

Management Discussion and Analysis Q2 2025

Executive Summary

Business Overview and Economic and Industry Factors Impacting Operations

In the second quarter of 2025 (“2Q25”), Tidlor Holdings Public Company Limited (the “Company” or the “Group”) reported another quarter of solid growth, achieving a new record-high quarterly net profit of Baht 1,304.4 million, increasing 19.5% (YoY) and 8.2% (QoQ). This was driven by quality growth across both the lending and insurance brokerage businesses, along with efficient cost and risk management. Total revenue amounted to Baht 5,755.4 million, up 5.3% (YoY), primarily driven by increased interest income from an expanding loan portfolio and continued growth in fee and service income from the insurance brokerage business. Total expenses were Baht 4,124.6 million, reflecting a slight rise of 0.6% (YoY), driven by the growth in service and administrative expenses in line with business expansion. Meanwhile, funding costs increased modestly due to higher interest expenses from new borrowings compared to maturing debt. Credit cost decreased significantly to 2.6% from 3.6% in the same quarter last year. The cost-to-income ratio was maintained at 54.6%.

As of the end of 2Q25, the total outstanding loan portfolio was Baht 105,905.5 million, up 2.8% (YoY) and 1.1% (QoQ). The number of loan customers grew 9.0% (YoY), outpacing portfolio growth, demonstrating quality customer acquisition under a prudent lending policy. Growth was supported by over 1,832 nationwide branches and digital channels, particularly the Tidlor card, which had over 750,000 active cards as of June 2025, increased 8% (YoY). Additionally, over 72% of loan disbursement transactions were made via the E-Withdrawal service via the NTL mobile application, reflecting the effective use of technology to enhance credit access and service delivery. Asset quality remained under control, with the non-performing loan (NPL) ratio stable from the previous quarter at 1.78%. The Group maintained a robust NPL coverage ratio of 262.4%, reflecting strong provisioning levels to absorb potential future credit risks. This was a result of prudent credit underwriting practices, proactive debt collection, and a systematic approach to risk management.

The insurance brokerage business continued its growth momentum with non-life insurance premiums totaling Baht 2,569.1 million, up 11.4% (YoY). Key drivers included diversified distribution channels and comprehensive product offerings tailored to customer needs via three core brands—Shield Insurance Broker, Areegator, and heygoody, which collectively enhanced customer access, convenience, and supported growth opportunities across all target segments.

For the six-month period of 2025 (“6M25”), the Group recorded a net profit of Baht 2,509.5 million, which rose 14.3% (YoY), supported by a 5.8% (YoY) increase in total revenue, a decline in credit cost, and a stable cost-to-income ratio. This reflects quality-driven growth, with a continued focus on credit quality control, diversification of income sources through the insurance brokerage business, and efficient capital management.

Regarding the shareholding and management restructuring plan, on May 15, 2025, the Stock Exchange of Thailand (“SET”) approved the listing of the Company’s ordinary shares (TIDLOR) as a listed security on the SET, replacing the subsidiary company’s securities (NTL), which were delisted on the same day. This milestone marks a significant step in the restructuring plan to enhance the Group’s long-term growth capacity.

Financial Highlights

(Unit: THB million)	2Q24	2Q25	% YoY Increase/ (Decrease)	1H2024	1H2025	% YoY Increase/ (Decrease)
Interest income on hire-purchase receivables	371.8	283.0	(23.9%)	743.4	587.7	(20.9%)
Interest income on loans	4,193.9	4,478.8	6.8%	8,196.4	8,832.2	7.8%
Fee and service income	889.7	962.8	8.2%	1,811.5	1,934.5	6.8%
Other income	8.8	30.8	250.0%	21.9	41.4	89.4%
Total revenues	5,464.2	5,755.4	5.3%	10,773.2	11,395.8	5.8%
Service and administrative expenses	(2,603.9)	(2,789.1)	7.1%	(5,173.5)	(5,519.1)	6.7%
Finance costs	(590.1)	(643.7)	9.1%	(1,146.6)	(1,274.5)	11.2%
Profit before credit loss	2,270.2	2,322.6	2.3%	4,453.1	4,602.2	3.3%
Credit loss	(905.4)	(691.8)	(23.6%)	(1,714.8)	(1,463.4)	(14.7%)
Loss arising from derecognition of financial assets measured at amortized cost	(842.9)	(554.6)	(34.2%)	(1,404.8)	(1,155.0)	(17.8%)
Impairment loss determined in accordance with TFRS 9	(62.5)	(137.2)	119.5%	(310.0)	(308.4)	(0.5%)
Profit before income tax expense	1,364.8	1,630.8	19.5%	2,738.3	3,138.8	14.6%
Income tax expenses	(273.7)	(326.4)	19.3%	(543.3)	(629.3)	15.8%
Net profit for the period	1,091.1	1,304.4	19.5%	2,195.0	2,509.5	14.3%

Key Financial Ratio

	2022	2023	2024	2Q24	1Q25	2Q25
NPL Ratio (%)	158	145	181	186	178	178
NPL Coverage Ratio (%)	248.9	282.1	242.7	227.3	255.7	262.4
Credit Cost (%)	2.2	3.3	3.4	3.6	3.0	2.6
Debt to Equity (D/E) Ratio (times)	2.3	2.5	2.5	2.5	2.4	2.5
Cost to Income (C/I) Ratio (%)	56.4	54.9	55.9	53.4	54.5	54.6

Economic Overview

Thailand's economy in 2Q25 continued a gradual recovery, supported by export acceleration ahead of US tariff measures, a rebound in certain manufacturing sectors, and sustained government budget disbursements aimed at stimulating the economy. However, private consumption remained flat, and tourism showed early signs of a slowdown. Under the 'You Fight, We Help' Phase 2 program, the eligibility criteria and the registration period were extended through the end of Q3/2025 to cover a broader group of affected individuals. Meanwhile, the used car market continued to show positive momentum, particularly in pricing, which held firm compared to the same period last year.

On monetary policy, the Monetary Policy Committee (MPC) resolved in its April 2025 meeting to cut the policy interest rate by 0.25%, to 1.75% per annum. The decision was aligned with the weakening economic outlook, sub-target inflation, and continued financial stability within manageable levels.

Summary of Key Events and Developments

At the Extraordinary General Meeting of Shareholders of Ngern Tid Lor Public Company Limited (“NTL”) on June 11, 2024, the meeting resolved to approve the plan to restructure the shareholding and management structure of the Group.

- The completion of the Company’s restructuring plan

The Company made a tender offer for all of NTL’s securities to the shareholders of NTL by issuing and offering the Company’s newly issued ordinary shares in exchange for NTL’s ordinary shares. The swap ratio equals one ordinary share of NTL to one new ordinary share of the Company. The tender offer period ended on April 30, 2025, and the shareholders of NTL accepted the tender offer for a total number of 2,895,929,570 shares, which was equivalent to 99.4% of the total issued and paid-up shares of NTL. Therefore, the tender offer was deemed successful and resulted in NTL becoming a subsidiary of the Company. TIDLOR registered for the amendment of the paid-up capital with the Department of Business Development, Ministry of Commerce, on May 8, 2025

On May 15, 2025, the Stock Exchange of Thailand (“SET”) approved the listing of the Company’s ordinary shares as a listed security on the SET, replacing NTL’s securities, which were delisted on the same day.

- Following phases of the shareholding restructuring plan

Furthermore, the Company shall acquire a 99.99% stake in a newly established entity dedicated to acquiring the InsurTech non-life insurance brokerage operations from a subsidiary, as part of the Group’s strategy to expand its operations and align the organizational structure with the long-term growth objectives.

Operating Result for Q2 2025

Summary of Operating Results

Revenue: In 2Q25, the Group reported total revenue of Baht 5,755.4 million, increased 5.3% (YoY). The majority of revenue continued to come from interest income, which accounted for 82.7% of total revenue, comprising:

- Interest income on loans amounted to Baht 4,478.8 million, rose 6.8% (YoY), supported by the expansion of the title loan portfolio, and a shift in portfolio mix.
- Interest income on hire purchase receivables was Baht 283.0 million, decreased 23.9% (YoY), consistent with the continued contraction of the hire purchase portfolio since the second quarter of the prior year.

In addition, the Group generated fee and service income of Baht 962.8 million, up 8.2% (YoY), accounting for 16.7% of total revenue. This income stream remained a key contributor, driven primarily by the continued growth of the insurance brokerage business.

In terms of the efficiency in managing interest income and funding costs, the yield on loan stood at 18.09%, up from 17.98% in the same period last year. This improvement was driven by the adoption of risk-based pricing over the past year and a change in loan composition. The cost of funds increased to 2.44% from 2.32% in the same quarter last year, in line with higher money market interest rates compared to rates on maturing borrowings and debentures. As a result, the net interest margin (NIM) remained strong at 15.64%, close to the same period last year, underscoring the ability to sustain profitability.

(Unit: %)	2Q24	1Q25	2Q25	% YoY Increase/ (Decrease)	% QoQ Increase/ (Decrease)
Interest income ratio (Yield on loans)	17.98	17.86	18.09	0.6%	1.3%
Interest expense ratio (Cost of funds)	2.32	2.42	2.44	5.2%	0.8%
Net interest margin (NIM)	15.65	15.44	15.64	(0.1%)	1.3%

The insurance brokerage business remained one of the core businesses supporting the Group's earnings growth. In 2Q25, the Group recorded total non-life insurance premiums of Baht 2,569.1 million, an increase of 11.4% (YoY). This reflects the effectiveness of diverse distribution channels and comprehensive insurance product offerings designed to meet a wide range of customer needs, delivered under three principal brands:

- 1) Shield Insurance Broker – a face-to-face brokerage model operated through licensed branch employees (covering both non-life and life insurance), supported by call center 1501.
- 2) Areegator – an online insurance platform operated through a network of affiliated member brokers.
- 3) heygoody – a fully digital insurance brokerage platform.

These three brands play an essential role in driving sales growth, expanding the user base, and broadening customer reach. The Group has also leveraged technology to enhance customer experience and improve efficiency in accessing insurance services, offering convenience anytime, anywhere.

Expenses: In 2Q25, the Group's total expenses amounted to Baht 4,124.6 million, rising modestly by 0.6% (YoY). The breakdown is as follows:

- Service and administrative expenses were the largest component, totaling Baht 2,789.1 million, growing 7.1% (YoY), in line with the expansion of both the lending and insurance brokerage businesses. The Group continued to emphasize cost efficiency, as reflected in the stable cost-to-income ratio of 54.6%.
- Finance costs amounted to Baht 643.7 million, increased 9.1% (YoY), due to higher borrowing costs in line with elevated market interest rates compared to the levels of the past 2–3 years, as well as increased borrowings to support business growth.
- Credit losses were Baht 691.8 million, a decrease of 23.6% (YoY), driven by a significant reduction in net write-offs, consistent with improved loan quality and reflecting the Group's effective risk management.

Summary of Financial Position

As of the end of 2Q25, the Group's total outstanding loan portfolio stood at Baht 105,905.5 million, growing 2.8% (YoY) and 1.1% (QoQ). This consisted of loans to customers and accrued interest receivables totaling Baht 97,574.8 million, up 1.5% (QoQ), and hire-purchase receivables totaling Baht 8,330.7 million, declining 3.2% (QoQ). This trend aligns with the Group's prudent loan approval policy, which takes into consideration macroeconomic conditions, collateral value, and customer repayment capacity. The Group continues to enhance its products and services through the integration of technology and innovation across 1,832 branches nationwide and non-branch channels, especially digital platforms such as the Tidlor Card and E-Withdrawal service, which remain key enablers of lending business growth. Asset quality remained sound and well-controlled. The non-performing loan (NPL) ratio stood at 1.78%, stable compared to the previous quarter. This was driven by improved quality in new loan origination, supported by tightened credit approval implemented over the past year, resource allocation to support proactive

collection at the branch level, and disciplined risk management. The Group's allowance for expected credit losses amounted to Baht 4,958.4 million, representing a robust NPL coverage ratio of 262.4%. This level of reserves provides a solid buffer to support business growth amid potential uncertainties

Assets: As of June 30, 2025, the Group reported total assets of Baht 114,281.1 million, which rose by 7.3% from the end of 2024. The increase was primarily driven by higher cash and cash equivalents, as the Group proactively managed liquidity in preparation for bond redemptions scheduled in Q3/2025.

Liabilities: As of June 30, 2025, the Group's total liabilities stood at Baht 81,302.7 million, up 7.0% from the end of 2024, mainly due to an increase in borrowings to support working capital and business expansion.

As of the end of 2Q25, total loans from financial institutions and debentures amounted to Baht 77,273.0 million, increasing 9.6% from the end of 2024. The funding mix between bank loans and debentures was 44:56. The Group continued to diversify the funding sources to mitigate concentration risk. As of June 2025, the Group maintained a low debt-to-equity ratio of 2.5 times and had over Baht 25,000 million in available credit facilities, underscoring a healthy and flexible capital structure to support future growth.

Shareholders' Equity: As of June 30, 2025, the Group's total shareholders' equity was Baht 32,978.4 million, increasing by 8.0% from the end of 2024, driven by solid net profit generated during the first half of the year.

(Unit: THB million)	31 December 2024	30 June 2025	%YTD Increase/ (Decrease)
Cash and cash equivalents	1,771.2	8,127.9	358.9%
Loans and hire purchase receivables	103,929.1	105,905.5	1.9%
Allowance for expected credit loss	(4,553.7)	(4,958.4)	8.9%
Other current assets	1,491.3	1,163.4	(22.0%)
Other non-current assets	3,893.2	4,042.7	3.8%
Total assets	106,531.1	114,281.1	7.3%
Loans from financial institutions and debentures	70,506.9	77,273.0	9.6%
Non-current liabilities	5,500.9	4,029.7	(26.7%)
Total liabilities	76,007.8	81,302.7	7.0%
Total shareholders' equity	30,523.3	32,978.4	8.0%
Total liabilities and shareholders' equity	106,531.1	114,281.1	7.3%

Sustainability Developments

In 2Q25, the Company was honored with the Social Empowerment category at the Asia Responsible Enterprise Awards (AREA) 2025, in recognition of its strong dedication to improving financial literacy in Thai communities. This recognition underscores the Company's commitment to empowering underbanked individuals by providing knowledge and access to essential financial tools, helping to close the gap in financial inequality and promote sustainable financial health for households over the long term.

Further details are available on the Company's website at <https://www.tidlorinvestor.com/en/tidlor-sustainability/social-and-environmental>.