



November 11, 2022

**Subject: Management discussion and analysis for the third quarter ended September 30, 2022**  
**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, 2022, as follows:

**Operating results**

Operating results of the Company and its subsidiaries <b>(Unit : Million Baht)</b>	<b>Q3/2022</b>	<b>Q3/2021</b>	<b>Changes +/-</b>	<b>9 months / 2022</b>	<b>9 months /2021</b>	<b>Changes +/-</b>
Revenue from sales and services	497	526	(5.5%)	1,474	1,507	(2.2%)
<b>Gross profit</b>	<b>103</b>	<b>113</b>	<b>(9.2%)</b>	<b>299</b>	<b>317</b>	<b>(5.5%)</b>
Other income	13	7	77.1%	23	16	46.3%
Share of profit of associate	(0.2)	1.5	(>100%)	1.3	1.8	(27.8%)
Distribution costs	(16)	(11)	49.4%	(44)	(37)	19.2%
Administrative expenses	(56)	(63)	(11.1%)	(147)	(153)	(3.8%)
Impairment gain (loss)	0.3	-	>100%	1.7	(0.1)	(>100%)
Finance costs	(2.6)	(2.7)	(4.7%)	(7)	(5)	20.8%
<b>Profit before tax</b>	<b>41</b>	<b>46</b>	<b>(9.6%)</b>	<b>127</b>	<b>138</b>	<b>(8.1%)</b>
Net profit after tax	33	38	(13.4%)	104	115	(8.9%)
Non-controlling interests	(5)	(7)	(23.7%)	(17)	(16)	7.8%
<b>Net profit of parent company</b>	<b>28</b>	<b>31</b>	<b>(11.1%)</b>	<b>87</b>	<b>99</b>	<b>(11.6%)</b>
<b>Gross profit margin</b>	<b>20.7%</b>	<b>21.6%</b>		<b>20.3%</b>	<b>21.0%</b>	
<b>Net profit margin</b>	<b>5.4%</b>	<b>5.9%</b>		<b>5.9%</b>	<b>6.5%</b>	

Revenue from sales and services for Q3/2022 was slightly decreased from Q3/2021, also the gross profit margin and net profit margin. The Company incurred a THB 28 million net profit in Q3/2022 (THB 31 million net profit in Q3/2021). In this quarter, there was other income THB 6.9 million from the lawsuit that the company sued for damages from the cancellation of orders by a customer, which the Company has won the case and the customer made an agreement to pay the debt already. More details analysis are discussed below.

1. Revenue from sales and services

In the third quarter of 2022, the revenue was THB 497 million, a decrease of THB 29 million, or 5.5% from Q3/2021. Revenue in domestic was increased 4% while the overseas regions was decreased 32%.



## 2. Gross profit

For Q3/2022, gross profit was THB 103 million (Q3/2021: 113 Million Baht). Gross profit margin was 20.7%, a slightly lower than the last year (Q3/2021: 21.6%).

## 3. Distribution costs

In Q3/2022, distribution costs was THB 16 million, 49.4% increase from last year. Distribution costs was 3.2% of total revenue (Q3/2021: 2.0%). The higher percentage of distribution cost to total revenue was a result of marketing activities during the economic recovery period. The distribution cost consisted of staff expense, commission and marketing expenses.

## 4. Administrative expenses

Administrative expenses of Q3/2022 was THB 55 million, decrease from Q3/2021 which was THB 63 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization etc. The administrative expenses was 10.96% of total revenue, which was lower than last year (11.8% in Q3/2021).

## 5. Net profit and Net profit margin

Net profit of Q3/2022 was THB 28 million, a decrease of THB 3 million or 11.1% from the same period in last year. The net profit margin for Q3/2022 was 5.4% (Q3/2021: 5.9%).

## 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, 2022 and December 31, 2021 were THB 1,506 million and THB 1,285 million, respectively. The increase in total assets by THB 220 million, or 17.1%.

Cash and cash equivalent as at September 30, 2022 and December 31, 2021 was THB 310 million and THB 170 million, respectively. Account receivables and other receivables as at September 30, 2022 and December 31, 2021 were THB 641 million and THB 552 million, respectively, increased THB 89 million.

Investment in associates as at September 30, 2022 and December 31, 2021 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 1.3 million increase was due to share of profit 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 84% 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, 2022 and December 31, 2021 were THB 892 million and THB 672 million, respectively. In sum, The THB 219 million increase in total liabilities, or 32.7% 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, 2022 and December 31, 2021 were THB 569 million and THB 561 million, respectively. THB 8 million increase was due to net profit amounting to THB 88 million, other comprehensive income THB 9 million and dividend paid amounting to THB 89 million.

Please be informed accordingly.

Yours Sincerely,

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