PROUD/FIN/SET-2026/004

13 August 2026

Subject: Management Discussion and Analysis for the 2nd Quarter and 6-Month Period Ended 30 June 2026

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 2026. The details are as follows:

Operating Performance for the 2nd Quarter and 6-Month Period Ended 30 June 20256

Income Statement (YoY)

(Unit: million baht)	Q2/2026	Q2/2025	%YOY	6M/2026	6M/2025	%YOY
Revenues from sale of real estate	**1,717.94**	2,079.70	(17.39)	**2,923.54**	3,768.36	(22.42)
Cost of real estate sold	**(1,274.94)**	(1,607.11)	(20.67)	**(2,239.51)**	(2,951.70)	(24.13)
Gross profit	443.00	472.59	(6.26)	684.02	816.66	(16.24)
Other income	**11.11**	1.26	781.75	**70.47**	5.43	1,197.79
Selling expenses	**(200.84)**	(237.89)	(15.57)	**(345.79)**	(444.96)	(22.29)
Administrative expenses	**(67.28)**	(70.36)	(4.38)	**(132.41)**	(139.21)	(4.88)
Operating profit (loss)	186.00	165.60	12.32	276.30	237.93	16.13
Finance income	**1.02**	1.40	(27.14)	**1.02**	1.47	(30.61)
Finance cost	**(19.17)**	(45.33)	(57.71)	**(27.60)**	(57.77)	(52.22)
Profit (loss) before income tax (expenses)	167.85	121.67	37.96	249.73	181.63	37.49
Income tax income (expenses)	**(61.40)**	(96.49)	(36.37)	**(88.92)**	(91.89)	(3.23)
Profit (loss) for the period	106.45	25.18	322.76	160.81	89.74	79.20

Revenues from sale of real estate

For the 2nd quarter of 2026, the Company reported revenues from sales of real estate of THB 1,717.94 million, a decrease of THB 361.76 million or 17.39% , from the same period of the previous year. This change was in line with the Company's business plan and the timing of the gradual ownership transfers of each project. During the quarter, the Company commenced ownership transfers for ROMM Convent for the first time in May 2026, marking another significant project entering its revenue recognition phase. Furthermore, Nue District R9, VEHHA Hua Hin, and VARUNN, a single-detached house project, continued to undergo gradual ownership transfers.

For the first half of 2026, the Company reported revenue from real estate sales totaling THB 2,923.54 million, representing a decrease of THB 844.82 million or 22.42%, from the same period of the previous year. During the first half of the year, the Company generated revenue from both projects undergoing ownership transfers and new projects that commenced ownership transfers in 2026. The majority of this revenue was derived from ownership transfers of the Nue District R9 project, alongside the initial revenue recognition of the ROMM Convent project starting in the 2nd quarter of 2026, as well as continued revenue recognition from VEHHA Hua Hin and VARUNN, a single-detached house project.

As of the end of the 2nd quarter of 2026, the cumulative ownership transfer rates for Nue District R9, VI Ari, VEHHA Hua Hin, ROMM Convent, and VARUNN stood at 98%, 80%, 61%, 20%, and 1% of their respective project values, respectively.

Cost of real estate sold

For the 2nd quarter of 2026, the Company recorded cost of real estate sales amounting to THB 1,274.94 million, a decrease of THB 332.17 million or 20.67%, compared to the same period of the previous year. This decrease was in line with the change in revenues from sale of real estate, which fluctuated according to the timing of ownership transfers of each project. As a result, the Company reported a gross profit from real estate sales of THB 443.00 million, representing a gross profit margin of 25.79%, an increase from 22.72% in the same period of the previous year, supported by the increased proportion of revenue generated from projects developed by the Company during the quarter.

For the first half of 2026, the Company recorded cost of real estate sales totaling THB 2,239.51 million, a decrease of THB 712.19 million or 24.13% compared to the same period of the previous year. This was in line with he change in real estate sales revenue, which fluctuated according to the ownership transfer schedule of each project. Consequently, the Company reported a gross profit of THB 684.02 million for the first half of the year, equivalent to a gross profit margin of 23.40%.

Other income

For the 2nd quarter of 2026, the Company recorded other income totaling THB 11.11 million, representing an increase of THB 9.85 million or 781.75% compared to the same period of the previous year. The increase was primarily attributable to income recognized from booking deposits received from customers who did not proceed with the ownership transfer in accordance with the specified terms, reflecting effective sales management, as well as an increase in income from management services compared to the same period of the previous year.

For the first half of 2026, the Company recorded other income amounting to THB 70.47 million, an increase of THB 65.04 million or 1,197.79% compared to the same period of the previous year. The increase was primarily attributable to revised estimates of real estate development costs for the NUE Cross Khu Khot and Nue District R9 projects, as well as income from management services and customer booking cancellations.

Selling expenses

For the 2nd quarter of 2026, the Company recorded selling expenses of THB 200.84 million, a decrease of THB 37.05 million, or 15.57%, compared to the same period of the previous year, representing 11.69% of revenues from sale of real estate. This change was in line with revenues from sale of real estate and the timing of ownership transfers of each project, particularly expenses related to ownership transfers, such as brokerage fees, specific business tax, and ownership transfer fees, which vary according to revenue levels. The ratio of selling expenses to revenue remained in line with the Company's estimates and within the targeted range.

For the first half of 2026, the Company recorded selling expenses totaling THB 345.79 million, a decrease of THB 99.17 million, or 22.29%, compared to the same period of the previous year, representing 11.83% of revenues from sale of real estate. This level was comparable to that of the previous year, reflecting the management of selling expenses in line with the Company's revenue levels and operations.

Administrative expenses

For the 2nd quarter of 2026, the Company recorded administrative expenses of THB 67.28 million, a decrease of THB 3.08 million or 4.38% compared to the same period of the previous year. This was primarily attributable to the management of operating expense, enabling the Company to maintain administrative expenses at a level aligned with its business operations.

For the first half of 2026, the Company recorded administrative expenses totaling THB 132.41 million, a decrease of THB 6.80 million, or 4.88%, compared to the same period of the previous year. This reflects the continued management and control of operating expenses, despite the Company's business expansion and new project development during the period.

As a result, the Company reported operating profit for the 2nd quarter of 2026 of THB 186.00 million, an increase of THB 20.40 million or 12.32% compared to the same period of the previous year. For the first half of 2026, operating profit amounted to THB 276.30 million, representing an increase of THB 38.37 million or 16.13% compared to the same period of the previous year.

Finance income and finance cost

For the 2nd quarter of 2026, the Company recorded finance income of THB 1.02 million, a decrease of THB 0.38 million or 27.14% compared to the same period of the previous year, primarily due to lower interest income from bank deposits following cash outflows for loan repayments and business operations. On the other hand, finance costs amounted to THB 19.17 million, a decrease of THB 26.16 million or 57.71% compared to the same period of the previous year. This decrease was mainly attributable to the lower level of borrowings associated with projects that recognized revenue from ownership transfers during the year, resulting in lower finance costs recognized as expenses in the statement of income.

For the first half of 2026, the Company reported finance income of THB 1.02 million, a decrease of THB 0.45 million or 30.61% compared to the same period of the previous year. Finance costs for the same period totaled THB 27.60 million, a decrease of THB 30.17 million or 52.22% compared to the same period of the previous year, due to the same factors as those in the 2nd quarter of 2026.

Profit for the period

For the 2nd quarter of 2026, the Company reported net profit of THB 106.45 million, an increase of THB 81.27 million, or 322.76%, compared to the same period of the previous year. Despite the change in revenues from sale of real estate in line with the timing of ownership transfers of each project, the improvement was supported by a decrease in cost of real estate sales, together with lower finance costs, resulting in an improvement in the net profit margin from 1.24% in the 2nd quarter of 2025 to 6.16% in the 2nd quarter of 2026.

For the first half of 2026, the Company recorded net profit of THB 160.81 million, an increase of THB 71.07 million, or 79.20%, compared to the same period of the previous year. This reflects strong operating performance through the management of revenues, costs, expenses, and capital structure, resulting in an improvement in the net profit margin compared to the same period of the previous year.

In 2026, the overall real estate industry continues to be impacted by economic uncertainties and high household debt levels, resulting in homebuyers taking longer to make purchasing decisions. The Company continues to focus on developing projects that cater to target customer groups in high-potential locations, alongside cost management, liquidity management, and the gradual handover of projects according to plan, in order to maintain profitability and support long-term growth.

As of 30 June 2026, sales of Nue District R9, ROMM Convent, VI Ari, and VEHHA Hua Hin accounted for 98%, 85%, 80%, and 67% of their respective project values, respectively. Meanwhile, 'The Residences at InterContinental Phuket Resort', which was launched in the fourth quarter of 2025, achieved sales of 47% of its project value and is scheduled to commence revenue recognition in 2027. Additionally, VARUNN, a single-detached house project officially launched in the first quarter of 2026, continued to generate sales.

Additionally, as of June 30, 2026, the Company had cumulative backlog totaling THB 4,008.00 million, which will be gradually recognized as revenue upon ownership transfers in subsequent periods and will support the Company's future revenue recognition.

Financial Position

Assets

(Unit: million baht)	30 June 2026	31 December 2025	Variance + / (-)	%Variance + / (-)
Current assets				
Cash and cash equivalents	**713.85**	454.25	259.60	57.15
Other current receivables	**54.29**	47.58	6.71	14.10
Real estate development costs	**4,828.33**	6,349.87	(1,521.54)	(23.96)
Current tax assets	**31.85**	50.52	(18.67)	(36.96)

(Unit: million baht)	30 June 2026	31 December 2025	Variance + / (-)	%Variance + / (-)
Other current assets	136.64	234.11	(97.47)	(41.63)
Total current assets	**5,764.97**	**7,136.32**	**(1,371.35)**	**(19.22)**
Non-current assets				
Building and equipment	39.75	41.57	(1.82)	(4.38)
Right-of-use assets	19.37	3.78	15.59	412.43
Intangible assets	5.03	5.37	(0.34)	(6.33)
Deferred tax assets	59.60	139.82	(80.22)	(57.37)
Other non-current financial assets	3.06	3.02	0.04	1.32
Other non-current assets	179.66	160.77	18.89	11.75
Total non-current assets	**306.46**	**354.33**	**(47.87)**	**(13.51)**
Total assets	6,071.43	7,490.65	(1,419.22)	(18.95)

As of 30 June 2026, the Company had total assets of THB 6,071.43 million, a decrease of THB 1,419.22 million, or 18.95%, from the end of 2025, with key movements as follows:

- **Real estate development costs** decreased by THB 1,521.54 million, or 23.96%, mainly due to the gradual ownership transfers of the Nue District R9, VEHHA Hua Hin, ROMM Convent and VARUNN projects, resulting in the recognition of cost of real estate sales in line with project handovers.
- **Cash and cash equivalents** increased by THB 259.60 million, or 57.15%, from the end of 2025, primarily driven by cash inflows from ownership transfers of the projects and working capital management in line with
  the Company's business plan. despite cash outflows for loan repayments and investments in future project development. The Company continued to maintain sufficient liquidity to support its business operations and planned project expansion.
- **Other current assets** decreased by THB 97.47 million, or 41.63%, primarily due to the recognition of prepaid commission costs and prepaid marketing expenses in accordance with project ownership transfers.

Liabilities and shareholders' equity

(Unit: million baht)	30 June 2026	31 December 2025	Variance + / (-)	%Variance + / (-)
Current liabilities				
Bank overdrafts	0.31	17.45	(17.14)	(98.22)
Trade and other current payables	182.22	446.81	(264.59)	(59.22)
Current portion of long-term loans from related person	200.00	-	200.00	100.00
Current portion of long-term loan from unrelated party and person	-	325.40	(325.40)	(100.00)
Current portion of long-term loans from financial institutions	1,219.90	1,582.07	(362.17)	(22.89)
Current portion of debentures	547.90	-	547.90	100.00

(Unit: million baht)	30 June 2026	31 December 2025	Variance + / (-)	%Variance + / (-)
Current portion of lease liabilities	**7.94**	2.25	5.69	252.89
Deferred revenue from sales of real estate	**1,110.25**	1,283.59	(173.34)	(13.50)
Accrued expenses related to the projects	**51.06**	83.94	(32.88)	(39.17)
Current retention payables	**5.77**	8.73	(2.96)	(33.91)
Corporate income tax payable	**6.24**	12.01	(5.77)	(48.04)
Other current liabilities	**66.02**	44.39	21.63	48.73
Total current liabilities	**3,397.61**	**3,806.63**	**(409.02)**	**(10.74)**
Non-current liabilities				
Long-term loans from related person	-	200.00	(200.00)	(100.00)
Long-term loans from financial institutions, net of current portion	**744.50**	1,096.69	(352.19)	(32.11)
Debentures	-	546.42	(546.42)	(100.00)
Lease liabilities, net of current portion	**7.87**	1.34	6.53	487.31
Non-current provision for employee benefits	**8.98**	7.80	1.18	15.13
Non-current provision for decommissioning costs	**6.17**	7.24	(1.07)	(14.78)
Non-current retention payables	**100.32**	91.70	8.62	9.40
Total non-current liabilities	**867.84**	**1,951.19**	**(1,083.35)**	**(55.52)**
Total liabilities	4,265.45	5,757.82	(1,492.37)	(25.92)

As of 30 June 2026, the Company had total liabilities of THB 4,265.45 million, representing a decrease of THB 1,492.37 million, or 25.92%, from the end of 2025, mainly due to the gradual repayment of loans following ownership transfers of completed projects, as well as the reclassification of liabilities based on their maturity. Key movements are as follows:

- **Current portion of long-term loans from financial institutions** decreased by THB 362.17 million, or 22.89%, mainly due to the gradual repayment of project loans following the commencement of revenue recognition and ownership transfers.
- **Deferred revenue from sales of real estate** decreased by THB 173.34 million, or 13.50%, mainly as a result of the gradual ownership transfers of completed projects, while the Company continued to receive reservation fees, contract payments, and installment payments under sale and purchase agreements from projects that remained under sale.
- **Current portion of debentures** amounted to THB 547.15 million, arising from the reclassification of debentures based on their remaining maturities, which were previously recognized under non-current liabilities.
- **Current portion of long-term loans from related person** amounted to THB 200.00 million, resulted from reclassification based on maturity terms. Such reclassification had no impact on the Company's cash flows or total liabilities.

The Company's debt-to-equity ratio (D/E) decreased to 2.36 times from 3.32 times at the end of 2025. while the net debt-to-equity (Net D/E) ratio declined to 1.11 times from 1.91 times at the end of 2025. These reductions reflect a strengthening of the Company's financial position and its continued its continued ability to manage liquidity.

As of 30 June 2026, the Company's total shareholders' equity stood at THB 1,805.98 million, an increase of THB 73.15 million or 4.22% from the end of 2025, The increase was primarily attributable to net profit for the period of THB 160.81 million, partially offset by dividend payments of THB 87.66 million. This reflects the Company's ability to generate profits and provide returns to shareholders, while retaining the remaining profits to strengthen its capital base.

Please be informed accordingly.

Yours sincerely,

(Ms. Naruedee Koslathip)
Chief Financial Officer