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13th August 2026

RE: Financial Statements Analysis Report Q2/2026

Dear President

The Stock Exchange of Thailand

L.P.N. Development Public Company Limited (PCL) hereby submits the financial statements of the Company and its subsidiaries for Q2/2026 and would like to provide the Management Discussion and Analysis of the operating results as follows:

Overview of Business Operations, Economy, and Industry Outlook

During the first six months of 2026, L.P.N. Development Public Company Limited operated as a residential real estate developer, focusing on both condominiums and low-rise housing, together with a comprehensive range of service businesses, including condominium juristic person management, security services, cleaning services, engineering management, and rental and service businesses. The Company continued to implement three key strategic approaches: (1) accelerating inventory liquidation, (2) increasing the proportion of income from service businesses, and (3) strengthening its financial structure through the continuous reduction of debt obligations. Total revenue increased by 27.24% from the same period of the previous year, driven by accelerated ownership transfers of ready-to-move-in projects. Meanwhile, income from service businesses accounted for approximately 37% of total revenue, increasing by 32.31%. The Company planned to launch three new projects gradually during the second half of 2026, with a combined project value of approximately 4,500 million baht.

The Thai economy and real estate industry during the first half of 2026 remained broadly in line with the previous assessment, but continued to experience subdued and uneven growth. The Monetary Policy Committee (MPC) raised its 2026 economic growth forecast to 2.3%, supported by momentum from exports and government economic stimulus measures, while maintaining the policy rate at 1.00% per annum. Meanwhile, headline inflation was expected to accelerate due to supply-side factors, particularly energy prices, which the MPC assessed as temporary. However, overall formal credit growth remained low, while household debt remained at a high level. On the demand side, the residential property market continued to face challenges from high loan rejection rates by financial institutions and intense price competition arising from accumulated unsold units in the market. As a result, many developers continued to postpone new project launches and focus primarily on the liquidation of completed and ready-to-move-in units. Meanwhile, demand for residential rentals continued to show an upward trend due to constraints on purchasing power and access to credit.

The following significant events and developments occurred during the first six months of 2026:

(1) Debenture Management: The Company repaid debentures amounting to 682 million baht as scheduled during Q1 2026, primarily using cash flow from operations, and issued new debentures amounting to 210 million baht during Q2 2026 to manage the debt maturity profile in line with the project development plan. (2) Share Repurchase Program for Financial Management: Pursuant to the resolution of the Board of Directors' Meeting No. 12/2025 held on 25 December 2025, the Company approved a share repurchase program with a total value not exceeding 50 million baht and a maximum of 50 million shares for the period from 5 January 2026 to 3 July 2026. As of 30 June 2026, the Company had repurchased 30.73 million shares, with a total value of 48.09 million baht. Upon completion of the program, the Company had repurchased 31.85 million shares, representing a total value

of 49.83 million baht. (3) Revenue Recognition from Completed Projects: The Company commenced recognizing revenue from ownership transfers of the Place 168 Pinklao project, resulting in a 28.08% increase in revenue from the sale of real estate. (4) Growth of the Service Business: Income from management services amounted to 1,437.23 million baht, an increase of 32.31%, driven by the continued expansion of the project base under the management of LPP. (5) Adjustment of Financial Cost Structure: The Company recognized a higher portion of interest as expenses in the statement of income, following the slowdown in the development of certain projects in line with market conditions, resulting in the cessation of capitalization of interest on borrowings for land acquisition as project costs in accordance with accounting standards. This was also attributable to the completion of key projects and was a primary factor affecting the net operating results for the period.

Overall Operating Results of the Company and its Subsidiaries for Q2 and 1H of 2026, Compared with 2025

Table Summarizing Consolidated Statement of Profit and Loss

Item	Q2'26	Q2'25	%YoY	1H'26	1H'25	%YoY
Amount Unit: Million baht						
1.Total revenue	2,020.07	1,520.25	32.88%	3,884.57	3,052.86	27.24%
2. Total revenue from sales	2,012.51	1,514.51	32.88%	3,874.23	3,043.58	27.29%
1) Revenue from sales of real estate	1,192.94	879.15	35.69%	2,273.01	1,774.65	28.08%
2) Rental and service business income	78.82	94.33	(16.44%)	163.99	182.66	(10.22%)
3) Income from management business	740.75	541.03	36.92%	1,437.23	1,086.27	32.31%
3. Total other income	7.56	5.74	31.60%	10.33	9.28	11.34%
4. Gross profit	332.05	311.36	6.64%	677.34	638.48	6.09%
5. Selling and administrative expenses	270.95	227.55	19.07%	518.95	489.62	5.99%
1) Selling expenses	111.06	96.80	14.73%	205.43	209.44	(1.92%)
2) Administrative expenses	159.89	130.75	22.29%	313.52	280.19	11.90%
6. Share of loss from investments in associates	5.79	32.21	(82.03%)	14.40	38.09	(62.19%)
7. EBIT	62.87	57.34	9.64%	154.32	120.04	28.56%
8. EBITDA	89.60	86.23	3.91%	207.78	177.61	16.99%
9. Financial Costs	81.34	30.41	167.46%	163.33	61.27	166.57%
10. Income Tax	(0.04)	12.14	-	6.66	22.07	(69.82%)
11. Profit for the quarter	(18.43)	14.80	-	(15.67)	36.70	-
12. Profit attributable to the Company	(21.20)	12.30	-	(20.79)	32.72	-
Significant Financial Ratio (%)						
13. Total Gross Profit Margin	16.50%	20.56%	(4.06%)	17.48%	20.98%	(3.50%)
1) Gross Profit Margin from Real Estate Sales	16.01%	21.39%	(5.38%)	16.76%	21.29%	(4.53%)
2) Gross Profit Margin from Rental and Service Business	27.18%	26.05%	1.13%	28.97%	29.64%	(0.67%)
3) Gross Profit Margin from Management Business	16.15%	18.24%	(2.09%)	17.31%	19.01%	(1.70%)
14. Total selling and administrative expenses to total sales revenue	13.41%	14.97%	(1.56%)	13.36%	16.04%	(2.68%)
15. EBIT margin	3.11%	3.77%	(0.66%)	3.97%	3.93%	0.04%
16. EBITDA margin	4.44%	5.67%	(1.23%)	5.35%	5.82%	(0.47%)
17. Net Profit Margin (for the quarter)	(0.91%)	0.97%	(1.88%)	(0.40%)	1.20%	(1.60%)
18. Net Profit Margin (attributable to the Company)	(1.05%)	0.81%	(1.86%)	(0.54%)	1.07%	(1.61%)

The details of the operating results are as follows:

In Q2 2026, the Company and its subsidiaries recorded a net loss attributable to the Company of 21.20 million baht, compared with a net profit of 12.30 million baht in the same period of the previous year and a net profit of 0.41 million baht in the previous quarter. For the first six months of 2026, the Company recorded a net loss of 20.79 million baht, compared with a net profit of 32.72 million baht in the same period of the previous year. The net loss did not result from a decline in the Company's core operating performance, but was primarily attributable to a significant increase in financial costs, as discussed in the following sections.

Total revenue for the quarter was 2,020.07 million baht, increasing from 1,520.25 million baht in the same period of the previous year, or by 32.88%, and increasing by 8.35% from the previous quarter. This represented the highest quarterly revenue in the past several quarters. As a result, total revenue for the first six months was 3,884.57 million baht, increasing by 27.24% from the same period of the previous year. This reflected the effectiveness of the strategy to accelerate ownership transfers of ready-to-move-in projects and to continuously expand the service business base, despite challenging market conditions.

Revenue from real estate sales in Q2 was 1,192.94 million baht, increasing by 35.69% from the same period of the previous year and by 10.45% from the previous quarter. Revenue for the first six months was 2,273.01 million baht, increasing by 28.08%, driven by ownership transfers of completed projects and the continuous acceleration of inventory liquidation. Meanwhile, income from the management service business was 740.75 million baht, increasing by 36.92%, while income for the first six months was 1,437.23 million baht, increasing by 32.31%, reflecting the growth of recurring income, which played an increasingly important role in supporting the Company's total revenue. Income from the rental and service business was 78.82 million baht, decreasing by 16.44%, while income for the first six months was 163.99 million baht, decreasing by 10.22%, mainly due to the sale of rental assets with existing tenants.

The overall gross profit margin was 16.50%, decreasing from 20.56% in the same period of the previous year and from 18.55% in the previous quarter. For the first six months, the gross profit margin was 17.48%, decreasing from 20.98%. This was primarily driven by the gross profit margin of the real estate business, which was adjusted down to 16.01% from 21.39%, following price adjustments and promotional campaigns to accelerate the liquidation of inventory from certain low-rise residential projects. During the first six months, condominium projects recorded a gross profit margin of 19.94%, while residential home projects recorded a gross profit margin of 3.65%.The rental business recorded an improved gross profit margin of 27.18%, compared with 26.05%, while the management service business recorded a gross profit margin of 16.15%, decreasing from 18.24%, in line with the increase in labor costs. Nevertheless, supported by the higher revenue base, gross profit in absolute terms continued to grow, amounting to 332.05 million baht in this quarter, an increase of 6.64%, and 677.34 million baht for the first six months, an increase of 6.09%.

Selling and administrative expenses totaled 270.95 million baht, increasing by 19.07% from the same period of the previous year, which was lower than the 32.88% growth in total revenue. As a result, the ratio of expenses to total revenue improved to 13.41% from 14.97%. It should be noted that the administrative expenses for Q2 2025 presented for comparison are stated net of a reversal of expected credit losses amounting to 24.20 million baht. Excluding this item, administrative expenses for this quarter increased by only 3.19%. For the first six months, selling and administrative expenses amounted to 518.95 million baht, increasing by only 5.99%, while the ratio to total revenue decreased to 13.36% from 16.04%, reflecting the effectiveness of expense control and the organizational restructuring continuously implemented since the previous year.

The Company recorded a share of loss from investments in associates of 5.79 million baht, representing an 82.03% decrease in loss compared with the same period of the previous year. For the first six months, the share of loss amounted to 14.40 million baht, decreasing by 62.19%, The share of loss for the period was primarily attributable to an adjustment to the value of a project of an associate to reflect the price stipulated in the land sale and purchase agreement, with the transfer of ownership scheduled to take place within 2026. Overall, the Company recorded earnings before interest and tax (EBIT) of 62.87 million baht, increasing by 9.64%, while EBITDA amounted to 89.60 million baht, increasing by 3.91% compared with the same period of the previous year. For the first six months, EBIT amounted to 154.32 million baht, increasing by 28.56%, while EBITDA amounted to 207.78 million baht, increasing by 16.99%, reflecting a significant recovery in the Company’s core operating performance. The EBIT margin for the first six months was 3.97%, improving slightly from 3.93% in the same period of the previous year.

Nevertheless, financial costs in Q2 were 81.34 million baht, increasing by 167.46% from the same period of the previous year, while financial costs for the first six months were 163.33 million baht, increasing by 166.57%. This was mainly due to the slowdown in the development of certain projects in line with market conditions, resulting in the cessation of capitalization of interest on borrowings for land acquisition as project costs in accordance with accounting standards, together with the completion of key projects. The level of financial costs remained stable compared with 81.99 million baht in the previous quarter, reflecting a new, stable and predictable cost base rather than a volatile item. Meanwhile, cash-basis interest paid for the first six months was 216.45 million baht, decreasing by 14.71% from 253.77 million baht in the same period of the previous year, indicating a reduction in the Company’s actual interest burden, in line with a 12.62% decrease in interest-bearing debt from the end of 2025. In this regard, the Company has adjusted its project development strategy to phase construction in line with sales volume in order to manage financial cost burden moving forward.

The consolidated net profit margin was (0.91)% in Q2 and (0.40)% for the first six months, while the net profit margin attributable to the Company over total revenue was (1.05)% and (0.54%), respectively, compared with 0.81% and 1.07%, respectively, in the same periods of the previous year. Nevertheless, at the core operating level, revenue, gross profit in absolute terms, EBIT, and EBITDA all grew compared to the same periods of the previous year, indicating that the loss during this period was primarily due to the financial cost structure during the transition phase of the project development cycle.

Proportion of Total Revenue of the Company and its Subsidiaries for Q2’26, 1H’26 and 2025

Type of Revenue	Q2’26	Q2’25	%YoY	1H’26	1H’25	%YoY
1. Revenue from sales of real estate	1,192.94	879.15	35.69%	2,273.01	1,774.65	28.08%
1.1 Residential Condominium	942.13	598.43	57.43%	1,829.71	1,245.66	46.89%
Proportion (%)	78.98%	68.07%	10.91%	80.50%	70.19%	10.31%
1.2 Residential Home	250.81	280.72	(10.65%)	443.30	528.99	(16.20%)
Proportion (%)	21.02%	31.93%	(10.91%)	19.50%	29.81%	(10.31%)
1.3 Gross Profit Margin	16.01%	21.39%	(5.38%)	16.76%	21.29%	(4.53%)
2. Rental and service business income	78.82	94.33	(16.44%)	163.99	182.66	(10.22%)
3. Income from management business	740.75	541.03	36.92%	1,437.23	1,086.27	32.31%
4. Total revenue from main business	2,012.51	1,514.51	32.88%	3,874.23	3,043.58	27.29%
5. Gross Profit Margin of main business	16.50%	20.56%	(4.06%)	17.48%	20.98%	(3.50%)
6. Other income	7.56	5.74	31.60%	10.33	9.28	11.34%
7. Total revenue	2,020.07	1,520.25	32.88%	3,884.57	3,052.86	27.24%

Reviewed

Project Launch, Sales Volume and Backlog

1. No new projects were launched during the first half of 2026. The Company plans to launch three new projects with a total value of approximately 4,500 million baht during the second half of the year, all of which will be developed on land already owned by the Company.
2. Total sales for the first six months were approximately 3,276 million baht, with 77% from residential condominium projects and 23% from residential home projects. As at the end of the quarter, the Company had a backlog of 1,196 million baht, which will be gradually recognized as revenue from the second half of 2026 onwards.

Sales Volume and Backlog of the Company and its subsidiaries as at 30 June 2026

Sales Volume	Q1’26	Q2’26	Total
1. Residential Condominium (million baht)	1,133	1,396	2,529
Proportion (%)	75%	79%	77%
2. Residential Home (million baht)	375	372	747
Proportion (%)	25%	21%	23%
3. Total Sales	**1,508**	**1,768**	**3,276**

Backlog	To be handed over in 2026 - 2027
1. Residential Condominium (million baht)	1,109
Proportion (%)	93%
2. Residential Home (million baht)	87
Proportion (%)	7%
3. Total Backlog	1,196

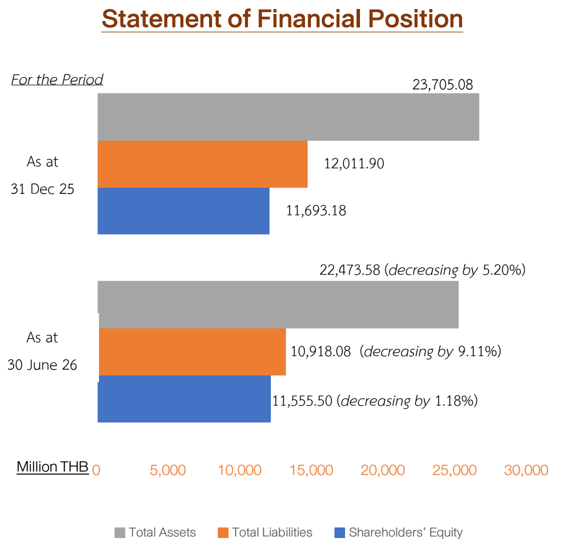
Reviewed

Analysis of Consolidated Statement of Financial Position of the Company

Table Summarizing Consolidated Statement of Financial Position of the Company and its subsidiaries as at 30 June 2026 and 31 December 2025

ASSETS (Unit: Million baht)	As at 30 June 26	As at 31 Dec 25	Variance (%)
Cash and cash equivalents	548.66	790.36	(30.58%)
Trade and other receivables	676.73	523.91	29.17%
Land and costs of project under construction	7,106.90	8,102.70	(12.29%)
Inventories	7,285.38	6,765.29	7.69%
Land and costs of projects pending development	3,783.10	4,350.29	(13.04%)
Investment properties	1,765.22	1,942.58	(9.13%)
Non-current assets Note 1	1,307.58	1,229.96	6.31%
TOTAL ASSETS	22,473.58	23,705.08	(5.20%)

LIABILITIES AND SHAREHOLDERS' EQUITY (Unit: Million baht)	As at 30 June 26	As at 31 Dec 25	Variance %
Short-term borrowings and current portion of long-term borrowings	4,320.18	4,711.45	(8.30%)
Debentures - current portion	816.24	681.87	19.71%
Trade and other payables	1,447.12	1,301.77	11.17%
Long-term borrowings and lease liabilities	2,425.96	2,827.57	(14.20%)
Debentures - non-current portion	1,190.74	1,796.00	(33.70%)
Non-current liabilities Note 2	717.83	693.24	3.55%
TOTAL LIABILITIES	10,918.08	12,011.90	(9.11%)
Shareholders' equity	11,555.50	11,693.18	(1.18%)
Total liabilities and shareholders' equity	22,473.58	23,705.08	(5.20%)



Note 1 Comprising investments in associates, property, plant and equipment, goodwill, intangible assets, right-of-use assets, deferred tax assets, and other non-current assets.

Note 2 Comprising unearned rental income, provision for employee benefits, rental and service deposits, and other non-current liabilities.

Reviewed

As at 30 June 2026, the Company and its subsidiaries had total assets of 22,473.58 million baht, decreasing by 5.20% from 23,705.08 million baht as at 31 December 2025. The decrease in core assets was mainly attributable to the use of cash flow from operations and the accelerated sale of ready-to-move-in units to continuously repay interest-bearing debt and maturing debentures.

Cash and cash equivalents were 548.66 million baht, decreasing by 30.58%, while trade and other receivables and loans increased by 29.17% to 676.73 million baht, in line with the expansion in service business transactions and ownership transfers toward the end of the period.

In terms of the product structure, land and costs of projects under construction decreased by 12.29% to 7,106.90 million baht, in line with construction progress and the transfer of completed project costs to inventories in accordance with accounting standards. As a result, inventories increased by 7.69% to 7,285.38 million baht, consistent with the project handover plan during the first half of the year. The combined value of inventories, projects under construction and land held for development amounted to 18,175.38 million baht, decreasing by 1,042.90 million baht, or 5.43%, from the end of 2025. This reflected progress in the policy to reduce inventory levels and optimize the utilization of existing assets.

Land and costs of projects held for development decreased by 13.04% to 3,783.10 million baht, mainly due to the redevelopment of land previously held for development. This represented a change in status from assets held for development to upcoming revenue-generating projects, without requiring additional investment in new land acquisitions. Meanwhile, investment properties decreased by 9.13% to 1,765.22 million baht, due to the sale of rental assets with existing tenants to investors, representing another channel for inventory liquidation under the Investor Program strategy.

Total liabilities were 10,918.08 million baht, decreasing by 9.13% from 12,011.90 million baht as at the end of 2025. The decrease was mainly attributable to the continuous repayment of maturing debentures and both short-term and long-term borrowings. As a result, interest-bearing debt decreased from 10,016.89 million baht to 8,753.13 million baht, a decrease of 1,263.76 million baht, or 12.62%, within a period of only six months. Short-term borrowings and current portion of borrowings decreased by 8.30%, while long-term borrowings and lease liabilities decreased by 14.20%, and non-current debentures decreased by 33.70%. Meanwhile, current portion of debentures increased by 19.71% to 816.24 million baht, following the reclassification of debentures maturing within the next 12 months.

Shareholders' equity was 11,555.50 million baht, decreasing by 1.18% from 11,693.18 million baht. The decrease was mainly attributable to the final dividend payment for the 2025 operating results amounting to 69.92 million baht, in accordance with the resolution of the Annual General Meeting of Shareholders 2026, which approved a dividend of 0.10 baht per share, after deducting the interim dividend already paid; share repurchases during the period amounting to 48.09 million baht pursuant to the resolution of the Board of Directors' Meeting No. 12/2025, with the program ending on 3 July 2026; and a loss attributable to owners of the parent of 20.79 million baht. Meanwhile, non-controlling interests increased by 1.13 million baht, resulting from a profit of 5.12 million baht from subsidiaries, net of dividends paid of 4.00 million baht.

Regarding the financial ratios, the Company's debt-to-equity ratio (D/E Ratio) decreased to 0.95 times from 1.03 times as at the end of 2025 and 0.99 times as at the end of Q1 2026. Meanwhile, the interest-bearing debt-to-equity ratio was 0.76 times, decreasing from 0.86 times as at the end of 2025 and 0.80 times as at the end of Q1 2026. This reflected the continued implementation of the policy to reduce debt obligations over the past two quarters, with the ratios remaining significantly below the financial covenants stipulated in the terms and conditions of the debentures and loan agreements.

<u>Financial Structure</u>

In Q2 2026, the Company continued to adopt a prudent financial structure management policy, focusing on strengthening cash flow from operations, reducing interest-bearing debt, and maintaining liquidity at an appropriate level. For the first six months of 2026, the Company generated net cash flow from operating activities of 1,190.26 million baht, increasing significantly from 241.72 million baht in the same period of the previous year, reflecting its ability to convert assets into cash flow as targeted.

In terms of debt management, the Company repaid maturing debentures amounting to 682.40 million baht in Q1 2026 and issued a new tranche of debentures totaling 210.00 million baht in Q2 to optimize its debt maturity profile in alignment with project development plans. This was accompanied by net repayments of borrowings amounting to 790.62 million baht by using cash proceeds from ownership transfers of real estate projects and the sale of rental assets with existing tenants to repay both short-term and long-term borrowings, thereby reducing financial costs and strengthening its balance sheet. As a result, at the end of Q2 2026, interest-bearing debt decreased to 8,753.13 million baht, a decrease of 1,263.76 million baht, or 12.62%, from the end of 2025. The interest-bearing debt-to-equity ratio also continued to decline to 0.76 times, from 0.80 times as at the end of Q1 and 0.86 times as at the end of 2025, remaining significantly below the financial covenants stipulated in the terms and conditions of the debentures and loan agreements. The impact of the debt reduction was clearly reflected in cash-basis interest expenses, which amounted to 216.45 million baht for the first six months, decreasing by 14.71% from 253.77 million baht in the same period of the previous year. Nevertheless, the slowdown in the development of certain projects in line with market conditions resulted in interest on borrowings for land acquisition no longer being capitalized as project costs in accordance with accounting standards, together with the completion of key projects. The resulted in a higher amount of interest being recognized as an expense in the statement of income, amounting to 163.33 million baht, despite the decrease in interest-bearing debt. Financial costs remained stable between quarters, amounting to 81.99 million baht in Q1 and 81.34 million baht in Q2, reflecting a new, stable and predictable cost base.

For debt obligations due within the next 12 months, the Company has maturing debentures of 816.24 million baht and has prepared sufficient funding sources in advance, including cash flow from operations, cash and cash equivalents of 548.66 million baht, and undrawn credit facilities from financial institutions. The Company may also consider issuing new debentures, as appropriate to prevailing market conditions. In addition, the Company has adjusted its project development strategy to phase construction in line with sales volume in order to reduce investment requirements and manage financial costs over the long term.

Quarterly Financial Ratio Analysis of the Company and its subsidiaries for Q2'26, 1H'26 and 2025

Quarterly Financial Ratio	Unit	Q2'26	Q2'25	1H'26	1H'25
1. Liquidity Ratios					
1.1 Current Ratio	times	2.37	2.16	2.37	2.16
1.2 Quick Ratio	times	0.19	0.11	0.19	0.11
1.3 Average Collection Period*	days	18.35	14.60	18.35	14.60
1.4 Average Inventory Turnover Period*	days	710.62	692.16	710.62	692.16
1.5 Average Payable Period*	days	33.69	26.78	33.69	26.78
1.6 Cash Conversion Cycle*	days	695.29	679.98	695.29	679.98
2. Profitability Ratios					
2.1 Gross Profit Margin from Main Business	%	16.50	20.56	17.48	20.98
2.2 Gross Profit Margin from Sales of Real Estates	%	16.01	21.39	16.76	21.29
2.3 Gross Profit Margin from Rental and Services	%	27.18	26.05	28.97	29.64
2.4 Gross Profit Margin from Management services	%	16.15	18.24	17.31	19.01
2.5 Net Profit Margin Ratio	%	(1.05)	0.81	(0.54)	1.07
2.6 Return on Equity*	%	(0.21)	(0.31)	(0.21)	(0.31)
3. Efficiency Ratios					
3.1 Return on Assets*	%	1.20	0.54	1.20	0.54
3.2 Return on Fixed Assets*	%	5.55	3.98	5.55	3.98
3.3 Asset Turnover Ratio*	times	0.33	0.29	0.33	0.29
4. Financial Ratios					
4.1 Debt to Equity Ratio	times	0.95	1.04	0.95	1.04
4.2 Interest Bearing Debt to Equity Ratio	times	0.76	0.88	0.76	0.88
4.3 Interest Coverage Ratio*	times	1.80	0.99	1.80	0.99
4.4 Earnings Per Share	THB	(0.02)	0.01	(0.01)	0.02
4.5 Book Value	THB	8.28	8.35	8.28	8.35

Note*: Annualized based on the most recent Trailing 12 Months (TTM) of operating results.

Reviewed

In Q2 2026, the Company's liquidity ratios continuously improved. The current ratio was 2.37 times, increasing from 2.18 times in the previous quarter and 2.16 times in the same period of the previous year. Meanwhile, the quick ratio was 0.19 times, increasing from 0.17 times in the previous quarter, reflecting the Company's effective management of liquidity and short-term debt obligations under a prudent cash flow management policy. The quick ratio remained relatively low, consistent with the asset structure of the real estate development business, where a significant portion of assets is held in inventories and projects under construction.

In terms of current asset management efficiency, the inventory turnover period was 710.62 days, improving significantly from 743.42 days in the previous quarter and 766.03 days as at the end of 2025. This reflected clear progress in the policy to accelerate the liquidation of ready-to-move-in units, enabling the Company to convert assets into cash more quickly. This was consistent with the average collection period of 18.35 days, remaining relatively stable compared with 18.47 days in the previous quarter, indicating that the quality of receivables remained manageable. Meanwhile, the average payment period was 33.69 days, decreasing from 35.51 days in the previous quarter, as the Company managed payment terms with trade partners to align with the collection cycles from ownership transfers. As a result, the cash conversion cycle shortened to 695.29 days from 726.38 days in the previous quarter, representing the best level in several quarters. This was consistent with net cash from operating activities of 1,190.26 million baht for the first six months, increasing from 241.72 million baht in the same period of the previous year.

For profitability ratios, the gross profit margin of the main business was 16.50% in Q2 and 17.48% for the first six months, decreasing from 20.56% and 20.98%, respectively, in the same periods of the previous year. This was mainly due to the decrease in the gross profit margin of the real estate business, which declined to 16.01% from 21.39%, as a result of a competitive pricing strategy aimed at accelerating inventory clearance amid intense competition. Meanwhile, the rental and service business recorded an improved gross profit margin of 27.18%, compared with 26.05%, while the management service business recorded a gross profit margin of 16.15%, decreasing from 18.24%, in line with higher personnel cost structure corresponding to the expansion in business volume.

The net profit margin attributable to the Company was (1.05)% in Q2 and (0.54)% for the first six months, decreasing from 0.81% and 1.07%, respectively, in the same periods of the previous year, despite total revenue increasing by 32.88% and 27.24%, respectively, and EBIT increasing by 9.64% and 28.56%, respectively. following the cessation of capitalization of interest as project costs for land associated with delayed development, together with the completion of key projects:This was a structural item tied to the project development cycle and did not reflect a decline in core operational efficiency. Meanwhile, return on equity (ROE) was (0.21)% in both Q2 and the first six months, calculated on a trailing twelve-month (TTM) basis.

In terms of efficiency ratios, the Company's return on assets (ROA) was 1.20%, improving from 1.16% in the previous quarter and 0.54% in the same period of the previous year. Meanwhile, return on fixed assets was 5.55%, increasing from 5.49% in the previous quarter, while total asset turnover was 0.33 times, improving from 0.30 times in the previous quarter. This reflected an improved ability to generate revenue from the asset base, driven by the total revenue growth together with a 5.20% decrease in total assets from the end of 2025.

Regarding the financial ratios, the Company's debt-to-equity ratio (D/E Ratio) was 0.95 times, decreasing from 0.99 times in the previous quarter and 1.03 times as at the end of 2025. Meanwhile, the interest-bearing debt-to-equity ratio was 0.76 times, decreasing from 0.80 times in the previous quarter and 0.86 times as at the end of 2025. This represented the lowest level in several years and remained significantly below the financial covenants stipulated in the terms and conditions of the debentures and loan agreements. This reflected the continued reduction in debt obligations and disciplined capital structure management, with the Company continuously using cash flow from operations and proceeds from the clearance of ready-for-sale units to repay debentures and borrowings.

Meanwhile, the interest coverage ratio was 1.80 times, decreasing from 3.36 times in the previous quarter. This was directly attributable to the higher amount of interest recognized as an expense in the statement of income following the reduction in the capitalization of interest as project costs, rather than a decrease in the Company's ability to generate cash flow. For the first six months, earnings (loss) per share was (0.01) baht per share, while book value per share was 8.28 baht, compared with 8.32 baht as at the end of Q1 2026 and 8.28 baht as at the end of 2025. The change was mainly attributable to the dividend payment amounting to 69.92 million baht and the share repurchase program during the period amounting to 48.09 million baht.

Overall, as at the end of Q2 2026, the Company continued to maintain a strong capital structure and liquidity position. Although profit margins remained under pressure from price competition and financial costs, the shortening cash conversion cycle, significant increase in cash flow from operations, continued reduction in interest-bearing debt, and expanding recurring income base from the service business reflected disciplined and prudent financial management, while supporting the Company's long-term growth.

Factors That May Affect Future Operations

The Company has identified key factors that may affect its future operations and financial position, as follows:

Opportunities

Strong Cash Flow from Operations: For the first six months of 2026, the Company generated net cash from operating activities of 1,190.26 million baht, increasing from 241.72 million baht in the same period of the previous year. Combined with the cash conversion cycle shortened to 695.29 days, this enhances financial flexibility and the ability to meet debt obligations as they mature.

Continuously Strengthened Capital Structure: The interest-bearing debt-to-equity ratio decreased to 0.76 times from 0.86 times as at the end of 2025, providing the Company with greater capacity to invest in new projects without compromising its financial discipline.

Backlog Supporting Near-Term Revenue:
A backlog of 1,196 million baht as at the end of Q2 2026 will be gradually recognized as revenue during 2026–2027, enhancing revenue visibility in the coming periods.

New Project Launches: The Company plans to launch new projects during the second half of 2026, with a combined project value of approximately 4,500 million baht. The projects will be developed on land already owned by the Company, reducing the need for additional investment in land acquisition.

Growing Rental Market Demand: Consumer trends shifting toward rental due to purchasing power constraints and limited access to credit support the growth of the Investor Program, which serves both as a channel for inventory clearance and a source of rental income.

Service Business Revenue: The expansion of LPP's customer base in line with the cumulative number of projects handed over contributed to a 32.31% increase in revenue from the management service business during the first six months, accounting for 37% of total revenue. This ensures the stability and continuous growth in recurring income.

<u>Risk Factors to Monitor</u>

Elevated Accrual-basis Financial Costs: Following the reduction in the proportion of interest capitalized as project cost, financial costs on the income statement have risen to approximately 81–82 million baht per quarter. which represents a new cost base that is expected to remain in place until project development resumes its normal course and will continue to put pressure on net operating results in the short term.

Maturing Debt Obligations: The Company has debentures totaling 816.24 million baht maturing within one year, for which funding sources have already been secured. However, close monitoring of bond market conditions and fundraising terms remains necessary.

Expected Realizable Value of Inventory and Projects under Development: Projects with delayed progress or development delays may require a review of their expected selling prices and estimated costs, which could result in the recognition of additional impairment losses in subsequent periods. The Company is currently developing policies and guidelines to enhance the comprehensiveness of its assessment of expected realizable value.

Macroeconomic Conditions: Volatility from international trade and tax policies, geopolitical uncertainty, and the persistently low growth of the Thai economy may affect consumer purchasing power and confidence.

Interest Rates and Inflation: Although the Monetary Policy Committee has maintained the policy rate at 1.00%, inflationary pressures arising from supply-side factors may lead to higher interest rates in the future. This could affect the Company's financial costs and homebuyers' mortgage burden.

Mortgage Rejection Rate: The persistently high rejection rate for housing loans across the industry, coupled with household debt exceeding 90% of GDP may result in delays in ownership transfers.

Pressure on Gross Profit Margin: Price competition arising from accumulated unsold units in the market, together with the strategy to accelerate inventory liquidation, caused the real estate business's gross profit margin to decline to 16.76% in the first six months, from 21.29% in the same period of the previous year. This reflects a trade-off between profit margin and cash flow.

Construction Costs: Volatility in construction material prices and labor costs may affect the gross profit margins of projects under development.

Appendix: Financial Ratio and Formulas

Financial Ratio	Unit	Formula
1. Liquidity Ratios		
1.1 Current Ratio	times	Current Assets / Current Liabilities
1.2 Quick Ratio	times	(Current Assets -Inventory-Land and costs of project under construction) / Current Liabilities
1.3 Average Collection Period*	days	Average accounts receivable / [Total revenue (annualized) / 365]
1.4 Average Inventory Turnover Period*	days	Average Inventory / [(COGS (annualized) + Inventory Change) / 365]
1.5 Average Payable Period*	days	Average accounts payable / [COGS (annualized) / 365]
1.6 Cash Conversion Cycle*	days	Average Collection Period + Average Inventory Turnover Period - Average Payable Period
2. Profitability Ratios		
2.1 Gross Profit Margin from Main Business	%	(Total revenue of main business – Total cost of goods sold) / Total revenue of main business
2.2 Gross Profit Margin from Sales of Real Estates	%	(Net sales - COGS) / Net Sales
2.3 Gross Profit Margin from Rental and Services	%	(Rental and service revenue – Cost of rental and service) / Rental and service revenue
2.4 Gross Profit Margin from Management services	%	(Revenue from management service – Cost of management service) / Revenue from management service
2.5 Net Profit Margin Ratio	%	Net profit attributable to the Company / Total revenue
2.6 Return on Equity*	%	Net profit attributable to the Company (annualized) / Average shareholders' equity
3. Efficiency Ratios		
3.1 Return on Assets*	%	Earnings Before Interest and Taxes (annualized) / Average Total Assets
3.2 Return on Fixed Assets*	%	Earnings Before Interest, Taxes, Depreciation, and Amortization (annualized) / Average Fixed Assets
3.3 Asset Turnover Ratio*	times	Total revenue (annualized) / Average Total Assets
4. Financial Ratios		
4.1 Debt to Equity Ratio	times	Total debt / Shareholders' equity after Minority Interest
4.2 Interest Bearing Debt to Equity Ratio	times	Interest Bearing Debt / Shareholders' equity after Minority Interest
4.3 Interest Coverage Ratio*	times	Earnings Before Interest, Taxes, Depreciation, and Amortization (annualized) / Interest Expense
4.4 Earnings Per Share	THB	Profit for the quarter/Weighted Average Shares
4.5 Book Value	THB	Shareholders' Equity/Weighted Average Shares

Note*: Annualized based on the most recent Trailing 12 Months (TTM) of operating results.

Reviewed

Please kindly be informed accordingly.

Sincerely yours,

Miss Daranee Chatphiriyaphan

Chief Executive Officer