million baht, reflecting a 31 percent increase from the same period last year, primarily driven by lower finance costs. After including a one-time prepayment fee of 11 million baht related to the early repayment of loans as part of the Company's capital structure management plan to reduce long term finance costs, reported NPAT was 72 million baht, representing a 14 percent increase compared with 2Q25.

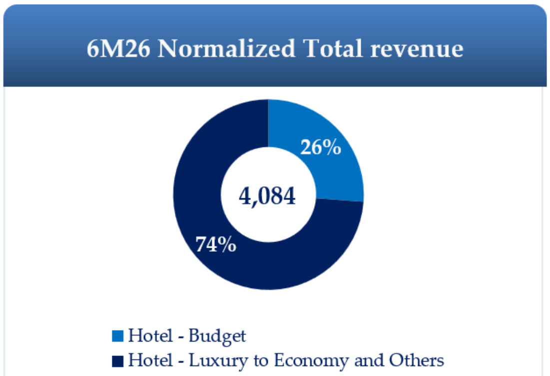
For 6M26, the Company recorded normalized total revenues of 4,084 million baht, representing a 5 percent YoY increase. Normalized EBITDA amounted to 1,337 million baht, an increase of 4 percent, while normalized NPAT totaled 472 million baht, reflecting a 16 percent YoY increase, primarily driven by lower finance costs under the Company's capital structure management plan. After including a one-time prepayment fee of 24 million baht related to the early repayment of loans, reported NPAT was 448 million baht, representing a 10 percent YoY increase.

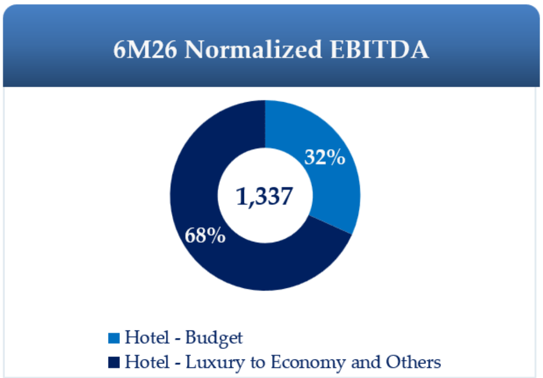
Contribution of normalized total revenues and EBITDA for 2Q26 and 6M26 as follows:

(Unit: Million Baht)









Performance by Business Unit

1. Luxury, Midscale and Economy hotels

Statistics for hotel room operations for 2Q26 and 6M26

3-Month Period (Apr-Jun)	No. of Rooms		Occupancy			ARR (THB/Night)			RevPAR (THB/Night)		
	2Q25	2Q26	2Q25	2Q26	+/-	2Q25	2Q26	+/-	2Q25	2Q26	+/-
Luxury to Economy Hotels	4,536	4,536	72%	75%	3%	2,981	2,992	0%	2,152	2,245	4%
Luxury	911	911	66%	70%	4%	6,404	6,398	0%	4,212	4,457	6%
Midscale	1,812	1,812	74%	74%	0%	2,987	3,028	1%	2,206	2,241	2%
Economy	1,813	1,813	74%	79%	5%	1,440	1,444	0%	1,063	1,138	7%

6-Month Period (Jan-Jun)	No. of Rooms		Occupancy			ARR (THB/Night)			RevPAR (THB/Night)		
	6M25	6M26	6M25	6M26	+/-	6M25	6M26	+/-	6M25	6M26	+/-
Luxury to Economy Hotels	4,572	4,536	78%	81%	3%	3,295	3,298	0%	2,561	2,669	4%
Luxury	911	911	70%	76%	6%	6,952	6,985	0%	4,891	5,328	9%
Midscale	1,848	1,812	79%	80%	1%	3,276	3,235	-1%	2,602	2,595	0%
Economy	1,813	1,813	80%	84%	4%	1,693	1,675	-1%	1,349	1,407	4%

1.1 Luxury, Midscale and Economy Hotels

In 2Q26, overall hotel performance of the Luxury to Economy segments improved compared with 2Q25, with RevPAR increasing by 4 percent, driven primarily by a 3 percent increase in occupancy, while ARR remained broadly stable. The improvement was mainly attributable to the continued growth of group business in the Luxury segment, as well as effective source market selection in the Economy segment. Chinese travelers remained a key source market across all segments, contributing to occupancy growth and partially offsetting softer demand from Southeast Asia and Middle East markets. However, ARR growth remained constrained by geopolitical uncertainties, softer demand in certain destinations, and intensified competition in the Bangkok market.

Luxury Segment:

In 2Q26, compared with 2Q25, the Luxury segment recorded a 4 percent increase in occupancy, while ARR remained broadly stable, resulting in RevPAR growth of 6 percent. The improvement was supported by the Company's continued focus on group business, particularly within the corporate segments. Travelers from the United States, China, and Australia were the key source markets supporting growth during the quarter, helping to offset weaker demand from Europe and Middle East markets amid ongoing geopolitical uncertainties. Despite softer demand from leisure markets, the segment maintained its rate positioning, reflecting the resilience of demand and the effectiveness of the Company's revenue management strategy. In addition, reported occupancy was temporarily affected by the phased renovation of Grand Hyatt Erawan Bangkok, which commenced in May 2026 and reduced the hotel's available capacity during the quarter.

Midscale Segment:

In 2Q26, compared with 2Q25, the Midscale segment recorded a 1 percent increase in ARR while occupancy remained broadly stable, resulting in RevPAR growth of 2 percent. This performance was achieved despite intensified competition in the Bangkok market, which placed pressure on occupancy throughout the quarter. The segment benefited from effective targeting of domestic leisure market, together with continued growth in the corporate segment. The strong performance of Holiday Inn Pattaya remained a key contributor to the segment’s growth, while rate repositioning at selected Bangkok properties further supported ARR growth. China and India remained key source markets, helping offset softer demand from Southeast Asia and Middle East markets. As a result, the segment maintained stable occupancy and delivering ARR growth despite a highly competitive market environment.

Economy Segment:

In 2Q26, compared with 2Q25, the Economy segment recorded a 5 percent increase in occupancy while ARR remained broadly stable, resulting in RevPAR growth of 7 percent. The growth was primarily driven by higher occupancy and supported by a targeted source market strategy focused on tourists from China, India, and the United States, which remained the segment's key source markets. In addition, increased domestic travel demand, particularly in Bangkok, further support to the performance of hotels in city-center locations. Meanwhile, the resort destinations of Pattaya and Phuket experienced softer demand from European and Middle Eastern markets amid ongoing geopolitical uncertainties. Despite a weaker performance in resort destinations, strong performance across Bangkok hotels more than offset the slowdown, enabling the segment to deliver the highest RevPAR growth among all hotel segments while maintaining stabile room rates.

Overall, in 2Q26, total operating revenue of Luxury to Economy hotels amounted to 1,259 million baht, representing a 2 percent YoY increase from 2Q25. Food and beverages revenue was 300 million baht, a 4 percent YoY decrease. For 6M26, compared to 6M25, the segment recorded 2,945 million baht, representing a 3 percent YoY increase, while food and beverages revenue totaled 689 million baht, a decrease of 1 percent YoY

1.2 Rental Properties

The Company operates Erawan Bangkok, a luxury retail property adjacent to Grand Hyatt Erawan Bangkok Hotel. In 2Q26, rental and service revenue amounted to 34 million baht, broadly unchanged from 2Q25. For 6M26, revenue totaled 69 million baht, representing a 2 percent YoY increase.

In 2Q26, total operating revenue for Luxury to Economy hotels and others was recorded at 1,293 million baht, representing a 3 percent YoY increase. EBITDA was 300 million baht, an increase of 3 percent YoY. For 6M26, total operating revenue amounted to 3,014 million baht, representing a 3 percent YoY increase, while EBITDA totaled 913 million baht, reflecting a 4 percent YoY increase.

2. Budget Hotels (HOP INN)

Statistics for hotel room operations for 2Q26 (Excluding new hotels opening since 1 April 2025)

3-Month Period (Apr-Jun)	No. of Hotels	Occupancy			ARR (THB/Night)			RevPAR (THB/Night)		
		2Q25	2Q26	+/-	2Q25	2Q26	+/-	2Q25	2Q26	+/-
Budget Hotels (HOP INN) - Exclude FX Impact	78	75%	76%	1%	956	969	1%	719	732	2%
Budget Hotels (HOP INN) - Include FX Impact	78	75%	76%	1%	956	928	-3%	719	701	-2%

Statistics for hotel room operations for 6M26 (Excluding new hotels opening since 1 January 2025)

6-Month Period (Jan-Jun)	No. of Hotels	Occupancy			ARR (THB/Night)			RevPAR (THB/Night)		
		6M25	6M26	+/-	6M25	6M26	+/-	6M25	6M26	+/-
Budget Hotels (HOP INN) - Exclude FX Impact	75	77%	77%	0%	952	977	3%	728	756	4%
Budget Hotels (HOP INN) - Include FX Impact	75	77%	77%	0%	952	937	-2%	728	725	-1%

Total revenues by country for 2Q26 and 6M26

(Revenue unit: Million Baht)

3-Month Period (Apr-Jun)	No. of Rooms		Total Operating Revenues			Total Operating Revenue Excluding New Hotel Opening since 1 April 2025		
	2Q25	2Q26	2Q25	2Q26	+/-	2Q25	2Q26	+/-
Budget Hotels (HOP INN)	7,482	8,042	485	528	9%	480	467	-3%
HOP INN Thailand	5,329	5,792	269	305	13%	265	272	3%
HOP INN Philippines	1,780	1,780	118	109	-8%	118	109	-8%
HOP INN Japan	373	373	97	86	-11%	97	86	-11%

6-Month Period (Jan-Jun)	No. of Rooms		Total Operating Revenues			Total Operating Revenue Excluding New Hotel Opening since 1 January 2025		
	6M25	6M26	6M25	6M26	+/-	6M25	6M26	+/-
Budget Hotels (HOP INN)	7,482	7,945	953	1,019	7%	931	927	0%
HOP INN Thailand	5,329	5,792	542	633	17%	520	541	4%
HOP INN Philippines	1,780	1,780	235	225	-4%	235	225	-4%
HOP INN Japan	373	373	176	161	-9%	176	161	-9%

In 2Q26, HOP INN's occupancy increased by 1 percent compared with 2Q25. Excluding foreign exchange effects, ARR and RevPAR increased by 1 percent and 2 percent, respectively, reflecting good underlying demand across the portfolio. Reported ARR and RevPAR, however, declined by 3 percent and 2 percent, respectively, due to the strengthening of the Thai baht against local currencies. Performance was supported by continued growth domestic demand across Thailand, the Philippines, and Japan, while robust inbound tourism demand in South Korea enabled HOP INN Korea to outperform expectations in the first full quarter of operations.

HOP INN Thailand:

In 2Q26, HOP INN Thailand maintained stable occupancy compared with 2Q25, while ARR increased across all regions, resulting in RevPAR growth during the quarter. The Southern region delivered the strongest performance, recording growth across all key operating metrics. Newly opened hotels continued to ramp up as expected, with occupancy reaching levels close to those of mature hotels. Although occupancy was affected by geopolitical uncertainties in April, travel demand gradually recovered over the remainder of the quarter.

HOP INN Philippines:

In 2Q26, HOP INN Philippines maintained occupancy at a level comparable to 2Q25, while ARR increased across all locations in local-currency terms, resulting in RevPAR growth. Performance was supported by continued growth in domestic travel demand, particularly from the leisure segment, which helped offset softer demand from corporate and MICE segments. The Philippines' tourism sector remained resilient during the quarter, with international visitor arrivals continuing to increase YoY, while the portfolio also benefited from growth in travelers from Chine and Indonesia . Demand momentum, however, moderated toward the end of the quarter as higher airfares and geopolitical uncertainties weighed on travel sentiment, resulting in softer performance in June compared with April and May. Reported ARR and RevPAR were adversely affected by the appreciation of the Thai baht against the Philippine peso.

HOP INN Japan:

In 2Q26, HOP INN Japan recorded higher occupancy compared with 2Q25, while softer ARR resulted in lower RevPAR, even in local currency terms. Reported ARR and RevPAR declined further due to the depreciation of the Japanese yen against the Thai baht. The increase in occupancy was supported by the Company's effective demand generation strategy, which shifted its focus toward the domestic market. Meanwhile, demand from international source markets softened, particularly from Thailand, Australia, and Singapore. Despite seasonal support from spring travel, demand in April was weaker than in the prior year. However, the Company's focus on domestic demand supported stronger performance in May and June, contributing to overall occupancy growth during the quarter. Continued weakness in Chinese visitor arrivals also intensified market competition and constrained ARR growth.

HOP INN Korea:

The first HOP INN hotel in Soth Korea completed its first full quarter of operation in 2Q26 and recorded occupancy and ARR above expectations. Demand was primarily driven by international travelers, with China being the largest source market, followed by Japan, Hong Kong, and Taiwan. The hotel's performance reflected the strength of South Korea's inbound tourism market, supported by the extension of K-ETA exemptions through the end of 2026, visa fee waivers for group travelers from China and other key Asian markets, and the continued popularity of K-Culture. These favorable market conditions contributed to perform exceeding the Company's expectations during the hotel's first full quarter of operations.

Overall, in 2Q26, total operating revenue from the budget hotels (HOP INN) amounted to 535 million baht, representing an 8 percent increase compared with 2Q25. EBITDA was 202 million baht, remaining broadly in line with the same period last year. For 6M26, total operating revenue reached 1,070 million baht, representing a 10 percent YoY increase, while EBITDA increased to 424 million baht, an increase of 5 percent YoY.

Other Items in P&L

- **Depreciation and Amortization Expenses**: In 2Q26, the Company recorded depreciation and amortization expenses of 281 million baht, representing a 10 percent YoY increase. The increase was mainly attributable to higher depreciation charges following the renovation of The Naka Island, a Luxury Collection Resort & Spa, Phuket, as well as depreciation associated with investments in newly opened hotels in Thailand and overseas. For 6M26, the Company recorded depreciation and amortization expenses of 554 million baht, representing a 9 percent YoY increase.
- **Finance Costs**: In 2Q26, the Company recorded finance costs of 133 million baht, representing a 15 percent decrease compared with 2Q25. After including a one-time prepayment fee of 11 million baht related to the early repayment of loans, incurred as part of the Company's debt restructuring initiatives to improve finance cost efficiency, total finance costs amounted to 144 million baht, representing an 8 percent YoY decrease. For 6M26, finance costs totaled 273 million baht, representing a 14 percent

decrease from the same period last year. Separately, the Company recorded cumulative prepayment fees of 24 million baht related to the early repayment of loans. The decline in finance costs was mainly attributable to lower interest rates from financial institutions, together with the Company's debt restructuring efforts. Although these initiatives resulted in prepayment fees in the short term, they are expected to reduce interest expenses and finance costs over the long term.

Cash Flow and Financial Status

As of the end of 2Q26, the Company recorded net cash generated from operating activities of 1,123 million baht, representing a 10 percent increase compared with the end of 2Q25. This increase reflected improved operating performance and higher depreciation and amortization expenses following the expansion of the Company's asset base. Working capital usage also declined, primarily due to effective working capital management, with a smaller reduction in trade accounts payable and other current liabilities compared with the prior year.

Net cash used in investing activities totaled 1,211 million baht, representing a 156 percent increase compared with the end of 2Q25, primarily driven by the Company's continued hotel expansion in Thailand, as well as expansion of its investment footprint into South Korea. Accordingly, acquisition of property plant and equipment increased to 1,210 million baht.

At the same time, net cash used in financing activities amounted to 594 million baht, declining by 38 percent from the end of 2Q25, primarily attributable to the Company's debt restructuring initiatives aimed at securing lower interest rates and support its long term investment plans. As a result, net borrowings turned into a net inflow of 75 million baht, compared with a net repayment of 211 million baht in the prior year. In addition, dividends paid decreased to 342 million baht from 440 million baht, in line with the Company's 2025 operating results, which served as the basis for the dividend payments. Cash interest paid amounted to 223 million baht, including prepayment fees of 24 million baht related to the early repayment of loans. Excluding these fees, cash interest paid decreased by 4 percent from the same period last year, consistent with the decline in finance costs.

As a result of these cash flow movements, the Company's cash and cash equivalents stood at 1,210 million baht as of the end of 2Q26, a decrease of 684 million baht from the end of 2025. The Company also had undrawn credit facilities of 10,096 million baht.

As of the end of 2Q26, the Company reported total assets of 26,433 million baht, decreasing by 27 million baht compared with the end of 2025, mainly due to lower cash and cash equivalents and trade account receivable, partially offset by a 721 million baht increase in property, plant, and equipment in line with the Company's hotel expansion investments. Total liabilities were 16,457 million baht, decreasing by 216 million baht from the end of 2025, primarily due to lower other current liabilities and trade accounts payable. Total borrowings from financial institutions remained broadly unchanged, although the mix between short term and long term borrowings changed during the period. Meanwhile, shareholders' equity increased by 189 million baht to 9,976 million baht, primarily driven by an increase in unappropriated retained earnings.

Key Financial Ratios

	4Q25	2Q26
Current ratio (times)	0.6	0.6
Return on Equity (%)	9.5	9.8
Debt to Equity ratio (times)*	1.3	1.2
	2Q25	**2Q26**
Gross Profit Margin (%)	54.5	55.3

*Note: Debt to Equity ratio for bank covenant: Debt means total liabilities excluding 1. Deposit from lessees and deferred income, 2. Deferred tax liabilities, 3. Account payable for land lease hold rights, and 4. Lease Liability. Equity means total shareholders' equity.

- **Current ratio:** As of 2Q26, the current ratio was 0.6 times, unchanged from 4Q25.
- **Return on Equity:** As of 2Q26, ROE increased to 9.8 percent from 9.5 percent in 4Q25, driven by higher net profit and lower finance costs.
- **Debt to equity ratio:** As of 2Q26, the debt to equity ratio was 1.2 times, broadly in line with the level reported in 4Q25 and remained below the covenant threshold under the Company's loan agreements.
- **Gross Profit Margin:** In 2Q26, the gross profit margin was 55.3 percent, compared with 54.5 percent in 2Q25, reflecting effective cost management.

Sustainable Development

The Company has established a sustainability policy and implemented it across the Company and its subsidiaries under The Erawan Group. The policy aims to create business value and opportunities while reducing risks and operating costs, alongside fulfilling social and environmental responsibilities. It also promotes the adoption of sustainable hotel standards across The Erawan Group's properties, supports collaboration with experts to enhance energy efficiency and reduce carbon emissions, and drives value creation through hotel products and services.

Operationally, the Company continues to leverage innovation and technology to enhance energy efficiency, reduce operating costs, and minimize long term environmental impacts. During 2Q26, the Company promoted the use of clean energy through the installation of solar rooftop systems, which generated a total of 347,670 kilowatt-hours of electricity. In addition, the Company enhanced the efficiency of its chiller plant systems, reducing electricity consumption by 742,371 kilowatt-hours. These initiatives resulted in energy cost savings of approximately 2.7 million baht. The Company also implemented a pilot Guestroom Smart Sensors (Living Motion Sensor) project at JW Marriott Hotel Bangkok, which reduced electricity consumption by 230,646 kilowatt-hours and generated cost savings of approximately 0.9 million baht. During 2026-2027, the Company plans to expand the deployment of Guestroom Smart Sensors across additional hotels within The Erawan Group in line with its room renovation plans. The initiative is expected to further enhance energy efficiency, reduce operating costs, and support the Company's ongoing efforts to minimize environmental impacts.

In recognition of its commitment to environmental, social, and governance (ESG) principles alongside sustainable value creation for all stakeholders, the Company was included in the ESG100 list by the Thaipat Institute for the fifth consecutive year. The Company also received an "A" rating in the SET ESG Ratings by the

Stock Exchange of Thailand (SET). Furthermore, the Company achieved an FTSE Russell ESG Score of 3.2 out of 5 from FTSE Russell, part of the London Stock Exchange Group, reflecting its continued commitment to sustainable business practices and strong corporate governance in line with both local and international standards.

More details can be found at https://www.theerawan.com/en/sustainability/sustainable-development-policy.

Business Outlook

Thailand's tourism industry is expected to continue expanding in 2026 compared with 2025, despite global economic uncertainty and geopolitical challenges. The Tourism Authority of Thailand (TAT) has revised its forecast for international tourist arrivals in 2026 to 30–34 million, down from its original target of 40 million, primarily reflecting weaker demand from long haul markets. In response to these developments, the Company has revised its total revenue growth target for 2026 to 6 percent from its previous target of 9 percent. The growth target for the Luxury to Economy hotel segments has been revised to 5 percent from 7 percent, while the target for the budget hotel segment has been adjusted to 10 percent from 14 percent, compared with 2025. The Company continues to focus on short haul travelers, particularly those from Asian markets, while closely monitoring travel trends and demand conditions across its key markets. Nevertheless, Thailand’s tourism industry is expected to benefit from several supporting factors in the second half of 2026, in addition to the seasonal uplift typically seen in 4Q26. Thailand will host the Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group in Bangkok from 12-18 October 2026. In addition, the Tomorrowland music festival is scheduled to be held in Pattaya, Chonburi, from 11-13 December 2026. The Company has observed encouraging booking trends at hotels located in these destinations and expects room rates to increase significantly during the event periods.

Looking ahead to the second half of 2026, the Company plans to open 6 additional budget hotels in Thailand. As of the end of 2Q26, the Company had a total of 14 hotels under development in Thailand and overseas, including Midscale to Economy hotels located along the BTS Skytrain line at Phrom Phong and Asok stations, for which the Company has already entered into long term land lease agreements. In addition, the Company continues to renovate its hotels across the Luxury to Economy segments to strengthen the competitiveness of its properties and respond to evolving customer preferences and market demand. Investment in Midscale to Economy hotels, as well as budget hotels, remains a key component of the Company's growth strategy to increase the contribution of revenue and profit from both domestic and international customer segments, thereby supporting stable long term growth.

Sincerely yours,

Apinya Ngamapichon
Executive Vice President and Chief Financial Officer