



BANGKOK ASSET
INTERGROUP



Management Discussion and Analysis for the financial

**For Operating Results
of the year 2025**

No. BKA-SE 008/2026

21 February 2026

Subject: Management Discussion and Analysis for the Year Ended 31 December 2025

To: The President
The Stock Exchange of Thailand

Bangkok Asset Intergroup Public Company Limited (the “Company”) would like to report its operating results for the year ended 31 December 2025 as follows:

Overview of Operating Results

In 2025, the real estate industry continued to face significant challenges, which affected the Company’s operating performance. The Company reported total revenue of Baht 629.29 million, decreasing from Baht 1,142.46 million in the previous year, representing a decline of approximately 44.9%. The primary factors were the economic slowdown, stricter mortgage approval criteria imposed by financial institutions, and consumer purchasing power that had not yet fully recovered.

The Company recorded a net loss of Baht 26.29 million, compared to a net profit in the previous year. The weaker performance was mainly attributable to lower revenue, a decline in gross profit margin, and a higher proportion of selling and administrative expenses relative to revenue. On a quarterly basis, market pressures became more apparent from the second quarter onward and continued to affect performance throughout the second half of the year.

Overall Performance Analysis

For the year ended 31 December 2023–2025, key financial information is summarized as follows:

Statement Of Comprehensive Income	2025		2024		2023	
	MB.	%	MB.	%	MB.	%
Sales and service income	628.27	99.84	1,141.39	99.91	1,311.53	99.84
Cost of sales and services	(583.18)	(92.82)	(1,017.29)	(89.13)	(1,185.92)	(90.42)
Gross Profit	45.09	7.18	124.10	10.87	125.61	9.58
Other income	1.02	0.16	1.07	0.09	2.06	0.16
Distribution costs	(21.11)	(3.36)	(28.31)	(2.48)	(37.15)	(2.83)
Administrative expenses	(47.37)	(7.54)	(44.93)	(3.94)	(56.85)	(4.33)

Statement Of Comprehensive Income	2025		2024		2023	
	MB.	%	MB.	%	MB.	%
Other (gains) losses	0.05	-	-	-	-	-
Profit(loss)from operating activities	(22.32)	(3.55)	51.93	4.55	33.67	2.57
Finance costs	(3.68)	(0.59)	(5.72)	(0.50)	(5.76)	(0.44)
Tax expenses	(0.30)	(0.05)	(9.39)	(0.82)	(5.63)	(0.43)
Profit (loss) for the year	(26.30)	(4.19)	36.82	3.23	22.28	1.70

Revenue from Sales and Services

For 2025, revenue from sales and services totaled Baht 628.27 million, decreasing by 44.96% from Baht 1,141.39 million in 2024. The decline was primarily due to the economic slowdown, tighter mortgage approval policies, and limited consumer purchasing power, which extended the sales closing and property transfer process.

Despite the decline in revenue and gross margin, the Company maintained a positive gross profit of Baht 45.09 million through prudent cost management and operational adjustments aligned with market conditions.

The Company recognizes the ongoing uncertainty in the economic and property market environment and will continue to prioritize liquidity management, cost control, and disciplined operations to maintain financial stability.

Revenue by Business Segment

Revenue by Business Type for the Years Ended 31 December 2023–2025 classified by business segment, is detailed as follows:

Sales and service income by business segments	2025		2024		2023	
	MB.	%	MB.	%	MB.	%
Agency with renovation business	490.18	78.02	883.19	77.38	1,069.19	81.52
Agency business	5.04	0.80	9.03	0.79	17.86	1.36
Reseller business	132.34	21.05	249.17	21.83	224.48	17.12
Renovation business	0.81	0.13	-	-	-	-
Total	628.27	100.00	1,141.39	100.00	1,311.53	100.00

In 2025, total revenue amounted to Baht 628.27 million, compared to Baht 1,141.39 million in 2024 and Baht 1,311.53 million in 2023.

The revenue structure continues to rely primarily on the Home Renovation for Agency with renovation business, which accounted for 78.02% of total revenue in 2025 (81.52% in 2023 and 77.38% in 2024).

The Reseller business accounted for 21.05% of revenue in 2025, compared to 21.83% in 2024 and 17.12% in 2023.

The Agency business represented 0.80% of revenue in 2025.

In addition, the Company began recognizing revenue from its Renovation Services business in 2025, amounting to Baht 0.81 million (0.13% of total revenue), reflecting service expansion during the year.

Overall, while the Company continues to rely mainly on the Agency with renovation business, management is carefully managing its business portfolio and closely monitoring economic conditions to mitigate revenue volatility going forward.

Cost of Sales and Services

Cost of sales and services decreased in line with revenue; however, the cost-to-revenue ratio increased to 92.82% in 2025 from 89.13% in 2024, resulting in a reduced gross profit margin of 7.18%.

This reflects pricing pressure and cost constraints amid challenging market conditions. The Company has implemented cost control measures, improved asset selection processes, managed renovation costs, and enhanced sales efficiency to stabilize margins.

Gross Profit

Gross profit for the years 2023–2025, classified by business segment, is detailed as follows:

Gross Profit by business segments	2025		2024		2023	
	MB.	%	MB.	%	MB.	%
Agency with renovation business	31.96	6.52	71.93	8.14	82.72	7.74
Agency business	4.99	99.01	8.88	98.34	17.40	97.42
Reseller business	7.92	5.99	43.29	17.37	25.49	11.36
Renovation business	0.22	27.16	-	-	-	-
Total	45.09	7.18	124.10	10.87	125.61	9.58

The Company's gross profit during 2023–2025 declined in line with the slowdown in revenue and increasing cost pressures. In 2023, the Company reported gross profit of Baht 125.61 million, representing a gross profit margin of 9.58%. In 2024, gross profit amounted to Baht 124.10 million, or 10.87%, before decreasing to Baht 45.09 million, or 7.18%, in 2025.

The decline in gross profit in 2025 reflected the slowdown in the real estate market and intensified price competition, resulting in lower gross profit margins across the Company's core businesses. In particular, the Agency with renovation business, which remains the Company's primary revenue contributor, recorded a decrease in gross profit margin to 6.52% from 8.14% in 2024. Meanwhile, the Reseller business reported a decline in gross profit margin

to 5.99% from 17.37% in the previous year, reflecting limitations in maintaining profitability amid continued market challenges.

In 2025, the Company began generating revenue and gross profit from the Renovation business. Although its contribution remains relatively small, it forms part of the Company's service expansion strategy to further support its revenue structure going forward.

The Company has implemented ongoing cost control measures and operational efficiency improvements, focusing on prudent asset selection, effective cost management, and enhanced sales efficiency in order to maintain margin stability under prevailing market uncertainties.

Management has designated the stabilization of gross profit margin as one of its key objectives for 2026. Emphasis will be placed on cost control, sales optimization, and disciplined asset management to mitigate cost pressures and support the sustainability of gross profit margins as market conditions become more favorable.

Selling and Administrative Expenses

Selling Expenses

The Company's selling expenses during 2023–2025 declined continuously in absolute terms, from Baht 37.15 million in 2023 to Baht 28.31 million in 2024, and further to Baht 21.11 million in 2025, in line with the slowdown in revenue. However, in 2025, such expenses as a percentage of revenue increased to 3.36% from 2.48% in the previous year, reflecting limitations in reducing expenses proportionately with the significant decline in revenue.

The structure of selling expenses continues to be primarily driven by personnel costs, which accounted for approximately 80% of total selling expenses in 2025. Meanwhile, marketing expenses remain necessary to support sales amid intensifying competition.

The Company recognizes these cost pressures and will place emphasis on strict budget control, close monitoring of the effectiveness of marketing and sales expenditures, and the restructuring of its expense base to align appropriately with the level of business activities in order to maintain cost structure stability going forward.

Administrative Expenses

The Company's administrative expenses during 2023–2025 decreased in 2024 before slightly increasing in 2025. In 2023, administrative expenses amounted to Baht 56.85 million, representing 4.33% of revenue from sales and services. This decreased to Baht 44.93 million, or 3.94%, in 2024, before increasing to Baht 47.37 million, or 7.54%, in 2025. Although the increase in 2025 was not significant in absolute terms, the proportion of administrative expenses to revenue rose markedly due to the substantial decline in revenue from sales and services. As a result, certain expenses that are fixed or semi-fixed in the short term imposed a greater burden on the Company's cost structure relative to the reduced revenue base.

The main components of administrative expenses in 2025 included personnel expenses of Baht 26.48 million, depreciation and amortization of Baht 4.93 million, and other expenses of Baht 6.88 million, as well as expenses related to the securities offering, which were one-time items incurred during the year.

Amid ongoing economic and market uncertainties, the Company recognizes the importance of maintaining cost discipline and will continue to review its cost structure on a regular basis, with a focus on controlling expenses at levels appropriate to its business activities in order to accommodate performance volatility and preserve financial stability going forward.

Net Profit (Loss)

In 2025, the Company's operating results turned to a net loss of Baht 26.30 million, compared to a net profit of Baht 36.82 million in 2024. This was primarily attributable to a significant decline in revenue from sales and services, which decreased from Baht 1,141.39 million to Baht 628.27 million amid the slowdown in the real estate market.

The decrease in revenue led to a reduction in gross profit to Baht 45.09 million, representing a gross profit margin of 7.18%, compared to 10.87% in the previous year. Meanwhile, certain expenses remained semi-fixed in nature, resulting in a higher proportion of expenses to revenue and causing the Company to record an operating loss of Baht 22.32 million. In addition, the Company incurred finance costs of Baht 3.68 million and income tax expenses of Baht 0.30 million, resulting in the aforementioned net loss.

Amid ongoing uncertainties, the Company will emphasize financial discipline, strict cost control, and prudent liquidity management, while closely monitoring market recovery and sales performance in 2026.

Financial Position

As at 31 December 2023–2025, the Company's financial position was as follows:

STATEMENT OF FINANCIAL POSITION	December 31,		
	2025	2024	2023
	MB.	MB.	MB.
TOTAL ASSETS	239.11	243.83	260.64
TOTAL LIABILITIES	57.59	130.17	151.17
TOTAL SHAREHOLDERS' EQUITY	181.52	113.66	109.47

Total Assets

As at the end of 2025, the Company reported total assets of Baht 239.11 million, representing a slight decrease from Baht 243.84 million as at the end of 2024. The key changes were primarily attributable to the following factors:

Cash and cash equivalents decreased by Baht 54.97 million, mainly due to the utilization of funds for operations and working capital management, as well as investments in properties and certain service expansions in line with the Company's strategic plan.

Inventories, construction in progress, and prepaid service costs increased by a combined Baht 48.07 million, reflecting Home Decoration and Made-to-Order Home projects currently under development. The Company will prudently manage the turnover and revenue recognition of these assets amid ongoing market uncertainties.

In addition, the Company invested in mutual fund units, resulting in an increase in current financial assets of Baht 15.05 million.

Meanwhile, right-of-use assets decreased by Baht 14.37 million due to amortization in accordance with lease terms. The Company's asset structure continues to focus on income-generating assets while reducing the holding of unnecessary fixed assets in order to enhance operational flexibility.

Total Liabilities

As at the end of 2025, the Company's total liabilities amounted to Baht 57.59 million, representing a significant decrease from Baht 130.17 million as at the end of 2024. The reduction was mainly attributable to the following factors:

The repayment of short-term loans from other parties totaling Baht 59 million in order to reduce interest burden and restructure borrowings to better align with the Company's operating cycle.

Lease liabilities decreased by Baht 13.49 million as a result of ongoing lease obligation management, thereby reducing the Company's financial burden and enhancing its flexibility going forward.

Shareholders' Equity

As at the end of 2025, the Company's total shareholders' equity amounted to Baht 181.52 million, representing an increase of Baht 67.86 million from Baht 113.66 million as at the end of 2024.

The increase was primarily attributable to the capital increase to Baht 105.00 million from Baht 75.00 million in order to strengthen liquidity and support the future expansion of service businesses. In addition, the Company recorded a share premium of Baht 76.07 million from this capital increase.

However, the Company reported a net loss of Baht 26.30 million for 2025, resulting in a decrease in retained earnings.

Liquidity and Working Capital Management

Although the Company maintains a strong capital structure, management recognizes the importance of prudent working capital management amid a market environment that has not yet fully recovered. Liquidity management has therefore been designated as one of the Company's key priorities for 2026.

As of 31 December 2025, the Company's Current Ratio was approximately 4.18 times, and its Debt-to-Equity (D/E) Ratio was approximately 0.32 times, reflecting an appropriate capacity to meet short-term obligations. Nevertheless, the Company will continue to manage working capital prudently in light of ongoing market uncertainties.

The Company aims to shorten its inventory holding period and progressively improve cash flow from operations by accelerating the management of current assets and carefully aligning new property investments with liquidity levels.

In 2026, the Company will focus on the following key initiatives:

- Accelerating inventory turnover
- Managing the transfer-of-ownership cycle
- Controlling new property investments in line with liquidity levels

These measures are intended to support the stability of operating cash flows in the periods ahead.

Macroeconomic Factors and Government Policies

The Company plans to upgrade its product development strategy from basic renovation to a "Premium Mass" concept to differentiate from competitors, reduce price competition, and enhance gross margins in the second-hand home market.

Under the concept "Designed for life, crafted for your story," the Company aims to strengthen its brand image and target less competitive market segments (Blue Ocean strategy).

The Company also plans to:

- Increase property sourcing from financial institutions and asset management companies (AMCs)
- Expand its investor customer base
- Develop a full-service interior design and renovation business
- Establish a condominium rental management unit under a Full-Service model

These initiatives aim to generate recurring income and strengthen the Company's long-term business ecosystem.

With these strategic plans, the Company is confident in its ability to achieve sustainable growth, enhance competitiveness, and continuously create value for shareholders in the future.

Please be informed accordingly.

Yours Sincerely,

- Signature -

(Mr. Pachara Tanawongkasaem)

Chief Executive Officer

Authorized to sign on behalf of the Company