



International Research
Corporation Public Co., Ltd.

บมจ.เลขที่ 0107546000024

Ref. IRCP - FA 006/66

November 14, 2023

Subject: Management Discussion and Analysis (MD&A) for the three-month and nine-month periods
ended September 30, 2023

To: The President
The Stock Exchange of Thailand

International Research Corporation Public Company Limited would like to clarify the operating results of consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 as follows:

Operating results for the three-month period ended September 30, 2023 (Q3/2023) represented net profit attributable to owner of the parent of Baht 16.19 million as compare with the same quarter last year with net loss attributable to owner of the parent of Baht 3.96 million, an increase of Baht 20.15 million or 508.86%.

- Total revenues for Q3/2023 amounted to Baht 378.56 million, an increase from the same quarter last year of Baht 163.82 million or 76.29%. The details are as follows:
 - ❖ Revenue from system development services in the third quarter of this year increased by Baht 119.27 million or 172.63% from the same quarter of the previous year. At the same time, the revenue from sales for Q3/2023 amounted to Baht 170.99 million, an increase of Baht 28.08 million or 19.65% from the same quarter last year as well. Moreover, other income for Q3/2023 amounted to Baht 18.05 million, an increase of Baht 17.08 million or 17.53 times from the same period last year due to the increase of revenue from joint venture, marketing support revenue and miscellaneous income.
- Total expenses for Q3/2023 amounted to Baht 353.78 million, an increase of Baht 142.82 million or 67.70% from the same quarter last year. The details are as follows:
 - ❖ Cost of system development service for Q3/2023 increased by Baht 103.07 million or 183.17% which was in line with the increase of revenue from system development service. While the cost of sales and distribution increased by Baht 29.39 million or 21.84% relate to the increase of sales revenue.

- ❖ Administrative expenses of Q3/2023 amounted to Baht 30.50 million, an increase of Baht 10.36 million or 51.44% from the same quarter last year. This was due to the Company recorded an expected credit loss in accordance with Thai Financial Reporting Standard 9 (TFRS 9) of Baht 12.17 million in this quarter. If such expected credit loss was not included, the administrative expenses of Q3/2023 will be Baht 18.33 million, a decrease of Baht 2.14 million or 10.45% from last year as a result of the company's cost control.
- Finance costs of Q3/2023 reduced by Baht 5.30 million or 63.95% from the same quarter last year. This was due to the convertible debentures have been fully converted into newly issued shares. Since March 1, 2023, the Company has terminated the issue of convertible debentures. Therefore, the company has no any expenses of convertible debentures in this quarter.
- Income tax expense of Q3/2023 amounted Baht 5.72 million, an increase of Baht 6.17 million or 13.83 times from the same quarter last year. This was due to the company has the profit before income tax of Baht 21.80 million in Q3/2023, an increase of Baht 26.30 million or 584.31% from the same quarter last year which had the loss before income tax of Baht 4.50 million.

Operating results for the nine-month period ended September 30, 2023 represented net profit attributable to owner of the parent of Baht 4.77 million as compare with the same period last year with net profit attributable to owner of the parent of Baht 19.82 million, a decrease of Baht 15.05 million or 75.93%.

- Total revenues for the nine-month period of 2023 amounted to Baht 807.27 million, a decrease of Baht 188.56 million or 18.94%. The details are as follows:
 - ❖ Revenue from system development service for the nine-month period of this year decreased by Baht 230.16 million or 41.56% from the same period last year due to the recognition of revenue from a large project, which was recognized according to the measurement of the level of work progress.
 - ❖ Sales revenue came from the operating results of the subsidiaries in distributing IT products for the organization in which currently the market of the IT products is very highly competitive. Revenue from sales for the nine-month period of 2023 amounted to Baht 453.43 million, an increase of Baht 23.34 million or 5.43% from the same period last year.
 - ❖ Interest income from leases for the nine-month period of this year reduced by Baht 1.96 million or 34.04% from the same period last year. Such income came from the rental contracts of sorter

equipment, computers, and other equipment which reduced in accordance with the contract value that gradually decreased.

- ❖ Other income for the nine-month period of this year amounted to Baht 26.38 million, an increase of Baht 20.22 million or 328.14% from the same period last year due to the increase of revenue from joint venture, marketing support revenue and miscellaneous income.
- Total expenses for the nine-month period of 2023 amounted to Baht 781.84 million, a decrease from the same quarter last year of Baht 164.54 million or 17.39%. The details are as follows:
 - ❖ Cost of system development services, which were the cost of projects for the nine-month period of 2023 amounted to Baht 283.26 million, a decrease of Baht 192.55 million or 40.47% from the same period of the previous year. Such costs vary according to the decline in revenue from system development service for the nine-month period of this year.
 - ❖ Most of the cost of sales were the cost of goods for non-project work, an increase of Baht 19.75 million or 5.50% from the same period last year which corresponded to the increase of sales revenue. Moreover, the cost of distribution increased by Baht 8.92 million or 21.98% due to the highly competitive IT products in the market and higher costs from exchange rate.
 - ❖ Administrative expenses for the nine-month period of 2023 amounted Baht 70.01 million, a decrease of Baht 0.67 million or 0.94% from the same period last year. The Company recorded an expected credit loss in accordance with Thai Financial Reporting Standard 9 (TFRS 9) in the nine-month period of 2023 of Baht 13.46 million. If such expected credit loss was not included, the administrative expenses will be Baht 56.55 million, a decrease of Baht 14.69 million or 20.62% from the same period last year as a result of the company's cost control.
- Finance costs for the nine-month period of 2023 decreased by Baht 9.41 million or 40.18% from the same period last year due to the reduction of interest expenses and bank fees.
- Profit before income tax for the nine-month period of 2023 reduced by Baht 14.61 million or 56.16% from the same period last year. However, Income tax expense for the nine-month period of 2023 slightly increased by Baht 0.44 million or 7.31%.

Statements of Financial Position

Unit: Thousand Baht	30 September 2023	31 December 2022
Current assets	972,215	763,078
Non-current assets	238,741	274,495
Total assets	1,210,956	1,037,573
Current liabilities	602,017	459,487
Non-current liabilities	28,598	45,993
Total liabilities	630,615	505,480
Issued and paid-up share capital	311,741	278,850
Premium on ordinary shares	163,663	134,338
Convertible debentures-capital component	-	2,454
Legal reserve	1,726	-
Unappropriated retained earnings	124,861	137,150
Non-controlling interests	(21,650)	(20,699)
Total shareholders' equity	580,341	532,093
Total liabilities and shareholders' equity	1,210,956	1,037,573

As of September 30, 2023, the Company had cash and cash equivalents of Baht 80.13 million, total assets of Baht 1,210.96 million, total liabilities of Baht 630.62 million, and shareholders' equity of Baht 580.34 million which included unappropriated retained earnings of Baht 124.86 million. Debt to equity ratio was 1.09 times.

Please be informed accordingly.

Yours faithfully,

(Mr. Dan Hetrakul)

Chief Executive Officer