TWZ021/2026

13 August 2026

Subject : Management Discussion and Analysis for the Second Quarter Ended 30 June 2026

To : Directors and Manager
The Stock Exchange of Thailand

As TWZ Corporation Public Company Limited (the "Company") has submitted the financial statements of the Company and its subsidiaries for the three-month period ended 30 June 2026, which have been reviewed by a certified public accountant, the Company would like to provide an explanation of the operating results of the Company and its subsidiaries as follows:

Operating Results

For the three-month period ended 30 June 2026, the Company and its subsidiaries recorded total revenues of Baht 549.51 million, representing a decrease of Baht 727.99 million, or 56.99%, from Baht 1,277.50 million in the same period of the previous year. The details are as follows:

- Revenue from sales and services amounted to Baht 519.40 million, a decrease of Baht 743.49 million, or 58.87%, from Baht 1,262.89 million in the same period of the previous year. This was due to the Company's policy to reduce sales of products on credit terms, resulting in a decrease in revenue from sales and services.
- Sales support income amounted to Baht 2.98 million, a decrease of Baht 8.12 million, or 73.18%, from Baht 11.10 million in the same period of the previous year. The Company and its subsidiaries received lower sales support payments from suppliers in line with the suppliers' sales promotion programs.
- Other income amounted to Baht 27.14 million, an increase of Baht 23.62 million from Baht 3.52 million in the same period of the previous year. Normally, the Company's other income consists of interest income from finance lease agreements and interest income from deposits with financial institutions. However, in the second quarter, the Company recognized interest income of Baht 23.14 million arising from litigation against a debtor, as the court ruled in favor of the Company.
- Distribution costs amounted to Baht 9.87 million, a decrease from Baht 12.20 million in the same period of the previous year. Distribution costs as a proportion of the Company's total revenue were 1.80% and 0.95% for the second quarters of 2026 and 2025, respectively. The proportion increased because revenue from sales and services decreased, while the Company continued to incur fixed expenses that could not be reduced immediately. The Company will manage and control these expenses to reduce them in the future.

- Administrative expenses amounted to Baht 30.70 million, a decrease of Baht 3.82 million, or 11.06%, from Baht 34.52 million in the same period of the previous year. Administrative expenses as a proportion of the Company's total revenue were 5.59% and 2.70% for the second quarters of 2026 and 2025, respectively. The proportion increased because revenue from sales and services decreased, while the Company continued to incur fixed expenses that could not be reduced immediately. The Company will manage and control these expenses to reduce them in the future.
- Income tax expense (income) amounted to Baht 1.38 million, a decrease of Baht 1.92 million from Baht 3.29 million in the same period of the previous year, due to the operating results as described above.
- Gain and reversal of impairment losses (impairment losses) in accordance with TFRS 9 amounted to Baht 119.70 million. This arose from the assessment of impairment of trade receivables whose payments were overdue, as well as interest income arising from litigation against debtors. The Company is currently in the process of following up and collecting the outstanding amounts, and if the payments are not received thereafter, the Company will proceed with the relevant legal procedures.
- Net loss for the period amounted to Baht 128.53 million. Such net loss included a loss attributable to non-controlling interests of Baht 1.01 million. Accordingly, the net loss attributable to the Company amounted to Baht 127.53 million, compared with a net profit of Baht 7.32 million in the same period of the previous year, representing a decrease of Baht 134.85 million, due to the operating results of the Company and its subsidiaries as described above.

Financial Position

The Company and its subsidiaries had total assets of Baht 3,667.07 million as of 30 June 2026, compared with Baht 3,917.91 million as of 31 December 2025, representing a decrease of Baht 250.83 million, or 6.40%. As of 30 June 2026, the Company's assets consisted of current assets representing 51.64% and non-current assets representing 48.36%. The significant assets can be summarized as follows:

- Receivables under bulk sales agreements amounted to Baht 1,043.41 million, a decrease of Baht 551.63 million, or 34.58%, from Baht 1,595.03 million in the previous year. This was due to the Company receiving payments from receivables under bulk sales agreements, and the Company did not enter into any additional bulk sales agreements in 2026.
- Trade and other current receivables of the Company and its subsidiaries amounted to Baht 548.43 million, a decrease of Baht 974.51 million, or 63.99%, from Baht 1,522.94 million in the previous year. This was due to the Company receiving payments from trade receivables and changing its customer credit policy in 2026, resulting in a decrease in trade receivables.
- Restricted bank deposits of the Company and its subsidiaries amounted to Baht 13.10 million, a decrease of Baht 120.03 million, or 90.16%, from Baht 133.13 million in the previous year. This was due to the Company closing a credit facility with one financial institution during the current period, which had been used as working capital.

- Other non-current financial assets of the Company and its subsidiaries amounted to Baht 14.57 million, a decrease of Baht 69.26 million, or 82.63%, from Baht 83.83 million as of 31 December 2025. The decrease mainly resulted from the reclassification of a project deposit of Baht 70.00 million as other non-current assets.
- Right-of-use assets of the Company amounted to Baht 29.08 million, a decrease of Baht 7.73 million, or 20.99%, from Baht 36.81 million as of 31 December 2025. This was due to the Company terminating certain lease agreements and recognizing amortization and depreciation in accordance with the respective agreements.
- Other non-current assets of the Company amounted to Baht 1,504.59 million, mainly due to the Company recording an advance payment for land of Baht 1,500.00 million for land that the Company provided as collateral for a credit facility with a financial institution and that is intended for a future real estate development project.

Liquidity

The Company and its subsidiaries had cash and cash equivalents of Baht 52.77 million as of 30 June 2026, an increase of Baht 16.84 million, or 46.86%, from the same period of the previous year. The sources and uses of cash are as follows:

- Net cash provided by operating activities amounted to Baht 1,543.38 million, mainly resulting from a decrease in trade and other current receivables.
- Net cash used in investing activities amounted to Baht 1,425.03 million, mainly resulting from cash payments for non-current financial assets.
- Net cash used in financing activities amounted to Baht 118.08 million, mainly resulting from cash payments for repayment of borrowings.

The current ratio of the Company and its subsidiaries as of 30 June 2026 was 0.96 times. The Company and its subsidiaries had a decrease in current assets and an increase in current liabilities compared with those as of 31 December 2025, when the current ratio was 2.95 times.

Sources of Funds

As of 30 June 2026, the Company and its subsidiaries had total liabilities of Baht 2,116.66 million, while the shareholders' equity of the Company and its subsidiaries amounted to Baht 1,550.42 million. As a result, the debt-to-equity ratio was 1.37 times, increasing from 1.29 times in 2025.

Please be informed accordingly.

Yours Sincerely,

(Mr.Puttachat Rungkasiri)

Director