

TWZ004/2024

February 27, 2024

Subject: Management Discussion and Analysis for the year ended December 31, 2023.
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 the year ended December 31, 2023 which was reviewed by authorized auditor. The Company and its subsidiaries wishes to clarify the operation result of the Company and its subsidiary when compared to the same period in 2022 as follows:

Operating Results

In 2023, the company and its subsidiaries had total revenue Baht 3,606.99 million, increased from Baht 3,436.32 million in the same period which was Baht 170.67 million or equivalent to increase of 4.97%, as follows

- Revenues from sales and services. The company and its subsidiary's has revenues from sales and services was Baht 3,574.79 million for the year 2023 increased from Baht 3,408.06 million of the same period last year which was Baht 166.73 million or equivalent to the increase of 4.89%.
- Sales support income was Baht 11.65 million increased from Baht 8.93 million of the same period last year which was Baht 2.72 million or equivalent to the increase of 30.48%. This income is derived from sales support from the dealer according to the promotions that the dealer determines.
- Other income was Baht 20.54 million increased from Baht 19.93 million of the same period last year which was Baht 1.21 million or equivalent to the increase of 6.26%. Other income of the company in 2023 mainly consists of Profit from foreign exchange rates Interest earned on fixed deposits and interest received under the financial lease agreement.
- The cost of sales and services was Baht 3,269.57 million increase from Baht 3,119.08 million of the same period last year. Because in 2023, the Company and its subsidiaries' revenues from sales and services increased from the previous year.
- Distribution costs were Baht 54.72 million increased from Baht 123.25 million of the same period last year. The company has Distribution costs to total revenue was 3.57% and 3.59% in 2023 and 2022 respectively.
- Administrative expenses were Baht 109.04 million increased from Baht 123.25 million of the same period last year, which Administrative expenses to total revenue of the Company accounted for 3.57% and 3.59% in 2023 and 2024, respectively.

- Finance cost was Baht 109.04 million increased from Baht 90.70 million of the same period last year. which was Baht 18.34 million or equivalent to the increase of 20.22%, Which is the result of borrowing in the normal operation of the company.
- Share of profit (loss) from investments in associates amounted to 3.39, increasing from a loss of Baht 3.01 million in the previous year. Arising from the investment in Advance Mobility Company Limited for holding 31.17% of the shares to operate electric vehicle business.
- Income tax expenses in 2023 was Baht 11.17 million decreased from Baht 12.46 million of the same period last year which was Baht 1.30 million because the operating result as described above.
- An amount of net loss was approximately Baht 23.55 million which was deducted by a deficit of non-controlling interests at Baht 5.00 million Accordingly total net loss was Baht 28.55 million. because the company and its subsidiaries have the operating results as mentioned above.

Financial Status

The total assets of the Company in 2023 were Baht 6,191.29 million increased from Baht 6,097.92 million of the same period last year which was Baht 93.37 million or equivalent to the increase of 1.53%. The Company's total assets at the end of year 2023 consisted of current assets with the portion of 83.09% and non-current assets with the portion of 16.91%. The Company's major assets were summarized as follows:

- Accounts receivable of the Company were Baht 2,024.21 million increases from Baht 1,925.81 million of the same period last year. Most of the Company's trade accounts receivable are account receivables arising from the sale of mobile phones and accessories. Other receivables for most operations consist of Advance payments for purchases of goods Other receivables Prepaid expenses accrued income Operating Advances and accrued interest.
- Inventories of the Company and its subsidiaries consisting of mobile phones and accessories including waste that is raw materials for electricity generation of subsidiaries. Inventories were Baht 2,523.81 million in the year 2023, which increased from Baht 2,358.26 million in the last year was Baht 165.56 million or increase 7.02 %. The mobile phone inventories and accessories according to the company's product management policy Currently, the cost of mobile phone products per unit is higher than in the past year.
- Real estate project debtors Under the financial lease agreement, the amount was Baht 46.96 million, decrease from the amount of Baht 63.58 million of the previous year, equivalent to an amount of Baht 16.61 million, or a decrease of 26.13%, because the company considered setting up credit allowances for real estate project debtors within Under the financial lease agreement and receive payment from the debtor according to the specified period.
- The project to develop real estate for rent under a financial lease contract decreased by Baht 2.72 million from the same period last year because it was reclassified as a commercial real estate investment.

- Right-of-use assets amounted to Baht 26.39 million decreased from Baht 40.52 million from the previous year was Baht 14.13 million. Consideration of lease contracts shall be in accordance with Thai Financial Reporting Standard No. 16.
- Land leasehold rights amounted to Baht 4.33 million decreased from the previous year mainly arising from being classified as investment properties.

Liquidity

The company and its subsidiaries have cash and cash equivalent as December 31, 2023 was Baht 252.47 million decreased from the year ended of 2022 amount Baht 103.92 million or equivalent to the decrease of 29.16%. The details of the sources and uses of cash as follows

- Net cash provided from operating activities was Baht 158.32 million. Mainly from interest payments from operations. An increase in trade and other current receivables.
- Net cash used from investing activities was Baht 9.68 million. Mainly from cash received from the sale of land. Building and equipment.
- Net cash provided from financing activities was Baht 44.71 million. Mainly from Cash received from loans.

Current ratio of the Company in year 2022- 2023 equaled to 3.22 times and 2.80 times, respectively. The Company's current assets in terms of cash and cash equivalents decreased. and current liabilities regarding convertible bonds due within one year increased.

Source of Capital

The total liabilities of the Company as of December 31, 2023, Which, the Company's shareholders' equity was equal to Baht 4,112.22 million, resulting in the debt-to-equity ratio equal to 0.51 times, increasing from 0.49 times in 2022.

Please be informed accordingly.

Yours Faithfully,

(Mr.Puttachat Rungkasiri)

Managing Director