



November 13, 2023

**Subject: Management discussion and analysis for the third quarter ended September 30, 2023**  
**Attention: The President,**  
**The Stock Exchange of Thailand**

Vintcom Technology Public Company Limited (the "Company") would like to submit the management discussion and analysis of the Company's and its subsidiaries' results of operations for the third quarter ended September 30, 2023. In addition, the Company would also like to provide clarification regarding changes of the Company and its subsidiaries' operating results more than 20% compared to the same period of last year as follows:

### Operating results

Operating results of the Company and its subsidiaries	Q3/2023	Q3/2022	Changes +/-	9 months / 2023	9 months /2022	Changes +/-
<b>(Unit : Million Baht)</b>						
Revenue from sales and services	482	497	(3.0%)	1,510	1,474	2.5%
<b>Gross profit</b>	<b>98</b>	<b>103</b>	(5.1%)	<b>308</b>	<b>299</b>	2.9%
Other income	3	13	(73.2%)	19	23	(18.6%)
Share of profit of associate	(4.7)	(0.2)	(>100%)	(19)	1.3	(>100%)
Distribution costs	(17)	(16)	2.4%	(49)	(44)	9.6%
Administrative expenses	(49)	(56)	(12.9%)	(148)	(147)	0.3%
Impairment gain (loss)	-	0.3	(100%)	-	1.7	(100%)
Finance costs	(2.6)	(2.6)	(2.1%)	(8)	(7)	24.7%
<b>Profit before tax</b>	<b>28</b>	<b>41</b>	(30.8%)	<b>103</b>	<b>127</b>	(18.9%)
Net profit after tax	22	33	(31.4%)	80	104	(23.2%)
Non-controlling interests	(5)	(5)	1.0%	(18)	(17)	9.5%
<b>Net profit of parent company</b>	<b>17</b>	<b>28</b>	(37.4%)	<b>62</b>	<b>87</b>	(29.5%)
<b>Gross profit margin</b>	20.2%	20.7%		20.4%	20.3%	
<b>Net profit margin</b>	3.6%	5.4%		4.0%	5.9%	

In the Q3/2023, the Company and its subsidiaries had income from sales and services and the gross profit margin slightly lower than the same quarter last year. But the net profit margin decreased from 5.4% to 3.6%, mainly due to the share of losses from associated companies under the equity method of 4.7 million baht, together with the third quarter of the previous year having other income of 6.9 million baht from winning the lawsuit that the company sued for damages from the cancellation of orders by a customer. In the third quarter of 2023, there was a net profit of 17.4 million baht (Q3/2022: 27.7 Million Baht). More details analysis are discussed below.

#### 1. Revenue from sales and services

In the third quarter of 2023, the revenue was THB 482.4 million, a decrease of THB 14.8 million, or 3.0% from Q3/2022. Domestic income decreased by 24.5%, while the overseas regions income increased by 93.4%.



## 2. Gross profit

For Q3/2023, gross profit was THB 97.7 million (Q3/2022: 102.9 Million Baht). Gross profit margin was 20.2%, similar to the same quarter of the previous year (Q3/2022: 21.6%).

## 3. Distribution costs

In Q3/2023, distribution costs was THB 16.7 million, 2.4% increase from last year. Distribution costs was 3.4% of total revenue (Q3/2022: 3.2%). The distribution cost consisted of staff expense, commission and marketing expenses.

## 4. Administrative expenses

Administrative expenses of Q3/2023 was THB 48.6 million, decrease from Q3/2022 which was THB 55.8 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization etc. The administrative expenses was 10.0% of total revenue, which was lower than last year (10.9% in Q3/2022).

## 5. Net profit and Net profit margin

Net profit of Q3/2023 was THB 17.3 million, a decrease of THB 10.4 million or 37.4% from the same period in last year. The net profit margin for Q3/2023 was 3.6% (Q3/2022: 5.4%).

## Financial Position

### Assets

A majority of assets were account receivables and other receivables, cash and cash equivalent, and goodwill. Total assets as at September 30, 2023 and December 31, 2022 were THB 1,590.7 million and THB 1,446.1 million, respectively. The increase in total assets by THB 144.6 million, or 10.0%.

Cash and cash equivalent as at September 30, 2023 and December 31, 2022 was THB 205.8 million and THB 214.6 million, respectively. Account receivables and other receivables as at September 30, 2023 and December 31, 2022 were THB 748.5 million and THB 603.6 million, respectively, increased THB 144.9 million.

Investment in associates as at September 30, 2023 and December 31, 2022 were THB 35 million and THB 33 million, respectively. This was investment in 18% of interests in M Intelligence's issued and paid-up ordinary shares. THB 18.9 million decrease was due to share of loss recognized in accordance of the equity method.

Goodwill amounting to THB 210 million arose from the acquisition of 100% shares of I-Secure.

### Liabilities

Majority, or 88.5% of the Group's liabilities was current liabilities, consisted of trade and other current payables, contract liabilities, and short-term borrowings from financial institutions. The significant amount of non-



current liabilities was trade and other current payables, and employee benefits liabilities. Total liabilities as at September 30, 2023 and December 31, 2022 were THB 981.9 million and THB 808.2 million, respectively. In sum, The THB 173.7 million increase in total liabilities, or 21.5% mainly came from short-term borrowings from financial institutions, trade payables and contract liabilities serving as part of working capital in this quarter.

Shareholders' Equity

Total shareholders' equities of the Company as at September 30, 2023 and December 31, 2022 were THB 562.5 million and THB 585.5 million, respectively. THB 23.0 million decrease was due to net profit amounting to THB 61.8 million, other comprehensive income THB 7.3 million and dividend paid amounting to THB 92.1 million.

Please be informed accordingly.

Yours Sincerely,

(Mrs. Songsri Srirungroungjit)  
Managing Director  
Vintcom Technology Public Company Limited