

No.008/2024

May 14, 2024

Subject: Management Discussion and Analysis for the three-month period ended March 31, 2024

To: President

The Stock Exchange of Thailand

The Board of Directors' meeting no. 3/2024 held on May 13, 2024 resolved to approve the financial statements of Euroasia Total Logistics Public Company Limited ("the Company") for the three-month period ended March 31, 2024, which were reviewed by PricewaterhouseCoopers ABAS Company Limited and the Audit Committee. Details are as follows:

### Operating performance and financial position

#### 1) Highlight of the Company performance

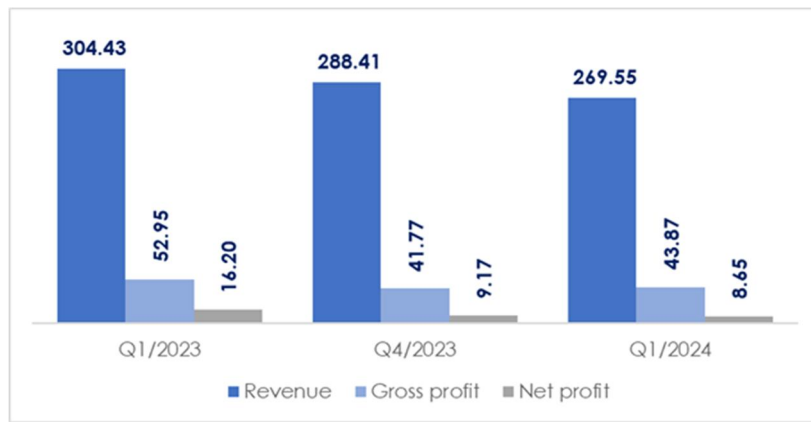
In the first quarter of the year 2024, the Company generated the service income of Baht 269.5 million, which decreased by 12% compared to the same period of the previous year. It's mainly due to the economic slowdown and impact to decrease in the volume of import/export in reference to the commercial transaction of cross border in Thailand and Malaysia, the average rate decreased by 5% and 10% respectively.

However, the gross profit margin was 16% of total revenues as the Company had anticipated.

Summary of the Company performance as of Q1/2024 and Q1/2023

Comprehensive income statements (Unit: Million Baht)	Q1'23	Q4'23	Q1'24	YoY		QoQ	
				Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Service incomes	304.43	288.43	269.55	(34.88)	-12%	(18.88)	-7%
Cost of services	(251.48)	(246.66)	(225.68)	(25.80)	-10%	(20.98)	-8%
<b>Gross profit</b>	<b>52.95</b>	<b>41.77</b>	<b>43.87</b>	<b>(9.11)</b>	<b>-17%</b>	<b>2.10</b>	<b>5%</b>
Other income	3.06	6.29	6.95	3.89	127%	0.66	10%
Selling expenses	(1.06)	(1.79)	(1.16)	0.10	9%	(0.63)	-35%
Administrative expenses	(32.79)	(35.89)	(38.67)	5.88	18%	2.78	8%
<b>Profit before finance cost and tax expenses</b>	<b>22.16</b>	<b>10.38</b>	<b>10.99</b>	<b>(11.17)</b>	<b>-50%</b>	<b>0.61</b>	<b>6%</b>
<b>Net profit (loss)</b>	<b>16.20</b>	<b>9.17</b>	<b>8.65</b>	<b>(7.55)</b>	<b>-47%</b>	<b>(0.52)</b>	<b>-6%</b>
<b>Profit attributable to:</b>							
Equity holders of the Company	15.78	10.89	8.24	(7.54)	-48%	(2.65)	-24%
Non-controlling interest of the subsidiary	0.42	(1.72)	0.41	-0.01	-2%	2.31	124%
<b>Gross profit margin</b>	<b>17.39%</b>	<b>15.56%</b>	<b>16.28%</b>				
<b>Net profit margin</b>	<b>5.32%</b>	<b>3.18%</b>	<b>3.21%</b>				

Service income



During the year, the Group generated total revenue of Baht 269.5 million, which decreased from the same period of the previous year of Baht 304.43 million or equivalent to 12% and decreased from the fourth quarter of the previous year by 5%. The main reasons for the decrease were conflict situations in many countries which caused the economic slowdown over the past year. In addition, the volume of transportation trips from both Thailand and Malaysia decreased by 5% and 10% respectively (Refer to the border trade statistic data from Department of Foreign Trade. In addition, long public holidays of Chinese New Year Festival mainly render the shipments decrease from those of Q4/2023 by 7%.

Gross profit and Gross profit margin



From the chart above, the Company's gross profit margin for the first quarter of the year 2024 continuously increased from the fourth quarter of the previous year. This resulted from the Group's effective cost management in conformity with its strategy in reducing the cost of outsourcing transportation, which was the main cost of the Group. In addition, the number of empty trips or empty backhaul of the Group decreased. As a result, the gross profit margin in this period increased by 1.80%, aligning with the target of the Company's strategy.

### Other income

For the first quarter of the year 2024 and 2023, the other income of the Group amounted to Baht 7 million and Baht 3 million, respectively. The increase was from a gain on foreign exchange of Baht 3 million in this period.

### Selling and administrative expenses

In the first quarter, the selling and administrative expenses of the Group increased of Baht 6 million or approximately 27% from the same period of the previous year. It's mainly due to an increase in employee expenses, depreciation, and amortization expenses of right of use of assets - equipment.

### Net profit

The Group's net profit for the first quarter of the year 2024 was Baht 8.6 million, while the same period of the previous year's net profit was Baht 16.2 million, a decrease of 47%. An increase in selling and administrative expenses of 27% and a decrease in service income of 12% resulted in a considerable decrease in profit in this period. However, compared to Q4/2023, the Group's net profit decreased Baht 0.5 million or equivalent to 6%.

## 2) Financial position analysis

The statement of financial position	Consolidated financial statement as at			
	31 December 2023		31 March 2024	
	Million Baht	%	Million Baht	%
<b>Assets</b>				
Cash and cash equivalent	89.18	8.35	88.37	9.03
Trade and other receivable	454.00	42.49	358.58	36.64
Other current assets	153.79	14.39	162.30	16.58
Building improvement and equipment	167.86	15.71	164.97	16.86
Other non-current assets	203.72	19.07	204.36	20.87
<b>Total assets</b>	<b>1,068.55</b>	<b>100.00</b>	<b>978.57</b>	<b>100.00</b>

### Assets

As of March 31, 2024, the Company had total assets of Baht 978.6 million, a decrease of Baht 90 million or 8.4% from December 31, 2023, which was mainly due to the capital raising: IPO of Baht 126 million and the cash received from debt collection during the year.

The statement of financial position	Consolidated financial statement as at			
	31 December 2023		31 March 2024	
	Million Baht	%	Million Baht	%
<b>Liabilities and shareholders' equity</b>				
Trade and other payable	234.97	21.99	155.11	15.85
Loan from financial institutions	67.76	6.34	59.04	6.03
Other current liabilities	42.28	3.96	37.31	3.81
Other non-current liabilities	64.44	6.03	60.31	6.16
Total shareholders' equity	659.10	61.43	666.79	68.15
<b>Total liabilities and shareholders' equity</b>	<b>1,068.55</b>	<b>100.00</b>	<b>978.57</b>	<b>100.00</b>

### Liabilities and shareholders' equity

As of March 31, 2024, the Company's total liabilities were Baht 311.8 million, which decreased by 97.7 million or equivalent to 24% from those as of December 31, 2023. It's mainly due to a decrease in trade and other payables from payment and repayment of Baht 79.8 million as well as the repayment of rental agreement of Baht 7.5 million.

### 3) Perspective on the operating performance trend in the year 2024

For the year 2024, the Company has been preparing to support the expansion into the Cold Chain logistics business since mid of April 2024. Furthermore, the government encourages the export of Thai fruits to China such as durian, which is the largest category of fruit imported to China. In Q2/2024, the Company has arranged Cold Chain transportation plan to align with the transportation volumes coming in this year, invests in purchasing reefer containers as well as expands the fleet of prime movers – trailers among the Group: in Thailand, Malaysia and Vietnam. The Company anticipates the revenues generated from Cold Chain to grow by 25% compared to those of last year. This is regarded as the Company's business highlight of this year which will render the Company achieve its target in conformity with a continuous and sustainable business strategy.

In addition, the Company remains placing importance on reducing the number of empty trips/backhauls compared to the year 2023 as the strategy of effective cost and expense management to continuously enhance its profitability.