

## Management Discussion and Analysis Quarter 3 Ending 30 September 2023

From the Thai economic situation that has slowed down, imports and exports have decreased. Shipping rates and air freight costs Inflation rate and exchange rate fluctuations decreased and the war situation abroad All of these factors affect the company's transportation revenue. This is in the same direction as the economic slowdown. However, the company still maintains its ability to maintain good profit margins. Gross profit margin for the nine-month period this year increased from 17% to 19% this year.

Unit : million baht

Profit and loss statement	Q3/2022	Q2/2023	Q3/2023	+/-	% YOY	+/-	% QOQ	9M/2022	9M/2023	+/-	% YOY
Service income	1,587	975	907	-680	-43%	-68	-7%	5,803	2,912	-2,891	-50%
Gross profit	293	183	161	-132	-45%	-22	-12%	992	556	-436	-44%
Other income	24	9	9	-15	-63%	0	1%	49	21	-28	-57%
Selling expenses	30	21	22	-9	-29%	1	3%	110	64	-46	-42%
Administrative expense	89	77	91	3	3%	14	19%	289	273	-16	-6%
Finance cost	5	4	3	-2	-34%	-1	-24%	16	12	-4	-23%
Income tax expense	45	11	12	-33	-74%	1	11%	128	42	-86	-67%
Profit for the period	148	79	42	-106	-72%	-37	-47%	498	186	-312	-63%
<b>Profit attributable to:</b>											
Equity holders of the company	130	63	32	-98	-75%	-31	-49%	458	151	-307	-67%
Non-controlling interests of subsidiaries	18	16	10	-8	-46%	-6	-39%	40	36	-5	-11%
Gross profit margin	18.47%	18.81%	17.78%		-0.68%		-1.03%	17.10%	19.09%		1.99%
Net profit margin	8.06%	6.41%	3.51%		-4.55%		-2.90%	7.83%	5.13%		-2.69%

As a result of operations, the company had service income for the Q3/2023 equal to 907 million baht, a decrease of 68 million baht, representing 7% of the Q2/2023, and for the 9M/2023 equal to 2,912 million baht, a decrease of 2,891. Million baht, equivalent to 50% of the previous year for the same period. The decreased revenue in 2023 is due to freight rates that have continued to decrease. In addition, the amount of transportation decreased. Is in the same direction as economic slowdown make import Exports shrink

The Company's gross profit for the Q3/2023 was 161 million baht, a decrease of 22 million baht, representing 12% of the Q2/2023, and for the 9M/2023, equal to 556 million baht, a decrease of 436 million baht, representing 44% of the previous year for the same period As for the decrease in gross profit, it is proportional to the decrease in income from revenue from shipping services by sea which has decreased transportation volume. It can be seen that the rate of profit decreases. Lower than the rate of income decline Because the company There is effective cost management according to the strategy, making the company Can maintain the profit rate at a good level. It can be seen that for the 9M/2023, the gross profit rate For this year, compared to last year, it improved from 17% to 19%.

Selling expenses for the Q3/2023 were equal to 22 million baht, an increase of 1 million baht, representing 3% of the Q2/2023, and for the 9M/2023 equal to 64 million baht, a decrease of 46 million baht, representing 42% of the previous year for the same period. This year, selling expenses decreased in line with the decrease in income.

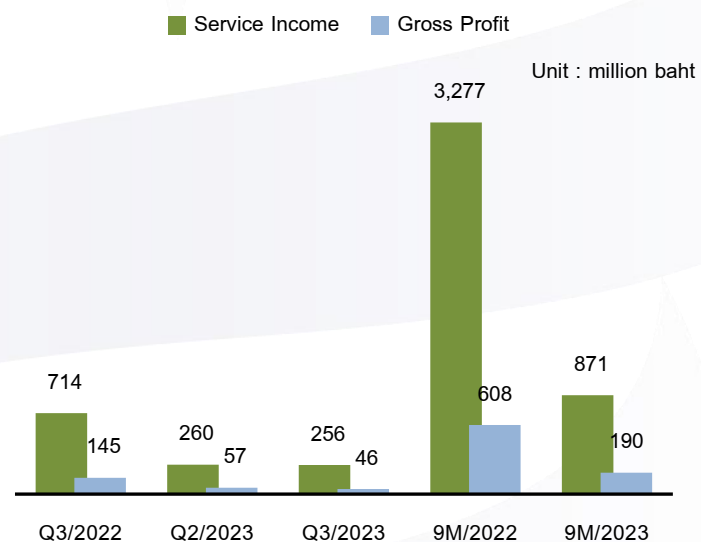
Administrative expenses for the Q3/2023 are equal to 91 million baht, an increase of 14 million baht, representing 19% of the Q2/2023, and for the 9M/2023, equal to 273 million baht, a decrease of 16 million baht, representing 6%. Administrative expenses this year decreased according to the company's strategy. To be in line with the decrease in income

The company's net profit for the Q3/2023 was 32 million baht, a decrease of 31 million baht, representing 49% of the Q2/2023, and for the 9M/2023, equal to 151 million baht, a decrease of 307 million baht, representing 67% of the year. before for the same period The decrease in net profit is proportional to the decrease in income.

## **Performance by Business Unit**

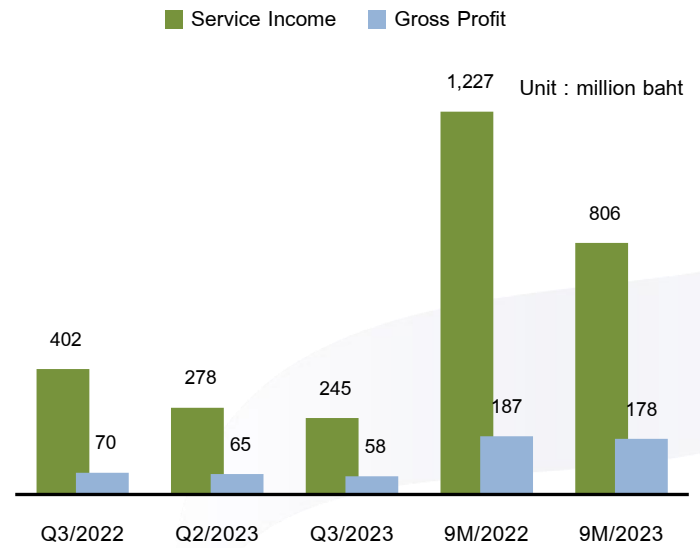
### **1. Sea Freight**

Revenue from sea freight for the Q3/2023 was 256 million baht, a decrease of 4 million baht, representing 2% of the Q2/2023 and for the 9M/2023, equal to 871 million baht, a decrease of 2,406 million baht, representing 73. % of the previous year for the same period For sea freight services, revenue decreased due to freight rates that have continued to decrease. Since the end of 2022, along with the transportation volume has decreased slightly. from the economic recession situation causing operators to reduce production capacity, resulting in a decrease in transportation volumes Gross profit from sea freight for the Q3/2023 was equal to 46 million baht, a decrease of 11 million baht, representing 19% of the Q2/2023, and for the 9M/2023 was equal to 190 million baht, a decrease of 418 million baht, representing 69% of the previous year for the same period for gross profit margin Improved from effective cost management according to strategy. For the 9 month period this year, compared to last year, from 18.6%, improved to 21.8%.



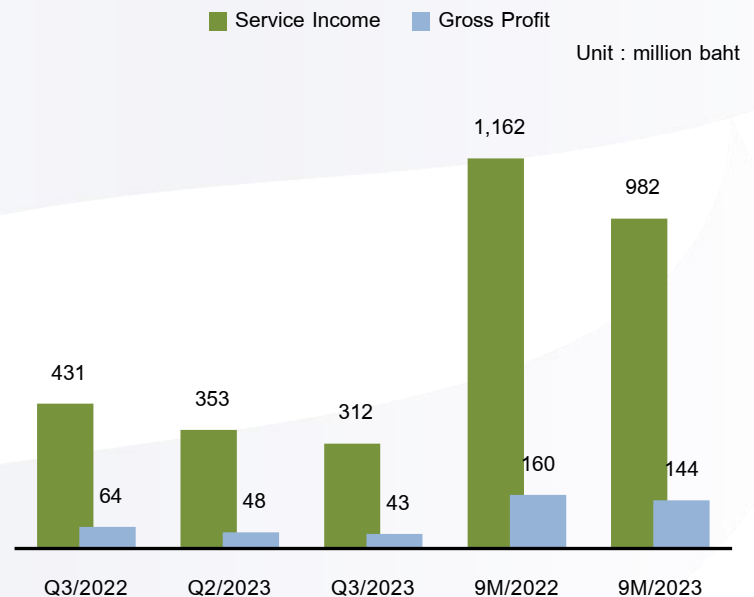
## 2. Air Freight

Revenue from air freight for the Q3/2023 was 245 million baht, a decrease of 33 million baht, representing 12% of the Q2/2023, and for the 9M/2023, equal to 806 million baht, a decrease of 421 million baht, representing 34%. % of the previous year for the same period The decrease in income resulted from a decrease in the volume of goods transported among electronic customers. Gross profit from air cargo for the Q3/2023 was 58 million baht, a decrease of 7 million baht, representing 11% of the Q2/2023, and for the 9M/2023, equal to 178 million baht, a decrease of 9 million baht, representing 5% of the previous year for the same period for gross profit margin Improved from effective cost management according to strategy. In the Q3 of this year compared to the Q2/2023, from the original 23.4% improved to 23.7% and for the 9 month period this year compared to last year. From the original 15.2%, it improved to 22.1%.



## 3. Cross Border Service

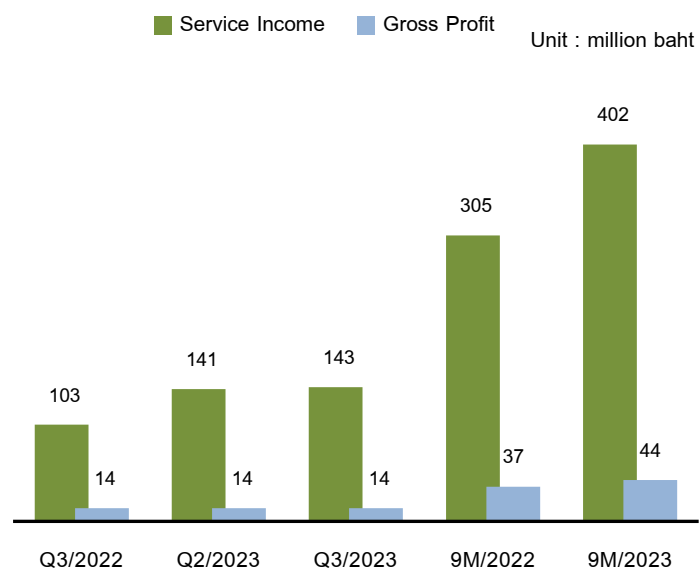
Revenue from Cross Border Service for the Q3/2023 was 312 million baht, a decrease of 41 million baht, representing 12% of the Q2/2023, and for the 9M/2023, equal to 982 million baht, a decrease of 180 million baht, representing 16% of the previous year for the same period Revenue from cross-border land transportation in 2023 decreased from the previous year due to Slowing economic conditions causing the transportation volume to decrease Gross profit from Cross Border Service for the Q3/2023 was equal to 43 million baht, a decrease of 5 million baht, representing 10% of the previous year for the same period, and for the 9M/2023 was equal to 144 million baht, a decrease of 16 million baht. Represented as 10% of the previous year for the same period. for gross profit margin



Improved from efficient cost management according to strategy There is a greater amount of return trips being managed. For the 9-month period this year, compared to last year, from the original 13.8%, it has improved to 14.7%.

#### 4. Supply Chain Solutions

Revenue from Supply Chain Solutions work for the Q3/2023 was 143 million baht, a decrease of 2 million baht, representing 1% of the Q2/2023, and for the 9M/2023, equal to 402 million baht, an increase of 97 million baht, representing 32. % of previous year for same period Because the company has opened an additional warehouse service area of 30,000 square meters, the company has increased income. Gross profit from Supply Chain Solutions work for the Q3/2023 was 14 million baht, unchanged from the Q2/2023, and for the 9M/2023 was 44 million baht, an increase of 7 million baht, accounting for 19% of the previous year for same period

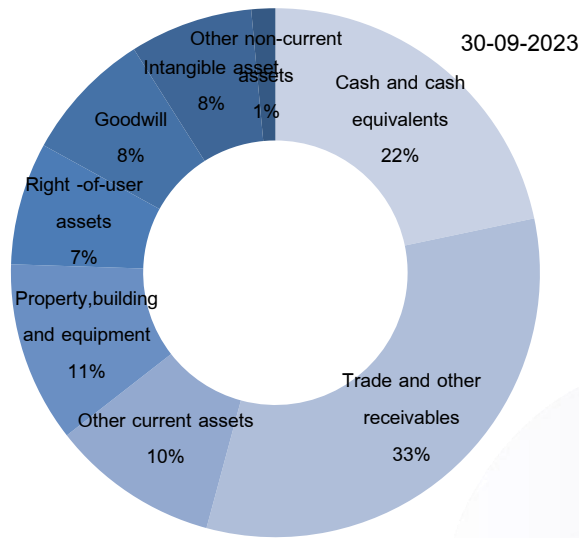


#### Financial position analysis

Unit : million baht

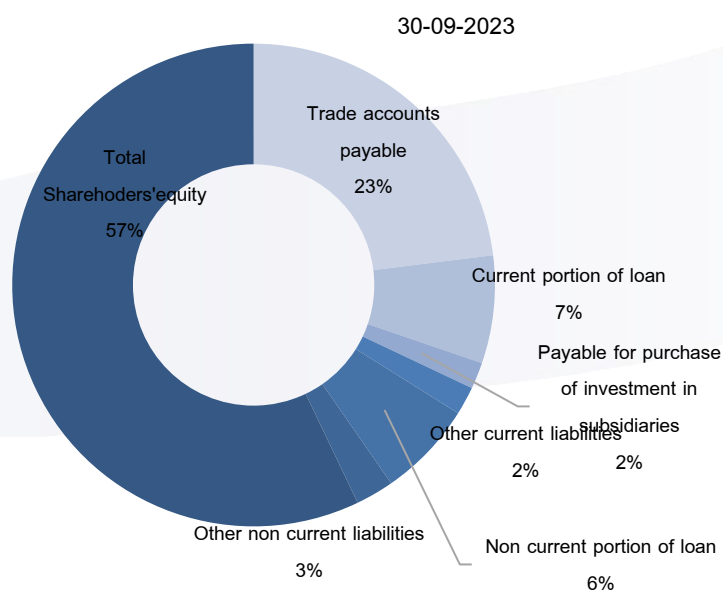
Balance Sheet	30-09-2023	31-12-2022	+ / -	%
Cash and cash equivalents	611	852	(242)	-28.4%
Trade and other receivables	914	1,069	(155)	-14.5%
Other current assets	289	417	(129)	-30.8%
Property, building and equipment	311	335	(24)	-7.2%
Right -of-user assets	211	167	43	25.8%
Goodwill	225	225	0	0.0%
Intangible asset	212	223	(12)	-5.2%
Other non-current assets	41	42	(1)	-2.1%
Total Assets	2,813	3,332	(519)	-15.6%

The Company had total assets as of September 30, 2023 and December 31, 2022 equal to 2,813 million baht and 3,332 million baht, respectively, a decrease of 519 million baht, equivalent to 16%, due to trade receivables that decreased proportionally with reduced income. Paid by trade receivables as of September 30, 2023 and December 31, 2022 equal to 914 million baht and 1,069 million baht, respectively, a decrease of 155 million baht, equivalent to 15%, and the decrease in cash occurred in May 2023. The company had Dividends paid to shareholders by cash as of September 30, 2023 and December 31, 2022 equal to 611 million baht and 852 million baht, respectively, a decrease of 242 million baht, representing 28%.



Unit : million baht

Balance Sheet	30-09-2023	31-12-2022	+ / -	%
Trade accounts payable	648	813	(165)	-20.3%
Current portion of loan	203	191	12	6.2%
Payable for purchase of investment in subsidiaries	50	50	0	0%
Payable for business acquisition	0	0	0	0%
Other current liabilities	53	118	(65)	-55.2%
Non-current portion of loan	181	220	(39)	-17.7%
Other non-current liabilities	72	68	4	5.8%
Total liabilities	1,207	1,461	(254)	-17.4%
Balance Sheet	1,606	1,872	(266)	-14.2%



The company has total liabilities as of September 30, 2023 and December 31, 2022 equal to 1,207 million baht and 1,461 million baht, respectively, a decrease of 254 million baht, equivalent to 17%, due to trade payables decreasing proportionally.

Decreased costs of trade payables as of September 30, 2023 and December 31, 2022 amounted to 648 million baht and 813 million baht, respectively, a decrease of 165 million baht, accounting for 20%.

#### **Important events of the company in Q3/2023**

- On August 21, 2023, the Company invested additionally in Euro Asia Total Logistics Public Company Limited, amounting to 25.5 million baht, divided into 50,999,984 shares, at 0.50 baht per share. The said capital increase did not affect the proportion. The Company's shareholding in subsidiaries has changed.
- On September 26, 2023, the company invested an additional 10.7 million baht in WICE Logistics (Singapore) Pte.Ltd., with the company increasing its registered capital from 0.7 million Singapore dollars to 1.1 million Singapore dollars, divided into 400,000 common shares at a price Par value is 1 Singapore dollar per share
- On September 26, 2023, the Company paid an advance payment for additional ordinary shares of WICE Logistics(Hong Kong) Limited, a subsidiary company. in the amount of 56 million baht (1,199,986 common shares, priced at 10 Hong Kong dollars per share). The subsidiary company completed registration of the capital increase on October 19, 2023, after investing in an increase in the Company's shareholding proportion. in subsidiaries will increase from 80 percent to 98 percent

#### **Executive view of trends and strategies**

The company expects that in the Q4/2023, import-export will increase slightly compared to the Q3/2023 due to the company's main trading partners. Including China is in the period of economic recovery. Imports and exports should gradually improve. However, in the past Q3, the company invested Expand branch operations abroad Including expanding cooperation with partners both at home and abroad to create opportunities to do business together after Euroasia Total Logistics Public Company Limited or ETL is listed on the stock exchange. The company has plans. Invest in increasing production capacity and expanding cross-border service businesses. The company sees opportunities for business growth. From the new route connecting Asia with Europe through the new route (One Belt One Road), including Thailand's cross-border trade with Singapore, Vietnam and southern China, and to expand the Cross Border service market together with ETL, the company established WICE Global Road Solutions Co., Ltd (WGRS) in Singapore, 100% owned by WICE Logistics (Singapore) Pte.Ltd., is a company opened to empower and create solutions for customers in providing integrated cross-border logistics services. Ready to expand service areas in new markets This will help strengthen the WICE group of companies.

Therefore, the company expects that by defining its business strategy and increasing its investment capabilities, it will grow its revenues along with the start of the economic recovery. In the company's trading partner countries for sure