Management Discussion and Analysis

Bualuang Office Leasehold Real Estate Investment Trust ("B-WORK" or the "Trust") invests in the leasehold rights of land and office buildings of True Tower 1 and True Tower 2 until February 7, 2048. Its main income is derived from space rental and service fees, including utility and parking income. BBL Asset Management Company Limited acts as the REIT Manager, Krungthai Asset Management Public Company Limited acts as the Trustee, and True Properties Company Limited acts as the Property Manager.

1. Business Overview, Economic and Industry Conditions Affecting Operations

The Bangkok office market in 2026 remained competitive, with leasing demand varying by location, building quality and suitability of use. Tenants place emphasis on space efficiency, the quality of the working environment and total occupancy costs, while part of relocation demand is directed toward high-quality buildings. As a result, older buildings need to upgrade their space and service terms to maintain competitiveness.[1]

As of 2Q26, the Bangkok office market recorded an average occupancy rate of 79.6%[2], while the Grade A CBD office market recorded an average occupancy rate of 76.5% as of 3Q26, with an average gross rent of THB 941 per sqm per month[3], with no new Grade A supply completed during the quarter.

In terms of new supply, approximately 616,128 sqm of new office space is expected across Bangkok during 2026–2031, of which approximately 338,310 sqm, or 55% of the expected new supply, is Grade A office space in the CBD. Although the short-term slowdown in new supply helps ease competitive pressure, existing vacant space and future projects continue to put pressure on tenant acquisition and rental adjustments. Landlords therefore continue to offer incentives such as rent-free periods and fit-out contributions.[3]

For True Tower 1 and True Tower 2, the operating approach therefore focuses on retaining existing tenants and lease renewals, securing new tenants for vacant space, particularly at True Tower 2, and maintaining building quality in line with tenant requirements, together with monitoring competition in the Ratchadaphisek and Phatthanakan areas in order to set appropriate rental rates, which will help maintain the occupancy rate and support the Trust's long-term income generation.

References

1. JLL, Bangkok Office Market Dynamics Q2 2026
2. CBRE, Bangkok Overall Figures Q2 2026
3. Cushman & Wakefield, Bangkok Office MarketBeat Q3 2026

2. Summary of Significant Events and Developments

As of 3Q26, B-WORK recorded a blended occupancy rate of 90.5%, with True Tower 1 at 99.4% and True Tower 2 at 75.5%, decreasing from 78.9% as of 2Q26, as the lease of a tenant occupying approximately 1,900 sqm expired in August 2026 and was not renewed.

To enhance competitiveness, the REIT Manager and the Property Manager carried out landscape and entrance area improvements at True Tower 2, as well as renovation of certain leasable areas to accommodate tenants requiring smaller spaces. The renovation was completed in 2025, and new tenants have since gradually moved into such areas.

3. Operating Performance for 3Q26

Leasable Area, Occupancy Rate and Average Rental & Service Rate

Projects	NLA (sqm)	Occupancy Rate (%) 3Q26 / 3Q25 / 2Q26	Average Rental & Service Rate (THB/sqm/month) 3Q26 / 3Q25 / 2Q26
True Tower 1	37,896	99.4 / 99.6 / 99.6	780 / 757 / 780
True Tower 2	22,792	75.5 / 81.6 / 78.9	477 / 485 / 492
Total	**60,688**	**90.5 / 92.9 / 91.8**	**685 / 668 / 687**

- **Occupancy rate:** The blended occupancy rate was 90.5%, compared with 92.9% in the same period last year and 91.8% in the previous quarter, decreasing in line with the occupancy rate of True Tower 2 after a tenant occupying approximately 1,900 sqm did not renew its lease in August 2026
- **Average rental and service rate:** The blended rate was THB 685/sqm/month, with True Tower 1 increasing from the previous year to THB 780/sqm/month, while True Tower 2 decreased from the previous quarter to THB 477/sqm/month
- **New tenant acquisition:** Given the office market conditions with high vacancy and landlords offering incentives to attract tenants, securing new tenants to replace the vacant space at True Tower 2 may take time and require competitive rental rates and lease terms

Operating Performance Summary

Unit: THB mn

Items	3Q26	3Q25	YoY %	2Q26	QoQ %
Total Income	**138.38**	**138.83**	**(0.3%)**	**137.65**	**0.5%**
Rental Income	50.11	50.47	(0.7%)	49.22	1.8%
Service Income	84.76	84.57	0.2%	84.63	0.1%
Interest Income	0.55	0.89	(38.5%)	0.59	(7.2%)
Other Income	2.96	2.90	2.0%	3.22	(8.0%)
Total Expenses	**60.95**	**64.03**	**(4.8%)**	**60.52**	**0.7%**
Costs of rental and services	33.54	35.54	(5.6%)	32.88	2.0%
Fees and expenses for the Trust and property management	18.16	17.46	4.0%	18.23	(0.4%)
Administrative expenses	0.44	0.76	(42.3%)	0.57	(22.9%)
Finance costs	8.82	10.27	(14.1%)	8.83	(0.2%)
Net profit on investment	**77.43**	**74.80**	**3.5%**	**77.13**	**0.4%**
Net gain (loss) on investment	**1.42**	**(7.54)**	**N/A**	**(11.34)**	**N/A**
Net increase (decrease) in net assets resulting from operations	**78.85**	**67.26**	**17.2%**	**65.79**	**19.8%**

Total Income

Total income was THB 138.38mn, decreasing by 0.3% YoY but increasing by 0.5% QoQ, with details as follows:

- **Rental income:** THB 50.11mn, decreasing by 0.7% YoY due to the lower occupancy rate of True Tower 2, partly offset by higher rental rates at True Tower 1, but increasing by 1.8% QoQ as the previous quarter included an adjustment to the rental income recognition of True Tower 2
- **Service income:** THB 84.76mn, consisting of service agreement income of THB 62.92mn, utility income of THB 20.26mn and parking income of THB 1.57mn, increasing by 0.2% YoY and 0.1% QoQ. The key changes this period were parking income, which increased by 22.2% YoY and 4.6% QoQ from a higher number of building users, while utility income decreased by 2.3% YoY in line with lower utility expenses

- **Interest income:** THB 0.55mn, decreasing by 38.5% YoY and 7.2% QoQ due to lower interest rates and lower balances of investments in securities and deposits at financial institutions following the voluntary loan prepayment
- **Other income:** THB 2.96mn, increasing by 2.0% YoY but decreasing by 8.0% QoQ

Total Expenses

Total expenses were THB 60.95mn, decreasing by 4.8% YoY but increasing by 0.7% QoQ, with details as follows:

- **Costs of rental and services:** THB 33.54mn, decreasing by 5.6% YoY due to lower security, utility, repair and cleaning expenses, but increasing by 2.0% QoQ due to consumables and repair and maintenance expenses
- **Fees and expenses for the Trust and property management:** THB 18.16mn, increasing by 4.0% YoY but decreasing by 0.4% QoQ, mainly due to the property management fee, which varies with the Trust's operating performance
- **Administrative expenses:** THB 0.44mn, decreasing by 42.3% YoY and 22.9% QoQ due to lower other administrative expenses and lower amortization of prepaid expenses compared with the previous quarter
- **Finance costs:** THB 8.82mn, decreasing by 14.1% YoY due to the lower loan principal and lower interest rates, and by 0.2% QoQ. During the quarter, B-WORK repaid principal of THB 25.30mn, reducing the long-term loan at the end of the period to THB 637.00mn

Relationship between Costs and Revenue

Costs of rental and services represented 24.9% of rental and service income, compared with 26.3% in the same period last year and 24.6% in the previous quarter, with details as follows:

- **Utilities:** THB 19.42mn, representing 57.9% of costs of rental and services. True Tower 1 recovers electricity costs from tenants in full at cost without a margin, while True Tower 2 charges tenants based on actual usage at a rate that includes a margin, which is recognized as utility income. These costs therefore vary with tenant usage, while the common-area electricity of True Tower 2 is borne by B-WORK and does not decrease in proportion to the lower occupancy rate
- **Security and cleaning expenses:** Fixed costs under service contracts, which therefore do not vary directly with income
- **Repair and maintenance expenses:** Semi-fixed costs that depend on the building maintenance plan rather than the level of income and occupancy
- **Trust fees:** The REIT Manager, Trustee and Registrar fees are calculated based on asset value and therefore do not vary directly with income
- **Property management fee:** Consists of a fixed fee that increases by 3% per annum, an incentive fee of 6.5% of GOP, and commissions on lease renewals or new tenant acquisitions

Net Profit on Investment and Gross Profit

- **Net profit on investment:** THB 77.43mn, increasing by 3.5% YoY and 0.4% QoQ due to lower costs of rental and services and finance costs, representing 56.0% of total income, compared with 53.9% in the same period last year and 56.0% in the previous quarter
- **Gross profit:** THB 88.70mn, representing a gross profit margin of 65.8%, after deducting costs of rental and services and the property management fee

- **Compared with the same period last year:** The gross profit margin increased from 64.9% as total costs decreased by 2.7%, while rental and service income decreased by only 0.1%. Costs of rental and services decreased by 5.6%, despite a 6.0% increase in the property management fee
- **Compared with the previous quarter:** The gross profit margin decreased slightly from 65.9% as total costs increased by 1.2% due to consumables and repair and maintenance expenses, exceeding the 0.8% increase in rental and service income

Notes:
Gross profit = Rental income + Service income – Costs of rental and services – Property management fee
Gross profit margin = Gross profit ÷ (Rental income + Service income)

Net Gain (Loss) on Investment and Net Assets Resulting from Operations

B-WORK recorded a net gain on investment of THB 1.42mn, compared with a net loss of THB 7.54mn in the same period last year and a net loss of THB 11.34mn in the previous quarter, consisting of:

- **Leasehold properties:** Gain on fair value adjustment of THB 1.55mn, compared with a loss of THB 7.60mn in the same period last year and a loss of THB 11.35mn in the previous quarter
  - This quarter, the fair value as of September 30, 2026 increased by THB 3.00mn from THB 3,846mn to THB 3,849mn based on the independent appraiser's review (appraised as of June 30, 2026 using the Income Approach), less capital expenditure of THB 1.08mn and the deferred revenue adjustment of THB 0.37mn, which were recorded as cost of investment
  - The loss in the same period last year resulted from recording the costs of the landscape improvement and fit-out works at True Tower 2 of THB 7.42mn, with no fair value adjustment
  - The loss in the previous quarter resulted from a THB 12.00mn decrease in fair value based on the new appraisal
- **Investments measured at fair value through profit or loss:** Loss of THB 0.13mn from mark-to-market of debt instruments, compared with a gain of THB 0.06mn in the same period last year and a gain of THB 0.01mn in the previous quarter

Fair value items are accounting entries and do not represent cash received or paid during the period

Net Increase (Decrease) in Net Assets Resulting from Operations

The net increase in net assets resulting from operations was THB 78.85mn, increasing by 17.2% YoY and 19.8% QoQ. This was mainly due to the higher net profit on investment and the net gain on investment recognized this quarter, compared with net losses on investment in the same period last year and the previous quarter. The change compared with the same period last year did not exceed 20%

4. Financial Position Summary

Unit: THB mn

Items	Sep 30, 2026	Sep 30, 2025	Jun 30, 2026
Total Assets	**4,245.08**	**4,249.58**	**4,243.82**
Investment in leasehold properties at fair value	3,840.07	3,846.78	3,837.44
Investment in securities and deposits at financial institutions	312.26	339.58	317.61
Receivables on accrued rental and service income	54.49	31.61	51.87
Other assets	38.25	31.61	36.90
Total Liabilities	**839.22**	**881.67**	**858.17**
Accounts payable, accrued expenses and income received in advance	92.93	74.16	84.95

Deposits from rental and services	104.20	115.64	105.85
Long-term loan	637.00	687.60	662.30
Other liabilities	5.09	4.27	5.07
Net Asset Value	**3,405.86**	**3,367.91**	**3,385.65**
NAV per unit (THB)	**9.2349**	**9.1320**	**9.1801**

Assets

As of September 30, 2026, B-WORK had total assets of THB 4,245.08mn, compared with THB 4,249.58mn as of September 30, 2025 and THB 4,243.82mn as of June 30, 2026, consisting of:

- **Investment in leasehold properties at fair value:** THB 3,840.07mn, increasing by THB 2.63mn from the end of the previous quarter due to capital expenditure during the quarter of THB 1.08mn and a gain on fair value adjustment of THB 1.55mn
- **Investment in securities and deposits at financial institutions:** THB 312.26mn, consisting of investments in debt instruments of THB 209.26mn and cash and cash equivalents of THB 103.00mn
- **Receivables on accrued rental and service income:** THB 54.49mn, increasing from THB 31.61mn as of September 30, 2025 and THB 51.87mn as of June 30, 2026, as documentation and contract signing for certain leased areas are in progress
- **Other assets:** THB 38.25mn, consisting of other income receivables and accrued interest of THB 11.17mn, deposits of THB 11.83mn and other assets of THB 15.25mn

Liabilities and Borrowings

B-WORK had total liabilities of THB 839.22mn, compared with THB 881.67mn as of September 30, 2025 and THB 858.17mn as of June 30, 2026, consisting of:

- **Long-term loan:** THB 637.00mn, decreasing from THB 662.30mn at the end of the previous quarter, with details as follows:
  - **Principal and interest payments:** During the quarter, B-WORK repaid principal of THB 25.30mn and incurred interest expense of THB 8.82mn. For the nine-month period, principal repayments totaled THB 50.60mn and interest expense was THB 26.71mn
  - **Repayment schedule:** As of the end of the period, the portion due within one year was THB 50.60mn and the portion due after one year was THB 586.40mn
  - **Collateral and covenants:** The loan is secured by the leasehold rights over space in True Tower 1, the rights to receive all rental income of the projects, and all-risk and business interruption insurance policies naming the bank as co-beneficiary with B-WORK. B-WORK is required to comply with the financial covenants under the loan agreement
- **Non-interest-bearing liabilities:** THB 202.22mn, consisting of deposits from rental and services of THB 104.20mn, accounts payable, accrued expenses and rental and service income received in advance of THB 92.93mn, and other liabilities of THB 5.09mn

Net Assets

Net asset value at the end of the period was THB 3,405.86mn, or THB 9.2349 per unit, compared with THB 9.1320 per unit in the same period last year and THB 9.1801 per unit in the previous quarter. Net assets increased by THB 20.21mn from the previous quarter, resulting from the net increase in net assets from operations of THB 78.85mn, less the 28th distribution of THB 0.1590 per unit, totaling THB 58.64mn, paid on September 8, 2026

Financial Ratios

Ratio	3Q26	3Q25	2Q26
Debt to Equity Ratio (times)[1]	0.25	0.26	0.25
Interest Coverage Ratio (times)[2]	9.45	8.15	9.05
Debt Service Coverage Ratio (times)[3]	3.94	3.77	3.86
Interest-bearing Debt to EBITDA Ratio (times)[4]	1.86	1.94	1.94
Interest-bearing Debt to Total Assets Ratio (%)[5]	15.01	16.18	15.61

Notes:
[1] D/E = Total liabilities ÷ Net asset value at the end of the period
[2] ICR = (Net profit on investment + Finance costs) ÷ Finance costs, based on the sum of the last 4 quarters
[3] DSCR = (Net profit on investment + Finance costs) ÷ (Finance costs + Scheduled principal repayments of THB 50.60mn (THB 25.30mn every 6 months)), based on the sum of the last 4 quarters
[4] IBD/EBITDA = Long-term loan at the end of the period ÷ (Net profit on investment + Finance costs for the last 4 quarters), using profit before finance costs as a proxy for EBITDA
[5] Interest-bearing debt to total assets = Long-term loan ÷ Total assets at the end of the period

Liquidity and Debt Serviceability

For the nine-month period ended September 30, 2026, B-WORK's cash and cash equivalents increased by THB 10.87mn to THB 103.00mn at the end of the period. Including investments in securities, B-WORK had total cash and investments of THB 312.26mn, with details as follows:

- **Cash flows from operating activities:** Net cash inflow of THB 283.55mn, compared with THB 212.74mn in the same period last year. This figure includes purchases and disposals of investments in securities and cash paid for improvements to leasehold properties of THB 5.34mn, as B-WORK's cash flow statement classifies investment items under operating activities
- **Cash flows from financing activities:** Net cash outflow of THB 272.68mn, consisting of distributions of THB 185.53mn, loan principal repayments of THB 50.60mn and interest payments

Based on the financial ratios, B-WORK's liquidity and debt serviceability remained at a good level, with details as follows:

- **Cash relative to short-term debt:** Cash and investments in securities of THB 312.26mn represented approximately 6.2 times the portion of long-term loan due within one year of THB 50.60mn, indicating that B-WORK has sufficient cash to repay the principal due over the next year
- **Interest Coverage Ratio (ICR):** 9.45 times, increasing from 8.15 times in the same period last year and 9.05 times in the previous quarter, as finance costs for the last 4 quarters decreased in line with the lower principal and interest rates to THB 36.23mn from THB 43.50mn in the same period last year, while net profit on investment for the last 4 quarters remained close to the previous level at THB 306.00mn. The higher ICR indicates a larger profit buffer to cover interest expenses, as profit before finance costs could decline by nearly 90% before becoming insufficient to cover interest
- **Debt Service Coverage Ratio (DSCR):** 3.94 times, compared with 3.77 times in the same period last year and 3.86 times in the previous quarter, indicating that profit from operations before finance costs covers both interest and scheduled principal repayments approximately 3.9 times. The increase in DSCR resulted from lower interest expenses while scheduled principal repayments remained constant at THB 50.60mn per year, reducing total debt service for the last 4 quarters to THB 86.83mn from THB 94.10mn in the same period last year

In terms of capital structure, the above ratios reflect an improved capital structure and a lower debt burden, with details as follows:

- **Debt to Equity Ratio:** 0.25 times, compared with 0.26 times in the same period last year and 0.25 times in the previous quarter, as total liabilities decreased to THB 839.22mn from THB 881.67mn,

mainly due to loan principal repayments, while net assets increased. This indicates that B-WORK is funded mainly by unitholders' equity, and approximately 24% of total liabilities are non-interest-bearing deposits and payables

- **Interest-bearing Debt to EBITDA Ratio:** 1.86 times, decreasing from 1.94 times in the same period last year and 1.94 times in the previous quarter. This means that if all profit before finance costs were used to repay debt, it would take approximately 1.9 years to repay the entire loan. The decrease resulted from a 7.4% decline in the loan balance from the same period last year, which exceeded the 3.5% decline in profit before finance costs for the last 4 quarters
- **Interest-bearing Debt to Total Assets Ratio:** Continued to decrease to 15.01% from 16.18% in the same period last year and 15.61% in the previous quarter, as the loan balance decreased to THB 637.00mn from THB 687.60mn in the same period last year and THB 662.30mn in the previous quarter following scheduled principal repayments, while total assets remained stable at approximately THB 4,245mn

Overall, the continued reduction in debt and improved debt serviceability provide B-WORK with flexibility to refinance the remaining principal due in 2028. However, as B-WORK's loan bears a floating interest rate, a 1% per annum increase in interest rates would increase finance costs by approximately THB 6.37mn per year, under which the ICR would remain at approximately 8.0 times and the DSCR at approximately 3.7 times.

5. Factors That May Affect Future Operations

Risk from Reliance on Major Tenants and Vacant Space at True Tower 2

B-WORK's major tenants are in the True Group and the Charoen Pokphand Group. A reduction in leased space or non-renewal by major tenants could materially affect income, while securing tenants for the vacant space at True Tower 2 may take time and involve space preparation costs.

The REIT Manager and the Property Manager therefore monitor tenants' space utilization plans and negotiate lease renewals with major tenants in advance, while proactively marketing the vacant space at True Tower 2, which has been renovated to accommodate tenants requiring smaller spaces, in order to broaden the tenant base and increase the occupancy rate.

Interest Rate and Refinancing Risk

B-WORK's loan bears a floating interest rate, so rising interest rates could increase finance costs and affect the cash available for distributions to unitholders. In addition, B-WORK has remaining principal of THB 586.40mn payable when the loan agreement matures in 2028 and is therefore exposed to refinancing risk, including the interest rate and borrowing terms prevailing at that time.

The REIT Manager plans to hold discussions with financial institutions ahead of maturity to secure appropriate funding sources and borrowing terms, while continuing scheduled principal repayments to reduce the debt burden.

6. Distributions

Distribution Policy

The REIT Manager has a policy to pay distributions to unitholders of not less than 90% of the adjusted net profit for each fiscal year, and not less than twice a year. The adjusted net profit takes into account non-cash items and reserves in accordance with the relevant regulations, including reserves for loan repayment and planned repair or improvement of assets.

Recent Distribution History

No.	Operating Period	Payment Date	THB per Unit
25	Jul 1 – Sep 30, 2025	Dec 11, 2025	0.182386
26	Oct 1 – Dec 31, 2025	Mar 25, 2026	0.183371
27	Jan 1 – Mar 31, 2026	Jun 9, 2026	0.1607
28	Apr 1 – Jun 30, 2026	Sep 8, 2026	0.1590
29	Jul 1 – Sep 30, 2026	Dec 14, 2026	0.1546

B-WORK has made a total of 29 distributions totaling THB 5.207772 per unit (including the 29th distribution to be paid on December 14, 2026) and 7 capital reductions totaling THB 1.050300 per unit, resulting in total payments of both types of THB 6.258072 per unit.

Distribution for 3Q26

The meeting of the Real Estate Investment Committee of the REIT Manager held on November 16, 2026 resolved to approve the 29th distribution from the operating results for the period from July 1 to September 30, 2026, at the rate of THB 0.1546 per unit, totaling THB 57.02mn. The book closing date for unitholders entitled to receive the distribution is November 30, 2026, and the payment date is December 14, 2026.