



No. ITTHI 2566-002

May 12, 2023

Subject Management's Discussion and Analysis for the three-month period ended March 31, 2023

To Directors and Managers  
The Stock Exchange of Thailand

Itthrit Nice Corporation Public Company Limited ("the Company", "ITTHI") Management's analysis and explanation of the three-month period ended March 31, 2023, is as follows:

#### **Revenue from Electronics Distribution Business**

For the three-month period ended March 31, 2023, the Company had revenue from electronics equipment distribution business in the amount of 51.93 million baht, an increase of 28.25 per cent compared to the same period of 2022, which was caused by the overall trend of the real estate and construction sectors that gradually recovered after the COVID-19 situation has eased.

#### **Revenue from Manufacturing and Distributing Alcohol Disinfectants**

For the three-month period ended March 31, 2023, the Company had revenue from the business of manufacturing and selling alcohol disinfectants in the amount of 0.27 million baht, a decrease of 90.25 per cent compared to the same period of 2022, due to the supply of alcohol products in the market has increased dramatically and an increase in competition, while the consumption of consumers has decreased, resulting in lower revenues for the production and distribution of disinfectant alcohol businesses.

#### **Other Income**

The Company's other income consists of interest income, income from the sale of assets, etc. The Company has other income for the three-month period ended March 31, 2023, in the amount of 0.09 million baht, decreased by 0.16 million baht or equivalent to a decrease of 63.24 per cent compared to the same period of 2022.

#### **Cost of Sales and Services, Gross Profit, and Gross Profit Margin of Electronics Distribution Business**

For the three-month period ended March 31, 2023, the Company had the cost of distributing electronic devices in the amount of 33.38 million baht, or 64.28 per cent of the income from distributing electronic devices in the same period, an increase from the same period of 2022, in the amount of 5.76 million baht, or representing an increase of 20.85 per cent, and having a gross profit of 18.67 million baht,



representing a gross profit margin of 35.72 per cent, an increase from the same period of 2022, in the amount of 5.68 million baht or representing an increase of 44.13 per cent. This was an effect of the relaxed competition situation in the electronics distribution business, as a result, the Company faced lower price competition compared to the same period of 2022, and the Company's main customers, which were real estate and construction operators, began to resume normal business operations.

#### **Cost of Sales and Services, Gross Profit, and Gross Profit Margin of the Business of Manufacturing and Distributing Alcohol Disinfectants**

For the three-month period ended March 31, 2023, the Company had the cost of production and distribution of disinfectant alcohol products in the amount of 0.15 million baht or 55.81 per cent of the revenue from the production and distribution of disinfectant alcohol products in the same period, decreased from the same period of 2022, in the amount of 0.31 million baht, or representing a decrease of 66.92 per cent and having a gross profit of 0.12 million baht, decreased from the same period of 2022, in the amount of 2.22 million baht, or representing a decrease of 94.85 per cent. This was due to the higher level of competition in the business of manufacturing and distributing alcohol disinfectants while there was a decrease in demand. However, the Company still has some customer bases that continuously buy the company's products, so the company uses the method of producing products according to sales estimates only as necessary.

#### **Distribution Costs**

For the three-month period ended March 31, 2023, the Company had distribution costs in the amount of 3.28 million baht, an increase from the same period of 2022, in the amount of 1.02 million baht, or a rise of 45.16 per cent, which is an increase in employee expenses such as salaries and commission, including other expenses related to employees, resulting from the increase in the number of employees in various parts and commission in order to support the future business expansion of the electronic device distribution business.

#### **Administrative Expenses**

For the three-month period ended March 31, 2023, the Company had administrative expenses in the amount of 9.95 million baht, an increase from the same period of 2022 in the amount of 0.38 million baht, or an increase of 3.94 per cent. This was mainly due to an increase in expenses related to employees and expenses related to the listing on the stock exchange.

#### **Net Profit**

For the three-month period ended March 31, 2023, the Company had a net profit of 4.03 million baht, representing a net profit margin of 7.70 per cent, an increase from the same period of 2022 in the



amount of 2.75 million baht, representing an increase of 213.96 per cent. This was mainly due to an increase in revenue from the electronics business following the overall trend of the real estate and construction sectors that continued to improve after the COVID-19 situation eased. Including, the Company can better control the cost of products mainly in planning, ordering and transportation.

#### **Assets**

As of March 31, 2023, the Company had total assets of 412.16 million baht, consisting of cash, trade accounts receivable, inventories, rights of use, and building improvements and equipment, which increased from as of December 31, 2022, in the amount of 210.60 million baht. This was due to an increase in cash and cash equivalents from the share allocation offered to the Initial Public Offer (IPO), which includes trade and other current receivables.

#### **Liabilities**

As of March 31, 2023, the Company had total liabilities of 84.91 million baht, representing 20.60 per cent of total liabilities and shareholders' equity, a decrease of 6.10 million baht from as of December 31, 2022 was mainly due to an increase in trade payables.

#### **Shareholders' Equity**

As of March 31, 2023, the shareholders' equity was 327.24 million baht, which was an increase compared to the shareholders' equity as of December 31, 2022, which was 264.36 million baht. The reasons were mainly due to:

- 1) The Company has total comprehensive income for the three-month period ended March 31, 2023, in the amount of 4.02 million baht.
- 2) The Company increased its registered capital at the Department of Business Development on March 17, 2023, in the amount of 35.00 million baht.
- 3) Share premium obtained from the allocation of shares offered to the Initial Public Offer (IPO) in the amount of 165.74 million baht.

Please be informed accordingly.

Yours sincerely,

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(Miss Minthita Akkrabunyapath)  
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