



SBNEXT.IR. 061/2567

14 November 2024

Subject: Management Discussion & Analysis for the 3rd quarter of Y2024

To: President

The Stock Exchange of Thailand

TSR Living Solution Public Company Limited ("Company" or "TSR") and its subsidiaries ("Group of Companies") hereby provide a summary of the operational results for the three-month ended 30 September 2024, as audited by the Certified Public Accountant. The details are as follows:

Important changes

- On October 31, 2024, the company has undergone a name change from the previous Sabuy Connex Tech Public Company Limited ("SBNEXT") to the new name TSR Living Solution Public Company Limited ("TSR").
- On October 10, 2024, the company received a letter from Sabuy Technology Public Company Limited ("SABUY") regarding the extension of the repayment of outstanding principal, accrued interest, including future interest until December 31, 2026.

Summary Q3/2024 of Operating Performance

Revenue

For the three-month period ended 30 September 2024, TSR group of companies generated total revenue of 270.20 million Baht. This marks a decrease of 192.93 million Baht or 41.66% 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 Q3/2024 amounted to 214.09 million Baht, showing a decrease of 172.01 million Baht or 44.55% from the same period of previous year due to the cancellation of the distribution of certain product type through the distributor and a reduction in number of sales employees.
- Interest Income from hire purchase receivable: The interest income from hire purchase receivable for the Q3/2024 was 50.26 million Baht, an increase of 0.58 million Baht or 1.16% from the same period of previous year.
- Interest Income from loan receivables: The interest income from loan receivables for the Q3/2024 amounted to 4.30 million Baht, increasing by 0.22 million Baht or 5.39% from the same period of previous year. This increase is a result of adjusting the structure of credit provision to customers.



Cost of Goods Sold

The Cost of Goods Sold for TSR group of companies for the Q3/2024, amounted to 76.96 million Baht. This represents a decrease of 119.14 million Baht or 60.75% from the same period of previous year. The cost of goods sold as a percentage of sales revenue for Q3/2024 decreased to 35.95% compared to 50.79% in Q3/2023. This decrease was due to a shift in sales proportions back to focusing on water filter units, which higher gross profit margin.

Distribution Costs

The distribution costs for TSR group of companies for the Q3/2024 amounted to 94.14 million Baht, decreasing from the same period of previous year's figure of 56.09 million Baht, representing a percentage decrease of 37.34% due to decrease in revenue from sales as describe above.

Administrative expenses

Administrative expenses for TSR group of companies for the Q3/2024 amounted to 105.22 million Baht, showing an increase from the same period of previous year's figure of 14.10 million Baht, representing a percentage increase of 15.47%. This increase is due to adjustments in various reserve assumptions, such as reserves for impairment of property foreclose and impairment of intangible assets, to align with current conditions.

Expected Credit Loss

For the Q3/2024, TSR group of companies incurred an expected credit loss of 129.76 million Baht, an increase from the same period of previous year of 83.12 million Baht, representing an increase of 178.24%. This increase is attributed to the adjustments made in assumptions regarding the provision for expected credit losses and the write-off of debts to ensure coverage and alignment with the current situation, additional provisioning for the factoring receivables who a former related party of the SABUY group.

Impairment loss of goodwill

For the Q3/2024, TSR group of companies reported an impairment loss of goodwill amounting to 149.30 million Baht, this resulted from the subsidiary delaying its operations related to the vending machine business, as it is in the process of negotiating the transfer of assets for debt settlement by handing over the Group's vending machines to SABUY.



Reversal of asset impairment loss

For the Q3/2024, TSR group of companies conducted a revaluation of a land and building asset following the consolidation of the land title deed. This resulted in a reversal of asset impairment provisions amounting to 43.25 million baht.

Net Profit (Loss)

For the Q3/2024, TSR group of companies reported a net loss of 277.88 million Baht (compared to a net loss of 25.30 million Baht in Q3/2023), as explained by the reasons mentioned earlier. However, the Company had losses from investments that were measured at fair value through other comprehensive income for 11.13 million baht, which was an unrealized loss from investments in marketable securities.

Financial Position

Asset

As of 30 September 2024, TSR group of companies reported total assets amounting to 2,210.36 million Baht, reflecting a decrease of 962.07 million Baht or 30.33% compared to 31 December 2023. This substantial growth in assets can be attributed to the following key factors:

- Hire purchase receivable, resulting in a decrease of 205.39 million Baht due to decrease in sales as describe above.
- Loan receivable, resulting in a decrease 122.97 million Baht due to the postponement of additional loan disbursements.
- Other financial assets, contributing to a decrease of 238.77 million Baht due to the disposal of financial assets during the period.
- Goodwill decrease by 149.30 million baht, due to the impairment loss of goodwill as describe above.

Liabilities

As of 30 September 2024, TSR group of companies reported total liabilities of 1,997.30 million Baht, a decrease of 14.10 million Baht from 31 December 2023. The Group has been granted an extension for the repayment of loan from SABUY, as mentioned above, with outstanding principal and interest amounting to 930.58 million baht. Additionally, the Group has undergone a debt restructuring with a financial institution for an outstanding amount of 27.85 million baht, and is currently in the process of considering debt restructuring with two other financial institutions, totaling over 419.50 million baht.



The shareholder's equity

As of 30 September 2024, TSR group of companies had total equity of 213.06 million Baht, compared to 1,161.04 million Baht on 31 December 2023. This represents a decrease of 947.98 million Baht or a reduction of 81.65 %, mainly due to the net loss incurred from the business operations in 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,

-Ekarat Changyoo-

(Mr. Ekarat Changyoo)

Chief Executive Officer