

## Management Discussion and Analysis Yearly Ending 31 Dec 2023

Thailand's economy in 2023 has slowed since the beginning of the year continuing until the end of the year. from inflation Exchange rate fluctuations Slowdown in foreign investment The interest rate situation has increased. Along with the decrease in imports and exports, the situation of the decrease in shipping and air freight rates. which these factors It has affected the Company's operations as well, causing revenue from shipping to decrease in the same direction as the economic situation in Thailand. However, the company still maintains its ability to maintain a good profit rate. by gross profit margin For this year's period, compared to last year, from the original 17.8%, it improved to 18.5% this year.

Unit : million baht

Profit and loss statement	Q4/2022	Q3/2023	Q4/2023	% YOY	% QOQ	2022	2023	% YOY
Service income	1,299	907	886	-32%	-2%	7,103	3,798	-47%
Gross profit	274	161	146	-47%	-9%	1,266	702	-45%
Other income	-15	9	12	-185%	41%	34	34	-2%
Selling expenses	25	22	24	-5%	10%	135	88	-35%
Administrative expense	102	91	103	1%	13%	391	376	-4%
Finance cost	5	3	4	-20%	24%	21	16	-22%
Income tax expense	31	12	-1	-102%	-105%	159	41	-74%
Profit for the period	96	42	28	-71%	-32%	595	215	-64%
<b>Profit Attributable To:</b>								
Equity holders of the company	96	32	20	-79%	-38%	554	170	-69%
Non-controlling interests of subsidiaries	1	10	9	1037%	-6%	41	45	9%
Gross profit margin	21.08%	17.78%	16.53%	-4.55%	-1.25%	17.83%	18.49%	0.67%
Net profit margin	7.47%	3.51%	2.21%	-5.27%	-1.31%	7.76%	4.45%	-3.32%

Performance The company's service income for the Q4/2023 was 886 million baht, a decrease of 21 million baht, representing 2% of the Q3/2023, and for 2023 equal to 3,798 million baht, a decrease of 3,304 million baht, representing 47% of the year. Previously during the same period The decline in revenue in 2023 is due to continued declines in freight rates. In addition, the amount of transportation decreased. It is in the same direction as the economic slowdown causing imports. exports decreased

The company's gross profit for the Q4/2023 was 146 million baht, a decrease of 15 million baht, accounting for 9% of the Q3/2023, and for 2023 it was 702 million baht, a decrease of 564 million baht, accounting for 45% of the total. The year before, the same period, the decrease in gross profit will be proportional to the decrease in revenue from sea transportation services. As a result, the transportation volume decreased. The profit margin has decreased. Lower than the rate of income decline This is because the company has effective cost management according to its strategy. The company is able to maintain a good profit margin. In 2023, this year's gross profit margin compared to last year improved from 17.8% to 18.5%

Selling expenses for the Q4/2023 were equal to 24 million baht, an increase of 2 million baht, representing 10% of the Q3/2023, and for the period 2023 equal to 88 million baht, a decrease of 47 million baht, representing 35% of the previous year. For the same period, this year, selling expenses decreased in line with the decrease in income.

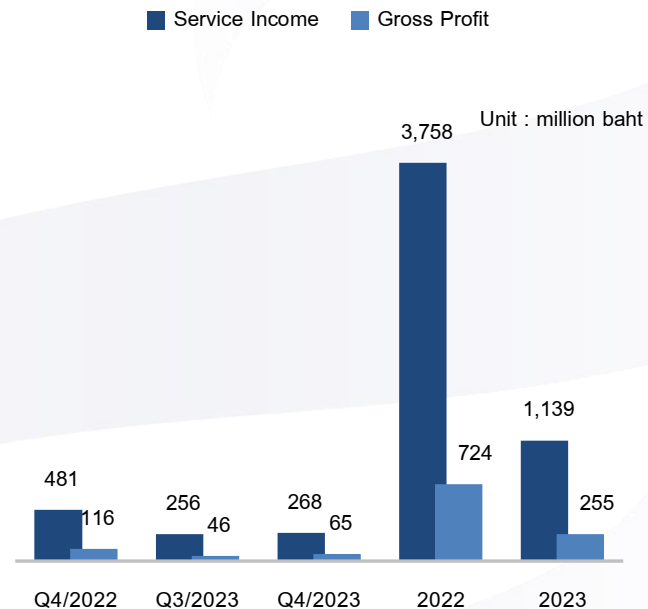
Administrative expenses for the Q4/2023 are equal to 103 million baht, an increase of 12 million baht, representing 13% of the Q3/2023, and for the period of 2023, equal to 376 million baht, a decrease of 15 million baht, representing 4%, due to income. Therefore, the company's profit decreased. Administrative expenses must be reduced to be consistent and in line with the company's strategy.

The company's net profit for the Q4/2023 was 20 million baht, a decrease of 12 million baht, representing 38% of the Q3/2023, and for the year 2023, equal to 170 million baht, a decrease of 384 million baht, representing 69% of the previous year for the period. same The decrease in net profit is proportional to the decrease in income.

**Performance by Business Unit**

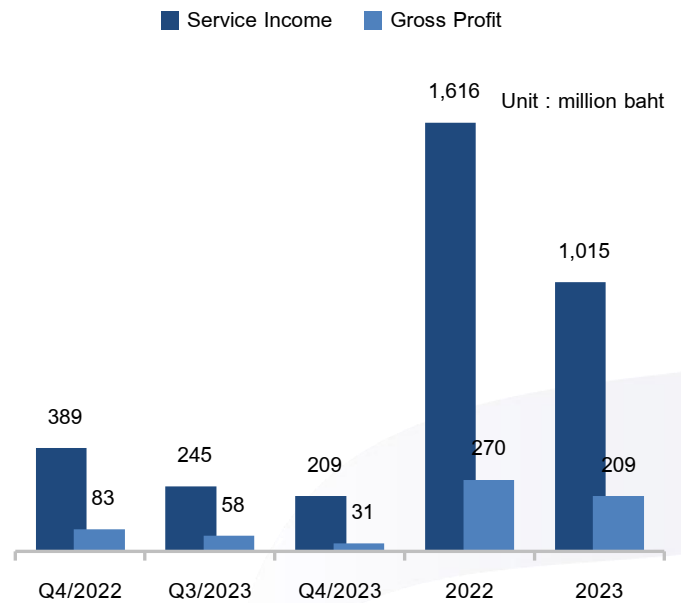
**1. Sea Freight**

Revenue from sea freight for the Q4/2023 was equal to 268 million baht, an increase of 12 million baht, accounting for 4.7% of the Q3/2023, and for the period of 2023 equal to 1,139 million baht, a decrease of 2,619 million baht, accounting for 70% of 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 Q4/2023 was 65 million baht, an increase of 19 million baht, representing 41% of the Q3/2023, and for the year 2023, equal to 255 million baht, a decrease of 469 million baht, representing 65% of the previous year for the same period. Gross Profit Margin improved from working together in the WICE group in Singapore, Malaysia, Hong Kong and China, making our group have bargaining power Able to effectively manage costs according to strategy For this year's period, compared to last year, from the original 19.3%, it improved to 22.4%.



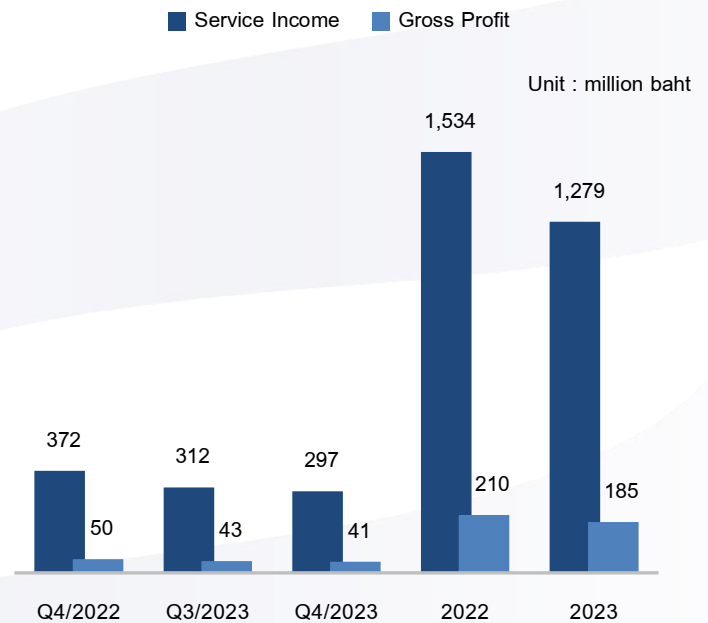
## 2. Air Freight

Revenue from Air Freight for the Q4/2023 was 209 million baht, a decrease of 36 million baht, representing 15% of the Q3/2023, and for the year 2023 was 1,015 million baht, a decrease of 601 million baht, representing 37% of the previous year for the same period. The decrease in income was caused by a decrease in the volume of goods transported among electronic customers. Gross profit from air cargo for the Q4/2023 was 31 million baht, a decrease of 27 million baht, representing 47% of the Q3/2023, and for the year 2023 was 209 million baht, a decrease of 61 million baht, representing 23% of the previous year for the same period. For Gross Profit Margin, it improved from effective cost management according to strategy. In 2023, compared to last year, from the original 16.7% improved to 20.6%.



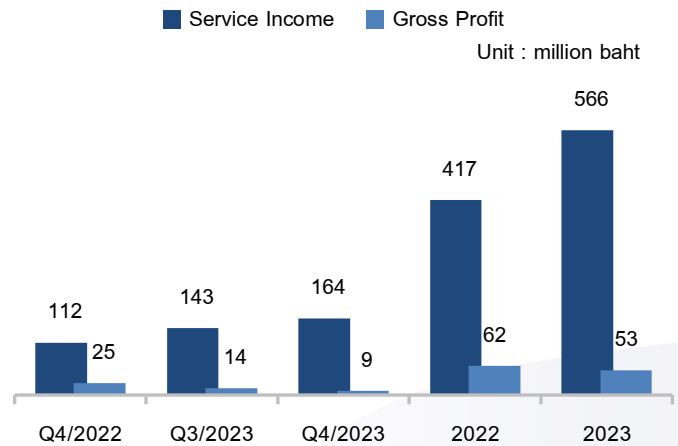
## 3. Cross Border Service

Revenue from Cross Border Service for the Q4/2023 was equal to 297 million baht, a decrease of 15 million baht, representing 5% of the Q3/2023, and for the period of 2023 equal to 1,279 million baht, a decrease of 255 million baht, representing 17% 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 land transportation for the Q4/2023 was equal to 41 million baht, a decrease of 2 million baht, representing 5% of the previous year for the same period, and for the period of 2023 equal to 1,279 million baht, a decrease of 255 million baht, representing 17% of the previous year for the same period. Gross Profit Margin improved from effective strategic cost management. Return trips have been managed to increase the volume by up to 65%. For the year 2023, compared to last year, from the original 13.7%, it has improved to 14.5%.



#### 4. Supply Chain Solutions

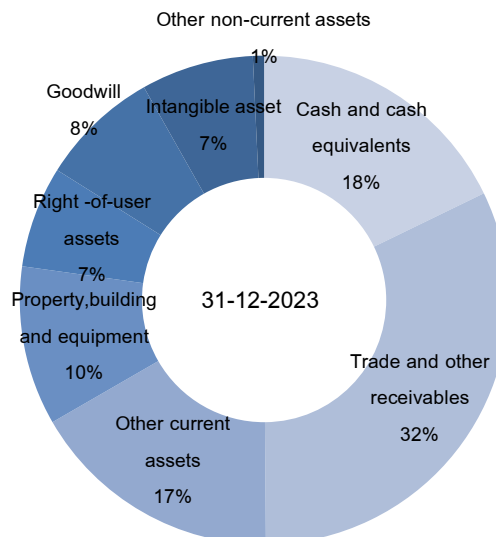
Revenue from Supply Chain Solutions for the Q4/2023 was 164 million baht, an increase of 21 million baht, representing 15% of the Q3/2023, and for the 2023 period equal to 566 million baht, an increase of 149 million baht, representing 36% of the previous year. for the same period Because the company has opened an additional warehouse service area of 30,000 square meters, the company has increased income. Gross profit from Supply Chain Solutions for the Q4/2023 was 9 million baht, a decrease of 5 million baht, representing 36% of the Q3/2023, and for the year 2023 equal to 53 million baht, a decrease of 9 million baht, representing 15% of the year. before for the same period



#### Financial position analysis

Unit : million baht

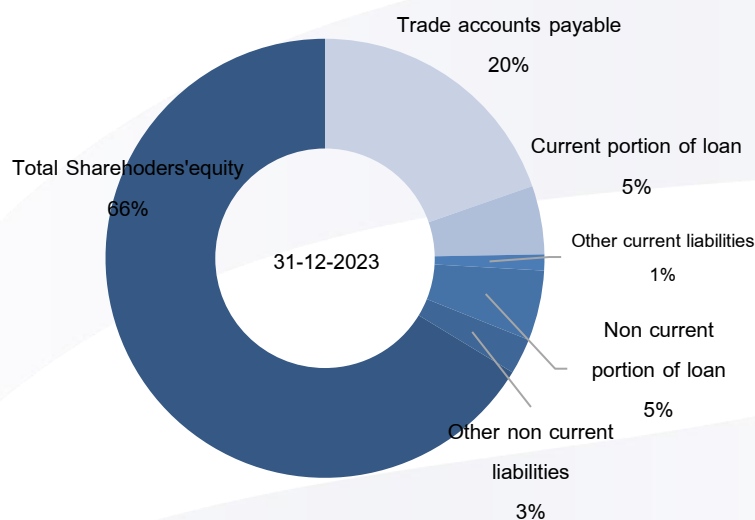
Balance Sheet	31-12-2023	31-12-2022	+ / -	%
Cash and cash equivalents	509	852	(344)	-40.3%
Trade and other receivables	916	1,069	(153)	-14.3%
Other current assets	479	417	62	14.9%
Property, building and equipment	301	335	(34)	-10.2%
Right -of-user assets	192	167	24	14.5%
Goodwill	225	225	0	0.0%
Intangible asset	213	223	(11)	-4.7%
Other non-current assets	21	42	(21)	-50.1%
<b>Total Assets</b>	<b>2,856</b>	<b>3,332</b>	<b>(476)</b>	<b>-14.3%</b>



The Company had total assets as of December 31, 2023 and December 31, 2022 equal to 2,856 million baht and 3,332 million baht, respectively, a decrease of 476 million baht, equivalent to 14%, due to trade receivables that decreased proportionally with reduced income. Paid by trade receivables as of December 31, 2023 and December 31, 2022 equal to 916 million baht and 1,069 million baht, respectively, a decrease of 153 million baht, equivalent to 14%, and the decrease in cash occurred in May 2023. The company has Dividend payments to shareholders by cash as of December 31, 2023 and December 31, 2022 were 509 million baht and 852 million baht, respectively, a decrease of 344 million baht, or 40%.

Unit : million baht

Balance Sheet	31-12-2023	31-12-2022	+ / -	%
Trade accounts payable	562	813	(252)	-30.9%
Current portion of loan	44	191	(47)	-24.6%
Payable for purchase of investment in subsidiaries	0	50	(50)	-100%
Payable for business acquisition	0	0	0	0.0%
Other current liabilities	34	118	(85)	-71.5%
Non-current portion of loan	148	220	(72)	-32.9%
Other non-current liabilities	75	68	7	10.6%
Total liabilities	962	1,461	(498)	-34%
Balance Sheet	1,894	1,872	22	1.2%



The company had total liabilities as of December 31, 2023 and December 31, 2022 equal to 962 million baht and 1,461 million baht, respectively, a decrease of 498 million baht, equivalent to 34%, due to a decrease in trade payables varying accordingly.

Reduced costs of trade payables as of December 31, 2023 and December 31, 2022 were 562 million baht and 813 million baht, respectively, a decrease of 252 million baht, representing 31%, and Euro Asia Total Logistics Company. Public Company Limited, a subsidiary, paid off loans from financial institutions in Q4 2023 and paid creditors for the acquisition. As a result, the amount of debt decreased. Short-term loans as of December 31, 2023 and December 31, 2022 were equal to 144 million baht and 191 million baht, respectively, a decrease of 47 million baht, representing 25%, and long-term loans as of December 31, 2023 and as of December 31, 2022 equals 148 million baht and 220 million baht, respectively, a decrease

of 72 million baht, representing 33 percent, and business purchase payables as of December 31, 2023 and December 31, 2022 equal to no balance and 50 million baht according to the Order, reduced by 50. Million baht is calculated as 100%.

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

#### **WICE Logistics (Singapore) Pte. Ltd.**

- On September 26, 2023, the Company invested an additional 10.7 million baht in WICE Logistics (Singapore) Pte. Ltd., whereby the company increased its registered capital from 0.7 million Singapore dollars to 1.1 million Singapore dollars. Divided into 400,000 ordinary shares at a par value of 1 Singapore dollar per share.
- On October 2, 2023, WICE Logistics (Singapore) Pte. Ltd. established a new subsidiary in Singapore "WICE Global Road Solutions Pte. Ltd." to provide road transportation management services with a registered capital of S\$400,000. and the said subsidiary company holds 100% of the shares. and has already paid for such shares in October 2023.

#### **WICE Logistics (Hong Kong) Limited**

- On September 26, 2023, the Company invested additionally in WICE Logistics (Hong Kong) Limited in the amount of 56 million baht (1,199,986 common shares, priced at 10 Hong Kong dollars per share). The subsidiary company registered the capital increase as follows. Said to be completed on October 19, 2023, after investing in an increase in the Company's shareholding. in subsidiaries will increase from 80 % to 98 %

#### **Euroasia Total Logistics Public Company Limited**

- 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. Shareholding percentage of the company in the subsidiary company changes
- Between October 11, 2023 and October 26, 2023, the subsidiary received payment for additional IPO shares in the amount of 288.73 million baht and the Stock Exchange of Thailand received 620 million ordinary shares of ETL at par value. at 0.50 baht per share as a listed security and began trading on November 1, 2023. After the offering of additional common shares, the Company's shareholding percentage in subsidiaries will be reduced from 51 % to 36.86 %

#### **WICE Logistics Public Company Limited**

- On December 12, 2023, the company registered to establish WICE Logistics Lao Sole Co.,Ltd. with a registered capital of 2 billion kip (there has been no call for payment of the registered capital).

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

For 2024, the Ministry of Finance expects that The Thai economy will expand at an accelerated rate of 2.8 percent per year. Exports will expand by 4.2 percent per year and imports will expand by 4 percent per year. The company predicts that in this year 2024 from positive external factors In addition, the company has strategic planning. Investment in expanding various businesses to support opportunities that will occur in 2024, the company has a view on business operations trends according to the strategic plan as follows.

- Sea and air transportation It is a service that the company There is a relatively high proportion of income. Therefore, from the situation of decreasing freight and air rates, the company has to manage cost management through a

collaborative process in the WICE group in Singapore, Malaysia, Hong Kong and China in order to build bargaining power. To increase efficiency in cost management The company views that when imports and exports improve. together with the company Have a good cost management plan. will make the company Able to maintain a better profit rate And from the Red Sea situation, it has an impact on freight rates which tend to increase. which is a positive factor for the company That will result in improved income from shipping services.

- Cross Border Service in 2024, the company is preparing to expand into the temperature-controlled logistics business (Cold Chain) at full capacity from the end of the first quarter of 2024, which the government has promoted in terms of exports. Thai fruits to China, such as durian, which is considered to be the fruit with the highest volume of imports from China. The company has prepared a temperature-controlled transportation plan (Cold Chain) to accommodate the volume of transportation that will be coming in this year. this And the company expects that income from temperature-controlled transportation (Cold Chain) will be a highlight that allows the company to grow significantly compared to 2023. In addition, the company also focuses on the management of return empty-handed trips. Let the quantity be reduced from 2023 according to the strategic management plan. Controlling costs and expenses to be efficient in order to increase the ability to make profits continuously.

The company expects that in 2024 China's economy should recover. Import-export should gradually improve after Euro Asia Total Logistics Public Company Limited or ETL has been listed on the stock exchange. The company has plans to invest to increase capacity and expand work. Cross Border Service business, the company sees an opportunity for business growth, so the company has established Wise Global Road Solutions (WGRS) in Singapore. which is a 100% owned subsidiary of WICE Logistics (Singapore) Pte.,Ltd. It is a company opened to increase capabilities and create solutions for customers in providing integrated Cross Border Transportation Carrier services. Ready to expand service areas in new markets This will help strengthen the WICE group of companies.

- Transport (EV TRUCK) on December 11, 2023, the company signed a service agreement (Service Agreement) with the company. Siphandon-Ratcha Lao Co., Ltd. to provide biomass fuel pellet transportation services from Lao PDR to Thailand. Laem Chabang Port (Kerry Siam Seaport), Chonburi Province and forwarded to foreign customers according to the contract agreement Valued at more than 2,000 million baht, it can be considered as the value of a long-term contract of up to 15 years, with cargo transportation services starting in the 1st quarter of 2024 onwards. Transportation by electric trucks (EV TRUCK) is considered one of A project that WICE has always initiated and pushed forward. To aim for leadership in elevating the organization towards sustainable business operations. In addition to helping manage transportation costs from fluctuations in oil prices in the world market, It is also in line with the guidelines for business cooperation in clean energy. Pushing forward ESG goals, launching a pilot project to transport biomass pellets (Wood Pellets) using EV TRUCK to reduce greenhouse gas emissions into the atmosphere (Carbon footprint) and reduce carbon dioxide compared to combustion vehicles by more than 40%. Initially, there is a plan to pilot the use of 30-40 EV TRUCKs.

The company expects that from the business strategy plan and increasing investment capacity together with business opportunity factors in 2024 will make the company Have income that is growing Along with maintaining an efficient profit rate for sure.