

14 August 2025

Subject Management Discussion and Analysis for three-month period ending 30 June 2025

To Managing Director

The Stock Exchange of Thailand

We, Srisawad Capital 1969 Public Company Limited (the “Company”), would like to provide an overview of the financial performance for the three-month period ending 30 June 2025 the details as below.

1. Overview of the Company’s Business:

In 2025, Thai economy continues to face challenges from both global and domestic factors. These include the United States’ implementation of Reciprocal Tariffs, border issues with Cambodia that have affected cross-border trade, and the rising level of household debt within the country. Such factors have impacted customers’ debt repayment ability, leading commercial banks and other financial institutions to tighten their credit approval criteria in order to mitigate the rising problem of non-performing loans resulting from lending activities.

In 2025, the Company’s continuous efforts and commitment to improving the quality of its loan portfolio - such as further tightening customer lending criteria since mid-2023, refining loan origination processes and policies, reducing the Loan-to-Value ratio for customers and enhancing cost management efficiency - have begun to show positive results, as reflected in improved operating performance. The Company remains focused on effective, prompt, and streamlined debt collection and management. However, hire purchase contracts originated prior to 2023 continue to impact the Company’s performance. An effect expected to persist until the fourth quarter of this year. Meanwhile, the Company’s national credit rating of “A-(tha)” with a “Stable” outlook strengthens its financial position and enhances the ability to further strengthen its capital structure.

2. Operating Results:

Revenue

Unit: million Baht		<u>Comparing YoY</u>		<u>Comparing QoQ</u>	
Items	Q2/2025	Q2/2024	% YoY	Q1/2025	% QoQ
Loans to customers and accrued interest	27,960.56	34,325.49	-18.54	29,245.03	-4.39
Interest income	1,412.67	1,754.40	-19.48	1,501.87	-5.94
Other income	203.48	229.58	-11.37	242.84	-16.21
Net profit	187.16	212.25	-11.82	178.21	5.02

Key factors

- **Interest income**

For the three-month period ended 30 June 2025, interest income reported at 1,412.67 million Baht, a decrease of 19.48% from the same quarter of the previous year and a decline of 5.94% from

the previous quarter. This was a result from decrease in the loan portfolio from 34,325.49 million Baht as of 30 June 2024 to 27,960.56 million Baht as of 30 June 2025, a decrease of 18.54% from the same quarter from the previous year and 4.39% from previous quarter. This was mainly due to the Company's tighter credit approval process.

- **Other Income**

For the three-month period ending 30 June 2025, other income amounted to 203.48 million Baht, a decrease of 11.37% from the same quarter of the previous year and a decline of 16.21% from the previous quarter. The decrease was in line with the slowdown in new loan origination resulting from the Company's tightened lending policy.

Expenses

Unit: million Baht

Items	Q2/2025	Comparing YoY		Comparing QoQ	
		Q2/2024	% YoY	Q1/2025	% QoQ
Servicing expenses	234.04	351.15	-33.35	265.89	-11.98
Administrative expenses	430.01	705.94	-39.09	575.54	-25.29
Losses on sales of properties foreclosed	141.15	324.07	-56.44	176.71	-20.12
Expected credit loss	448.99	351.46	27.75	404.18	11.09
Finance costs	262.98	309.34	-14.99	273.98	-4.01

Key factors

- **Operating Expenses**

For the three-month period ended 30 June 2025, servicing and administrative expenses amounted to 664.05 million Baht, a decrease of 37.18% from the same quarter of the previous year and 21.08% from the previous quarter. This reduction was driven by the Company's cost control initiatives, including lower dealer commissions and employee-related costs.

- **Loss on disposal of properties foreclosed**

For the three-month period ended 30 June 2025, the Company recorded loss on disposal properties foreclosed of 141.15 million baht, a decrease of 56.44% from the same quarter of the previous year and a continued decrease of 20.12% from the previous quarter. This was partly due to the Company's revised lending policy, which focuses on credit quality and involves lowering the loan-to-value (LTV) ratio for customers.

- **Expected Credit Loss**

For the three-month period ending 30 June 2025, the Company reported expected credit loss at 448.99 million Baht, an increase of 11.09% from the previous quarter. This was to ensure that the risk provisioning was adequate and prudent, resulting in an improvement of the NPL coverage ratio from 58.96% at the end of the previous quarter to 66.82% as of 30 June 2025, reflecting the Company's cautious approach to ensure prudent operating performance.

- **Finance Costs**

For the three-month period ending 30 June 2025, finance costs amounted to Baht 262.98 million Baht, a decrease of 14.99% from the same quarter of the previous year and 4.01% from the previous quarter. The decline was primarily due to a reduction in borrowings as a result of the Company's substantial cash flow. Consequently, the Company has been continuously repaying its loans to reduce operating costs and prepare for future growth when market conditions become favorable.

3. Quality of loan portfolio:

Unit: million Baht		<u>Comparing YoY</u>		<u>Comparing QoQ</u>	
Items	Q2/2025	Q2/2024	% YoY	Q1/2025	% QoQ
Loans to customers and accrued interest	27,960.56	34,325.49	-18.54	31,241.57	-10.50
Non-performing loans (NPL)	1,288.57	1,149.09	12.14	1,239.35	3.97

As of 30 June 2025, non-performing loans (NPLs) amounted to 1,288.57 million Baht, an increase of 49.22 million Baht or 3.97% from the end of the previous quarter. This was mainly due to the Company's accelerated collection efforts and legal actions against existing customers.

However, the majority of these impaired loans originated before the implementation of improved operational processes and stricter credit policies. The Company is confident that loans originated after these quality improvement measures exhibit significantly better credit quality and will contribute positively to future operating results.

4. Financial Position

Unit: million Baht		<u>Comparing YoY</u>		<u>Comparing QoQ</u>	
Items	Q2/2025	Q2/2024	% YoY	Q1/2025	% QoQ
Total current assets	17,828.95	19,529.23	-8.71	19,503.17	-8.58
Total non-current assets	12,293.97	18,710.47	-34.29	13,719.23	-10.39
Total assets	30,122.92	38,239.70	-21.23	33,222.40	-9.33
Total current liabilities	13,220.40	21,752.70	-39.22	15,632.12	-15.43
Total non-current liabilities	5,943.30	6,228.39	-4.58	6,780.45	-12.35
Total liabilities	19,163.70	27,981.09	-31.51	22,412.57	-14.50
Equity	10,959.22	10,258.61	6.83	10,809.83	1.38
Total liabilities and equity	30,122.92	38,239.70	-21.23	33,222.40	-9.33

- **Total assets**

As of 30 June 2025, total assets reported at 30,122.92 million Baht, representing a decrease of 21.23% from 30 June 2024. Meanwhile, the total loan portfolio stood at 27,960.56 million Baht, decreasing 18.54% compared to 30 June 2024. This decline reflected the Company's primary focus on

loan quality amid ongoing economic uncertainties in the country and the emphasis on improving loan portfolio quality over aggressive loan portfolio growth.

- **Total liabilities**

As of 30 June 2025, total liabilities amounted to 19,163.70 million Baht, decreasing of 31.51% compared to 30 June 2024. This reduction was primarily due to repayments of short-term and long-term borrowings and matured debentures.

Best regards,

Ms. Doungchai Kaewbootta
(Ms. Doungchai Kaewbootta)
Acting Chief Executive Officer