



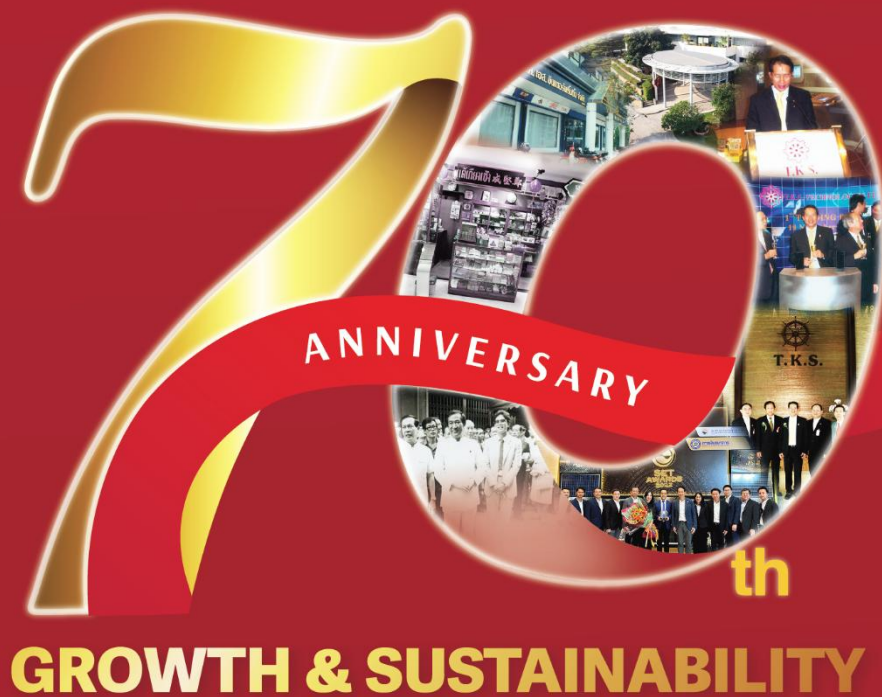
T.K.S. TECHNOLOGIES PUBLIC COMPANY LIMITED

บริษัท ที.เค.เอส. เทคโนโลยี จำกัด (มหาชน)

Management Discussion and Analysis (MD&A)

Operating Performance and Financial Position

For the 1st quarter ended March 31, 2025



We Care for
Environmental

We Care for
Social

We Care for
Governance





Executive Summary

Revenue from sales and services	Net profits from operation	Profit sharing from associates
THB 379.9 million	THB 52.7 million	THB 28.9 million
Decrease 0.2% YoY	Increase 9.8% YoY	Decrease 35.8% YoY

T.K.S. Technology Public Company Limited and its subsidiaries ("the Company") would like to clarify its performance and financial position for the first quarter ended March 31, 2025. The Company generated revenue of THB 379.9 million, a decrease of THB 0.6 million or 0.2% compared to the same period last year. The decrease in revenue was mainly due to a reduction in special projects in the printing business segment, packaging and labeling segment, and platform technology business segment. However, the Company achieved a gross profit margin of 35.2%, an increase from 34.4% in the same period last year, resulting from efficient production cost management and a focus on expanding growth businesses, such as platform technology, which is a high-margin business.

The Company reported a net profit from operations of THB 52.7 million, an increase of THB 4.7 million or 9.8% from the same period last year. This was driven by an increase in gross profit and a reduction in selling and administrative expenses. In addition, the Company recognized a decrease of THB 16.1 million or 35.8% in its share of profit (loss) from investments in joint ventures and joint operations.

As of March 31, 2025, the Company's total assets amounted to THB 4,518 million, an increase of THB 73 million or 1.6% from December 31, 2024, mainly due to the recognition of net profit (loss) during the period. However, the financial position of the Company remains strong, with a debt-to-equity ratio of 0.30x.

As of March 31, 2025, the net asset value of the Company (NAV) based on the consolidated financial statements compared to the Company's market capitalization and the book value adjusted by the fair value of the investment in associates net with deferred tax liabilities was shown as follows;

THB Million



Sustainability Development at T.K.S. Group

- Selected by the Stock Exchange of Thailand (SET) as a sustainable stock or **SET ESG Ratings for the year 2023 at A rating** (Previously known as THSI Sustainable Stocks)
- Awarded a **5-star "Excellent" CG Scoring** for three consecutive years (2022-2024), consistently ranking in the Top Quartile among peers by Market Capitalization in 2024. Achieved the highest score of 100 points or **"Outstanding AGM Checklist"** for four consecutive years (2021-2024) in the quality assessment of Annual General Meetings by the Stock Exchange of Thailand.
- CAC Certified** has been renewed for membership of the Thai Private Sector Collective Action against Corruption (CAC) from Thai Institute of Directors (IOD)
- ISB Leader Award** from the **I-EA-T Sustainable Business Awards 2024 (ISB Awards)**, a project to develop social achievement criteria for sustainable development of the Industrial Estate Authority of Thailand (IEAT)
- Green Industry Award** for environmentally friendly business practices and **Trophy of Eco Factory Excellence Award** for the year 2024 from the Federation of Thai Industries
- Green Star Award** at the Sustainability Awards for the year 2024
- CSR-DIW Continuous Award 2024** from the project to promote industrial factories to have social and community responsibility for sustainable development goals
- 3Rs Award** for the project "Improving Industrial Waste Management Efficiency Towards **Zero Waste to Landfill**" for the year 2023
- Trophy and certificate of honor for the **Outstanding Greenhouse Gas Reduction Network Factory for the year 2023** from the Industrial Estate Authority of Thailand (IEAT)

Overview Business Strategy - Tech Ecosystem Builder

The Company has continuously focused on adapting its businesses to keep up with digital disruption by developing the innovation of information technology and has internally restructured its group of companies to create a synergy both in terms of market and product development and in terms of reducing production capital to increase its overall competitiveness to maintain its existing business base alongside finding new business partners. Currently, the Company has invested in 6 major businesses as below: -

- Security & Fulfillment Solution Business – through an investment in Siampress Company Limited ("SPC")
- Technology Platform Business- through an investment in Gofive Company Limited ("Gofive")
- Corporate Venture Capital in Tech Startup Company through an investment in Next Ventures Company Limited ("NEXT VENTURES")



Overview Business Strategy - Tech Ecosystem Builder (Cont'd)

4. IT Trading & Distribution Business - through an investment in Synnex Public Company Limited ("SYNNEX")
5. Fully integrated IT solutions and services - through an investment in Metro Systems Corporation Public Company Limited ("MSC") and Advanced Information Technology Public Company Limited ("AIT")

Operating Performance Analysis

Financial Performance for the 1st quarter 2025

Revenue and Gross Profit

The Company generated revenue from sales and services of THB 379.9 million, a decrease of THB 0.6 million or 0.2% compared to the same period last year (YoY). However, compared to Q4 2024 (QoQ), The Company's revenue from sales and services increased by THB 7.7 million or 2.1%, driven by growth in the anti-counterfeiting printing business and platform technology business.

The Company's gross profit margin was 35.2%, an increase from 34.4% in the same period last year (YoY) and an increase from Q4 2024 (QoQ). This was mainly due to effective production cost management and a focus on expanding growth businesses, such as platform technology, which is a high-margin business.

Selling and administrative expense

The Company's selling and administrative expenses were THB 69.9 million, a decrease of THB 0.4 million or 0.6% compared to the same period last year (YoY), mainly due to lower selling expenses, shipping, and postage costs in line with reduced revenue. When compared to Q4 2024 (QoQ), The Company's selling and administrative expenses decreased by THB 5.0 million or 6.7%, as Q4 2024 had higher revenues from digital customer data printing, leading to higher selling and shipping costs.

Finance cost and Income Tax

The Company incurred financial costs of THB 6.1 million, a decrease of THB 1.9 million or 23.8% compared to the same period last year (YoY), mainly due to a reduction in long-term loans from financial institutions. Compared to Q4 2024 (QoQ), The Company's financial costs decreased slightly due to the reduction in long-term loans from financial institutions.

The Company had income tax expenses of THB 10.1 million, a decrease of THB 1.3 million or 11.4% compared to the same period last year (YoY), primarily due to a reduction in operating profits. Compared to Q4 2024 (QoQ), The Company's income tax expenses increased due to higher operating profits.

Profit sharing from investment in associates and dividend received from investment

The Company recognized a share of losses from investments in joint ventures of THB 28.9 million, a decrease of THB 16.1 million or 35.8% compared to the same period last year (YoY). However, compared to Q4 2024 (QoQ), the share of losses increased by THB 37.2 million or 448.2%, mainly due to a decrease in the share of profit from PTECH in Q4 2024, which was recognized as a loss.

Gain (loss) from extraordinary items

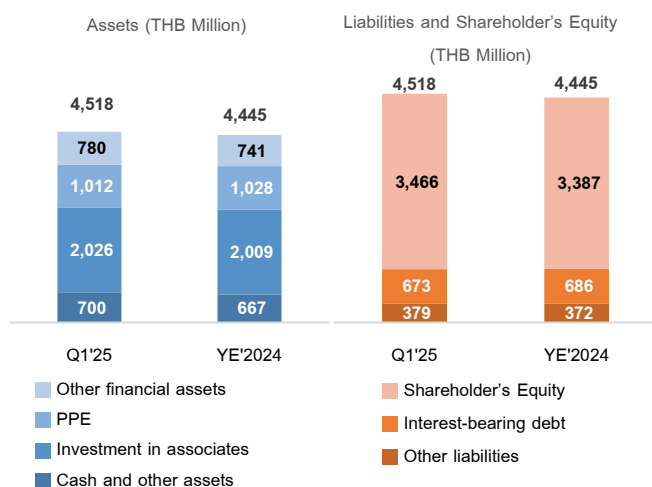
Q4'2024: The Company recognized an impairment loss of THB 109.0 million on its investment in an associate company and incurred professional fees related to investing activities amounting to THB 0.5 million.

Q1'2024: In February 2024, the Company sold derivative instrument – warrant and recognized in profit and loss on sales of warrant





Financial Position Analysis



Assets

As of March 31, 2025, the Company has total assets of 4,518 million Baht, an increase of 73 million Baht or 1.7% from December 31, 2024.

The significant changes are as follows:

- Cash and other assets increased by 33 million Baht, mainly due to an increase in trade receivables that have not yet matured during the period.
- Other financial assets increased by 39 million Baht, primarily due to the purchase of investments and an increase in fair value measurement during the period.
- Investments in joint ventures increased by 17 million Baht, mainly due to the recognition of the Company's share of profits (losses) in joint ventures of 17 million Baht.

Liabilities

As of March 31, 2025, the Company has total liabilities of 1,052 million Baht, a decrease of 6 million Baht or 0.8% from December 31, 2024.

The significant changes in liabilities are as follows:

- Other liabilities increased by 7 million Baht, mainly due to an increase in trade payables and other payables by 4 million Baht as a result of ongoing purchases of raw materials for production during 2025.
- Interest-bearing liabilities decreased by 13 million Baht, primarily due to a reduction of 60 million Baht in long-term loans from financial institutions as a result of the maturity of loans.

Shareholder's Equity

As of March 31, 2025, the Company has total shareholders' equity of THB 3,466 million, an increase of THB 79 million or 2.3% from December 31, 2024. The main reasons for the increase are a net profit of THB 83 million for the year and a gain from the fair value measurement of equity instruments (net of deferred tax liabilities) through other comprehensive income of THB 12 million.

Debt to Equity Ratio

The debt-to-equity ratio and the interest-bearing debt-to-equity ratio as of March 31, 2025, were 0.30x and 0.19x, respectively, showing a slight decrease from December 31, 2024.

Fair value

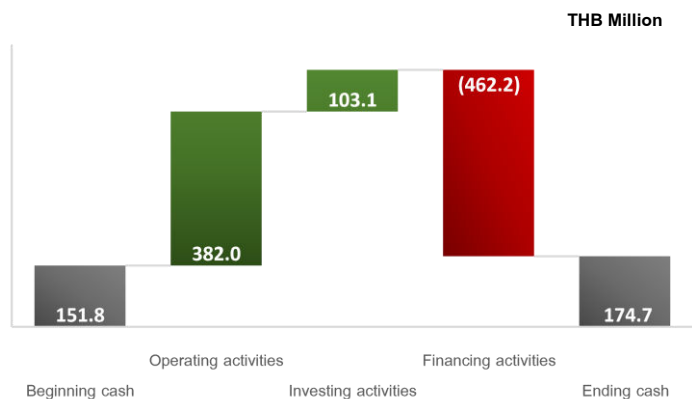
The following table presents the carrying amounts and fair values of assets measured at fair value or disclosed at fair value according to the consolidated financial statements and the notes to the financial statements of the Company as of March 31, 2025.

	Unit: THB million	
	Carrying Amount	Fair Value
Assets measured at fair value		
Investment in equity securities and derivative	780	780
Assets disclosed fair value		
Investment in associates	2,026*	3,574

* The carrying amount of investments in associates was measured using the equity method in accordance with applicable accounting standards.



Cashflows statement



The Company has cash and cash equivalents totaling THB 150.8 million, which decreased by THB 23.9 million from the beginning of the period. The cash flow items are as follows:

- Net cash flow from operating activities amounted to THB 30.2 million, primarily due to net cash from operations, with income tax payments during the year of THB 6.5 million.
- Net cash flow used in investing activities was THB 32.4 million, mainly due to an increase in cash payments for the purchase of investments totaling THB 26.3 million, net cash payments for the purchase of fixed assets of THB 7.2 million, and loans to related parties of THB 5.0 million.
- Net cash flow used in financing activities was THB 21.7 million, mainly due to an increase in net cash payments from the receipt and repayment of short-term loans during the period of THB 45.0 million, cash payments for long-term borrowings of THB 57.0 million, and interest payments of THB 6.2 million.



Financial Information

Financial Performance for the 1st quarter ended March 31, 2025

Unit: THB Million	Quarter 1/2025	Quarter 1/2024	Quarter 4/2024	YoY % +(-)	QoQ % +(-)
Revenue from sales and services	379.9	380.5	372.2	(0.2%)	2.1%
Cost of sales and services	(246.0)	(249.5)	(247.2)	(1.4%)	(0.5%)
Gross profits	133.9	131.0	125.0	2.2%	7.1%
Selling and administrative expense	(69.9)	(70.3)	(74.9)	(0.6%)	(6.7%)
Other income	4.9	6.7	12.1	(26.9%)	(59.5%)
EBIT	68.9	67.4	62.2	2.2%	10.8%
Finance cost	(6.1)	(8.0)	(7.2)	(23.8%)	(15.3%)
Income tax	(10.1)	(11.4)	(6.5)	(11.4%)	55.4%
Net profits from operations	52.7	48.0	48.5	9.8%	8.7%
Profits (loss) sharing from investment in associates and joint venture	28.9	45.0	(8.3)	(35.8%)	(448.2%)
Dividend received from investment	2.3	-	0.7	100.0%	228.6%
Gain (loss) from extraordinary items *	-	0.7	(109.5)	(100.0%)	(100.0%)
Net profit (loss) for the period	83.9	93.7	(68.6)	(10.5%)	(222.3%)
Depreciation & amortization	(27.2)	(30.6)	(26.9)	(11.1%)	1.1%
EBITDA	96.1	98.0	89.1	(1.9%)	7.9%
Gross profit margin (%)	35.2%	34.4%	33.6%	2.4%	4.9%
EBITDA margin (%)	25.3%	25.8%	23.9%	(1.8%)	5.7%
Operating profit margin (%)	13.9%	12.6%	13.0%	10.0%	6.5%
Earnings per share (THB)	0.16	0.17	(0.15)	(5.9%)	206.7%

* Profit (loss) from extraordinary items comprise of:

- Q4'2024: The Company recognized an impairment loss of THB 109.0 million on its investment in an associate company and incurred professional fees related to investing activities amounting to THB 0.5 million.
- Q1'2024: In February 2024, the Company sold derivative instrument – warrant and recognized in profit and loss on sales of warrant



Financial Information (Cont'd)

Statement of Financial Position and Key Financial Ratio

Description	Financial Position as of					
	31 March 2025		31 December 2024		Change	
	MB	%	MB	%	MB	%
Total assets	4,518.1	100.0	4,445.1	100.0	73.0	1.6
Total liabilities	1,052.2	23.3	1,057.7	23.8	(5.5)	(0.5)
Total shareholder's equity	3,465.9	76.7	3,387.4	76.2	78.5	2.3
Key financial ratio						
Debt to Equity ratio	0.30x		0.31x			
Interest Bearing Debt to Equity ratio	0.19x		0.20x			

Cashflows statement

Cashflows (Unit: THB million)	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Net cashflows from operating activities	30.2	56.1
• Cashflow from operation	96.8	103.8
• Change in working capital	(60.1)	(41.5)
• Net tax paid	(6.5)	(6.2)
Net cashflows used in investing activities	(32.4)	(1.0)
Net cashflows from (used in) financing activities	(21.7)	15.1
Net increase (decrease) in cash and cash equivalents during the period	(23.9)	70.2
Cash and cash equivalents at the beginning of the period	174.7	151.8
Cash and cash equivalents at the ending of the period	150.8	222.0

Please kindly be informed accordingly.

Sincerely yours,

(Jutiphan Mongkolsuthree)

Director