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Date 12 November 2025

Subject: Management Discussion and Analysis for Report of Performance Results of Q3/2025

Attention: President

The Stock Exchange of Thailand

Thitikorn Public Company Limited and its subsidiaries (**Company**) announced the operating performance for Q3/2025 as follows.

In Q3/2025, the net profit was 8.0 million baht, which increased by 249.3% from a loss of 5.4 million baht compared to the same period last year. The total revenue was 206.2 million baht, which decreased by 28.5% from 288.4 million baht compared to the same period last year.

The Thai economy in Q3/2025 slowed down compared to the previous quarter due to weakened domestic demand, which is expected to slightly recover with support by government economic stimulus measures such as the Half-Half Plus, the co-payment program. As for the supply, industrial production declined, particularly in the electronics, machinery, and agricultural sectors. Meanwhile, some manufacturing industries, such as automotive and alcoholic beverages, were affected by temporary factory closures, resulting in a decrease in overall production.

The tourism sector continues to slow down compared to the previous year. In the first nine months of 2025, there were 24.11 million foreign tourists, decreased by 7.5% compared to the same period in 2024, generating total revenue of 1.11 trillion baht, decreased by 5.8%, particularly from Chinese tourists, which decreased by nearly 35%. Thai exports during the first nine months totaled 254,146.5 million USD, increased by 13.9% compared to the same period last year. In 2025, exports are expected to grow by 9.4–10.4%, a record high in both value and growth rate. Key supporting factors include the clarity of the US's reciprocal import tariff measures and signs of increasing international trade policy easing. The global policy interest rates in the third quarter to October: the US Federal Reserve (FED) cut its policy interest rate twice, from 4.25-4.50% to 3.75-4.00%, while the European Central Bank (ECB) has kept its interest rate at 2.00% after 8 consecutive cuts in the past 12 months. On the other hand, the Bank of Thailand cut its policy interest rate once, to 1.50%, to support the recovery of the domestic economy.

Thai motorcycle market sales in Q3/2025 were 1,332,199 units, which increased by 2.3% from 1,301,631 units compared to the same period last year, while automobile market sales in Q3/2025 were 447,969 units, which increased by 2.1% from 438,659 units compared to the same period last year.

The conclusion of the operating results for Q3/2025 is as follows:

1. Total revenue in Q3/2025 was 206.2 million baht, or a 28.5 % decrease from 288.4 million baht in the same period last year. The hire-purchase income for Q3/2025 was 100.5 million baht, or a 36.8% decrease from 159.0 million baht compared to the same period last year, due to the announcement interest rate cap at 23% from the contract committee of the Office of the Consumer Protection Board (OCPB) , which was effective on January 10, 2023. In addition, TK tightened its loan approval policy in Thailand.

Other income in Q3/2025 was 78.8 million baht, or a 26.3% decrease from 106.9 million baht compared to the same period last year, most of which comes from bad debt recovery.

2. Total expense in Q3/2025 was 192.6 million baht, a 29.5% decrease from 273.3 million baht compared to the same period last year.

Total administrative expenses in Q3/2025 were 163.1 million baht, a 23.4% decrease from 213.0 million baht compared to the same period last year, as the Company consolidated branches, some fixed expenses have been reduced, particularly employee-related expenses, and TK implemented technology to improve work efficiency and prevent redundant processes.

3. Financial cost in Q3/2025 was 2.5 million baht, a 66.9% decrease from 7.5 million baht compared to the same period last year, due to decreased borrowing in its foreign operations. The Company has cash, deposits and investment of 3,545.6 million baht, and the D/E ratio in Q3/2025 was 0.05 times, decreasing from the end of 2024 at 0.08 times.

At the end of Q3/2025, TK net hire-purchase and loan receivable amount was 1,617.5 million baht, a 18.9% decrease from 1,994.5 million baht compared to the end of 2024, due to a strict credit lending policy since the third quarter of 2022. Moreover, the Company made allowance for the impairment of accounts receivable to have sufficient reserves. As for Q3/2025, the provision was 113.1 million baht, loans overdue for more than 3 months were 6.7%, and the coverage ratio was 97.0%. In comparison, at the end of 2024, the provision was 174.6 million baht, loans overdue for more than 3 months were 7.0%, and the coverage ratio was 115.1%

As of Q3/2025, the Company had total assets of 5,644.9 million baht, a 4.0% decrease from 5,877.9 million baht compared to the end of 2024, and total liabilities of 264.8 million baht, a 41.1% decrease from 449.8 million baht compared to the end of 2024.

The Key Events in Q3/2025 as follows:

1. The Bank of Thailand (BoT) has required automobile and motorcycle hire-purchase and leasing businesses to register and report information to the BoT to verify their identity by March 31, 2026. Business operators that commenced operations from December 3, 2025 onwards must report their information within 120 days from the date of commencement of their business.
2. The Royal Decree stipulating that the hire-purchase and leasing businesses for automobiles and motorcycles are subject to the Financial Institutions Business Act B.E. 2551 (2008) has been published in the Royal Gazette and will come into effect from December 2, 2025 onwards. The BoT has opened a public hearing for business operators and stakeholders to prepare for its announcement at the same time as the Royal Decree. The regulatory criteria currently being developed cover five key areas as follows:
 - 1) Conduct and disclosure of information regarding interest, service fees, and penalty fees
 - 2) Default interest and sequence of debt repayment
 - 3) Early account closure
 - 4) Market Conduct & Responsible Lending
 - 5) Outsourcing

It is expected that the announcement of these criteria will come into effect together with the Royal Decree on December 2, 2025, to ensure fair, transparent business practices and appropriate consumer protection.

Factors Affecting the Company's Future Operations or Growth

1. Thailand's household debt as of Q2/2025 remains high at 86.8% of GDP, a worrying level that could impact long-term economic growth. A survey of Thai household debt in 2025 by Center for Economic and Business Forecasting University of Thai Chamber of Commerce found that Thais have an average household debt of 740,000 baht, a 22.1% increase from the previous year. Of this, 65% is formal debt, while 35% is informal debt. The proportion of informal debt in 2024 increased from 30.1% the previous year due to tight formal credit of banks, leading to a negative loan providing for several consecutive quarters, of which 46.8% is credit card debt, followed by housing and vehicle debt.
2. According to the debtor quality data from the National Credit Bureau (NCB), it is clear that Thai people of all ages are facing the issue of "Earning less than Expense" which affects their ability to repay debts, leading to a cycle of debt that has become chronic.

- The proportion of Thai people with formal debt has increased from 31% of the total population in 2018 to 38% in 2024, reflecting easier access to credit and the relaxation of special financial measures during the COVID-19 crisis. The proportion of Thais with bad debts has increased from 17% in 2018 to 22% in 2024.
- Currently, the average age of debtors tends to decrease, with debtors entering at a young age. More than 57% of the people in this group who have just entered the working age group or First Jobber (aged 25-29 years) begin to enter the debt cycle, especially those aged 20-22 years who often start with motorcycle debt and personal loan debt, accounting for as much as 41% and 43% of the population in that age group, respectively. More than 20-30% of all motorcycle debtors in this group are in bad debt.
- In 2024, it was found that 29% of the population aged 60-80 years still had formal debt, a 20% increase from 2018, while the debt amount was still quite high. Moreover, the proportion of bad debt from debtor accounts aged 60-70 years was as high as 14% of formal debt accounts. This group is becoming a chronic issue due to their relatively low ability to earn income in late stage of life, contrary to health expenses that increase along with age.

Amidst risks from both domestic and international economic factors, including concerns about a global economic slowdown, the Company continues to operate its business prudently, focusing on responsible lending along with fully supporting government measures. In the third quarter of 2025, the Company resumed its motorcycle hire-purchasing operations following the Bank of Thailand's more stringent regulatory measures. Furthermore, the Company also continues to provide other loan types, including machinery hire-purchase loans, secured loans, and personal loans with vehicle registration as collateral or title loans and nano-finance loans, to diversify its loan portfolio and generate sustainable income.

The Company prioritizes the improvement of internal operational productivity under the principles of good governance and appropriate risk management, as well as maintains strong relationships with business partners and allies to strengthen and sustain its long-term financial services network. The Company is prepared and has sufficient capital to immediately expand its investments both domestically and internationally, as opportunities and investment situations arise.

Please be informed accordingly.

Best regards,

(Ms. Prathama Phornprapha)
Director / Managing Director