May 14, 2025

Subject: Management discussion and analysis the operating results for the first quarter of 2025

To: The President
The Stock Exchange of Thailand

TVD Holdings Public Company Limited ("the Company") and its subsidiaries ("the Group") would like to clarify the operating results for the first quarter of 2025 as per the consolidated financial statement reviewed by the Certified Auditor as follows.

Analysis of operating results

(Unit: Million Baht)	FOR THE YEAR ENDED MARCH 31,				Change	
	2025	%	2024	%	Amount	%
Revenues from sales and services	275.58	100.00	298.39	100.00	(22.81)	(7.64)
Cost of goods sold and services	(126.16)	(45.78)	(147.48)	(49.43)	21.32	(14.46)
Gross profit	149.42	54.22	150.91	50.57	(1.49)	(0.98)
Other income	1.13	0.41	6.90	2.31	(5.77)	(83.66)
Profit before expenses	150.55	54.63	157.80	52.89	(7.25)	(4.60)
Media cost	(87.80)	(31.86)	(48.95)	(16.41)	(38.84)	79.35
Distribution costs	(40.56)	(14.72)	(76.22)	(25.55)	35.66	(46.79)
Administrative expenses	(28.76)	(10.44)	(42.55)	(14.26)	13.79	(32.42)
Profit (loss) from sales of investments		-	(1.84)	(0.62)	1.84	(100.00)
Profit (loss) from exchange ratio		-	(0.22)	(0.07)	0.22	(100.00)
Finance costs	(6.39)	(2.32)	(6.13)	(2.05)	(0.26)	4.18
Income tax income (expense)	(3.40)	(1.23)	(3.04)	(1.02)	(0.36)	12.00
Profit (loss) for the year	(16.36)	(5.94)	(21.16)	(7.09)	4.80	(22.69)
Shareholders of the parent company	(16.36)	(5.94)	(21.40)	(7.17)	5.04	(23.56)
Non-controlling interests	-	-	0.24	0.08	(0.24)	(100.00)

1. Revenues from sales and services

The Group has revenue from sales and services for the first quarter of 2025, amounting to Baht 275.58 million. This represents a decreasing of Baht 22.81 million compared to the same periods last year, reflecting a decrease of 7.64%. This increase is attributed to the Group's ongoing strategy and the product and marketing strategies continuously to expand its customer base through satellite TV and digital TV channels, by expanding online marketing channels to reach a wider range of customers. It is expected that the group of companies will be able to increase sales continuously in the long run.

2. Cost of goods sold and services and Gross profit

The Group has cost of sales and services for the first quarter of 2025, amounting to Baht 126.16 million. This represents a decreasing of Baht 21.32 million compared to the last year, reflecting a decrease of 14.46%. The Company was able to efficiently manage and control its cost of sales through adjustments in product and service strategies in the first quarter of 2025. Although total revenue decreased compared to the same period of the previous year, the cost of sales and services decreased at a higher rate, resulting in an improvement in the gross profit margin from 50.57% in the first quarter of 2024 to 54.22% in the same quarter of 2025.

3. Media cost

The Group has media costs for the first quarter of 2025, amounting to Baht 87.80 million. This represents an increase of Baht 38.84 million, or 79.35%. The increase in advertising costs is primarily driven by the expansion of media channels, including both television advertisements (TV) and investments in online media, aimed at boosting sales amid increasingly intense competition. However, these advertising expenses have yet to yield optimal effectiveness in the short term, resulting in a continued decline in total revenue compared to the same period last year. The company is currently assessing the efficiency of its advertising expenditure and will adjust its marketing communication strategies to be more appropriate in the next quarter.

4. Distribution costs

The Group has distribution costs of Baht 40.56 million for the first quarter of 2025. This represents a decreasing of Baht 35.66 million, reflecting a decrease of 46.79%. The main reason is the shift in distribution strategy, focusing on more efficient and lower-cost channels, such as increasing the proportion of online channels and improving the management of resources and logistics costs.

5. Administrative expenses

The Group recorded administrative expenses of Baht 28.76 million for the first quarter of 2025, representing a decrease of Baht 13.79 million or 32.42% compared to the previous year. This reduction in administrative expenses was the result of effective cost control measures, such as personnel cost

management and reductions in office-related expenses. The decrease in administrative expenses helped mitigate the impact of the decline in revenue.

6. Finance costs

The Group recorded financial costs of Baht 6.39 million for the first quarter of 2025, an increase of Baht 0.26 million or 4.18% compared to the previous year. The Group's interest expenses arose from the use of revolving credit facilities for the purchase of finished goods, comprising Baht 3.31 million in short-term loan interest from financial institutions and Baht 3.08 million in interest expenses related to lease liabilities.

7. Net Profit (loss)

The Group reported a net loss attributable to the parent company of Baht 16.36 million for the first quarter of 2025, representing 5.94% of total revenue from sales and services. Although the Company remained in a loss position, the loss decreased by Baht 4.80 million, or an improvement of 22.69%, compared to the same period last year, which recorded a net loss of Baht 21.16 million or 7.09% of revenue. Nonetheless, management remains committed to ongoing cost structure optimization while implementing strategies to increase revenue through high-potential channels such as online sales and expanding high-margin product offerings, with the aim of returning to profitability in the near future.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at March 31, 2025 when compared with the balance as at December 31, 2024 were as follows:

(Unit: Million Baht)	AS AT MARCH 31,		AS AT DECEMBER 31,		Change	
	2025	%	2024	%	Amount	%
Current assets	242.65	16.07	221.94	14.70	20.72	9.34
Non-current assets	1,267.15	83.93	1,287.34	85.30	(20.18)	(1.57)
Total assets	1,509.81	100.00	1,509.27	100.00	0.54	0.04
Current liabilities	710.68	47.07	648.74	42.98	61.94	9.55
Non-current liabilities	158.93	10.53	183.31	12.15	(24.38)	(13.30)
Total liabilities	869.62	57.60	832.05	55.13	37.57	4.51
Total attributable to company's shareholders	640.19	42.40	660.51	43.76	(20.32)	(3.08)
Non-controlling interests		-	16.71	1.11	(16.71)	(100.00)
Total shareholders' equity	640.19	42.40	677.22	44.87	(37.03)	(5.47)
Total liabilities and shareholders' equity	1,509.81	100.00	1,509.27	100.00	17.25	1.14

Current assets

- **Cash and cash equivalents**: As at March 31, 2025, the balance was Baht 21.94 million, a decrease of Baht 5.85 million or 21.06%, resulting from the Group's capital management, as follows:

Net cash receipts from operating activities	29.83	Million Baht
Net cash payment from investing activities	(67.94)	Million Baht
Net cash receipts from financing activities	32.19	Million Baht
Net decrease in cash and cash equivalents	(5.92)	Million Baht
Net cash transferred from disposals of investments in subsidiaries.	0.07	Million Baht
Net decrease in cash during the period	(5.85)	Million Baht

- **Trade receivables and other current receivables**: As of March 31, 2025, the balance was Baht 67.20 million, a decrease of Baht 26.53 million or 28.31%. Generally, the company's sales are made to customers who pay in cash upon delivery (Cash on Delivery). Trade and other receivables are subject to payment terms based on the credit period granted.
- **Inventories**: As at March 31, 2025, the balance was Baht 21.66 million, an increase of Baht 7.08 million or 48.55%, due to stockpiling for future sales, particularly seasonal best-sellers. The Group has managed inventory balance in line with sales forecasts to minimize inventory storage costs.

Non-current assets

- **Long-term loans**: As of March 31, 2025, the outstanding balance amounted to Baht 402.92 million, a decrease of Baht 56.06 million, a reduction from collections.
- **Property, plant and equipment**: As at March 31, 2025, the balance was Baht 302.80 million, a decrease of Baht 3.78 million or 1.23%, with depreciation Baht 3.78 million.
- **Intangible assets**: As at March 31, 2025, the balance was Baht 74.19 million. There was an increase of Baht 12.39 million, or 20.05%, resulting from an additional investment of Baht 13.68 million and amortization of Baht 1.29 million.

Current liabilities

- **Bank overdrafts and short-term loans from financial institutions**: As of March 31, 2025, the balance was Baht 164.69 million, with a decrease of Baht 4.82 million or 2.84%, resulting from the Group's capital management.
- **Trade payables and other current payables**: As of March 31, 2025, the balance was Baht 376.01 million, with a decrease of Baht 1.99 million or 0.53%, due to the payment of outstanding debts.

Shareholder's equity

As of March 31, 2025, the Group had shareholders' equity of Baht 640.19 million, with a decrease of Baht 37.03 million or 5.47%. There was a change due to an operating loss of Baht 16.36 million for the first quarter of 2025.

Please be informed accordingly.

Yours faithfully,

(Ms. Jiraporn Pinijnorachai)

Acting of Chief Financial Officer