

No. 24CS 2568-002

Date 9 May 2025

**Subject Management's Analysis and Discussion for 1<sup>st</sup> quarter ended 31 March 2025**

Dear Directors and Managers,

Stock Exchange of Thailand

Twenty-Four Con & Supply Public Company Limited and its subsidiary (the “Group”) would like to submit the Management's analysis and explanation for the 1st quarter ended 31 March 2025 as follows:

On 10 January 2025, the Group acquired 100 % of the share capital of 4 companies consisting of 2 business groups

1. Technology Intelligence Company Limited (“TI”) engaged in the business of providing installation and maintenance services for computers, servers, and all types of networks, and provide consults for various IT systems.
2. Doctor Jel Group (“DRJ Group”) including
  - 2.1 Doctor Jel Company Limited (“DRJ”) engaged in retail and wholesale of dietary supplements and cosmetics
  - 2.2 Organics Innovations Company Limited (“OIN”) engaged in manufacturing of dietary supplement
  - 2.3 Organics Greens Farm Company Limited (“OGF”) engaged in importing and selling raw materials for producing dietary supplements and cosmetics.

The total purchase price was 170.50 million Baht on the business acquisition date, resulting in goodwill of 108.44 million Baht from the acquisition of 3 companies: TI, DRJ, and OGF combined. Additionally, a bargain purchase gain of 6.32 million Baht was recognized from the acquisition of OIN. These acquisitions have increased the group of companies' sources of revenue and profit.

Under the business transfer agreement, the executives of TI and DRJ Group agreed to guarantee to the Company that EBITDA of TI and DRJ Group for 2025 and 2026 (a total of 2 years) will not be less than Baht 80 million and Baht 70 million, respectively. In the 1st quarter ended 31 March 2025, TI had a total EBITDA of Baht 0.26 million and DRJ Group had a total EBITDA of Baht 43.52 million.

**Revenues from construction and service contracts**

For the 1<sup>st</sup> quarter ended 31 March 2025, the Group has revenues from construction and service amounting to Baht 72.59 million increased from the same period of 2024 by Baht 54.17 million or 294% mainly from several projects were completed and delivered in the 1<sup>st</sup> quarter of 2025 such as the renovation project of the Marriott Hotel Pattaya and the construction project of a cold storage room at a Coconut-durian factory.

**Revenues from sales of goods**

For the 1<sup>st</sup> quarter ended 31 March 2025, the Group has revenues from sales of goods amounting to Baht 198.42 million increase from the same period of 2024 by Baht 175.15 million or 753% due to the acquisition of the business by the Group, resulting in revenue from the subsidiaries increased by Baht 164.98 million, mainly from sales of new dietary supplement products of Doctor Jel Group, which were launched in the 4<sup>th</sup> quarter of 2024 and received good feedback.

**Other income**

For the 1<sup>st</sup> quarter ended 31 March 2025, other income amounting to Baht 0.31 million or 0.11% of total revenue, which decreased from the same period of 2024 by Baht 0.67 million or 68%. Other income includes interest income and gain on exchange rate.

**Cost of constructions and services**

For the 1<sup>st</sup> quarter ended 31 March 2025, cost of constructions and services amounting to Baht 66.05 million which increased by Baht 43.62 million or 194% which in the same direction as the increase in revenues from construction and service contracts. However, gross profit margin from construction and service contracts was 9%, higher than the same period of 2024 which was gross loss 22% due to the Group accept construction work from new customers which have a gross profit margin and has better construction cost management, resulting in higher gross profit margin.

**Cost of sales of goods**

For the 1<sup>st</sup> quarter ended 31 March 2025, cost of sales of goods amounting to Baht 115.11 million which increased by Baht 93.40 million or 430% which in the same direction as the increase in revenues from sales of goods. However, gross profit margin from sales of goods was 42% which higher than the same period of year 2024 which was 7% due to the Group expanded the business into dietary supplements and cosmetics, sell and install computer systems section.

**Selling and administrative expenses**

For the 1<sup>st</sup> quarter ended 31 March 2025, selling and administrative expenses amounting to Baht 54.87 million which increased by Baht 37.84 million or 222%, due to expenses of the acquired subsidiaries divided into selling expenses increased by Baht 23.94 million from advertising and promotion expenses in the dietary supplement and cosmetics business and administrative expenses increased by Baht 13.90 million mainly from salaries and wages, welfare and various service fees. Selling and administrative expenses for the 1<sup>st</sup> quarter ended 31 March 2025 accounted for 20% of total revenue which decrease when compared to the proportion of selling and administrative expenses to total revenue for the same period in 2024, which was 41% of total revenue.

**Net profit**

For the 1<sup>st</sup> quarter ended 31 March 2025, The Group had a net profit of Baht 31.09 million, an increase of Baht 63.50 million compared to the 1<sup>st</sup> quarter of 2024, which had a net loss of Baht 32.41 million. The profit was due to the better performance of both the Company and the subsidiaries that acquired on 10 January 2025.

**Assets**

As at 31 March 2025, the Group has total assets of Baht 715.67 million which increased Baht 391.95 million or 121% when compared to total assets as at 31 December 2024. The increase in total assets mainly from increased in cash and cash equivalents by Baht 92.39 million or 779%, increased in trade and other current receivables, net by Baht 72.89 million or 140%, increased in inventory by Baht 43.57 million or 148%, and increased in goodwill by Baht 108 million or 100% which most of the increased assets came from business acquisitions.

**Liabilities**

As at 31 March 2025, the Group has total liabilities of Baht 389.12 million increased by Baht 190.36 million or 96% when compared to total liabilities as at 31 December 2024. The increase in total liabilities mainly from increased in trade and other current payables by Baht 118.34 million or 120%, increased in contract liabilities by Baht 20.95 million or 166% from advance received for dietary supplement business, the increase in liabilities was mainly from subsidiaries from business acquisition.

**Equity**

As at 31 March 2025, the Group has total equity of Baht 326.55 million which increased by Baht 201.59 million or 161% when compared to equity as at 31 December 2024 due to increased capital by Baht 55 million shares at a par value of Baht 3.10 per share as of 10 January 2025 to pay for business acquisitions and increase from the Group's net profit from operations in the 1<sup>st</sup> quarter ended 31 March 2025 in the amount of Baht 31.09 million.

Yours sincerely,

*-Santi Maneewong-*

(SANTI MANEEWONG)

Chief Financial Officer