



Veranda Resort Public Company Limited

Management Discussion & Analysis (MD&A)

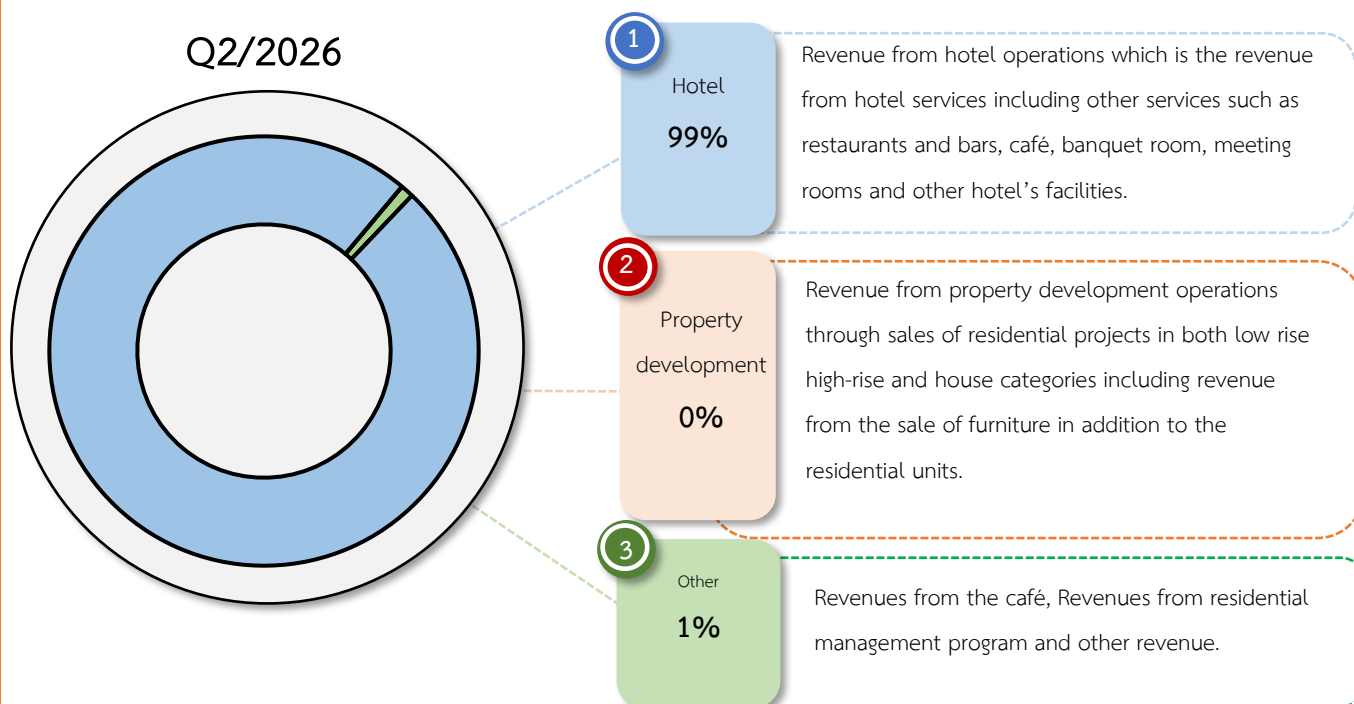
Q2/2026

Revenue Structure

In the Q2/2026, the Group reported total revenue of 336 THB mm, with 99% derived from hotel operations. The table below summarizes the consolidated revenue structure for the three-month and six-month periods ending June 30, 2026.

Revenue	Q2/26	%	Q2/25	%	YoY	6m26	%	6m25	%	YoY
Revenue from hotel operations	332	99%	296	94%	+12%	847	99%	714	96%	+19%
Revenue from property development operations	-	0%	15	5%	-100%	-	0%	15	2%	-100%
Other income	4	1%	4	1%	-2%	10	1%	12	2%	-19%
Total revenue	336	100%	315	100%	+7%	857	100%	741	100%	+16%

*The rate of change calculations in this document are based on the unit digits.



For the three-month period ending June 30, 2026, the Group reported a total revenue increase of 21 THB mm, or 7% compared to the same period of the previous year. This was mainly due to an increase of 36 THB mm, or 12%, in hotel operations revenue.

For the six-month period ending June 30, 2026, the Group reported a total revenue increase of 116 THB mm, or 16% compared to the same period of the previous year. This was mainly due to an increase of 133 THB mm, or 19%, in hotel operations revenue.

Revenues and gross profit from hotel operations

	unit	For three-month ended June 30			For six-month ended June 30		
		2026	2025	YoY	2569	2568	YoY
The number of operating hotels	Hotel	7	7		7	7	
The number of rooms	Room	860	860		860	860	
Occupancy rate	%	58	52	+6%	67	59	+8%
Average daily room rate	Baht/Room/ Night	4,537	4,450	+2%	5,135	4,682	+10%
RevPAR	Baht/Room/ Night	2,626	2,325	+13%	3,440	2,797	+23%
Room revenues							
Food and beverage revenues	THB mm	205	182	+13%	536	435	+23%
Revenues from other service	THB mm	82	73	+13%	203	182	+12%
Total revenues from hotel operations	THB mm	45	41	+10%	108	97	+12%
Room revenues	THB mm	332	296	+12%	847	714	+19%

For the three-month period ending June 30, 2026, the Group reported an increase of 36 THB mm, or 12% in revenue from hotel operations, compared to the same period of the previous year. The growth was mainly due to SO/ Bangkok, which improved after being affected by the earthquake in late March 2025, and Veranda Resort Phuket, Autograph Collection, which had gradually opened for service since late December 2024 and reached full operation in May 2025. Meanwhile, the conflict situation in the Middle East had a limited impact on the Group, as the Group has closely monitored and assessed the situation while managing risks by appropriately diversifying its customer base to other groups since the incident began. Six out of the seven hotels in the Group shown YoY RevPAR growth.

For the six-month period ending June 30, 2026, the Group reported an increase of 133 THB mm, or 19% in revenue from hotel operations, compared to the same period of the previous year. This was mainly driven by the full operation of Veranda Resort Phuket, Autograph Collection since Q2/2025, and the recovery of SO/ Bangkok after being affected by the earthquake in late March 2025. Furthermore, proactive marketing strategies to stimulate both domestic and international sales resulted in an overall improvement in the hotel group's RevPAR.

	unit	For three-month ended June 30			For six-month ended June 30		
		2026	2025	YoY	2026	2026	YoY
Revenues from hotel operations	THB mm	332	296	+12%	847	714	+19%
Cost from hotel operations	THB mm	150	141	+7%	334	304	+10%
Gross profit from hotel operations	THB mm	182	155	+17%	513	410	+25%
Gross profit margin from hotel operations	%	55%	52%	+3%	61%	57%	+4%
Gross profit from hotel operations after depreciation	THB mm	122	96	+27%	396	297	+33%

For the three-month period ended June 30, 2026, the Group's gross profit from the hotel operations increased by 27 THB mm, or 17%, compared to the same period of the previous year, driven by better cost management. The gross profit margin from the hotel operations was 55%.

For the six-month period ended June 30, 2026, the Group's gross profit from the hotel operations increased by 103 THB mm, or 25%, compared to the same period of the previous year, driven by higher RevPAR across the Group. The gross profit margin from the hotel operations was 61%

	Unit	For three-month ended June 30			For six-month ended June 30		
		2026	2025	YoY	2026	2025	YoY
EBITDA	THB mm	90	73	+23%	304	234	+30%
EBITDA Margin	%	27%	25%	+2%	36%	33%	+3%

For the three-month period ended June 30, 2026, the Group's EBITDA from the hotel operations increased by 17 THB mm, or 23% compared to the same period of the previous year due to the increase in gross profit from hotel operations. The EBITDA margin was at 27%.

For the six-month period ended June 30, 2026, the Group's EBITDA from the hotel operations increased by 70 THB mm, or 30% compared to the same period of the previous year due to the increase in gross profit from hotel operations. The EBITDA margin was at 36%.

Selling expenses and administrative expenses

	For three-month ended June 30			For six-month ended June 30		
	2026	2025	YoY	2026	2025	YoY
	THB mm	THB mm	%	THB mm	THB mm	%
Selling expenses	52	43	+21%	118	94	+26%
Selling expenses margin	16%	14%	+2%	14%	13%	+1%
Administrative expenses	69	61	+13%	147	131	+12%
Administrative expenses margin	21%	19%	+2%	17%	18%	-1%

For the three-month period ended June 30, 2026, the Group's selling expenses increased by 9 THB mm, or 21%, and administrative expenses increased by 8 THB mm, or 13% compared to the same period of the previous year. This was mainly due to expenses related to refinancing and other extraordinary expenses regarding real estate for sale, while the increase in other expenses was in line with the growth of hotel operations revenue.

For the six-month period ended June 30, 2026, the Group's selling expenses increased by 24 THB mm, or 26%, and administrative expenses increased by 16 THB mm, or 12% compared to the same period of the previous year. This was mainly due to the increase in expenses in line with the growth of hotel operations revenue.

Earnings before interest tax depreciation and amortization (EBITDA)

	Unit	For three-month ended June 30			For six-month ended June 30		
		2026	2025	YoY	2026	2025	YoY
EBITDA	THB mm	68	62	+10%	266	211	+26%
EBITDA Margin	%	20%	20%	-	31%	28%	+3%
Normalized EBITDA	THB mm	78	62	+26%	276	211	+31%
Normalized EBITDA Margin	%	23%	20%	+3%	32%	28%	+4%

For the three-month period ended June 30, 2026, the Group's EBITDA increased by 6 THB mm, or 10% compared to the same period of the previous year. Considering only normalized EBITDA, it increased by 16 THB mm, or 26% compared to the same period of the previous year, mainly due to the increase in gross profit from hotel operations. The EBITDA margin was at 20% and the normalized EBITDA margin was at 23%.

For the six-month period ended June 30, 2026, the Group's EBITDA increased by 55 THB mm, or 26% compared to the same period of the previous year. Considering only normalized EBITDA, it increased by 65 THB mm, or 31% compared to the same period of the previous year, mainly due to the increase in gross profit from hotel operations. The EBITDA margin was at 31% and the normalized EBITDA margin was at 32%.

Depreciation and amortization

For the three-month period ended June 30, 2026, the Group reported depreciation and amortization of 63 THB mm, a decrease of 1 THB mm or 2% compared to the same period of the previous year. This was primarily due to a decrease in recognized depreciation from assets that have reached the end of their useful lives within the Group's hotels.

For the six-month period ended June 30, 2026, the Group reported depreciation and amortization of 125 THB mm, remaining at the same level as the same period of the previous year.

Financial expenses

For the three-month period ended June 30, 2026, the Group reported financial expenses of 37 THB mm, a decrease of 4 THB mm or 9% compared to the same period of the previous year. This was primarily due to the continuous repayment of loans in accordance with the repayment schedule and a decrease in loan interest rates.

For the six-month period ended June 30, 2026, the Group reported financial expenses of 76 THB mm, an increase of 5 THB mm or 7% compared to the same period of the previous year. This was primarily due to interest on loans from commercial banks used for investment in Veranda Resort Phuket, Autograph Collection.

Extraordinary items

For the three-month period ended June 30, 2026, the Group reported extraordinary items totaling 66 THB mm (before tax), detailed as follows:

- Recognition of loss from early loan repayment amounting to 56 THB mm (non-cash item), which is a reversal of accounting differences from the early repayment of previous loans for refinancing.
- Expenses related to refinancing and other extraordinary expenses regarding real estate for sale amounting to 10 THB mm.

These factors will result in a significant decrease in future financial costs of borrowings, which helps strengthen financial stability and enhance the Group's competitiveness.

Net profit (loss)

	Unit	For three-month ended June 30			For six-month ended June 30		
		2026	2025	YoY	2026	2025	YoY
Net profit	THB mm	-69	12	N/A	8	55	-86%
Net profit margin	%	-21%	4%	N/A	1%	7%	-6%
Normalized Net profit	THB mm	-16	-34	+51%	61	8	+662%
Normalized Net profit margin	%	-5%	-11%	+6%	7%	1%	+6%

For the three-month period ended June 30, 2026, the Group recorded a net loss of 69 THB mm, a decrease of 81 THB mm. The net loss margin was at 21%. Considering only the normalized net loss of 16 THB mm, the loss decreased by 18 THB mm or 51%, with a normalized net loss margin of 5%.

For the six-month period ended June 30, 2026, the Group recorded a net profit of 8 THB mm, a decrease of 47 THB mm or 86%. The net profit margin was at 1%. Considering only the normalized net profit of 61 THB mm, it increased by 53 THB mm or 662%, with a normalized net profit margin of 7%.

Financial Statement

	Unit	June 30, 2026	December 31, 2025	Change
Total assets	THB mm	5,921	5,770	+3%
Total liabilities	THB mm	4,078	3,876	+5%
Total equity	THB mm	1,843	1,894	-3%
Interest bearing debt	THB mm	3,259	2,881	+13%
D/E	times	2.21	2.05	
IBD/E	times	1.77	1.52	



As of June 30, 2026, the Group reported total assets of 5,921 THB mm, an increase of 151 THB mm or 3% compared to December 31, 2025. This was primarily due to land acquisition for a new project.

As of June 30, 2026, the Group reported total liabilities of 4,078 THB mm, an increase of 202 THB mm or 5% compared to December 31, 2025. This was mainly due to long-term loans for land acquisition for a new project.

As of June 30, 2026, the Group reported total shareholders' equity of 1,843 THB mm, a decrease of 51 THB mm or 3% compared to December 31, 2025. This was mainly due to the annual dividend payment for 2025 of 59 THB mm.

As of June 30, 2026, the Group's debt-to-equity (D/E) ratio was 2.21 times and the interest-bearing debt-to-equity (IBD/E) ratio was 1.77 times, both of which increased from the end of the previous year due to long-term loans for land acquisition for a new project. However, these ratios remain in compliance with the covenants of debentures and commercial banks. The Group is continuously monitoring and controlling them.