

## Management Discussion and Analysis

### Quarter 1 Ending 31 Mar 2022

Thailand's exports in the first quarter of 2022 (January - March) grew by 14.9%, while imports grew by 18.4%, an important factor supporting more exports. It is also a result of promotion through the Ministry of Commerce's Soft Power Policy that pushes for 4 key product groups, namely food, digital content. Health, beauty and products that have a selling point is the identity of Thailand. Establishing proactive measures in fruit management as a result, the overall export numbers are positive. especially the Chinese market, which is negotiated with various checkpoints in the latest overland exports There are four main checkpoints for exporting Thai fruits to China: Mohan checkpoint, Youyiguan checkpoint, Pingxiang checkpoint, and Tongxing checkpoint. The Tongxing checkpoint had been closed for a while. Today, the Tong Sing checkpoint has been opened. It will be a factor that will help the export of Thai fruits to China by land more flexible. In addition, exports by ship The shortage of cabinets began to ease. The Ministry of Foreign Affairs has coordinated with Chinese authorities to facilitate the convenience of at least three ports in the south of China, helping to increase the number of ship exports. In addition, freight rates from Thailand to Europe Starts to decrease while some routes do not increase. will be another helper The baht depreciated Contributes to making exports more competitive in the world market believe that the overall export picture is still in a better direction

From the operating results in the first quarter of 2022, the Company's growth was in line with the strategic goals set forth and has also grown in the same direction as the imports and exports of Thailand. 1/2022, equal to 2,154.96 million baht, a 67.66% growth compared to the same period in the previous year, especially in sea freight services, a relatively high growth of 216% compared to the same period last year and the company has Net profit in the first quarter of 2022 was 157.73 million baht, an increase of 93.31% compared to the same period last year.

### Summary of the Company's operating results

Unit : million baht

Profit and Loss	Q1/2022	Q1/2021	% YOY
Service income	2,154.96	1,285.28	67.66
Gross profit	342.83	219.31	56.32
Other income	10.89	2.09	420.96
Selling expenses	37.39	20.80	79.75
Administrative expense	116.39	78.07	49.08
Finance cost	5.54	2.72	103.68
Income tax expense	30.38	19.76	53.77
Profit for the period	164.02	100.05	63.94
<b>Profit attributable to:</b>			
Equity holders of the company	157.73	81.60	93.31
Non-controlling interests of subsidiaries	6.29	18.45	(65.92)

As for operating results, the Company's service income for the first quarter of 2022 was 2,154.96 million baht, an increase of 869.68 million baht or 67.66% of the previous year's revenue for the same period. The increase in revenue resulted in net profit for the first quarter of 2022 equal to 157.73 million baht, an increase of 76.14 million baht or 93.31% of the previous year's net profit for the same period. The reason for the increase in net profit This was due to the revenue from marine transportation that continued to increase

in volume. and in accordance with the company's strategy Among the target customers are electronics and automotive parts industry. coupled with ship exports The shortage of cabinets began to ease. As a result, the company able to arrange transportation services to customers more quickly To meet the increasing transportation needs of customers efficiently, the company can manage the transportation of goods according to the needs of customers very well.

The Company's gross profit for the first quarter of 2022 was 342.83 million baht, an increase of 123.52 million baht or 56.32% of the previous year's gross profit for the same period. This was mainly due to the increase in revenue from sea freight and cross-border land transport services. Selling expenses for the first quarter of 2022 was 37.39 million baht, an increase of 16.59 million baht or 79.75%, in line with increased sales and profits. As for administrative expenses for the first quarter of 2022, it was 116.39 million baht, an increase of 38.32 million baht or 49.08%, resulting from the year 2021 the subsidiary has invested in establishing a new company. As a result, administrative expenses for the first quarter of 2022 increased when compared to the previous year for the same period. The newly established companies are WICE Logistics (Malaysia) Sdn. Bhd., Euroasia Transport Co., Ltd. and Euroasia Integrated Logistics Services Sdn. Bhd. The ratio of administrative expenses to revenues for the first quarter of 2022 was 5.37%. decreased from the same period last year which is equal to 6.06%, showing that the company The cost-to-income ratio is managed more appropriately and efficiently.

The Company's net profit for the first quarter of 2022 was 157.73 million baht, an increase of 76.14 million baht, or 93.31% of the previous year's net profit for the same period, and the company's profitability increased. Improved, in the first quarter of 2022 was 7.28%, compared with the first quarter of 2021 was 6.34%.

#### Performance by segment



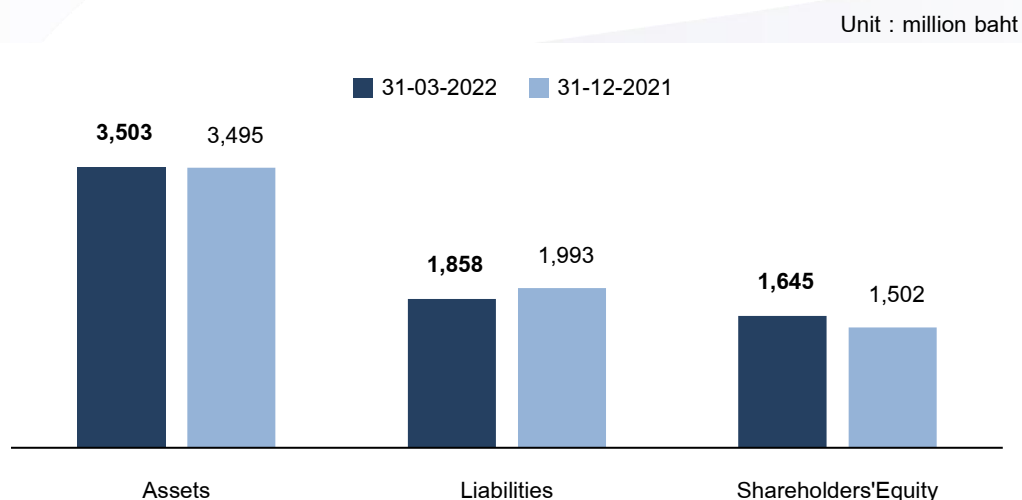
Revenue from sea freight for the first quarter of 2022 was 1,314.35 million baht, an increase of 898.83 million baht or 216.31% of the previous year's revenue for the same period. For marine freight forwarding, the volume of transportation services continues to grow. Due to the increasing demand for services from the economic recovery after the COVID-19 situation, the Company has increased the volume of transportation as planned. Gross profit from marine transportation for the first quarter of 2022 was 218.18 million baht, an increase of 146.49 million baht or 204.33% of the previous year's gross profit for the same period.

Revenue from air freight for the first quarter of 2022 was 392.87 million baht, a decrease of 45.02 million baht or 10.28% of the previous year's revenue for the same period. The reason for this is that in the year 2020, until the beginning of 2021, the company has made a lot of charter flights. The income and costs are quite high. Compared to this year, the air service revenue for the first quarter of 2022 decreased from the previous year for the same period.

Revenue from cross border Service for the first quarter of 2022 was 396.71 million baht, an increase of 15.74 million baht, or 4.13% of the previous year's revenue for the same period. The cause of cross-border land transport is a service that still has a high demand for service. Although at the beginning of 2022, the closure of the border checkpoint in China may hinder the cross-border land transport, but the company has a plan to solve the problem for customers. By Road-Rail Service connecting the transport route by truck to the train from Laos - China in order to increase the speed of transportation for customers. Therefore, it is an alternative service that helps reduce the problem of goods being stuck in front of the customs checkpoint. Gross profit from cross-border land transportation for the first quarter of 2022 was 64.41 million baht, an increase of 17.26 million baht or 36.61% of the previous year's gross profit for the same period, and the company has a profitability for Increased cross-border land transport It can be seen that the gross profit margin has improved. In the first quarter of 2022 was 16.24%, compared to the first quarter of 2021 which was 12.38%.

Revenue from Supply Chain Solutions for the first quarter of 2022 was 104.31 million baht, an increase of 10.05 million baht or 10.66% of the previous year's revenue for the same period. because the company began to expand more in the warehouse / distribution area, causing the company to start earning more from the company A new warehouse with an area of 10,000 square meters has been opened since the middle of 2021 onwards. The gross profit for the first quarter of 2022 was 10.27 million baht, a decrease of 12.39 million baht or 54.67% of the previous year's gross profit for the same period. The reason is because there is still the cost of opening a new warehouse, thereby reducing the profit.

### Analysis of financial position





The Company has total assets as of March 31, 2022 and December 31, 2021 equal to 3,502.60 million baht and 3,495.44 million baht, respectively, an increase of 7.16 million baht or 0.20%, due to an increase in cash received from collections from debtor. As a result, trade accounts receivable decreased.

The Company has total liabilities as of March 31, 2022 and December 31, 2021 equal to 1,857.93 million baht and 1,993.37 million baht, respectively, a decrease of 135.43 million baht or 6.79%, resulting from the loan repayment during the period, resulting in a decrease in liabilities.

#### **Company milestones in the Q1/2022**

1. On February 22, 2022, the directors of Euro Asia Transport Company Limited (subsidiary company) passed a resolution to call for the unpaid share capital of 4,500,000 shares, with an additional value of 7.50 baht per share. Amount 33.75 million baht on February 25, 2022
2. On March 16, 2022, the general meeting of shareholders of WICE Supply Chain Solution Co., Ltd. resolved to increase the registered capital from 13.5 million baht to a new registered capital of 80 million baht by issuing additional ordinary shares of 66,500 shares at the value At a par of 1,000 baht per share, the Company paid a total of 33.25 million baht in capital increase shares on March 16, 2022 and recorded it as an accrued expense classified in the accounts payable and other payable.

#### **Management's view on trends and strategies for Q2/2022**

After the epidemic situation of COVID-19, the Company views that the economy will recover significantly. because the company see signs of using transportation services at the company's main target customers. With the demand for multimodal transportation is quite high, the company sees an opportunity for management to have the ability to support the transportation needs of customers. to be able to transport in all forms

1. **Sea Freight Services** The Company forecasts that the volume of transportation will continue to increase throughout 2022, especially in the United States and China, which are the Company's main markets. with expertise in transportation management as well together with the company. There are strong service partner branches in these segments. It is an advantage to manage work quickly and efficiently. meet the needs of customers very well
2. **Cross Border Services** is operated by Euroasia Total Logistics Co., Ltd. (ETL). It does not affect the Company at the moment. The Company has prepared a transportation cost management plan in advance before entering into the contract. by setting the cost of fuel to be in the transportation service. This is as agreed in the service contract for long-term customers of the Company. and monitor the situation and adjust the oil cost for short-term contract customers. In addition, there is continual negotiation with customers to maintain service rates at an appropriate level. and from the case of China Border Lockdown. The Company has proposed to provide services of rail transport (Road-Rail Service) or rail transport. Connecting the trucking route to the Laos-China Railway for customers as a transportation option. The company's rail transportation services since the beginning of the year until the present have provided more than 200 trips.
3. **WICE Supply Chain Solutions Co., Ltd. (subsidiary)** is a complete logistics and supply chain solution provider. both warehouse work. Distribution of large equipment, which is a subsidiary. There is a plan to open a new warehouse to receive additional warehouse management work with a total area of approximately 20,000 square meters, which will be recognized in the middle of 2022.

From the aforementioned strategic plan, the company continues to strive for continuous growth from the good management of the company and investment in service expansion including expanding the logistics network to be in accordance with the Company's strategic plan. The company is confident that throughout the year 2022 will continue to grow according to the strategic plan that has been set for sure.