Chayo Group Public Company Limited

44/543-544 Phahonyothin Rd, Khwaeng Anusawari, Khet Bang Khen, BKK. 10220

- Translation -

CGC 025/2026

13 August 2026

Subject: Management Discussion and Analysis for the six-month periods ended 30 June 2026

To: The President

The Stock Exchange of Thailand

Chayo Group Public Company Limited would like to report the operating results for the second quarter of 2026 and the six-month period ended June 30, 2026, of the Company and its subsidiaries (collectively referred to as the "Company"), as follows:

<u>Operating results</u>

	Consolidated (3 months)				Consolidated (6 months)			
	April - June 2025	%	April - June 2026	%	January - June 2025	%	January - June 2026	%
Interest income from loans receivablefrom purchase of accounts receivable	478,342,960	89.4%	415,157,782	91.5%	975,562,181	89.6%	845,518,289	91.5%
Interest income from loans to customer	33,090,265	6.2%	18,203,527	4.0%	67,336,595	6.2%	38,252,893	4.1%
Service income from debt collection services	8,770,793	1.6%	6,723,719	1.5%	17,654,077	1.6%	13,489,668	1.5%
Service income from recruitment services	9,025,826	1.7%	9,627,428	2.1%	17,227,167	1.6%	18,752,927	2.0%
Interest income from related parties and financial institutions	1,047,547	0.2%	546,575	0.1%	1,184,249	0.1%	816,069	0.1%
Dividend Income	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other incomes	1,626,902	0.3%	3,324,767	0.7%	3,078,695	0.3%	5,874,243	0.6%
Gain (Loss) on disposal of properties foreclosed	3,256,712	0.6%	(97,901)	0.0%	6,236,059	0.6%	942,278	0.1%
Total revenues	**535,161,005**	*100.0%*	**453,485,897**	*100.0%*	**1,088,279,023**	*100.0%*	**923,646,367**	*100.0%*
Costs of render services and managing non-performing assets	(49,228,536)	-9.2%	(44,273,524)	-9.8%	(130,682,634)	-12.0%	(95,445,040)	-10.3%
Costs of recruitment services	(3,673,190)	-0.7%	(5,123,256)	-1.1%	(6,838,712)	-0.6%	(9,858,161)	-1.1%
Administrative expenses	(27,457,533)	-5.1%	(44,506,865)	-9.8%	(53,818,373)	-4.9%	(69,554,648)	-7.5%
Expected credit losses	(215,783,364)	-40.3%	(160,376,859)	-35.4%	(427,007,831)	-39.2%	(317,044,522)	-34.3%
Total expenses	**(296,142,623)**	-55.3%	**(254,280,504)**	-56.1%	**(618,347,550)**	-56.8%	**(491,902,371)**	-53.3%
Profit from operations	**239,018,382**	44.7%	**199,205,393**	43.9%	**469,931,473**	43.2%	**431,743,996**	46.7%
Finance costs	(73,198,027)	-13.7%	(64,950,921)	-14.3%	(147,267,251)	-13.5%	(135,746,562)	-14.7%
Operating profit – net of finance costs	**165,820,355**	31.0%	**134,254,472**	29.6%	**322,664,222**	29.6%	**295,997,434**	32.0%
Share of loss from investment in associate	(5,164)	0.0%	1,590	0.0%	(11,115)	0.0%	762	0.0%
Profit before income tax expenses	**165,815,191**	31.0%	**134,256,062**	29.6%	**322,653,107**	29.6%	**295,998,196**	32.0%
Income tax expenses	(36,483,541)	-6.8%	(29,558,132)	-6.5%	(85,209,969)	-7.8%	(68,828,363)	-7.5%
Net profit for the period	**129,331,650**	24.2%	**104,697,930**	23.1%	**237,443,138**	21.8%	**227,169,833**	24.6%
Other comprehensive income for the period	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total comprehensive income for the period	**129,331,650**	24.2%	**104,697,930**	23.1%	**237,443,138**	21.8%	**227,169,833**	24.6%
Total comprehensive income attributable to:								
Equity holders of the Company	94,559,977	17.7%	98,949,418	21.8%	174,721,009	16.1%	201,729,190	21.8%
Non-controlling interests of the subsidiaries	34,771,673	6.5%	5,748,512	1.3%	62,722,129	5.8%	25,440,643	2.8%
Total comprehensive income for the period	**129,331,650**	24.2%	**104,697,930**	23.1%	**237,443,138**	21.8%	**227,169,833**	24.6%
Earnings per share	**0.08**	n/a	**0.08**	n/a	**0.15**	n/a	**0.17**	n/a

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Total Income

The Company's total income for the second quarter of 2026 was THB 453.49 million, decreasing by THB 81.68 million, or 15.26%, compared with the second quarter of 2025. For the first six months of 2026, the Company's total income was THB 923.65 million, decreasing by THB 164.63 million, or 15.13%, compared with the same period of the previous year.

The decrease was mainly due to a reduction in interest income from loans receivable from the purchase of accounts receivable of THB 130.04 million (please see details in the table below), as well as a decrease in interest income from loans to customers of THB 29.08 million.

- Interest income from loans receivable from purchase of accounts receivable

For the first six months of 2026, the Company recorded collections from unsecured and secured NPLs (including cash received from the Legal Execution Department) of THB 465.65 million, increasing by THB 56.85 million, or 13.91%, compared with the same period of the previous year. The increase was mainly attributable to higher cash receipts from the Legal Execution Department.

However, interest income from loans receivable from the purchase of accounts receivable decreased compared with the same period of the previous year. The decrease was mainly due to the revision of estimated cash flows from unsecured debt portfolios, particularly hire-purchase portfolios, at the end of 2025, resulting in lower estimated interest income calculated using the effective interest rate method.

However, interest income from loans receivable from purchase of accounts receivable decreased compared to the same period of the previous year. The decrease was mainly attributable to the revision of cash flow projections for unsecured loan portfolios, particularly hire-purchase portfolios, during late 2025, which resulted in lower effective interest rate (EIR) income recognition.

	For the 6 months period ended 30 June 2025		For the 6 months period ended 30 June 2026	
	Million Baht	%	Million Baht	%
Interest income – EIR (Effective interest rate)	680.57	69.76	578.29	68.39
Interest income over EIR	294.99	30.24	267.23	31.61
Total interest income	975.56	100.00	845.52	100.00

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Cash flows from debt collection are detailed as follows:				
- Unsecured loan	354.06	86.61	324.73	69.74
- Secured loan	44.04	10.77	33.45	7.18
- Cash received from Legal Execution Department (LED)	10.70	2.62	107.47	23.08
Total cash inflows from debt collection	408.80	100.00	465.65	100.00
Cash received from selling	31.51		4.06	
Proceeds from the sale of collateral through the Legal Execution Department (not yet received cash)	8.35		13.19	

- Service income from debt collection services

In the second quarter of 2026, the Company recorded revenue from debt collection services of THB 6.72 million, decreasing by THB 2.05 million, or 23.34%, compared with the second quarter of 2025. For the first six months of 2026, revenue from debt collection services was THB 13.49 million, decreasing by THB 4.16 million, or 23.59%, compared with the same period of the previous year.

The decrease was mainly due to the Company reallocating a portion of its employees during the first six months of 2026 to focus more on debt collection for portfolios purchased and managed by the Company. However, segment revenue before intersegment eliminations continued to increase. In the second quarter of 2026, segment revenue was THB 32.50 million, compared with THB 31.88 million in the second quarter of 2025. For the first six months of 2026, segment revenue was THB 73.08 million, compared with THB 59.46

- Interest income from loans to customers

In the second quarter of 2026, the Company recorded interest income from loans to customers of THB 18.20 million, decreasing by THB 14.89 million, or 44.99%, compared with the second quarter of 2025. For the first six months of 2026, interest income from loans to customers was THB 38.25 million, decreasing by THB 29.08 million, or 43.19%, compared with the same period of the previous year.

The decrease was mainly due to lower loan disbursements. Loans receivable as of June 30, 2026 and June 30, 2025 were THB 591.09 million and THB 972.11 million, respectively.

- Service income from recruitment services

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In the second quarter of 2026, the Company recorded revenue from workforce services of THB 9.63 million, increasing by THB 0.60 million, or 6.67%, compared with the second quarter of 2025. For the first six months of 2026, revenue from workforce services was THB 18.75 million, increasing by THB 1.53 million, or 8.86%, compared with the same period of the previous year.

The increase was mainly attributable to a higher number of clients, which resulted in an increase in revenue from workforce services.

- Other Income

In the second quarter of 2026, the Company recorded other income of THB 3.32 million, increasing by THB 1.70 million compared with the second quarter of 2025. For the first six months of 2026, other income was THB 5.87 million, increasing by THB 2.80 million compared with the same period of the previous year. The increase was mainly attributable to higher rental income.

- Gains (Loss) on disposal of foreclosed assets

In the second quarter of 2026, the Company recorded a loss on the sale of non-performing assets (NPA) of THB 0.10 million, compared with a gain on the sale of NPA of THB 3.26 million in the second quarter of 2025. For the first six months of 2026, the Company recorded a gain on the sale of NPA of THB 0.94 million, decreasing by THB 5.29 million compared with the same period of the previous year.

The decrease was mainly due to lower sales of NPA. NPA are properties acquired by the Company through auctions of collateral securing loans purchased from financial institutions, as well as through direct purchases of NPA from financial institutions.

Cost of rendering services and managing non-performing assets

For the first six months of 2026, the Company recorded cost of rendering services and managing non-performing assets of THB 95.45 million, decreasing by THB 35.24 million, or 26.96%, compared with the same period of the previous year. The decrease was mainly attributable to lower litigation expenses.

Cost of recruitment services

n the second quarter of 2026, the Company's cost of recruitment services represented 53.22% of the related revenue for the three-month period and 52.57% for the six-month period. The costs of workforce services mainly consisted of salaries and employee benefits for operational staff.

Administrative expenses

The Company's main administrative expenses consist of salaries, employee benefits and bonuses for employees and management, audit fees, and business consulting fees. In the second quarter of 2026, the Company recorded administrative expenses of THB 44.51 million, representing 9.81% of total income, increasing by THB 17.05 million compared with the second quarter of 2025. The increase included THB 19.34 million from higher specific business tax arising from the transfer of non-performing assets during the period.

For the first six months of 2026, the Company recorded administrative expenses of THB 69.55 million, increasing by THB 15.73 million compared with the same period of the previous year. The increase included THB 20.07 million from higher specific business tax arising from the transfer of non-performing assets during the period.

<u>Expected Credit losseses</u>

Expected credit losses arise from comparing the present value of expected future cash flows (PV) with the net book value (NBV) of each receivable. Where the present value is lower than the net book value, the difference is recognized as an expected credit loss.

In the second quarter of 2026, the Company recorded expected credit losses of THB 160.38 million, decreasing by THB 55.41 million, or 25.68%, compared with the second quarter of 2025. For the first six months of 2026, the Company recorded expected credit losses of THB 317.04 million, decreasing by THB 109.96 million, or 25.75%, compared with the same period of the previous year.

The decrease was mainly due to the revision of estimated cash flows from unsecured debt portfolios, particularly hire-purchase portfolios, at the end of 2025, resulting in lower expected credit losses compared with the same period of the previous year.

<u>Finance Costs</u>

The Company's finance costs for the second quarter of 2026 and the first six months of 2026 decreased by THB 8.25 million and THB 11.52 million, respectively, compared with the same periods of the previous year. The decrease was mainly attributable to the partial repayment of borrowings and debentures during the period.

<u>Income Tax Expenses</u>

The Company's income tax expenses in Q2/2026 and for the first half of 2026 decreased by THB 6.93 million and THB 16.38 million, respectively, compared to the same periods last year. The decrease was mainly due to lower profit before income tax.

<u>Net Profit</u>

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Net profit for the second quarter of 2026 was THB 104.70 million, decreasing by THB 24.63 million, or 19.05%, from the second quarter of 2025. Net profit for the first six months of 2026 was THB 227.17 million, decreasing by THB 10.27 million, or 4.33%, from the same period of the previous year. The decrease was mainly attributable to higher administrative expenses arising from specific business tax incurred on the transfer of non-performing assets during the period.

However, profit attributable to owners of the parent for the first six months of 2026 increased by THB 27.01 million, or 15.46%, compared with the same period of the previous year.

Financial position

Total Assets

As of 30 June 2026, the Company had total assets of THB 8,940.39 million, an increase of THB 144.40 million, or 1.64%, compared to total assets as of 31 December 2025. The significant changes in total assets were as follows:

- An increase of THB 1,179.53 million in properties foreclosed
- A decrease of THB 746.34 million in loans receivable from purchase of accounts receivable
- A decrease of THB 247.95 million in loans to customers
- A decrease of THB 67.00 million in deposit for purchasing of accounts receivable and properties foreclosed

Total Liabilities

As of 30 June 2026, the Company had total liabilities of THB 4,636.55 million, a decrease of THB 64.80 million, or 1.38%, compared to total liabilities as of 31 December 2025. The significant changes in total liabilities were as follows:

- A decrease of THB 104.53 million in debentures due to repayments
- A decrease of THB 21.36 million in short-term and long-term borrowings from financial institutions
- An increase of THB 36.09 million in corporate income tax payable and deferred income tax liabilities
- An increase of THB 23.93 million of trade and other current payables.

Total Shareholders' Equity

As of 30 June 2026, the Company had shareholders' equity of THB 4,303.84 million, an increase of THB 209.20 million compared to 31 December 2025. The primary factors contributing to this increase were:

- An increase of THB 201.73 million in unappropriated retained earnings
- An increase of THB 7.48 million in non-controlling interests of the subsidiaries

<u>Debt to Equity ratio (Interest bearing)</u>

- As of 30 June 2026, the Company's interest-bearing debt to equity ratio was at 0.97 times.

Please be informed accordingly,

Sincerely Yours,

(Mr.Kitti Tungsriwong)

Deputy Chief Executive Officer