



February 28<sup>th</sup>, 2024

**Subject: Management discussion and analysis for the year ended December 31, 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 year ended December 31, 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 (Unit : Million Baht)	YE 2023	YE 2022	Changes +/(-)
Revenue from sales and services	2,092	2,012	4.0%
<b>Gross profit</b>	<b>427</b>	<b>405</b>	<b>5.5%</b>
Other income	24	30	(18.1%)
Share of profit of associate	(11)	(1)	(>100%)
Distribution costs	(71)	(60)	18.8%
Administrative expenses	(214)	(202)	6.0%
Impairment gain (loss)	-	2	(100%)
Finance costs	(11)	(9)	19.7%
<b>Profit (loss) before tax</b>	<b>144</b>	<b>165</b>	<b>(12.3%)</b>
Net profit (loss) after tax	113	137	(17.0%)
Non-controlling interests	(25)	(25)	0.9%
<b>Net profit (loss) of parent company</b>	<b>88</b>	<b>112</b>	<b>(21.0%)</b>
<b>Gross profit margin</b>	20.4%	20.1%	
<b>Net profit margin</b>	4.2%	5.5%	

The Company and its subsidiaries’ overall operating results for the fiscal year 2023, revenue from sales and services increased 4.0%. The contribution of revenue from cyber security to total revenue increased from 36% to 41% in this year. But the net profit decreased from THB 23 million decrease, or 21.0%, mainly due to the share of losses from associated companies under the equity method of 11.4 million baht and increasing in administrative expenses, together with 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.

More detailed analysis has been discussed on the followings:



#### 1. Revenue from sales and services

For the year 2023, the Company and its subsidiaries earned revenue from sales and services amounting to THB 2,092 million, THB 80 million or 4.0% increase from 2022 resulted from revenue from CLM countries increased by 70% from last year, that was 33% of total revenue.

#### 2. Gross profit

For the year 2023, the Company and its subsidiaries gross profit was THB 427 million (2022: THB 405 Million). Gross profit margin was 20.4% as same as last year (2022: 20.1%). The contribution of revenue from sales to the total revenue increased from 61% to 71%.

#### 3. Distribution costs

In 2023, distribution costs was THB 71 million (2022: THB 60 Million). The 18.8% increase from last year resulted from increasing in staff expenses, commission, and marketing expenses, to generate more revenue. Distribution costs was 3.4% of revenue (2022: 2.9%).

#### 4. Administrative expenses

Administrative expenses of 2023 was THB 214 million, 6.0% increase from 2022 mainly due to the increase in staff expenses and loss from foreign exchange rates. Administrative expenses composed of staff expenses, rental and office-facility service expenses, depreciation and amortization. The expenses was 10.1% of total revenue (2022: 9.9%).

#### 5. Net profit and Net profit margin

For the year 2023, the Company and its subsidiaries' net profit was THB 88 million, THB 23 million decrease, or 21.0% from 2022. Total proportion of net profit to total revenue was 4.2% (2022: 5.5%).

### **Financial Position**

#### Assets

Majority of the Company and its subsidiaries' total assets comprised of account receivables and other receivables, cash and cash equivalent, and goodwill. Total assets as of December 31, 2023 was THB 1,459 million, increased THB 13 million or 0.9% from the last year.

Cash and cash equivalent as of December 31, 2023 and 2022 were THB 313 million and THB 215 million, respectively. Account receivables and other current receivables as of December 31, 2023 and 2022 were THB 608 million and THB 678 million, respectively, which decreased by THB 70 million from 2022.

Investment in associates as of December 31, 2023 and 2022 were THB 21 million and THB 32 million, respectively. This was investment in 18% equity interest in M Intelligence. The decrease resulted from share of loss recognized in accordance with the equity method THB 11 million.



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

#### Liabilities

Majority, or 87% of the Group's total liabilities was current, consisting of trade and other payables and contract liabilities. The significant amount of non-current liabilities comprised trade and other payables, and employee benefit liabilities. Total liabilities as of December 31, 2023 was THB 826 million. In sum, THB 18 million increase in total liabilities, or 2.2% mainly came from trade and other payables increased THB 37 million, contract liabilities payables increased THB 50 million, and short-term borrowings from financial institutions decreased THB 83 million.

#### Shareholders' Equity

Total shareholders' equities of the Company as of December 31, 2023 and 2022 were THB 580 million and THB 585 million, respectively. THB 5 million decrease was due to net profit amounting to THB 88 million and dividend paid amounting to THB 92 million.

Please be informed accordingly.

Yours Sincerely,

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