



No. GL/2025/016

6 November 2025

Subject: Management Discussion and Analysis for the Third Quarter of 2025

To: President

The Stock Exchange of Thailand

Grand Canal Land Public Company Limited and its subsidiaries ("the Company") would like to inform the financial performance in the third quarter of 2025 for the 3-month and 9-month periods ending 30 September 2025 ("3Q 2025") as follows.

#### **Key Highlights in 3Q 2025**

In 3Q 2025, the Thai economy slightly contracted from the previous quarter driven by supply-related factors, such as lower manufacturing output in certain products, and demand-related factors, most notably in private sector investment and slowdown in the service sector, as well as lower foreign tourist income from dampened tourism. On the other hand, exports have performed strongly driven by electronic products. Considering the economic headwind, the Monetary Policy Committee have lowered the policy interest rate from 1.75% to 1.50% during the past quarter (source: The Bank of Thailand). Furthermore, the Thai economy faces several challenging factors both domestically and from the global economies, such as high household debt levels, waning demand for mid-to-low residential segments, and the U.S.'s new tariffs that sent economic ripples across the world. More importantly, the offices market faces challenging outlook from changing workplace behavior and competition of upcoming office supply (source: Knight Frank Thailand).

The Company continues to manage its businesses with utmost consideration to climate and environmental changes. Various initiatives are planned and enacted to address temperature fluctuations and weather hazards, such as deploying climate control management in all buildings and managing traffic, safety and hygiene standards in surrounding areas during the monsoon season. Most importantly, the Company continues to look after the best

interest of its stakeholders, including tenants, shops, customers, business partners and shareholders. Key events in 3Q 2025 for each business are as follow:

**Offices business including retail area:** Bangkok office market is currently riding through the initial wave of massive supply growth from new office projects. Total net leasable area from commercial offices currently stands at 6.42 million square meters, marking an increase of 4% from the previous year. Despite gradual recovery from demand expansion and return to office trend, total supply growth outweighs demand growth, resulting in a market-wide occupancy rate of 77%, a decrease of 0.6% from the previous year (source: Knight Frank Thailand as of 2Q 2025). To protect existing tenants and attract new prospects amidst intensifying industry competition, the Company met with each tenant to discuss and exchange ideas on service quality uplift and engagement strengthening framework. Moreover, the Company is preparing the development of the Grand Rama 9 expansion project, which is an important driver for the Company's growth going forward.

**Real estate business:** Comprises one project, namely Nirati Donmueang. As a result of weak demand in the real estate sector, both visitations and pre-sales of the project have slowed down considerably. Currently the Company is reviewing its residential business plan to minimize the impact driven by external factors and determine more viable business targets given a more challenging industry outlook.

**Sustainable Business Development:** The Company recognizes the importance of community, social and environmental development along with its business growth aspiration and are committed to maintain its excellence in sustainable development. In 3Q 2025, the Company carried out its recurring sustainable development activities, such as blood drive in collaboration with the Thai Red Cross Society and waste recycling program, and knowledge sharing events for the elderly community. Furthermore, the Company organized a district-wide annual big cleaning event and is joined by many of the office tenants' employees.

## Summary of Financial Performance in 3Q 2025

### Revenues

The Company reported total revenue of 449 million Baht, a decrease of 6% from the previous year (for the nine-month period the amount stood at 1,292 million Baht, a decrease of 2% from the previous year). The decline came from weaker real estate business performance, which posted lower volume and average selling price at Nirati Donmueang project compared to the previous year and in-line with the industry direction. On the contrary, the rental

and services business, which is the Company's core business, posted solid growth thanks to strong occupancy rate recovery in both office and retail areas and going according to plan despite challenging industry situation.

#### Operating expenses

The Company reported total operating expenses of 175 million Baht, a decrease of 13% from the previous year (for the nine-month period the amount stood at 497 million Baht, a decrease of 10% from the previous year). The decrease comes from lower costs and expenditures associated with the completion, sales and transfers of Nirati Donmuang, consistent with the decrease in revenue. Furthermore, the Company managed its operating costs efficiently, resulting in incremental savings in utilities and office management costs. Despite recognizing the entirety of expenditures related to the earthquake incident during the first nine months of 2025, the Company maintained its operating profit margin similar to that of the previous year and according to plan.

#### Net Profit

The Company reported net profit of 125 million Baht, a decrease of 6% from the previous year (for the nine-month period the amount stood at 356 million Baht, an increase of 17% from the previous year). Excluding the impact of fair value adjustment and other non-recurring items, net profit would decrease approximately 4% from the previous year (an increase of 12% from the previous year during the nine-month period) primarily driven by higher deferred tax expenses partially offset by lower financing cost due to robust capital structure management to support the investment plan of future projects.

#### Capital structure

The Company reported total interest-bearing debt as of 30 September 2025 of 6,751 million Baht, an increase from the balance as of 31 December 2024 of 6,419 million Baht. The weighted average financing cost at the end of the period stood at 3.12%, which was lower than that of the end of the previous year at 3.87%. Net interest-bearing debt to equity ratio at the end of the period stood at 0.39 times, a slight increase compared to the ratio of 0.37 times at the end of the previous year. The ratio remains well in-line with the Company's policy of not exceed 1 time and debt covenant of not exceeding 3 times.

Although the Company recognizes net profit during the year, it still has considerable debt obligations to fulfill in the near-term and must prepare adequate sources of funds to support the investment in new projects to accommodate the Company's long-term growth.

Please be informed accordingly.

Sincerely,

*-Ponpinit Upathamp-*

(Mr. Ponpinit Upathamp)

Chief Financial Officer

Authorized Persons to Disclose Information

Table 1: Summary of Profit and Loss Statement

	3Q24	3Q25	% Chg		9M24	9M25	% Chg
<i>Unit: million Baht</i>							
Rental and services revenue	326	338	4%	0	966	1,017	5%
Revenue from sales	116	78	-33%	0	252	177	-30%
Revenue from operations	442	416	-6%	0	1,218	1,194	-2%
Other income	37	33	-11%	0	100	98	-1%
<b>Total revenue</b>	<b>479</b>	<b>449</b>	<b>-6%</b>	<b>0</b>	<b>1,317</b>	<b>1,292</b>	<b>-2%</b>
Cost of rental and services	60	60	0%	0	185	183	-1%
Cost of sales	62	42	-32%	0	134	96	-29%
Selling & administrative expenses	80	73	-9%	0	232	218	-6%
Total operating expenses	202	175	-13%	0	550	497	-10%
(Profit) Loss from items not related to the business operations	51	54	7%	0	157	150	-4%
Financing cost	59	45	-24%	0	176	141	-20%
<b>Profit before income tax and NCI</b>	<b>168</b>	<b>175</b>	<b>4%</b>	<b>0</b>	<b>434</b>	<b>504</b>	<b>16%</b>
Income tax expense	26	40	55%	0	104	112	8%
Non-controlling interest	9	10	8%	0	25	36	42%
<b>Net profit</b>	<b>133</b>	<b>125</b>	<b>-6%</b>	<b>0</b>	<b>305</b>	<b>356</b>	<b>17%</b>

Table 2: Summary of Financial Position

	YE24	9M25	% Chg
<i>Unit: million Baht</i>			
Current assets	1,006	961	-4%
Non-current assets	29,421	29,926	2%
<b>Total assets</b>	<b>30,427</b>	<b>30,887</b>	<b>2%</b>
Current liabilities	2,911	2,775	-5%
Non-current liabilities	10,442	10,781	3%
Total liabilities	13,353	13,556	2%
Shareholders' equity	17,074	17,331	2%
<b>Total liabilities and equity</b>	<b>30,427</b>	<b>30,887</b>	<b>2%</b>
Net interest-bearing debt	6,367	6,689	5%

Table 3: Key Financial Ratios

	3Q24	3Q25	Chg.
<b><u>Profitability Ratio</u></b>			
Gross profit margin (%)	72%	75%	3%
Operating profit margin (%)	58%	61%	3%
Net profit margin (%)	28%	28%	0%

9M24	9M25	Chg.
74%	77%	3%
58%	62%	3%
23%	28%	4%

	YE24	9M25	Chg.
<b><u>Liquidity Ratio</u></b>			
Current ratio (x)	0.35	0.35	0.00
<b><u>Financial Policy Ratio</u></b>			
Liabilities to Equity (x)	0.78	0.78	0.00
Net Debt to Equity (x)	0.37	0.39	0.01