# Management Discussion and Analysis for the financial

## Quarter 2/2026

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*-Translation-*

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Subject: Management Discussion and Analysis for the Three-Month and Six-Month Periods Ended June 30, 2026

To: President
The Stock Exchange of Thailand

Bangkok Asset Intergroup Public Company Limited (the "**Company**") hereby reports its operating results for the three-month and six-month periods ended June 30, 2026, as follows:

## Executive Summary of Operating Results

During the first half of 2026, the real estate industry continued to face challenges arising from both external and domestic factors. Volatility stemming from geopolitical conflicts abroad weighed on consumer confidence, prompting consumers to exercise greater caution in spending and place greater emphasis on preserving liquidity. Domestically, the gradual economic recovery, persistently high household debt, and financial institutions' stringent Housing Loan approval criteria continued to exert pressure. These factors directly prolonged consumers' purchasing decisions and the transfer of residential ownership, while intensifying price competition as operators employed pricing strategies and promotional campaigns to accelerate inventory clearance.

Amid the challenging market environment, for the six-month period ended June 30, 2026, the Company recorded total revenue from sales and services of THB 331.58 million, an increase of 9.72% from THB 302.22 million in the corresponding period of the previous year. During the period, the Company transferred ownership of 59 houses to customers. Nevertheless, the Company recorded a net loss of THB 40.21 million, compared with a net loss of THB 3.20 million in the corresponding period of the previous year. The increase in net loss was primarily attributable to a lower gross profit margin amid intense price competition, promotional campaigns undertaken to accelerate inventory clearance in the first quarter, and a higher ratio of selling and administrative expenses to revenue arising from initial investments in operating systems, the development of new brands, and start-up costs associated with the renovation business.

On a quarterly basis, the Company's operating results in the second quarter of 2026 improved slightly from the first quarter of 2026 (QoQ), reflecting the initial benefits of the business restructuring plan that the Company has been implementing progressively. Key developments were as follows:

- **Gross profit margin recovered from the low level in the previous quarter**: The margin increased from 2.59% in the first quarter to 5.92% in the second quarter, representing gross profit of THB 9.42 million compared with THB 4.47 million in the first quarter, following the inventory-clearance initiative undertaken to strengthen liquidity in the first quarter.

- **Operating expenses declined**: Administrative expenses decreased by 4.62% QoQ to THB 17.39 million, reflecting the initial impact of organizational restructuring, internal resource reallocation, and tighter control over expenses to align them with the level of business activity.
- **Net loss narrowed**: The Company recorded a net loss of THB 16.63 million in the second quarter, improving from a net loss of THB 23.58 million in the first quarter. The Company continues to prioritize improvements in profitability and effective cost management to align its cost base with the scale of its operations and support future business activities.

With respect to its financial position and liquidity as at June 30, 2026, the Company maintained an appropriate level of liquidity and a sound capital structure. The current ratio was 2.91 times, while the debt-to-equity ratio was 0.51 times, indicating that the Company's liquidity and debt obligations remained manageable and continued to support financial flexibility for the remainder of the year.

## Analysis of Operating Results

Summary of the Statement of Comprehensive Income for the Six-Month Period Ended June 30, 2026 and the Second Quarter of 2026.

| Statement of Comprehensive Income | Six months 2026 | | Six months 2025 | | Q2/2026 | Q1/2026 | Change |
|---|---|---|---|---|---|---|---|
| | THB | % | THB | % | THB | THB | (%) |
| Revenue from sales and services | 331.58 | 100.00 | 302.22 | 100.00 | 159.10 | 172.48 | (7.8%) |
| Cost of sales and services | (317.69) | (95.81) | (273.13) | (90.38) | (149.68) | (168.01) | (10.9%) |
| **Gross profit** | **13.89** | **4.19** | **29.09** | **9.62** | **9.42** | **4.47** | **111.0%** |
| Other income | 0.64 | 0.19 | 0.75 | 0.25 | 0.20 | 0.44 | (54.5%) |
| Distribution costs | (17.80) | (5.37) | (8.81) | (2.91) | (8.25) | (9.56) | (13.7%) |
| Administrative expenses | (35.62) | (10.74) | (22.51) | (7.45) | (17.39) | (18.23) | (4.6%) |
| Other gains | 0.08 | 0.02 | - | - | 0.05 | 0.04 | 35.4% |
| **Profit (loss) from operations** | **(38.81)** | **(11.70)** | **(1.48)** | **(0.49)** | **(15.97)** | **(22.84)** | **(30.1%)** |
| Finance costs | (1.49) | (0.45) | (2.53) | (0.84) | (0.71) | (0.78) | (8.8%) |
| Income tax | 0.09 | 0.03 | 0.81 | 0.27 | 0.05 | 0.04 | 0.0% |
| **Profit (loss) for the period** | **(40.21)** | **(12.13)** | **(3.20)** | **(1.06)** | **(16.63)** | **(23.58)** | **(29.5%)** |

## Revenue from Sales and Services

For the first six months of 2026, the Company recorded total revenue from sales and services of THB 331.58 million, an increase of 9.72% from the corresponding period of the previous year and the highest growth rate in two years, despite the continued decline in the number of units sold in the overall real estate market. This performance reflected the Company's ability to reach its target customers and the positive market response to its new product formats. During the first half of the year, the Company transferred ownership of 59 houses to customers.

In the second quarter of 2026, revenue from sales and services amounted to THB 159.10 million, a decrease of 7.76% QoQ from THB 172.48 million in the first quarter of 2026. The first quarter included an unusually high proportion of revenue recognized from accelerated inventory clearance, whereas second-quarter revenue reflected sales under normal business conditions. Consequently, the gross profit margin improved from the previous quarter.

## Revenue by Business Type

| Business Type | Six months 2026 | | Six months 2025 | | Q2/2026 | | Q1/2026 | |
|---|---|---|---|---|---|---|---|---|
| | THB | % | THB | % | THB | % | THB | % |
| Agency with renovation business | 242.68 | 73.19 | 243.64 | 80.62 | 134.18 | 84.34 | 108.50 | 62.91 |
| Agency business | 0.51 | 0.15 | 3.14 | 1.04 | 0.20 | 0.12 | 0.31 | 0.18 |
| Reseller business | 78.35 | 23.63 | 55.44 | 18.34 | 18.99 | 11.94 | 59.36 | 34.42 |
| Other business: renovation services | 10.05 | 3.03 | - | - | 5.74 | 3.61 | 4.31 | 2.50 |
| Total | 331.58 | 100.00 | 302.22 | 100.00 | 159.10 | 100.00 | 172.48 | 100.00 |

**Agency with renovation business**: This remained the Company's core business. Revenue for the first six months of 2026 amounted to THB 242.68 million, a slight decrease of THB 0.96 million or 0.39% from the corresponding period of the previous year. In Q2/2026, revenue amounted to THB 134.18 million, an increase of 23.67% QoQ, reflecting the positive market response to the Company's new house designs, which had been enhanced to create a more distinctive and contemporary product offering.

**Reseller business:** Revenue for the first six months of 2026 totaled THB 78.35 million, an increase of 41.32% from the corresponding period of the previous year. Revenue in Q2/2026 was THB 18.99 million, down from THB 59.36 million in Q1/2026, mainly because the Company had specifically accelerated the clearance of assets in this business during the first quarter to strengthen liquidity.

**Other business - repair, extension and improvement services:** The Company launched these services in late 2025. Revenue for the first six months of 2026 amounted to THB 10.05 million, representing 3.03% of total revenue. Revenue in Q2/2026 was THB 5.74 million, an increase of 33.16% QoQ, reflecting initial customer acceptance and the potential demand for residential repair and improvement services amid the continued slowdown in the overall real estate transaction market.

## Cost of Sales and Services

For the first six months of 2026, the Company recorded total cost of sales and services of THB 317.70 million, representing 95.81% of revenue from sales and services, compared with 90.38% in the corresponding period of the previous year. The increase was mainly attributable to pricing pressure and promotional activities amid intense competition in the real estate market, together with more stringent loan approval processes imposed by financial institutions, which lengthened the time required to close sales and transfer ownership.

In Q2/2026, cost of sales and services amounted to THB 149.69 million, representing 94.09% of revenue from sales and services, an improvement from 97.41% in Q1/2026. This was mainly due to the completion of special-price inventory-clearance activities undertaken in the first quarter and the Company's introduction of more systematic controls over property improvement costs.

During the period, the Company also reviewed the net realizable value (NRV) of inventories based on current marketing discounts and actual net selling prices to ensure that its accounting estimates appropriately reflected prevailing market conditions and relevant information. The revised assumptions increased cost of sales in the current period; however, they were consistent with the principle of prudence in accounting estimates and enabled inventory values to more appropriately reflect the amounts expected to be realized under current market conditions.

## Gross Profit

| Business Type | Six months 2026 | | Six months 2025 | | Q2/2026 | | Q1/2026 | |
|---|---|---|---|---|---|---|---|---|
| | THB | % | THB | % | THB | % | THB | % |
| Agency with renovation business | 12.31 | 5.07 | 21.20 | 8.70 | 7.68 | 5.72 | 4.63 | 4.27 |
| Agency business | 0.50 | 97.68 | 3.11 | 99.08 | 0.19 | 97.03 | 0.31 | 98.09 |
| Reseller business | 2.40 | 3.07 | 4.77 | 8.61 | 2.36 | 12.45 | 0.04 | 0.07 |
| Other business: renovation services | (1.32) | (13.17) | - | - | (0.81) | (14.12) | (0.51) | (11.91) |
| **Total** | **13.89** | **4.19** | **29.09** | **9.62** | **9.42** | **5.92** | **4.47** | **2.59** |

For the first six months of 2026, gross profit amounted to THB 13.89 million, representing a gross profit margin of 4.19%, down from 9.62% in the corresponding period of the previous year. This was mainly attributable to the slowdown in the real estate market, intense price competition, the impact of accelerated asset-clearance activities in the first quarter, and revisions to the assumptions used in assessing the NRV of inventories to reflect current information and market conditions in accordance with the principle of prudence.

In Q2/2026, the gross profit margin improved to 5.92%, an increase of 3.33 percentage points from 2.59% in Q1/2026. The gross profit margins of the main businesses also improved: the Agency with renovation business increased from 4.27% to 5.72%, while the Reseller business increased from 0.07% to 12.45%. The low gross profit margin in the first quarter was primarily attributable to inventory-clearance activities undertaken to strengthen the Company's liquidity.

For the Other business - repair, extension and improvement services, which remained in the start-up phase, the Company recorded a gross loss of THB 1.32 million for the first six months of 2026 because revenue at this early stage was not yet sufficient to absorb the business's fixed costs. As work volume and the revenue base increase, the Company expects resource utilization and fixed-cost efficiency to improve. Nevertheless, future performance will continue to depend on various factors, including work volume and relevant market conditions. The Company will continue to focus on improving gross profitability through the selection of high-potential properties, effective operating cost control, and appropriate management of property holding periods.
Distribution Costs and Administrative Expenses

<u>Distribution Costs and Administrative Expenses</u>

For the first six months of 2026, total selling and administrative expenses amounted to THB 53.42 million, an increase of THB 22.10 million or 70.61% from the corresponding period of the previous year. Distribution costs amounted to THB 17.80 million, an increase of 102.11%, driven by higher marketing expenses and sales commissions incurred to accelerate sales closures, together with investments in the development and launch of new brands to expand the customer base. Administrative expenses amounted to THB 35.62 million, an increase of 58.22%, mainly due to expenses related to systems development, operational readiness, and the start-up of the Other business - repair, interior, extension and improvement services. Most of the increase represented investments intended to support long-term business expansion rather than recurring expenses in their entirety.

In Q2/2026, total selling and administrative expenses amounted to THB 25.64 million, down THB 2.15 million or 7.73% QoQ, reflecting the initial results of expense-control measures and the restructuring of the Company's workforce and work processes to achieve a leaner operating structure.
Net Profit (Loss).

Net Profit (Loss)

For the first six months of 2026, the Company recorded a net loss of THB 40.21 million, compared with a net loss of THB 3.20 million in the same period of the previous year. The principal factors were the lower gross profit margin resulting from accelerated asset clearance in the first quarter and the higher ratio of selling and administrative expenses to revenue arising from initial investment and intensified marketing activities.

Operating results improved in Q2/2026 compared with Q1/2026. The net loss narrowed by THB 6.94 million, or 29.46%, to THB 16.63 million from THB 23.58 million, supported by a recovery in gross profit margin and lower selling and administrative expenses. The Company recognizes that the current gross profit margin must improve further to cover its operating cost base. Management has therefore identified the accelerated recovery of the gross profit margin, together with strict expense controls, as an urgent priority for the remainder of the year.

## Financial Position

| Statement of Financial Position (MB) | June 30,2026 | December 31,2025 |
|---|---|---|
| Total assets | 213.98 | 239.11 |
| Total liabilities | 72.67 | 57.59 |
| Total shareholders' equity | 141.31 | 181.52 |

Total Assets

As at June 30, 2026, total assets amounted to THB 213.98 million, a decrease of THB 25.13 million or 10.51% from December 31, 2025. The decrease was mainly attributable to a combined reduction of THB 53.00 million in inventories and prepaid service costs, following the effective management of the property portfolio and the gradual recognition of revenue from the Agency with renovation business and the Reseller business during the period. This reflected the Company's ability to continuously convert inventories into cash flows despite the market slowdown. Meanwhile, cash and cash equivalents, trade and other current receivables, and current contract assets increased by a combined THB 9.77 million as a result of sales and house ownership transfer activities at the end of the period.

Total Liabilities

As at June 30, 2026, total liabilities amounted to THB 72.67 million, an increase of THB 15.08 million or 26.19% from December 31, 2025. The main change was an additional drawdown of THB 30.00 million from credit facilities provided by financial institutions to fund working capital, inventory improvements, and construction work scheduled for delivery and revenue recognition in the second half of the year. This increase was partially offset by the repayment of THB 10.00 million in short-term borrowings from other parties, which helped improve the Company's liability structure and lower its financing costs.

### Shareholders' Equity

As at June 30, 2026, total shareholders' equity amounted to THB 141.31 million, a decrease of THB 40.21 million from December 31, 2025, entirely attributable to the net loss for the first six months of 2026. There were no other changes in shareholders' equity, no dividend payments, and no capital increases or reductions during the period. The Company continued to maintain liquidity and its capital structure at sound and secure levels.

### Key Financial Ratios

| Financial Ratio | June 30, 2026 | December 31, 2028 |
|---|---|---|
| Current ratio (times) | 2.91 | 4.18 |
| Debt-to-equity ratio (times) | 0.51 | 0.32 |
| Book value per share (THB) | 0.67 | 0.86 |

As at June 30, 2026, the Company maintained an appropriate level of liquidity and a sound financial structure. The current ratio was 2.91 times, down from 4.18 times at the end of 2025, as cash flows were deployed as working capital to develop and improve the property portfolio. Nevertheless, the ratio remained at a high level and was sufficient to cover short-term obligations. The debt-to-equity ratio increased to 0.51 times from 0.32 times at the end of 2025, following drawdowns of credit facilities for working capital and business expansion. However, the ratio remained significantly below 1.0 time, reflecting prudent financial risk and capital structure management. Book value per share was THB 0.67, down from THB 0.86 at the end of 2025, in line with the net loss recorded for the first six months of the year. Finance costs for the six-month period amounted to THB 1.49 million, a decrease of 40.90% from the corresponding period of the previous year, reflecting effective management of interest-bearing obligations.

## Business Outlook

For the remainder of 2026, the real estate market is expected to continue facing challenges arising from the gradual recovery in consumer purchasing power and financial institutions' stringent housing loan approval criteria. Nevertheless, supportive factors include the reduction of transfer and mortgage registration fees to 0.01% for qualifying residential properties valued at no more than THB 7 million, together with continued demand for second-hand homes and residential repair and improvement services. To address these market conditions, the Company is continuing to implement and refine its operating plan, with a focus on strengthening financial stability, upgrading its renovated-house products to the premium segment, and laying the foundation for sustainable long-term operations, as follows:

- Margin enhancement and cost management: The Company aims to improve its gross profit margin through the selection of high-potential properties and the gradual adoption of standardized designs and centralized material procurement. These measures are intended to enhance control over renovation costs and property holding periods, while ensuring that selling and administrative expenses remain appropriate and aligned with the level of business activity.
- Prudent expansion of repair, interior, extension and improvement services: The Company will develop these services in line with target customers' needs, improve marketing effectiveness, and enhance cost-estimation, project-management, and quality-control systems to support appropriate growth.
- Liquidity and capital-structure management: The Company will closely monitor and manage working capital cash flows, improve property holding-cycle efficiency, and maintain the debt-to-equity ratio at an appropriate level consistent with market conditions to preserve financial flexibility and support business continuity.

Please be informed accordingly.

Yours faithfully,

*- Signature -*

(Mr. Pachara Tanawongkasaem)

Chief Executive Officer

Person Authorized to Disclose Information