TSR.IR. 036/2568

14 November 2025

Subject: Management Discussion & Analysis for the 3rd 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 September 2025, as reviewed by the Certified Public Accountant. The details are as follows:

Summary Q3/2025 of Operating Performance

Revenue

For the three-month ended 30 September 2025, TSR group of companies generated total revenue of 207.27 million Baht. This marks a decrease of 62.93 million Baht or 23.29% 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 Q3/2025 amounted to 172.75 million Baht, showing a decrease of 41.33 million Baht or 19.31% 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. In addition, the Company was in the process of shifting its customer base from B2C to B2SME for various vending-machine product lines, which also contributed to the decline.
- Interest Income from hire purchase receivable: The interest income from hire purchase receivable for the Q3/2025 was 30.66 million Baht, a decrease of 19.59 million Baht or 38.99% 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 Q3/2025 amounted to 1.54 million Baht, decreasing by 2.76 million Baht or 64.23% from the same period of previous year. This decline was primarily due to a reduction in loan receivables, resulting from the Company's deliberate slowdown in extending additional credit.

Cost of Goods Sold

The Cost of Goods Sold for TSR group of companies for the Q3/2025, amounted to 69.61 million Baht. This represents a decrease of 7.35 million Baht or 9.55% from the same period of previous year. The cost of goods sold as a percentage of sales revenue increase from 35.95% in the corresponding period of the previous year to 40.30% in Q3/2025. This increase was primarily attributable to a higher proportion of sales from alkaline water vending machines, which carry a higher cost structure than the Group's water purifier product line.

Distribution Costs

The distribution costs for TSR group of companies for the Q3/2025 amounted to 75.01 million Baht, decreasing from the same period of previous year's figure of 19.13 million Baht, representing a percentage decrease of 20.32%. 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 for TSR group of companies for the Q3/2025 amounted to 64.70 million Baht, showing a decrease from the same period of previous year's figure of 40.52 million Baht, representing a percentage decrease of 38.51%. This decrease is due to resulting from more effective expense management and cost control initiatives.

Expected Credit Loss

For the Q3/2025, TSR group of companies incurred an expected credit loss of 58.49 million Baht, a decrease from the same period of previous year of 71.27 million Baht, representing a decrease of 54.93%. The improvement was driven by enhanced sales efficiency, process adjustments in debt collection, and the engagement of professional debt collection service providers.

Net Loss

For the Q3/2025, TSR group of companies reported a net loss of 84.10 million Baht (compared to a net loss of 277.88 million Baht in Q3/2024), as explained by the reasons mentioned earlier. However, the Company had losses on other comprehensive income for the 3rd quarter of year 2025 and 2024 amounting to 79.49 million baht and 303.57 million baht, respectively.

Financial Position

Asset

As of 30 September 2025, TSR group of companies reported total assets amounting to 1,802.25 million Baht, reflecting a decrease of 266.48 million Baht or 12.88% 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 138.84 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 17.66 million Baht resulting from a slowdown in the extension of new loans.
- Inventory decreased by THB 23.60 million as a result of enhanced inventory management practices, enabling the Company to operate with a more just-in-time inventory approach.
- Other financial assets, contributing to a decrease of 36.18 million Baht due to the disposal of financial assets during the period.
- Property, plant and equipment decreased by THB 37.34 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 September 2025, TSR group of companies reported total liabilities of 1,950.14 million Baht, a increase of 3.14 million Baht from 31 December 2024. The Group has recorded loans from WSOL, including principal and accrued interest, totaling THB 985.73 million. 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 September 2025, TSR group of companies had total capital deficiency of 147.89 million Baht, compared to shareholder's equity of 121.73 million Baht as of 31 December 2024. This represents a decrease of 269.63 million Baht or a reduction of 221.49%, 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.

Significant Events and Changes during Q3/2025

- 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.
  - On 29 September 2025, WSOL submitted its reply to the counterclaim to the court.
  - On 21 October 2025, the Court examined the complaint, the counterclaim, and the answer to the counterclaim, and formally accepted the parties' pleadings, thereby framing the issues in dispute. The Court subsequently scheduled the plaintiff's witness examination for 14 October 2026 and the defendant's witness examination for 15–16 October 2026.

The Company remains confident that the facts and evidence presented will demonstrate that the Company is under no obligation to bear any liability as alleged in the complaint.

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