(This document has been translated from the original language)

August 13, 2025

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

To: The President
The Stock Exchange of Thailand

Summary of key events and developments

In the second quarter of 2025, the Group invested Baht 31.25 million in Capital Group Asset Management Co., Ltd., holding 100% of its paid-up capital, to engage in the business of managing non-performing assets of financial institutions. This investment will help enhance the Group's revenue generation channels and diversify its sources of income.

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

Analysis of operating results

(Unit: Million Baht)	3 Month					6 Month		
	Q2/2567	Q1/2568	Q2/2568	QoQ	YoY	1HY/2567	1HY/2568	YoY
Revenues from sales and services	342.08	275.58	291.31	15.73	(50.77)	647.35	566.90	(80.45)
Cost of goods sold and services	(158.92)	(126.16)	(151.56)	(25.40)	7.36	(306.40)	(277.72)	28.68
Gross profit	183.16	149.42	139.75	(9.67)	(43.41)	340.95	289.18	(51.77)
% Gross profit	**52%**	**54%**	**48%**	**-6%**	**-6%**	**53%**	**51%**	**-2%**
Other income	(5.39)	1.13	1.35	0.22	(4.04)	5.41	2.48	(2.93)
Profit before expenses	188.55	150.55	141.10	(9.45)	(47.45)	346.35	291.65	(54.70)
Media cost	(79.71)	(87.80)	(75.58)	12.21	4.13	(128.66)	(163.38)	(34.72)
Distribution costs	(55.67)	(40.56)	(47.88)	(7.31)	7.80	(134.28)	(88.44)	45.84
Administrative expenses	(39.19)	(28.76)	(35.69)	(6.93)	3.50	(79.36)	(64.45)	14.91
Profit (loss) from sales of investments	-	-	-	-	-	(1.84)	-	1.84
Net gain on foreign exchange	0.02	-	-	-	(0.02)	0.02	-	(0.02)
Other expenses	(0.02)	-	-	-	0.02	(0.24)	-	0.24
Finance costs	(4.67)	(6.39)	(6.91)	(0.53)	(2.24)	(10.80)	(13.30)	(2.50)
Income tax income (expense)	4.16	(3.40)	(3.85)	(0.45)	(8.01)	1.12	(7.25)	(8.37)
Profit (loss) for the year	13.47	**(16.36)**	**(28.81)**	**(12.45)**	**(42.28)**	**(7.69)**	**(45.17)**	**(37.48)**

(Unit: Million Baht)	3 Month					6 Month		
	Q2/2567	Q1/2568	Q2/2568	QoQ	YoY	1HY/2567	1HY/2568	YoY
Shareholders of the parent company	12.81	(16.36)	(28.81)	(12.45)	(41.62)	(8.59)	(45.17)	(36.58)
Non-controlling interests	0.66	-	-	-	(0.66)	0.90	-	(0.90)

Revenues from sales and services

For the three-month and six-month periods ended June 30, 2025, the Group has revenue from sales and service amounting to Baht 291.31 million and Baht 566.90 million, respectively. This represents a decreasing of Baht 50.77 million and Baht 80.45 million, respectively, compared to the same periods of the previous year. The main reason was that the Group was in the process of adjusting its product distribution strategy, as well as continuously refining its product and marketing strategies. The Group has also expanded its broadcasting channels to Satellite TV and Digital TV, alongside increasing its online marketing efforts, in order to reach a more diverse customer base. The Group expects that these initiatives will help support sales growth in the long term.

1. Cost of goods sold and services and Gross profit

For the three-month and six-month periods ended June 30, 2025, the Group has cost of sales and services amounting to Baht 151.56 million and Baht 277.72 million, respectively. This represents an increasing of Baht 7.36 million and Baht 28.68 million, respectively, compared to the same periods of the previous year. The gross profit margin to sales was 48% and 51%, respectively, compared to 52% and 53% in the same periods of the previous year.

However, in the second quarter of 2025, the gross profit margin decreased compared to the previous year due to higher cost of sales while revenue declined, resulting from the restructuring of distribution channels and marketing activities during the transition period.

2. Media cost

The Group has advertising media costs of Baht 75.58 million and Baht 163.38 million for the three-month and six-month periods ended June 30, 2025, respectively, representing an increase of Baht 34.72 million, or 27%, compared to the six-month period of the previous year. The main reason was the expansion of media channels, including television advertising and online media, to stimulate sales amid heightened competition. This investment has not yet delivered full efficiency in the short term, resulting in total revenue still declining compared to the previous year. However, the Company is in the process of evaluating the returns and will adjust its marketing communication strategies to be more effective in the next quarter.

3. Distribution costs

The Group has distribution costs of Baht 47.88 million and Baht 88.44 million for the three-month and six-month periods ended June 30, 2025, respectively, representing decreases of Baht 7.80 million and Baht 45.84 million, or 14% and 34%, respectively, compared to the same periods of the previous year. The main reason was the adjustment of the distribution strategy to focus on more efficient and lower-cost channels, such as increasing the proportion of online channels and improving the management of resources and logistics costs more effectively.

4. Administrative expenses

The Group has administrative expenses of Baht 35.69 million and Baht 64.45 million for the three-month and six-month periods ended June 30, 2025, respectively, representing decreases of Baht 3.50 million and Baht 14.91 million, or 9% and 19%, respectively, compared to the same periods of the previous year. The decrease in administrative expenses was mainly due to the implementation of effective cost control measures, such as managing personnel costs and reducing office expenses. This reduction in administrative expenses has helped mitigate the impact of the decline in revenue.

5. Finance costs

The Group has finance costs of Baht 6.91 million and Baht 13.30 million for the three-month and six-month periods ended June 30, 2025, respectively, representing increases of Baht 2.24 million and Baht 2.50 million, or 48% and 23%, respectively, compared to the same periods of the previous year. The Group's interest expenses comprised Baht 8.5 million from the use of revolving credit facilities for purchasing finished goods and short-term loans from financial institutions, and Baht 4.8 million from lease liabilities. The increase in finance costs was due to higher borrowings to support operations and product procurement, as part of the operational strategy during a period of declining revenue.

6. Net Profit (loss)

The Group has a net loss attributable to owners of the parent of Baht 28.81 million and Baht 45.17 million for the three-month and six-month periods ended June 30, 2025, respectively, representing increases in losses of Baht 41.62 million and Baht 36.58 million, respectively, compared to the same periods of the previous year. The Group is in the process of restructuring its cost structure and implementing strategies to return to profitability in the future, such as focusing on online sales channels and expanding high-margin product lines.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at June 30, 2025 when compared with the balance as at December 31, 2024 were as follows:

(Unit: Million Baht)	As at 30 June		As at 31 December		Change	
	2025	%	2024	%	Amount	%
Current assets	402.99	27.18	221.94	14.70	181.05	81.58
Non-current assets	1,079.79	72.82	1,287.34	85.30	(207.55)	(16.12)
Total assets	**1,482.78**	**100.00**	**1,509.27**	**100.00**	**(26.50)**	**(1.76)**
Current liabilities	763.37	51.48	648.74	42.98	114.63	17.67
Non-current liabilities	110.53	7.45	183.31	12.15	(72.78)	(39.70)
Total liabilities	**873.90**	**58.94**	**832.05**	**55.13**	**41.85**	**5.03**
Total attributable to company's shareholders	608.87	41.06	660.51	43.76	(51.64)	(7.82)
Non-controlling interests	-	-	16.71	1.11	(16.71)	(100.00)
Total shareholders' equity	608.87	41.06	677.22	44.87	(68.35)	(10.09)
Total liabilities and shareholders' equity	**1,482.78**	**100.00**	**1,509.27**	**100.00**	**(9.79)**	**(0.65)**

Current assets

- **Cash and cash equivalents**: As at June 30, 2025, the balance was Baht 38.72 million, an increase of Baht 10.93 million or 39.33%, resulting from the Group's capital management, as follows:

Net cash provided by operating activities	3.52	Million Baht
Net cash used in investing activities	(40.01)	Million Baht
Net cash provided by financing activities	39.05	Million Baht
Net increase in cash and cash equivalents	2.56	Million Baht
Net cash provided by investments in subsidiaries.	8.37	Million Baht
Net increase in cash during the period	10.93	Million Baht

- **Trade receivables and other current receivables:** As of June 30, 2025, the balance was Baht 45.70 million, a decrease of Baht 48.02 million or 51.24%. 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 June 30, 2025, the balance was Baht 10.20 million, a decrease of Baht 4.38 million or 30.03% because of the Group has shortened its inventory holding period to increase inventory turnover and reduce storage costs.

Non-current assets

- **Long-term loans:** As of June 30, 2025, the outstanding balance amounted to Baht 224.79 million, a decrease of Baht 234.18 million, a reduction from the collection of repayments and the reclassification as other current financial assets.
- **Property, plant and equipment:** As at June 30, 2025, the balance was Baht 299.14 million, a decrease of Baht 7.38 million or 2.41%, resulting from additional purchases during the period of Baht 0.35 million, offset by sales and write-offs during the period of Baht 0.84 million, depreciation expenses of Baht 7.73 million, and the reversal of impairment allowances of Baht 0.48 million.
- **Intangible assets:** As at June 30, 2025, the balance was Baht 74.29 million. There was an increase of Baht 12.49 million, or 20.22%, resulting from an additional investment of Baht 11.13 million, purchases during the period amounting to Baht 4.03 million, and amortization expenses of Baht 2.67 million.

Current liabilities

- **Bank overdrafts and short-term loans from financial institutions:** As of June 30, 2025, the balance was Baht 165.65 million, with a decrease of Baht 3.86 million or 2.28%, resulting from the Group's capital management.
- **Trade payables and other current payables:** As of June 30, 2025, the balance was Baht 359.97 million, with a decrease of Baht 18.04 million or 4.77%, due to the payment of outstanding debts.

Shareholder's equity

As of June 30, 2025, the Group's total shareholders' equity amounted to Baht 608.87 million, representing a decrease of Baht 68.35 million, or 11.23%. This change was primarily due to a net loss from operations for the six-month period ended June 30, 2025, of Baht 48.85 million, and a profit attributable to non-controlling interests in subsidiaries of Baht 16.70 million.

Please be informed accordingly.

Yours faithfully,

(Ms. Jiraporn Pinijnorachai)
Acting of Chief Financial Officer