TSR.IR. 020/2026

13 August 2026

Subject: Management Discussion & Analysis for the the 2nd quarter of Y2026

To: President

The Stock Exchange of Thailand

TSR Living Solution Public Company Limited ("Company") and its subsidiaries ("Group of Companies") hereby provide a summary of the operational results for the three-month period ended 30 June 2026, as reviewed by the Certified Public Accountant. The details are as follows:

**Summary Q2/2026 of Operating Performance**

**Revenue**

For the three-month ended 30 June 2026, TSR group of companies generated total revenue of 181.93 million Baht. This marks a decrease of 6.23 million Baht or 3.31% from the same period of previous year. The detailed breakdown of the revenue is as follows:

- The revenue from sales for the Q2/2026 amounted to 151.89 million Baht, showing an increase of 4.87 million Baht or 3.31% from the same period of previous year. The increase was mainly due to the fact that the previous year represented the initial phase of the Sales Department restructuring, during which the sales team shifted from direct sales to sales through digital channels, together with sales generation through CRM utilization. This transition temporarily affected sales performance during the initial implementation period.
- The interest income for the Q2/2026 was 24.94 million Baht, a decrease of 10.90 million Baht or 30.41% from the same period of previous year. The decline was mainly attributable to a reduction in hire-purchase receivables and loan receivables, which consequently led to lower interest income.

**Cost of Goods Sold**

The Cost of Goods Sold for TSR group of companies for the Q2/2026, amounted to 68.98 million Baht. This represents an increase of 16.59 million Baht or 31.67% from the same period of previous year. The cost of goods sold as a percentage of sales revenue increase from 35.63% in the corresponding period of the previous year to 45.41%. This increase was mainly attributable to higher sales of coin-operated vending machines products, which carry a higher cost ratio compared to the water purifier product group, as well as increases in raw material prices and transportation costs resulting from higher oil prices.

**Selling expenses**

The selling expenses for TSR group of companies for the Q2/2026 amounted to 66.70 million Baht, decreasing from the same period of previous year's figure of 4.17 million Baht, representing a percentage decrease of 5.88%. This reduction was driven by lower sales volumes and improved expense management, including measures such as transitioning to electric vehicles (EVs) in place of fuel-powered vehicles.

**Administrative expenses**

Administrative expenses of the Group for Q2/2026 amounted to THB 63.24 million, representing an increase of THB 0.35 million, or 0.56%, compared to the same period of the previous year. The increase was primarily attributable to an additional allowance for impairment of assets held for sale (truck group).

**Expected Credit Loss**

For the Q2/2026, TSR group of companies incurred an expected credit loss of 24.41 million Baht, a decrease from the same period of previous year of 34.43 million Baht, representing a decrease of 58.52%. The improvement was driven by enhanced sales efficiency, process adjustments in debt collection, and the engagement of professional debt collection service providers.

**Loss on Disposal of Assets**

For the Q2/2026, TSR Group recorded a loss on disposal of assets amounting to Baht 19.31 million, primarily resulting from the disposal of land and buildings during the period.

**Net Loss**

For the Q2/2026, TSR group of companies reported a net loss of 111.20 million Baht (compared to a net loss of 85.08 million Baht in Q2/2025), as explained by the reasons mentioned earlier. However, the Company had losses on other comprehensive income for Q2/2026 and Q2/2025 amounting to 115.73 million baht and 87.51 million baht, respectively.

## Financial Position

***Asset***

As of 30 June 2026, TSR group of companies reported total assets amounting to 1,576.62 million Baht, reflecting a decrease of 219.46 million Baht or 12.22% compared to 31 December 2025. This substantial growth in assets can be attributed to the following key factors:

- Cash and cash equivalents decreased by THB 15.54 million, mainly due to loan repayments and a decline in sales revenue.
- Hire-purchase receivables decreased by THB 16.85 million as a result of lower sales, together with an increase in the proportion of cash sales driven by the expansion of the B2SME segment.
- Inventories decreased by Baht 16.63 million, mainly due to improved inventory management to adopt a more just-in-time approach, resulting in lower inventory levels.
- Assets held for sale decreased by THB 11.21 million due to disposals made during the period, as well as additional allowances for impairment adjustments.
- Property, plant and equipment decreased by THB 103.72 million, mainly due to the disposal of land during the period, depreciation recognized during the year, and the disposal of certain unused equipment.
- Deferred tax assets decreased by Baht 20.88 million, primarily because the timing of future taxable profits remains sufficiently uncertain to support the full utilization of the related tax benefits at present.

***Liabilities***

As of 30 June 2026, TSR group of companies reported total liabilities of 1,939.60 million Baht, a decrease of 28.59 million Baht from 31 December 2025. The Group has recorded loans from the former major shareholder (SABUY, currently known as WSOL), including principal and accrued interest, totaling THB 1,035.74 million. Such borrowings are currently subject to a counterclaim lawsuit, with witness hearings scheduled for October 2026. For the outstanding debt with financial institutions, amounting to THB 393.91 million, the Company has engaged in negotiations and has already obtained an agreement for a principal repayment holiday.

***The shareholder's equity***

As of 30 June 2026, TSR group of companies had total capital deficiency of 362.98 million Baht, compared to capital deficiency of 172.11 million Baht as of 31 December 2025. This represents a decrease of 190.87 million Baht, or 110.90%. mainly due to the net loss incurred from the business operations during the period. However, the company is in process of negotiating additional funding sources to support future business expansion.

This information is provided for your reference regarding the company's financial performance and position.

Kindly be informed.

Your truly,

*-Arthittaya Chanaroon-*

(Ms.Arthittaya Chanaroon)

Vice President – Account and Finance