SE-EDUCATION PUBLIC COMPANY LIMITED

And its subsidiaries

Management Discussion and Analysis

Performance Report for nine-month period ended 30 September, 2026

Overview

Thai economy in the third quarter of 2026 continues to recover gradually, the recovery has not being evenly distributed across all sectors, pressured by the conflict in the Middle East, which led to higher energy prices and operating costs. Meanwhile, the tourism sector and private consumption were affected by higher living costs and cautious household spending. Exports and private investment, particularly in technology and artificial intelligence-related sectors, continued to be key drivers supporting the Thai economy.

For the publishing and book retail industry, businesses continue to face challenges from changing consumer behavior, competition from digital media and online distribution channels, and limited consumer purchasing power. As a result, businesses must adapt their product and distribution strategies to align with market demand, while also focusing on cost management and increasing the proportion of high gross margin products to maintain long-term competitiveness and profitability.

The Company had adjusted its strategy to align with these trends by focusing on the product mix management and increasing the proportion of high-potential non-book products, coupled with developing online channels to accommodate changing purchasing behavior, including managing branches and costs appropriately according to the potential of each area.

In addition, it had also more efficiently controlled branch-related expenses, rent, and employee compensation, including closing unprofitable branches.

- **Branch Closing** The Company closed 24 unprofitable branches, allowing the Company to control expenses more efficiently. The Company recently had 152 branches that are still in operation as of September 30, 2026.

SE-ED's Loss In 9M'2026 is THB 11.64 million.

For the 9-month period of 2026, the Company had a net loss according to the consolidated financial statements of THB 11.64 million, representing an increase in net loss of 5.05 million or 76.53% compared to the same period of the previous year. Although the Company had a net loss from the operating according to separate financial statements, remained relatively unchanged from the previous year. the performance of its subsidiaries declined significantly, mainly due to lower tuition fee income resulting from a decrease in the number of students and the commencement of depreciation of the kindergarten building. This resulted in the overall operating performance of the Company's group, reporting a net loss for the period according to the consolidated financial statements.

The summary of key performance results was as follows:

- **Total income** according to the consolidated financial statements was THB 1,391.71 million, decreased by THB 117.95 million or 7.81% with income from sales according to the separate financial statements of the company decreasing by 9.24%.
- **Selling and administrative expenses** were THB 499.89 million, a decrease of THB 25.02 million or 4.77%. This was due to more efficient cost control, especially the reduction of expenses from branches that were closed due to non-profits.
- **Financial expenses** were THB 22.09 million, increased by THB 2.63 million in with an increase of the principal burden.

Table 1 : Operation results for the nine-month period ended 30 September of 2026 and 2025

(Unit : Million Baht)

	Consolidated financial statement			
	9M'2026	**9M'2025**	**Increase (decreas)**	**%**
Revenue from sales of goods	1,357.17	1,478.19	(121.02)	-8.19%
Cost of sales	871.55	953.76	(82.21)	-8.62%
Gross profit	485.62	524.43	(38.81)	-7.40%
Gross profit margin	**35.78%**	**35.48%**		**0.30%**
EBITDA	**69.81**	**83.50**	**(13.69)**	**-16.40%**
Profit (loss) attributable to				
Equity holders of the Company	(11.64)	(6.59)	(5.05)	-76.63%
Net earnings per share (Unit : Baht)	(0.030)	(0.017)	(0.013)	-76.47%

Note: EBITDA is earnings before Interest and Tax, plus Depreciation& Amortization and Allowance for loss of inventories, dilapidated and slow moving.

Margin increased or 0.30%

For the 9-month period of 2026, gross profit was THB 485.62 million, down THB 38.81 million or 7.40% from the previous year. The gross profit margin was 35.78%, increased by 0.30% from the previous year. Due to adjustments in the product mix, the Non-Book product group has a higher gross profit margin than other product types, and also because of the fluctuations in foreign exchange rates, the gross profit of imported products has increased and SE-ED's published products, particularly reprinted titles such as text book, exam preparation guides, and dictionaries.

cost of sales and services decreased by THB 82.21 million

Cost of sales of goods and services according to the consolidated financial statements was THB 871.55 million, decreased by THB 82.21 million or 8.62%, which related to a decrease in sales.

EBITDA decreased by THB 13.69 million or 16.40%

EBITDA was THB 69.81 million, decreased by THB 13.69 million or 16.40%, based on decreasing performance results.

Table2: Statement of financial position As at 30 September 2026 and 31 December 2025

(Unit : Million Baht)

	Consolidated financial statement			
	30 September 2026	**31 December 2025**	**Increase (decrease)**	**%**
Current assets	408.62	451.41	(42.79)	-9.48%
Non-current assets	2,231.32	2,247.69	(16.37)	-0.73%
Total assets	**2,639.94**	**2,699.10**	**(59.16)**	**-2.19%**
Current liability	951.93	934.04	17.89	1.92%
Non-current liability	392.46	462.90	(70.44)	-15.22%
Total liability	1,344.39	1,396.94	(52.55)	-3.76%
Total shareholder's equity	1,295.55	1,302.16	(6.61)	-0.51%
Total liability and shareholder's equity	**2,639.94**	**2,699.10**	**(59.16)**	**-2.19%**

Current assets decreased by THB 42.79 million or 9.48%

Current assets decreased by THB 42.79 million as follows:

- Trade and other receivables increased by THB 10.36 million, representing an increase of 16.23%, primarily attributable to sales to educational institutions.

- Inventories increased by THB 11.95 million or 4.61% from orders for the new semester. While the sales during this period has been decrease, inventories at the end of the period increased.

Non-current assets decreased by THB 16.37 million or 0.73%

Non-current assets decreased by THB 16.37 million due to

- Right-of-use assets decreased by THB 29.92 million or 18.79%
- Land, buildings, and equipment increased by THB 23.67 million or 1.31%, from the recognition of the value of construction and decoration costs for the kindergarten school building of a subsidiary company, which was completed in quarter 2/2026, and has been improved and developed the school buildings during the period, including the secondary school building, the administrative building, and the infirmary.
- Rental security deposits and down payments decreased by THB 5.55 million, or 8.80%, due to the return of security deposits following branch closures and lease reductions.
- Intangible assets decreased by THB 4.73 million or 17.11% due to regular amortization

Current liability increased by THB 17.89 million or 1.92%

Current liability increased by THB 17.89 million as follows:

- Overdraft and short-term loan from financial institution increased by THB 51.30 million.
- Short-term loans from directors and external parties of subsidiaries increased by THB 30 million.
- Long-term loans due within one year increased by THB 19.10 million, or 39.65% of the subsidiary's loans.
- The unearned income waiting to be recognized as income within one year of the subsidiary decreased by THB 40.79 million or 48.59%
- Trade and other payables decreased by THB 31.51 million, primarily due to payments made in accordance with normal payment terms.

Non-current liability decreased by THB 70.44 million or 15.22%

Non-current liabilities decreased by THB 70.44 million due to:

- Long-term loans decreased by THB 63.12 million due to loan repayment under the contract.
- The unearned income waiting to be recognized as income within one year of the subsidiary decreased by THB 6.86 million.

Shareholder's equity decreased by THB 6.61 million or 0.51%

- Shareholders' equity decreased by THB 6.61 million, primarily due to an increase in net loss, coupled with a decline in the subsidiary's operating profit.

Table 3 : Statement of cash flows the nine-month period 30 September 2026 and 2025

(Unit : Million Baht)

	Consolidated financial statement			
	9M'2026	9M'2025	Increase (decrease)	%
Cash flows from (used) operation activities	1.72	60.58	(58.86)	-97.16%
Cash flows from (used) investing activities	(56.94)	(109.35)	52.41	47.93%
Cash flows from (used) financing activities	(11.02)	0.33	(11.35)	N/A
Net Cash flows (decreased)	**(66.24)**	**(48.44)**	**(17.80)**	**-36.75%**

Cash flows from in operation activities in 9M'2026 was THB 1.72 million.

The net cash flows from in operation in the amount of THB 1.72 million came from:

Profit in the form of cash from operation was THB 102.27 million.

- From changes in operating assets increased by THB 21.41 million from trade and other current receivables THB 10.29 million, most of which were products sold to institutional and school debtors during the opening of the semester every year.
- Operating liabilities decreased by Baht 75.82 million, primarily due to payments to trade creditors and the recognition of tuition fees received in advance by the subsidiary.
- Cash decreased by THB 2.46 million from reconditioning of closed branches.

Cash flows used in investing activities in 9M'2026 was THB 56.94 million.

- Cash decreased by THB 61.58 million from the construction and renovation of secondary school buildings, administrative buildings, and the infirmary of subsidiary companies.
- Additional cash from the sale of other current financial assets of THB 3.43 million.

Cash flows used in financing activities in 9M'2026 was THB 11.02 million.

- Cash decreased from due long-term loans of THB 44.01 million.
- Cash decreased by THB 22.05 million due to paying liabilities under lease agreements.

- Cash decreased by THB 21.93 million due to interest payments on borrowings from financial institutions.
- Cash decreased from the subsidiary companies' dividend payment of THB 4.32 million.
- Cash increased by THB 81.30 million from short-term loans obtained from financial institutions and related parties.

Table 4 : Financial ratio of 9M'2026 and 9M'2025

Financial ratios		Consolidated financial statement	
		9M'2026	9M'2025
Return On Equity (ROE)	%	-3.27	-3.13
Return on Asset (ROA)	%	0.10	0.19
Debt to Equity Ratio	times	1.04	0.97
Interest Coverage Ratio	times	5.73	7.26

Note:

- ROE (Return on Equity) = Net profit (Parent Company only) divided by shareholder's equity (averaged)from Parent Company only
- ROA (Return on Assets) = Net profit before financial and tax expenses divided by total assets (averaged)
- Debt to Equity Ratio = total debts divided by shareholder's equity (minor shareholder's equity included)
- Debt service Coverage Ratio = Profit from operating activities before changes in operating assets and liabilities + interest + income tax expenses divided by interest from operation and investment

ROE was -3.27% decreased by 0.14% while ROA was 0.10% decreased by 0.09%

Return on Equity (ROE) was -3.27%, decreased by 0.14%, and Return on Assets (ROA) was 0.10%, decreased by 0.09%, following the lower operating performance, resulting in a decreased ability to generate returns from shareholders and assets.

Debt to Equity Ratio was 1.04 times, increased by 0.07 times

Debt to equity ratio increased by 0.07 times due to increased debt burden.

Interest Coverage Ratio was 5.73 times, decreased by 1.53 times	Interest Coverage Ratio decreased 1.53 times due to a decrease in operating profit before changes in operating assets and liabilities, the Company's ability to pay interest has decreased compared to the same period of the previous year.

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(Mr. Rungkan Paisitpanichtrakul)

Managing Director