

PROUD/FIN/SET-2025/003

13 August 2025

Subject: Management Discussion and Analysis for the 2nd Quarter and 6-Month Period Ended 30 June 2025

To: The President
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited (the “Company”) would like to clarify the operating results for the 2nd quarter and 6-month period ended 30 June 2025. The details are as follows:

Operating Performance for the 2nd Quarter and 6-Month Period Ended 30 June 2025

Income Statement

(Unit: million baht)	2Q25	2Q24	%YOY	1H25	1H24	%YOY
Revenue from sales of real estate	2,079.70	705.67	194.71	3,768.36	1,775.41	112.25
Cost of real estate sold	(1,607.11)	(563.36)	185.27	(2,951.70)	(1,405.48)	110.01
Gross profit	472.59	142.31	232.09	816.66	369.92	120.77
Other income	1.26	7.81	(83.87)	5.43	8.68	(37.46)
Selling and distribution expenses	(237.89)	(59.06)	302.83	(444.96)	(139.75)	218.39
Administrative expenses	(70.36)	(61.09)	15.17	(139.21)	(125.30)	11.10
Operating profit (loss)	165.60	29.97	452.53	237.93	113.55	109.54
Finance income	1.40	2.35	(40.54)	1.47	2.39	(38.35)
Finance cost	(45.33)	(6.31)	617.99	(57.77)	(23.00)	151.17
Profit (loss) before income tax	121.67	26.00	367.88	181.63	92.94	95.43
Income tax (expenses) income	(96.49)	(14.42)	569.07	(91.89)	(4.12)	2,130.36
Profit (loss) for the period	25.19	11.58	117.41	89.74	88.82	1.04

Revenue from sales of real estate

For the 2nd quarter of 2025, the Company reported revenue from real estate sales totaling THB 2,079.70 million, representing an increase of THB 1,374.03 million or 194.71% compared to the same period of the previous year. This significant growth was primarily driven by continuous ownership transfers in the “Nue District R9” project, which has recorded transfer progress of over 47% of the total project value. Furthermore, the Company began recognizing revenue from a newly completed project, “VEHHA Hua Hin,” with ownership transfers commencing in May 2025 and achieving transfer progress of more than 22% of the project’s total value. This project is expected to be a key driver of total revenue growth in the second half of the year.

For the first half of 2025, the Company reported revenue from real estate sales totaling THB 3,768.36 million, representing an increase of THB 1,992.95 million or 112.25% compared to the same period of the previous year. The majority of this revenue was derived from the transfer of ownership in the Nue District R9 and VEHHA Hua Hin projects, both of which progressed according to the planned delivery schedule. Meanwhile, other

projects also contributed to overall revenue growth, such as “VI Ari” project, which has achieved 35 % of total ownership transfers, and “Nue Cross Khu Khot Station” project, which has transferred ownership of nearly the entire project value. These developments contributed to the Company’s overall revenue growth in the first half of the year, in line with its targeted performance.

Cost of real estate sales

For the 2nd quarter of 2025, the Company recorded cost of real estate sales amounting to THB 1,607.11 million, an increase of THB 1,043.75 million or 185.27% compared to the same period of the previous year. This increase was in line with the higher real estate sales revenue recognized during the quarter. As a result, the Company reported a gross profit of THB 472.59 million for the 2nd quarter of 2025, representing a gross profit margin of 22.72%.

For the first half of 2025, the Company recorded cost of real estate sales totaling THB 2,951.70 million, an increase of THB 1,546.22 million or 110.01% compared to the same period of the previous year, in line with the increase in real estate sales revenue as previously mentioned. Consequently, the Company reported a gross profit of THB 816.66 million for the first half of the year, equivalent to a gross profit margin of 21.67%.

Other income

For the 2nd quarter of 2025, the Company recorded other income totaling THB 1.26 million, representing a decrease of THB 6.55 million or 83.87% compared to the same period of the previous year. The decline was primarily due to the recognition in the prior year of construction performance guarantees forfeited from contractors as a result of contractual breaches.

For the first half of 2025, the Company recorded other income amounting to THB 5.43 million, a decrease of THB 3.25 million or 37.46% compared to the same period of the previous year, mainly attributable to the same factor mentioned above.

Selling and distribution expenses

For the 2nd quarter of 2025, the Company recorded selling and distribution expenses of THB 237.89 million, an increase of THB 178.84 million or 302.83% compared to the same period of the previous year, representing 11.48% of revenue from real estate sales. The increase was primarily attributable to the VEHHA Hua Hin project, a luxury condominium with a high proportion of foreign buyers, resulting in higher marketing expenses, ownership transfer fees, and specific business tax. Nevertheless, the expense ratio at this level is considered normal for luxury projects with a significant foreign customer base.

For the first half of 2025, the Company incurred selling and distribution expenses totaling THB 444.96 million, representing an increase of THB 305.20 million or 218.39% compared to the same period of the previous year, representing 11.81% of revenue from real estate sales. This reflects the continued transfer of ownership in both ongoing and newly launched projects, in line with revenue growth during the period.

Administrative expenses

For the 2nd quarter of 2025, the Company recorded administrative expenses of THB 70.36 million, representing an increase of THB 9.27 million or 15.17% compared to the same period of the previous year. The increase was mainly attributable to employee-related expenses and common area fees for unsold units.

For the first half of 2025, the Company recorded administrative expenses totaling THB 139.21 million, an increase of THB 13.91 million or 11.10% compared to the same period of the previous year. The increase was primarily due to higher personnel expenses and common area fees, as mentioned above.

Finance income and finance cost

For the 2nd quarter of 2025, the Company recorded finance income of THB 1.40 million, representing a decrease of THB 0.95 million or 40.54% compared to the same period of the previous year, primarily due to lower interest income from bank deposits related to various projects. On the other hand, finance costs amounted to THB 45.33 million, an increase of THB 39.01 million or 617.99% compared to the same period of the previous year, mainly attributable to higher interest expenses on bank borrowings, preferred shares, and debentures.

For the first half of 2025, the Company reported finance income of THB 1.47 million, a decrease of THB 0.92 million or 38.35% compared to the same period of the previous year, primarily due to lower interest income from bank deposits. Finance costs for the same period totaled THB 57.77 million, an increase of THB 34.77 million or 151.17% compared to the same period of the previous year, driven by the same factors as mentioned in the 2nd quarter.

As a result of the above-mentioned finance income and finance costs, the Company reported operating profit of THB 121.67 million in the 2nd quarter of 2025, an increase of THB 95.67 million or 367.88% compared to the same period of the previous year. For the first half of 2025, operating profit amounted to THB 181.63 million, representing an increase of THB 88.69 million or 95.43% compared to the same period of the previous year.

Net profit for the period

For the 2nd quarter of 2025, the Company reported a net profit of THB 25.19 million, representing an increase of THB 13.60 million or 117.41% compared to the same period of the previous year. This improvement was mainly driven by a higher proportion of ownership transfers from the Company's self-developed projects, which have relatively high gross profit margins, along with effective cost control in both cost of sales and administrative expenses, resulting in a lower expense-to-revenue ratio.

For the first half of 2025, the Company recorded a net profit of THB 89.74 million, a slight increase of THB 0.92 million or 1.04% compared to the same period of the previous year. The profit increase reflects ownership transfers progressing according to plan, despite higher finance costs arising from the commencement of ownership transfers in various projects, interest expenses on preferred shares, and debenture interest. In addition, deferred income tax expenses were recognized, which are accounting entries that do not directly impact operating cash flows.

Despite the continued slowdown in both the economy and the real estate sector, the Company has maintained strong growth, as evidenced by the consistent improvement in operating performance and positive market responses across all ongoing projects. This reflects the effectiveness of the Company's strategy, which emphasizes the development of high-quality projects through thoughtful design that addresses all aspects of modern living, along with the careful selection of locations with long-term growth potential. These key factors are expected to continue supporting the Company's performance growth in the second half of the year.

As of the end of June 2025, the Company's ongoing projects continued to receive strong market interest, with sales rates clearly reflecting underlying demand. For example, the VEHHA Hua Hin project had achieved sales of 71% of its total project value and began revenue recognition in the latter part of the second quarter. ROMM Convent recorded sales of 76%, VI Ari achieved 35%, and Nue District R9 reached a high sales rate of 98%.

Furthermore, the Company had a total backlog of THB 7,709 million as of 30 June 2025, which is expected to be recognized as revenue progressively through 2026. This backlog will play a significant role in supporting long-term earnings growth. In addition, the Company is preparing to launch new projects with a combined value exceeding THB 9,600 million, reinforcing its strong and sustainable revenue-generating capacity in the future.

Financial Positions

Assets

(Unit: million baht)	June 30, 2025	December 31, 2024	Changes + / (-)	%Changes + / (-)
Current assets				
Cash and cash equivalents	335.84	484.90	(149.06)	(30.74)
Other receivables	56.88	42.17	14.71	34.88
Real estate development costs	7,399.81	9,045.14	(1,645.33)	(18.19)
Current tax assets	40.51	4.38	36.13	824.49
Other current assets	406.42	681.58	(275.16)	(40.37)
Total current assets	8,239.46	10,258.17	(2,018.70)	(19.68)
Non-current assets				
Building and equipment	9.75	23.10	(13.35)	(57.78)
Right-of-use assets	5.87	8.78	(2.91)	(33.15)
Intangible assets	4.30	4.54	(0.25)	(5.39)
Deferred tax assets	181.89	270.25	(88.36)	(32.70)
Other non-current financial assets	2.48	4.03	(1.55)	(38.46)
Other non-current assets	102.18	87.69	14.50	16.54
Total non-current assets	306.47	398.38	(91.92)	(23.07)
Total assets	8,545.93	10,656.55	(2,110.62)	(19.81)

As of 30 June 2025, the Company had total assets of THB 8,545.93 million, representing a decrease of THB 2,110.62 million or 19.81% from the end of 2024. The decrease was primarily due to the following factors:

- **Cost of real estate development** decreased by THB 1,645.33 million or 18.19%, mainly due to ownership transfers in the Nue District R9, VEHHA Hua Hin, and Nue Cross Khu Khot Station projects.

- **Other current assets** decreased by THB 275.16 million or 40.37%, largely resulting from the transfer of ownership in certain projects, which led to the recognition of commission costs and related prepaid expenses as incurred.
- **Cash and cash equivalents** decreased by THB 149.06 million or 30.74%, primarily due to loan repayments.

Liabilities and Shareholders' Equity

(Unit: million baht)	June 30, 2025	December 31, 2024	Changes + / (-)	%Changes + / (-)
Current liabilities				
Bank overdrafts	26.29	14.84	11.45	77.11
Trade and other payables	1,044.50	923.06	121.44	13.16
Current portion of long-term loans from financial institutions	773.02	518.78	254.24	49.01
Current portion of lease liabilities	3.93	4.74	(0.81)	(17.13)
Deferred revenue from sale of real estate	1,582.39	2,215.03	(632.63)	(28.56)
Accrued expenses related to the projects	85.82	86.61	(0.80)	(0.92)
Retention payable - current	34.12	7.95	26.17	329.40
Income tax payable	0.64	19.49	(18.85)	(96.72)
Other current liabilities	17.94	11.38	6.56	57.67
Total current liabilities	3,568.65	3,801.88	(233.23)	(6.13)
Non-current liabilities				
Long-term loan from unrelated party and person	200.00	445.74	(245.74)	(55.13)
Long-term loans from financial institutions, net of current portion	1,599.71	3,860.21	(2,260.49)	(58.56)
Debenture	544.98	-	544.98	(100.00)
Lease liabilities, net of current portion	1.71	3.84	(2.13)	(55.38)
Cumulative and redeemable of preference shares, net of current portion	870.32	833.25	37.07	4.45
Provision for long-term employee benefits	5.89	5.61	0.29	5.10
Provision for decommissioning costs	6.87	6.85	0.02	0.32
Retention payable - non-current	92.25	133.91	(41.66)	(31.11)
Total non-current liabilities	3,321.74	5,289.40	(1,967.67)	(37.20)
Total liabilities	6,890.38	9,091.28	(2,200.90)	(24.21)

As of 30 June 2025, the Company's total liabilities amounted to THB 6,890.38 million, representing a decrease of THB 2,200.90 million or 24.21% compared to the end of 2024. The main reasons for this decrease were as follows:

- **Long-term loans from financial institutions** decreased by THB 2,260.49 million or 58.56%, primarily due to the reclassification in the financial statements of certain long-term loans from financial institutions to current portion of long-term loans payable within one year. This reclassification reflects planned repayments of bank loans for the Nue District R9 and VEHHA projects within 2025, net of new bank loans for new projects.

- **Advance receipts from real estate sales** decreased by THB 632.63 million or 28.56%, mainly due to the continued transfer of ownership in the Nue District R9 and VEHHA Hua Hin projects.
- **Long-term loans from unrelated parties** decreased by THB 245.74 million or 55.13%, due to full repayment of loans from unrelated parties.

Offsetting by:

- **Debentures** increased by THB 544.98 million, entirely from the issuance and offering of the 1/2025 debenture tranche in March 2025.
- **Current portion of long-term loans from financial institutions** increased by THB 254.24 million or 49.01%, due to the reclassification mentioned above and full repayment of bank loans for the VI Ari project.
- **Trade and other payables** increased by THB 121.44 million or 13.16%, primarily due to accrued land expenses related to the development of a new high-rise condominium project in Hua Hin.

The Company's interest-bearing debt to equity ratio (IBD/E) decreased to 2.42 times, down from 3.62 times at the end of 2024. Similarly, the total debt to equity ratio (D/E) decreased to 4.16 times, compared to 5.81 times as of the end of 2024.

As of 30 June 2025, the Company's total shareholders' equity amounted to THB 1,655.54 million, representing an increase of THB 90.28 million from the end of 2024. This increase was primarily driven by higher retained earnings resulting from the ongoing ownership transfers across various projects in line with the planned schedule.

Please be informed accordingly.

Yours sincerely,



(Ms. Naruedee Koslathip)
Chief Financial Officer