



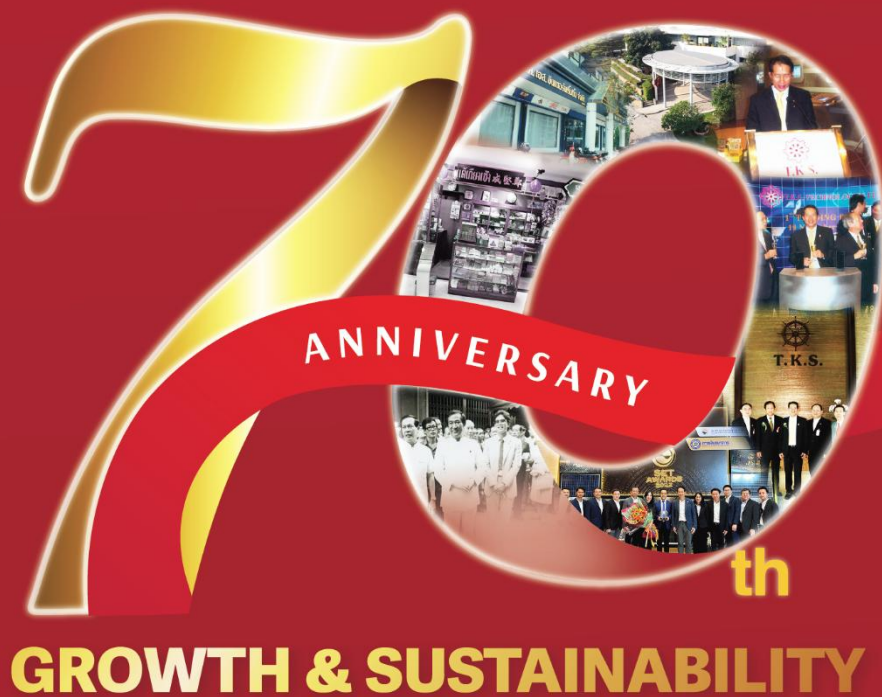
T.K.S. TECHNOLOGIES PUBLIC COMPANY LIMITED

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

Management Discussion and Analysis (MD&A)

Operating Performance and Financial Position

For the 2nd quarter ended June 30, 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 709.3 million	THB 89.1 million	THB 70.6 million
Decrease 8.2% YoY	Decrease 18.3% YoY	Decrease 13.1% YoY

T.K.S. Technology Public Company Limited and its subsidiaries ("the Company") would like to clarify its performance and financial position for the six-month period ended June 30, 2025. The Company generated revenue of THB 709.3 million, a decrease of THB 63.3 million or 8.2% compared to the same period last year. The decrease in revenue was mainly due to special projects in the printing business segment, the packaging and labeling segment, and the platform technology business segment, which has been growing continuously. However, the Company maintained a gross margin of 35.4%, a slight decrease from 36.9% in the same period last year. The decrease was mainly due to drop in Pass Book sales, as the Pass Book segment has a relatively high gross margin. Nevertheless, the Company continues to manage production costs efficiently and focuses on expanding high-growth business segments (Growth Business), such as platform technology, which is a segment with high gross margins, as well as special projects in the printing business that were postponed from Q2 and rescheduled for 2025.

The Company reported a net profit from operations of THB 89.1 million, a decrease of THB 19.9 million or 18.3% from the same period last year. This was due to a decrease in gross margin from sales and service revenue as mentioned above.

As of June 30, 2025, the Company's total assets amounted to THB 4,279 million, a decrease of THB 167 million or 3.7% 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 June 30, 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;



Sustainability Development at T.K.S. Group

- Achieved global standard certification for personal data management (ISO/IEC 27701:2019) in the year 2025.
- Achieved **Green Label certification** for 5 printing and writing paper products in the year 2025.
- Selected by the Stock Exchange of Thailand (SET) as a sustainable stock or **SET ESG Ratings for the year 2024 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 third consecutive time from the Federation of Thai Industries for the year 2024.
- Green Star Award** at the Sustainability Awards for the year 2024
- CSR-DIW Continuous Award 2024** for the third consecutive time from the project to promote industrial factories to have social and community responsibility for sustainable development goals.
- TCC Best Awards** for the second consecutive time at the 22nd Outstanding Ethics Award Ceremony by the Thai Chamber of Commerce for the year 2024.
- 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: -



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

1. Security & Fulfillment Solution Business – through an investment in Siampress Company Limited (“SPC”)
2. Technology Platform Business- through an investment in Gofive Company Limited (“Gofive”)
3. Corporate Venture Capital in Tech Startup Company through an investment in Next Ventures Company Limited (“NEXT VENTURES”)
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 2nd quarter 2025

Revenue and Gross Profit

The Company generated revenue from sales and services of THB 329.4 million, a decrease of THB 62.7 million or 16.0% compared to the same period last year (YoY). Compared to Q1 2025 (QoQ), The Company's revenue from sales and services decreased by THB 50.5 million or 13.3%, mainly due to a decline in the anti-counterfeit printing business.

The Company's gross profit margin was 35.5%, a decrease from 37.6% in the same period last year (YoY). However, it increased compared to Q1 2025 (QoQ), mainly due to efficient management of production costs and a focus on expanding high-growth business segments (Growth Business), such as platform technology, which is a segment with high gross margins.

Selling and administrative expense

The Company's selling and administrative expenses were THB 70.9 million, a decrease of THB 4.1 million or 5.5% 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 Q1 2025 (QoQ), The Company's selling and administrative expenses increased slightly by THB 1.0 million or 1.4%.

Finance cost and Income Tax

The Company incurred financial costs of THB 5.4 million, a decrease of THB 2.5 million or 31.6% compared to the same period last year (YoY), mainly due to a reduction in long-term loans from financial institutions. Compared to Q1 2025 (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 8.8 million, a decrease of THB 0.5 million or 5.4% compared to the same period last year (YoY), primarily due to a reduction in operating profits. Compared to Q1 2025 (QoQ), The Company's income tax expenses decreased due to lower operating profits.

Profit sharing from investment in associates and dividend received from investment

The Company recognized a share of loss from investments in joint ventures of THB 41.6 million, an increase of THB 5.4 million or 14.9% compared to the same period last year (YoY), and an increase of THB 12.7 million or 43.9% compared to Q1 2025 (QoQ). The main reason for this increase was the decrease in the share of profit from PTECH in Q1 2025, which recognized a reduced loss.

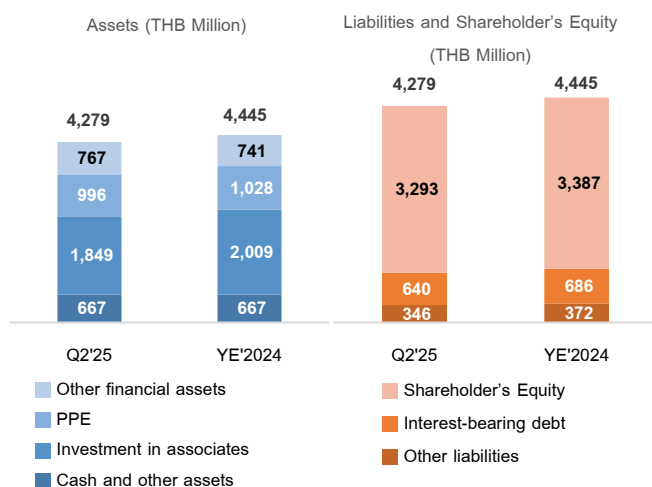
Gain (loss) from extraordinary items

Q2'2025: The Company recognized an impairment loss on investments in joint ventures amounting to THB 86.6 million and recognized a loss from the sale of investments in joint ventures and associates amounting to THB 12.5 million.

Q2'2024: The Company recognized an impairment loss on investments in joint ventures amounting to THB 264.0 million.



Financial Position Analysis



Assets

As of June 30, 2025, the Company has total assets of THB 4,279 million, a decrease of THB 166 million or 3.7% from December 31, 2024. The significant changes are as follows:

- Investments in joint ventures decreased by THB 160 million, mainly due to the company recognizing an impairment loss on investments in joint ventures.
- Fixed assets decreased by THB 32 million due to regular depreciation.
- Other financial assets increased by THB 26 million, primarily due to the purchase of investments and an increase in fair value measurement during the period.

Liabilities

As of June 30, 2025, the Company has total liabilities of THB 986 million, a decrease of THB 72 million or 6.8% from December 31, 2024. The significant changes in liabilities are as follows:

- Other liabilities decreased by THB 26 million, mainly due to a decrease in other current liabilities by THB 24 million.
- Interest-bearing liabilities decreased by THB 46 million, mainly due to a reduction in long-term loans from financial institutions by THB 44 million, a result of the repayment upon maturity.

Shareholder's Equity

As of June 30, 2025, the Company has total shareholders' equity of THB 3,293 million, a decrease of THB 94 million or 2.8% from December 31, 2024. The main reasons were net profit for the 6-month period of THB 99 million, a loss from fair value measurement of equity securities (net of deferred tax liabilities) through other comprehensive income of THB 11 million, and the Company paid an annual dividend for 2024 of THB 223 million.

Debt to Equity Ratio

The debt-to-equity ratio and the interest-bearing debt-to-equity ratio as of June 30, 2025, were 0.30x and 0.19x, respectively, showing a slight decrease from December 31, 2024.

Fair value

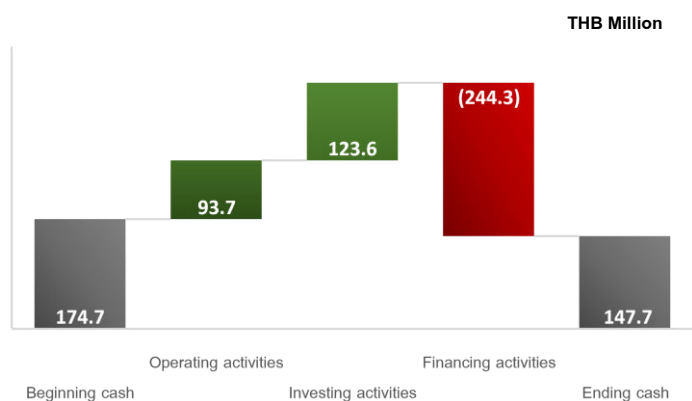
The following table presents the carrying amounts and fair values of assets measured at fair value or disclosed at fair value according to the consolidated financial statements and the notes to the financial statements of the Company as of June 30, 2025.

	Unit: THB million	
	Carrying Amount	Fair Value
Assets measured at fair value		
Investment in equity securities and derivative	767	767
Assets disclosed fair value		
Investment in associates	1,848*	3,612

* 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 147.7 million, which decreased by THB 27.0 million from the beginning of the period. The cash flow items are as follows:

- Net cash flow from operating activities amounted to THB 93.7 million, primarily due to net cash from operations, with income tax payments during the year of THB 23.7 million.
- Net cash flow used in investing activities was THB 123.6 million, mainly from the Company received dividends from SYNEX and other investments, namely MSC and AIT, totaling THB 149.6 million, and cash proceeds from the sale of investments of THB 25.2 million. Net cash used in purchasing fixed assets was THB 14.1 million, net cash used in acquiring investments was THB 39.2 million.
- Net cash flow used in financing activities was THB 244.3 million, mainly due to dividend payments of THB 163.4 million and cash payments for long-term loans of THB 87.6 million.



Financial Information

Financial Performance for the 2nd quarter ended June 30, 2025

Unit: THB Million	Quarter 2/2025	Quarter 2/2024	Quarter 1/2025	YoY % +(-)	QoQ % +(-)
Revenue from sales and services	329.4	392.1	379.9	(16.0%)	(13.3%)
Cost of sales and services	(212.4)	(244.5)	(246.0)	(13.1%)	(13.7%)
Gross profits	117.0	147.6	133.9	(20.7%)	(12.6%)
Selling and administrative expense	(70.9)	(75.0)	(69.9)	(5.5%)	1.4%
Other income	4.6	4.9	4.9	(6.1%)	(6.1%)
EBIT	50.7	77.5	68.9	(34.6%)	(26.4%)
Finance cost	(5.4)	(7.9)	(6.1)	(31.6%)	(11.5%)
Income tax	(8.8)	(9.3)	(10.1)	(5.4%)	(12.9%)
Net profits from operations	36.5	60.3	52.7	(39.5%)	(30.7%)
Profits (loss) sharing from investment in associates and joint venture	41.6	36.2	28.9	14.9%	43.9%
Dividend received from investment	36.3	25.3	2.3	43.5%	1,478.3%
Gain (loss) from extraordinary items *	(99.1)	(264.0)	-	(62.5%)	N/A
Net profit (loss) for the period	15.3	(142.2)	83.9	110.8%	(81.8%)
Depreciation & amortization	(26.3)	(27.4)	(27.6)	(4.0%)	(4.7%)
EBITDA	77.0	104.9	96.5	(26.6%)	(20.2%)
Gross profit margin (%)	35.5%	37.6%	35.2%	(5.6%)	0.8%
EBITDA margin (%)	23.4%	26.8%	25.4%	(12.6%)	(8.0%)
Operating profit margin (%)	11.1%	15.4%	13.9%	(27.9%)	(20.1%)
Earnings per share (THB)	0.02	(0.29)	0.15	106.9%	(86.7%)

* Profit (loss) from extraordinary items comprise of:

- Q2'2025: The Company recognized an impairment loss of THB 86.6 million and recognized a loss from the sale of investments in joint ventures and associates of THB 12.5 million. Thus, totaling a loss from extraordinary items was THB 99.1 million.
- Q2'2024: The Company recognized an impairment loss of THB 264.0 million on its investment in an associate company



Financial Information (Cont'd)

Financial Performance for the six-month period ended June 30, 2025

Unit: THB Million	6M 2025	6M 2024	YoY
			% +(-)
Revenue from sales and services	709.3	772.6	(8.2%)
Cost of sales and services	(458.5)	(487.2)	(5.9%)
Gross profits	250.8	285.4	(12.1%)
Selling and administrative expense	(140.8)	(152.6)	(7.7%)
Other income	9.5	11.6	(18.1%)
EBIT	119.5	144.4	(17.2%)
Finance cost	(11.5)	(15.9)	(27.7%)
Income tax	(18.9)	(19.5)	(3.1%)
Net profits from operations	89.1	109.0	(18.3%)
Profits (loss) sharing from investment in associates and joint venture	70.6	81.2	(13.1%)
Dividend received from investment	38.6	25.4	52.0%
Gain (loss) from extraordinary items *	(99.1)	(264.0)	(62.5%)
Net profit (loss) for the period	99.2	(48.4)	305.0%
Depreciation & amortization	(54.0)	(61.0)	(11.5%)
EBITDA	173.5	205.4	(15.5%)
Gross profit margin (%)	35.4%	36.9%	(4.3%)
EBITDA margin (%)	24.5%	26.6%	(8.0%)
Operating profit margin (%)	12.6%	14.1%	(11.0%)
Earnings per share (THB)	0.18	(0.11)	263.6%

* Profit (loss) from extraordinary items comprise of:

- Q2'2025: The Company recognized an impairment loss of THB 86.6 million and recognized a loss from the sale of investments in joint ventures and associates of THB 12.5 million. Thus, totaling a loss from extraordinary items was THB 99.1 million.
- Q2'2024: The Company recognized an impairment loss of THB 264.0 million on its investment in an associate company.



Financial Information (Cont'd)

Statement of Financial Position and Key Financial Ratio

Description	Financial Position as of					
	30 June 2025		31 December 2024		Change	
	MB	%	MB	%	MB	%
Total assets	4,278.6	100.0	4,445.1	100.0	(166.6)	(3.7)
Total liabilities	985.7	23.0	1,057.7	23.8	(72.0)	(6.8)
Total shareholder's equity	3,292.9	77.0	3,387.4	76.2	(94.5)	(2.8)
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 six-month period ended 30 June 2025	For the six-month period ended 30 June 2024
Net cashflows from operating activities	93.7	129.4
• Cashflow from operation	176.3	212.0
• Change in working capital	(58.9)	(71.2)
• Net tax paid	(23.7)	(11.4)
Net cashflows used in investing activities	123.6	78.1
Net cashflows from (used in) financing activities	(244.3)	(182.7)
Net increase (decrease) in cash and cash equivalents during the period	(27.0)	24.8
Cash and cash equivalents at the beginning of the period	174.7	151.8
Cash and cash equivalents at the ending of the period	147.7	176.6

Please kindly be informed accordingly.

Sincerely yours,

(Jutiphan Mongkolsuthree)

Director