

TWZ011/2024

May 13, 2024

Subject : Management Discussion and Analysis for Quarter 1 Ending March 31, 2024.

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, 2024 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, 2024, the company and its subsidiaries had total revenue Baht 1,026.83 million, increased from Baht 909.85 million in the same period which was Baht 116.98 million or equivalent to increase of 11.39%, as follows;

- Revenues from sales and services Baht 1,019.84 million, from increased Baht 897.77 million of the same period last year which was Baht 122.08 million or equivalent to the increase of 11.97%. Because the company has focused on selling products Including increasing sales and working out sales increase.
- Sales promotion income was Baht 2.31 million decreased from Baht 3.90 million of the same period last year which was Baht 1.59 million or equivalent to the decreased of 68.89%. Because the company and its subsidiaries received sales support fees from distributors is reduced according to the distributor's promotional arrangements.
- Others income was Baht 4.67 million decreased from Baht 8.18 million of the same period last year which was Baht 3.51 million or equivalent to the decreased of 75.10%. The company's other income mainly consists of the interest received from financial lease agreements and interest received from deposits from financial institutions. For the first quarter of 2023, the subsidiary has transferred the real estate development project for rent under the financial lease agreement to investment property, thereby gaining profit from the transfer of such assets from the market price.

- Distribution cost was Baht 13.96 million, increased from Baht 13.80 million in the same period of the previous year which distribution costs to the company's total revenue accounting for 1.36% and 1.52 % for the first quarter of 2024 and Year 2023 respectively
- Administrative expenses in the amount of Baht 31.15 million, increase of Baht 29.47 million in the same period last year which was Baht 1.68 million or equivalent to the increased of 5.41%. which had administrative expenses to the total income of the company. The proportion is 3.03 percent and 3.24 percent for the first quarter of 2024 and 2023, respectively.
- Expenses (income) income tax was Baht 4.32 million increased from Baht 3.49 million of the same period last year which was Baht 0.83 million because the operating result as described above.
- An amount of net profit was approximately Baht 5.82 million which was deducted by a deficit of non-controlling interests at Baht 0.73 million. Therefore, the net profit attributable to the company is an amount Baht 5.09 million, decrease from Baht 12.27 million of the same period last year, was Baht 7.19 million or decrease of 141.38% because the operating result as described above.

Financial Status

The total assets of the Company in Quarter 1, 2024 were Baht 6,284.60 million and December 31, 2023 were Baht 6,191.29 million increased in amount of Baht 93.31 million or equivalent to the increase of 1.51%. The Company's total assets at Quarter 1, March 31, 2024 consisted of current assets with the portion of 82.46% and non-current assets with the portion of 17.54% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 2,030.86 million increases amount of Baht 2,024.21 million or amount of Baht 6.65 million or equivalent to the increase of 0.33%. The Company's accounts Receivable increased because The company has revenue from sales and services by Offering credit to customers, 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 2,552.41 million increase in amount of Baht 2,523.81 million of the same period last year was Baht 28.60 million or equivalent to the increase 1.13%. The inventories are in accordance with the Company's product management policy.
- Land, buildings and equipment of the company and subsidiaries amounted to Baht 214.40 million, which increased from Baht 154.17 million last year was Baht 60.23 million or a decrease of 39.07%. Because the subsidiary had more building improvements from the operations of the program development business. Computers for Learning Management (LMS) Training Management Systems (TMS)

Liquidity

The company and its subsidiaries have cash and cash equivalent as March 31, 2024 was Baht 256.22 million increases from the same period last year amount Baht 29.79 million or equivalent to the increase of 13.16%.

The details of the sources and uses of cash as follows

- Net cash provided from operating activities was Baht 17.63 million. Mainly due to increase in trade payables and other current payables.
- Net cash used from investing activities was Baht 62.51 million. Mainly from cash paid for the purchase of property, plant and equipment.
- Net cash provided from financing activities was Baht 48.63 million. Mainly due to cash received from loans.

Current ratio of the Company and its subsidiaries as March 31, 2024 equaled to 2.69 times. The Company and its subsidiaries have current assets and current liabilities decreased compared as December 31, 2023 with the current ratio 2.80 times.

Source of Capital

The total liabilities of the Company as March 31, 2024, amounted to Baht 2,159.83 million. While the company's shareholders' equity was Baht 4,124.77 million. As a result, the debt-to-equity ratio 0.52 times, increase from 0.51 time last year

Please be informed accordingly.

Yours Faithfully,

(Mr.Puttachat Rungkasiri)

Managing Director