TSR.IR. 029/2568

14 August 2025

Subject: Management Discussion & Analysis for the 2nd quarter of Y2025

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 2025, as reviewed by the Certified Public Accountant. The details are as follows:

## Significant Events and Changes during Q2/2025

- The Group implemented a revised business strategy as outlined below
  1. Reborn Business – The Group transitioned its customer focus from a Business-to-Consumer (B2C) model to a Business-to-SME (B2SME) model. This strategic shift aims to attract higher-quality customers, resulting in improved payment behavior, a higher collection rate, and a lower level of non-performing accounts.
  2. Reborn Channel – Previously relying mainly on direct selling groups, the strategy has shifted to reducing sales through direct selling and increasing sales through digital online channels and leveraging Customer Relationship Management (CRM). This change will result in a lower break-even point per team, as well as reduced selling expenses and bad debt.
- Outstanding obligations with Former Parent Company (SABUY, currently WSOL)
  - On January 24,2025, the company received a letter from WSOL to withdraw its approval in principle for providing support to TSR and to terminate all loan agreements, including demanding the full repayment of the principal and accrued interest.
  - On February 20, 2025, the company sent a response letter to WSOL stating that the company is currently considering the next steps to be taken.
  - On April 4, 2025, the Company was served with a lawsuit alleging breach of contract, with a demand for repayment of debt and accrued interest totaling THB 968.34 million as of the filing date.
  - On July 31, 2025, the company filed a defense and a counterclaim with the court.

**Summary Q2/2025 of Operating Performance**

**Revenue**

For the three-month ended 30 June 2025, TSR group of companies generated total revenue of 188.15 million Baht. This marks a decrease of 108.24 million Baht or 36.52% from the same period of previous year. The detailed breakdown of the revenue is as follows:

- Revenue from sales: The revenue from sales for the Q2/2025 amounted to 147.02 million Baht, showing a decrease of 87.88 million Baht or 37.41% from the same period of previous year. The decline was primarily due to a reduction in the number of sales staff, tighter credit control, and the company's restructuring of the sales department. The sales team was shifted from direct sales to digital channels, with revenue generation increasingly supported by CRM systems, which impacted sales performance during the initial period of the transition.
- Interest Income from hire purchase receivable: The interest income from hire purchase receivable for the Q2/2025 was 35.14 million Baht, a decrease of 16.15 million Baht or 31.50% from the same period of previous year. The decline was primarily due to a reduction in the outstanding balance of hire purchase receivables.
- Interest Income from loan receivables: The interest income from loan receivables for the Q2/2025 amounted to 0.70 million Baht, decreasing by 4.13 million Baht or 85.55% from the same period of previous year. The decline resulted from a decrease in loan receivables, following the Company's strategic adjustment in the composition of its lending portfolio.

**Cost of Goods Sold**

The Cost of Goods Sold for TSR group of companies for the Q2/2025, amounted to 52.39 million Baht. This represents a decrease of 44.59 million Baht or 45.98% from the same period of previous year. The cost of goods sold as a percentage of sales revenue for Q2/2025 decreased to 35.63% compared to 41.29% in the same period of previous year, the Group operated in the vending machine distribution business segment, which had a higher cost proportion than other business segments, whereas operations in that segment have since been scaled down.

**Distribution Costs**

The distribution costs for TSR group of companies for the Q2/2025 amounted to 70.87 million Baht, decreasing from the same period of previous year's figure of 38.34 million Baht, representing a percentage decrease of 35.11% due to decrease in revenue from sales and Improved cost control measures.

**Administrative expenses**

Administrative expenses for TSR group of companies for the Q2/2025 amounted to 62.89 million Baht, showing a decrease from the same period of previous year's figure of 55.04 million Baht, representing a percentage decrease of 46.67%. This decrease is due to resulting from more effective expense management and cost control initiatives.

**Expected Credit Loss**

For the Q2/2025, TSR group of companies incurred an expected credit loss of 58.84 million Baht, a decrease from the same period of previous year of 110.87 million Baht, representing a decrease of 65.33%. The improvement was driven by enhanced sales efficiency, process adjustments in debt collection, and the engagement of professional debt collection service providers.

**Gain (loss) on investment in equity instruments**

For the Q2/2025, TSR group of companies reported a loss on investment in equity instruments of 3.04 million Baht (compared to 280.59 million Baht in Q2/2024) as follows;

(Unit: Million Baht)

| **Gain (loss) on investment in equity instruments** | **Q2/2025** | **Q2/2024** |
|---|---|---|
| Profit or loss (PL) | 0.003 | (71.47) |
| Other comprehensive income (OCI) | (3.04) | (209.12) |
| **Total loss** | **(3.04)** | **(280.59)** |

**Net Loss**

For the Q2/2025, TSR group of companies reported a net loss of 85.08 million Baht (compared to a net loss of 282.92 million Baht in Q2/2024), as explained by the reasons mentioned earlier. However, the Company had losses on other comprehensive income for the 2nd quarter of year 2025 and 2024 amounting to 87.51 million baht and 450.21 million baht, respectively.

**Financial Position**

***Asset***

As of 30 June 2025, TSR group of companies reported total assets amounting to 1,866.40 million Baht, reflecting a decrease of 202.33 million Baht or 9.78% compared to 31 December 2024. This substantial growth in assets can be attributed to the following key factors:

- Hire purchase receivable, resulting in a decrease of 109.08 million Baht, mainly due to lower sales volume and a higher proportion of cash sales resulting from the expansion in the B2SME segment.

- Loan receivable, decrease by 13.85 million Baht resulting from a slowdown in the extension of new loans.
- Other financial assets, contributing to a decrease of 23.60 million Baht due to the disposal of financial assets during the period.
- Property, plant and equipment decreased by THB 23.45 million Baht, mainly due to the disposal of unused equipment and sales team vehicles, which were replaced with electric vehicles (EVs) to help reduce fuel costs

***Liabilities***

As of 30 June 2025, TSR group of companies reported total liabilities of 1,929.74million Baht, a decrease of 17.26 million Baht from 31 December 2024. The Group has recorded loans from WSOL, including principal and accrued interest, totaling THB 975.51 million, and is in the process of negotiating debt repayment concessions with financial institutions for an aggregate amount of over THB 495.85 million.

***The shareholder's equity***

As of 30 June 2025, TSR group of companies had total capital deficiency of 63.35 million Baht, compared to shareholder's equity of 121.73 million Baht as of 31 December 2024. This represents a decrease of 185.07 million Baht or a reduction of 152.03%, mainly due to the net loss incurred from the business operations during the period and losses from investments that were measured at fair value through other comprehensive income as described above. 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