

TWZ020/2024

August 9, 2024

Subject : Management Discussion and Analysis for Quarter 2 Ending June 30, 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 2 Ending June 30, 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 2 Ending June 30, 2024, the company and its subsidiaries had total revenue Baht 914.85 million, increased from Baht 869.48 million in the same period which was Baht 45.37 million or equivalent to increase of 5.22%, as follows;

- Revenues from sales and services Baht 910.46 million, increased Baht 864.68 million of the same period last year which was Baht 45.78 million or equivalent to the increase of 5.29%. Because the company has focused on selling products including going to events to increase sales.
- Sales promotion income was Baht 204 million decreased from Baht 2.07 million of the same period last year which was Baht 0.03 million or equivalent to the decreased of 1.50%. Because the company and its subsidiaries received lower sales support from suppliers.
- Other income amounted to Baht 2.35 million, decrease from Baht 2.72 million of the same period last year. Representing an amount of Baht 0.38 million or a decrease of 13.77 %, the company's other income mainly consists of interest income from financial lease agreements and interest income from deposits from financial institutions
- The cost of distribution amounted to Baht 12.31 million, decrease from Baht 13.13 million in the same period last year. which has distribution costs to the company's total revenue accounting for 1.35 % and 1.51 % for the second quarter of 2024 and 2023, respectively.
- Administrative expenses in the amount of Baht 26.61 million, decrease of Baht 33.25 million in the same period last year which was Baht 6.64 million or equivalent to the decreased of 19.97%. which had administrative expenses to the total income of the company. The proportion is 2.91% and 3.82 % for the first quarter of 2024 and 2023, respectively.

- Expenses (income) income tax was Baht 2.47 million decreased from Baht 2.99 million of the same period last year which was Baht 0.52 million because the operating result as described above.
- An amount of net profit was approximately Baht 8.47 million which was deducted by a deficit of non-controlling interests at Baht 0.78 million. Therefore, the net profit attributable to the company is an amount Baht 9.26 million, increase from Baht 4.48 million of the same period last year, was Baht 4.78 million or increase of 106.82% because the operating result as described above.

### **Financial Status**

The total assets of the Company in Quarter 2, 2024 were Baht 6,300.00 million and December 31, 2023 were Baht 6,191.29 million increased in amount of Baht 108.71 million or equivalent to the increase of 1.76 %. The Company's total assets at Quarter 2, June 30, 2024 consisted of current assets with the portion of 82.46% and non-current assets with the portion of 18.89% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 2,045.30 million increases amount of Baht 2,024.21 million or amount of Baht 21.09 million or equivalent to the increase of 1.04%. 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 2,583.06 million increase in amount of Baht 2,523.81 million of the same period last year was Baht 59.25 million or equivalent to the increase 2.35%. The inventories are in accordance with the Company's product management policy.
- Bank deposits that are restricted in use by the Company and its subsidiaries amounted to Baht 192.60 million, decreased from Baht 334.15 million of the previous year by Baht 141.54 million, or a decrease of 42.36%, due to the company changing securities. Guaranteed credit line with financial institutions
- Other non-current financial assets of the company and subsidiaries amounted to Baht 79.72 million, increase from Baht 5.66 million in the previous year to Baht 74.06 million, most of which increased from project deposits.
- Land, buildings and equipment of the company and subsidiaries amounted to Baht 210.73 million, which increased from Baht 154.17 million last year was Baht 56.56 million or increase of 36.69%. Because the subsidiary had more building improvements from the operations of the program

development business. Computers for Learning Management (LMS) Training Management Systems (TMS)

- The right-of-use assets of the Company and its subsidiaries amounted to Baht 40.66 million, increase from Baht 26.39 million the previous year by Baht 14.27 million or increase of 54.07% due to the company having more space rental contracts. As a result, the debt under the lease contract amounted to Baht 21.99 million, increasing from Baht 5.67 million last year to Baht 16.33 million.

### **Liquidity**

The company and its subsidiaries have cash and cash equivalent as June 30, 2024 was Baht 282.90 million increases from the same period last year amount Baht 30.43 million or equivalent to the increase of 12.05%. The details of the sources and uses of cash as follows

- Net cash provided from operating activities was Baht 1.50 million. Mainly due to cash received from interest.
- Net cash used from investing activities was Baht 14.60 million. Changing collateral to guarantee a credit line with a financial institution.
- Net cash provided from financing activities was Baht 14.34 million. Mainly due to cash received from loans.

Current ratio of the Company and its subsidiaries as June 30, 2024 equaled to 3.11 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 June 30, 2024, amounted to Baht 2,166.78 million. While the company's shareholders' equity was Baht 4,133.22 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