G LAND

- Translation -

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6 August 2026

Subject: Management Discussion and Analysis for the Second Quarter of 2026

To: President

The Stock Exchange of Thailand

Grand Canal Land Public Company Limited and its subsidiaries (“the Company”) would like to inform the financial performance for the second quarter of 2026 ending 30 June 2026 (“2Q 2026”) as follows.

Key Highlights in 2Q 2026

Thailand's economy moderated in the second quarter of 2026 compared with the previous quarter, primarily due to the prolonged conflict in the Middle East and higher energy prices, which weighed on economic activities in both the service and manufacturing sectors. Nevertheless, the electronics sector continued to expand, supported by the technology cycle, artificial intelligence (AI) developments, and growing demand for data center investments. As a result, the Bank of Thailand revised its 2026 GDP growth forecast upward from 1.5% to 2.3%. Despite this improvement, several structural challenges remain, including elevated household debt levels, rising inflationary pressures, weak residential purchasing power in the middle-to-lower income segments, and ongoing challenges in the office market arising from current oversupply conditions and the prospect of additional future supply. (Source: Bank of Thailand, Knight Frank Thailand, and Kiatnakin Phatra)

Against this backdrop, the Company continues to conduct its business with prudence, placing emphasis on cost management while maintaining quality standards, sustainability initiatives, and environmental stewardship across all projects. The Company remains committed to creating long-term value for all stakeholders, including tenants, retailers, customers, business partners, employees, and shareholders. Key developments across the Company's business segments during the second quarter of 2026 are summarized as follows:

Offices business: The Company's office portfolio recorded a slight decline in occupancy and rental rates compared with the previous year; however, performance remained significantly above the overall market average.

The Bangkok office market continued to face an oversupply situation driven by newly completed projects launched over the past year. Total office stock in Bangkok reached approximately 6.75 million square meters, representing an increase of approximately 4.8% year-on-year. While demand continued to recover gradually, it remained insufficient to absorb the increasing supply, resulting in an overall market occupancy rate of approximately 76%, slightly lower than the previous year. Competition in the office market remains intense, with additional supply expected to enter the market in the coming years. Approximately 270,000 square meters of new office space is projected to be launched between the second half of 2026 and 2028, with more than 300,000 square meters expected after 2028. These conditions continue to strengthen tenants' bargaining power and limit rental growth opportunities. Furthermore, tenants increasingly prioritize high-quality office buildings and environmentally certified green buildings, reflecting the ongoing "flight-to-quality" trend. (Source: Knight Frank Thailand)

The Company continues to prioritize the enhancement of building quality and the development of green buildings to align with the growing flight-to-quality trend. G Tower and The Ninth Towers had previously been awarded WiredScore certification for digital infrastructure excellence. In the second quarter of 2026, both properties further obtained LEED certification for environmental sustainability and WELL certification for occupant health and well-being. These internationally recognized certifications reflect the buildings’ strengths in technology, sustainability, and workplace quality, thereby enhancing the Company's long-term competitiveness.

Figure 1: International Certifications Achieved by G Tower and The Ninth Towers

<u>Retail area leases business:</u> The retail leasing business demonstrated improvement compared with the previous year, supported by higher occupancy levels and rental rates. The Company has continued to focus on attracting quality tenants that are well aligned with the needs of visitors and occupants within its projects. Emphasis has been placed on increasing the diversity of retail offerings to better serve both office employees and the general public. In addition, the Company has continuously organized promotional and marketing activities, including

collaborations with shopping centers and retail operators, to enhance customer engagement and attract greater foot traffic to its projects.

Real estate business: The Company's residential property sales business currently consists solely of the Nirati Don Mueang project. The residential market continues to experience pressure from structural factors carried over from previous years, including elevated household debt, weak purchasing power among middle-to-lower income consumers, concerns regarding long-term financial obligations, and continued prudence by financial institutions in extending mortgage financing. In addition, property developers continue to compete aggressively through price promotions to reduce high inventory levels. In response, the Company has adjusted its business strategy to maintain competitiveness. Key measures include reviewing house designs to better address customers' lifestyle needs and functional requirements, selectively offering discounts on a case-by-case basis to facilitate immediate sales closures, and maintaining inventory levels at an appropriate level.

Sustainable Business Development: The Company places great importance on fostering sustainable growth for surrounding communities, society, and the environment alongside its business operations. During the second quarter of 2026, the Company continued to implement various sustainability initiatives. These included the "PHA PA Recycle" campaign, under which recyclable waste materials were separated and sold, with proceeds donated on World Environment Day. The Company also continued to adopt innovative technologies to enhance sustainability and environmental management. One notable initiative was the implementation of a food waste composter, which converts food waste generated within the project into soil enhancers for internal landscaping use and distribution to local government agencies for the maintenance of public green space.

As a result of the Company's ongoing commitment to sustainability initiatives, it continues to receive recognition from external organizations. During the second quarter of 2026, the Company was awarded a Certificate of Recognition by the Thailand Greenhouse Gas Management Organization (Public Organization) for its greenhouse gas reduction activities. In addition, the Company received an award from the Metropolitan Electricity Authority (MEA) in recognition of its efforts to improve energy efficiency within its buildings.

Figure 2: The Company receives an award from the Metropolitan Electricity Authority (MEA) in recognition of improvements in building energy efficiency.

Summary of Financial Performance in 1Q 2026

Revenues

The Company reported total revenue of THB 404 million, representing a decrease of 4% year-on-year (Total revenue for the first six months amounted to THB 809 million, decreasing by 4% year-on-year). The decline was primarily attributable to lower revenue from the rental and services business, the Company's core business segment, which decreased by 5% from the previous year. The reduction was mainly due to the expiration of a large outdoor market leasing contract in June 2025. Despite this impact, the Company achieved growth in retail occupancy rates, while the office segment maintained occupancy levels broadly in line with the previous year despite the challenging market conditions discussed above. Revenue from real estate sales increased by 12% year-on-year, primarily driven by the transfer of detached houses during the quarter, which carry higher selling prices compared to the twin houses and townhouses sold in the same period of the previous year. However, other income declined by 10% from the prior year, mainly due to lower interest income following repayments of outstanding loans by an associate company

Operating expenses

The Company recorded total costs and administrative expenses of THB 160 million, an increase of 6% year-on-year (Total costs and expenses for the first six months amounted to THB 312 million, decreasing by 3% year-on-year). The increase was primarily attributable to higher operating costs and expenses, as well as pricing strategies implemented at the Nirati Don Mueang project, which contributed to higher property transfer revenue during the period. For the rental and services business, the Company successfully maintained operating costs at a level comparable to the previous year through energy-saving initiatives and efficient management of resources and supporting expenses.

<u>Net Profit</u>

The Company reported net profit of THB 99 million, representing a decrease of 21% from the same period last year (Net profit for the first six months amounted to THB 210 million, decreasing by 9% year-on-year). Excluding the impact of non-operating items, the Company was able to maintain its operating profit margin at a level comparable to the previous year. The Company continued to implement prudent cost and expense management measures while maintaining effective management of liquidity, capital structure, and debt obligations. These efforts are aimed at preserving the Company's competitiveness and supporting sustainable profitability over the long term.

<u>Capital structure</u>

As of 30 June 2026, the Company had interest-bearing debt of THB 4,478 million, decreasing from THB 5,781 million as of 31 December 2025. The weighted average interest rate at the end of the second quarter of 2026 was 2.87% per annum, lower than 3.12% per annum at the end of the previous year. Net interest-bearing debt to equity stood at 0.25x, representing a significant improvement from year-end 2025 due to debt repayments. The ratio remained well below the Company's policy threshold of 1.0x and substantially below the financial covenant limit of 3.0x under the Company's loan agreements.

Although the Company recorded net profit and continued to repay borrowings during the period, contributing to a stronger overall financial position, its current ratio declined as a result of interest-bearing debt maturing within the next twelve months. The Company has established appropriate funding plans to ensure the fulfillment of its financial obligations and to support upcoming development projects, which are expected to enhance sustainable long-term growth.

Please be informed accordingly.

Sincerely,

-Valita Phaosricharoen-

(Mrs. Valita Phaosricharoen)

Chief Financial Officer

Authorized Persons to Disclose Information

Table 1: Summary of Profit and Loss Statement

Unit: million Baht	2Q25	2Q26	% Chg		6M25	6M26	% Chg
Rental and services revenue	333	317	-5%	0	662	648	-2%
Revenue from sales	43	48	12%	0	99	80	-19%
Revenue from operations	376	366	-3%	0	761	728	-4%
Other income	43	39	-10%	0	83	81	-3%
Total revenue	**419**	**404**	**-4%**	**0**	**844**	**809**	**-4%**
Cost of rental and services	57	57	1%	0	123	122	-1%
Cost of sales	23	28	23%	0	54	46	-14%
Selling & administrative expenses	71	74	4%	0	145	144	-1%
Total operating expenses	151	160	6%	0	322	312	-3%
(Profit) Loss from items not related to the business operations	46	53	15%	0	96	106	10%
Financing cost	47	46	-1%	0	96	93	-4%
Profit before income tax and NCI	**175**	**145**	**-17%**	**0**	**329**	**298**	**-9%**
Income tax expense	35	35	1%	0	72	66	-8%
Non-controlling interest	15	11	-26%	0	26	22	-14%
Net profit	**125**	**99**	**-21%**	**0**	**231**	**210**	**-9%**

Table 2: Summary of Financial Position

Unit: million Baht	YE25	6M26	% Chg
Current assets	917	933	2%
Non-current assets	29,101	27,750	-5%
Total assets	**30,018**	**28,683**	**-4%**
Current liabilities	2,011	4,164	107%
Non-current liabilities	10,594	7,054	-33%
Total liabilities	12,605	11,217	-11%
Shareholders' equity	17,413	17,466	0%
Total liabilities and equity	**30,018**	**28,683**	**-4%**
Net interest-bearing debt	5,735	4,423	-23%

Table 3: Key Financial Ratios

	2Q25	2Q26	Chg.
Profitability Ratio			
Gross profit margin (%)	79%	77%	-2%
Operating profit margin (%)	64%	61%	-3%
Net profit margin (%)	30%	24%	-5%

6M25	6M26	Chg.
77%	77%	0%
62%	61%	0%
27%	26%	-1%

	YE25	6M26	Chg.
Liquidity Ratio			
Current ratio (x)	0.46	0.22	-0.23
Financial Policy Ratio			
Liabilities to Equity (x)	0.72	0.64	-0.08
Net Debt to Equity (x)	0.33	0.25	-0.08