

TWZ013/2022

May 13, 2022

Subject : Management Discussion and Analysis for Quarter 1 Ending March 31, 2022.

To : Secretary,
Securities and Exchange Commission, Thailand

With the TWZ Corporation Public Company Limited (the “Company”) has submitted consolidated financial statement of the Company and its subsidiary for Quarter 1 Ending March 31, 2022 which was reviewed by authorized auditor. The Company and its subsidiaries wishes to clarify the operation result of the Company and its subsidiary as follows:

Operating Results

For Quarter 1 Ending March 31, 2022, the company and its subsidiaries had total revenue Baht 841.34 million, decreased from Baht 873.84 million in the same period which was Baht 32.50 million or equivalent to decrease of 3.72%, as follows;

- Revenues from sales and services Baht 831.97 million, from decreased Baht 866.36 million of the same period last year which was Baht 34.39 million or equivalent to the decrease of 3.97%. Because in Quarter 1,2022 the company was impacted by the Covid-19 epidemic, and the country's economic condition. As a result, the revenue from sales decreased.
- Sales promotion income was Baht 2.36 million decreased from Baht 3.40 million of the same period last year which was Baht 1.04 million or equivalent to the decreased of 30.59%. Because the company and its subsidiaries received lower sales support from suppliers.
- Others income was Baht 7.01 million increased from Baht 4.08 million of the same period last year which was Baht 2.93 million or equivalent to the increased of 71.81%. The company's other income mainly consists of the interest received from financial lease agreements and interest received from deposits from financial institutions.
- The cost of distribution was Baht 15.62 million, decreased from Baht 16.32 million in the same period of the previous year because the company was able to manage expenses efficiently and administrative expenses in the amount of Baht 31.13 million, an decrease of Baht 61.94 million in the same period last year. Because the same period last year, the company increased asset impairment estimates.
- Finance cost was Baht 22.79 million, decreased from Baht 37.16 million of the same period last year which

was Baht 14.37 million or equivalent to the decreased of 38.67%. Because the company has decreased interest-bearing debt.

- Income tax expenses was Baht 2.28 million of Quarter 1, 2021 increased from Baht 1.10 million of the same period last year which was Baht 1.18 million because the operating result as described above.
- An amount of net profit was approximately Baht 7.88 million which was deducted by a deficit of non-controlling interests at Baht 0.19 million. Therefore, the net profit attributable to the company is an amount Baht 7.69 million, increase from Baht 4.53 million of the same period last year, was Baht 3.16 million or an increase of 69.76% because the operating result as described above.

Financial Status

The total assets of the Company in Quarter 1, 2022 were Baht 5,992.57 million and as of December 31, 2021 were Baht 6,497.95 million decreased in amount of Baht 505.38 million or equivalent to the decrease of 7.78%. The Company's total assets at Quarter 1, March 31, 2022 consisted of current assets with the portion of 81.15% and non-current assets with the portion of 18.85% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 1,788.48 million increases amount of Baht 1,733.35 million or amount of Baht 55.13 million or equivalent to the increase of 3.18%. The Company's account Receivable increased because The company has revenue from sales and services by Offering credit to customers. To assist customers from the impact of the Covid-19 epidemic, The other accounts receivable consist of Advance payments for goods, Other receivables, Prepaid expenses, accrued income, Operating Advances and accrued interest receivable.
- The inventory of the Company and its subsidiaries consisted of mobile phones and accessories Including waste that is a raw material for the production of electric power of its subsidiary were at the total amount of Baht 2,054.34 million decrease in amount of Baht 2,058.24 million of the same period last year was Baht 3.90 million or equivalent to the decrease 0.19%. The inventories are in accordance with the Company's product management policy. Currently, the cost of mobile phone products per unit is higher than in the past year.

Liquidity

The company and its subsidiaries have cash and cash equivalent as March 31, 2022 was Baht 370.24 million decreases from the same period last year amount Baht 541.06 million or equivalent to the decrease of 59.37%. The details of the sources and uses of cash as follows;

- Net cash used from operating activities was Baht 59.70 million. Mainly caused by interest expense.
- Net cash used from investing activities was Baht 0.04 million. Mainly caused by the purchase of land, building and equipment.
- Net cash provided from financing activities was Baht 481.31 million. Mainly caused by the payment of debentures and loan.

Current ratio of the Company and its subsidiaries in March 31, 2022 equaled to 3.35 times. The Company and its subsidiaries have current assets and current liabilities decreased compared to December 31, 2021 with the current ratio of 2.74 times.

Source of Capital

As of March 31, 2022, the Company and its subsidiaries had total liabilities of Baht 1,922.13 million, while the shareholder's equity of the Company equal to Baht 4,070.44 million a result, debt to equity ratio was 0.47 times, decreased from 0.60 times as at December 31, 2021.

Please be informed

Yours Sincerely,

(Mr. Teerayot Suthisamdaeng)

Managing Director (Acting)