

**D.T.C. Enterprise Public Company Limited and its Subsidiaries
Management Discussion, Analysis, and Operating Results for the Second
Quarter of 2024, ending 30 June 2024**

Summary of the Operating Results for the Second Quarter of 2024

As at 30 June 2024, D.T.C. Enterprise Public Company Limited and its subsidiaries (“DTC Group”) had a total revenue of THB 366.89 million, an increase of THB 28.56 million or 8.44%; a total cost of sales and services of THB 160.16 million, a decrease of THB 8.61 million or 5.10%; a gross profit of THB 194.14 million, an increase of THB 30.87 million or 18.91%; sales and administrative expenses of THB 128.65 million, an increase of THB 11.58 million or 9.89% ; and a net profit of THB 64.62 million, an increase of THB 24.89 million or 62.65%, when compared to the operating results for the second quarter of 2023, as follows.

(Unit : THB Million)

Consolidated Financial Statements	Second Quarter		Difference	%
	2024	2023		
Revenue from sales and services	354.30	332.04	22.26	6.70
Other revenues	12.59	6.29	6.30	100.16
Total revenues	366.89	338.33	28.56	8.44
Cost of sales and services	160.16	168.77	(8.61)	(5.10)
Gross profit	194.14	163.27	30.87	18.91
Sales and administrative expenses	128.65	117.07	11.58	9.89
Net profit for the period	64.62	39.73	24.89	62.65

Analysis of the DTC Group Profit and Loss

Revenue from Sales and Services

DTC Group’s revenue was mainly from sales and services. In the second quarter of 2024 and 2023, the revenues from sales and services were THB 354.30 million and THB 332.04 million, respectively, an increase of THB 22.26 million or 6.70%, or 96.57% and 98.14% of the total revenue, respectively. The increase was mainly attributable to the fact that DTC Group had successfully developed its goods control and tracking system software, and the smart city application software that increased the operational efficiency for its customers.

In addition, DTC Group earned its revenue from an increase in the device rental service for GPS Tracking and MDVR following the launching of new products and upgrading functions to meet the changing needs of each business sector that have changed over time.

Other Revenues

DTC Group's other revenues in the second quarters of 2024 and 2023 were THB 12.59 million and THB 6.29 million, respectively, an increase of THB 6.30 million and 100.16% due to the fact that DTC Group earned interest income from fixed cash deposit with several domestic financial institutions since the fourth quarter of 2023.

Cost of Sales and Services

DTC Group's cost of sales and services in the second quarters of 2024 and 2023 were THB 160.16 million and THB 168.77 million, respectively, a decrease of THB 8.61 or 5.10%, due to the following.

The cost of sales of products in the second quarters of 2024 and 2023 were THB 7.92 million and THB 14.03 million, respectively, a decrease of THB 6.11 million or 43.55%. This was mainly due to an increase in the device rental service for GPS Tracking and Mobile DVR following the launching of new products and upgrading functions to meet the changing needs in the first quarter of the previous year, as a result, customers preferred the device rental service which led to the decreased cost of sales.

The cost of services in the second quarters of 2024 and 2023 were THB 152.24 million and THB 154.74 million, respectively, a decrease of THB 2.50 million or 1.62%. The installation cost decreased by THB 7.34 million. The decrease was due to the fact that DTC Group launched 13 shops to provide services nationwide, as a result the cost of services was effectively managed. In addition, the repair cost is expected to increase by THB 4.80 million following a significant rise of device rental service from the previous year, prompting DTC Group to set up such estimate.

Gross Profit

DTC Group's gross profit in the second quarter of 2024 and 2023 were THB 194.14 million and THB 163.27 million, or 54.80% and 49.17%, respectively, an increase of THB 30.87 million or 18.91%. This was mainly due to the increase in revenue from the development of a software for control and monitoring cargo transportation, and software for smart city to increase operating efficiency for customer organizations.

In addition, the software system, being the main cost, has been continuously developed and the cost was efficiently managed and the gross profit increased.

Selling and Administrative Expenses

The sales and administrative expenses in the second quarters of 2024 and 2023 were THB 128.65 million and THB 117.07 million, respectively, an increase of THB 11.58 million or 9.89%, for the following reasons.

The sales expenses in the second quarter of 2024 and 2023 were THB 26.35 million and THB 22.79 million, respectively, an increase of THB 3.56 million or 15.62%, mainly due to an increase in sales commission in line with increasing collections, when compared to the same quarter of the previous year, and an increase in sales staff members to promote the targeted sales volume in this year.

The administrative expenses in the second quarters of 2024 and 2023 were THB 102.30 million and THB 94.28 million, respectively, an increase of THB 8.02 million or 8.51%. The increase was mainly due to the Group's effort to improve employee performance and to expand its business in 2024: the salary rates and incentive schemes are adjusted with a view to motivate employees. In addition, DTC Group's estimate for doubtful accounts increased in line with the increase of trade receivables from the previous year.

Net Profit

The net profits for the second quarter of 2024 and 2023 were THB 64.62 million and THB 39.73 million, respectively, an increase of THB 24.89 million or 62.65%. The increase was mainly due to an increase in revenue from projects in the public and private sectors; an increase of interest income from investment in mutual funds, debentures, and fixed cash deposits with financial institutions. In addition, the increase in net profit was due to effective cost management.

Analysis of the DTC Group Financial Position

As at 30 June 2024, DTC Group had the total assets of THB 1,788.26 million, an increase of THB 42.51 million or 2.44%. This was mainly due to the increase of a loan to related parties of approximately THB 38.77 million. The loan is in Thai Baht with the purpose of placing as collateral in the joint venture agreement. The loan term is three years, and the interest rate is 2.50% per annum. The principal will be repaid in one payment on 27 June 2027. The property, plant, and equipment increased by THB 10.22 million, following purchases of office equipment and supplies due to its new office.

As at 30 June 2024, DTC Group recorded the total liabilities of THB 301.38 million, an increase of THB 37.98 million or 14.42%, compared to that of 31 December 2023. The increase was mainly due to the performance guarantee under in the passenger car repair and maintenance contract under the joint venture agreement, for which the cheque has not been collected by the customer.

As at 30 June 2024, DTC Group's shareholder's equity was THB 1,486.87 million, an increase of THB 4.52 million or 0.30%, due to the following reasons.

- an increase of THB 64.62 million from the total comprehensive income for the second quarter of 2024;
- an decrease of THB 92.11 million from the dividend payment approval on 22 April 2024 at the 2023 Annual General Meeting of Shareholders, The dividend payment was made from the 2023 operating results at the rate of 20 existing shares per stock dividend, totaling 62.66 million stock dividends at the par value of THB 0.50 per share. DTC Group distributed stock dividends as ordinary shares of

THB 31.33 million and made dividend payment of THB 57.30 million in cash, with the withholding tax of THB 3.48 million.

- an increase of THB 31.33 million from the approval for the increase of registered capital with a view to accommodating the distribution of stock dividends. DTC Group registered its capital increase, which was paid up, on 20 May 2024.
- an increase of THB 0.68 million from remeasurement of defined employee benefits.

Please be informed accordingly.

Sincerely yours

A handwritten signature in blue ink, appearing to be "Ms. Siraporn Lailuk", is positioned above the printed name.

(Ms. Siraporn Lailuk)

Deputy Chief Executive Officer and Executive Vice President/
Chief Financial Officer