



May 17, 2021

**Subject: Management discussion and analysis for the first quarter ended March 31, 2021**  
**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 first quarter ended March 31, 2021, as follows:

**Operating results**

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q1/2021	Q1/2020	Changes +/(-)
Revenue from sales and services	425	623	(31.8%)
<b>Gross profit</b>	93	101	(7.5%)
Other income and other expenses	6	5	7.7%
Distribution costs	(13)	(14)	(1.8%)
Administrative expenses	(44)	(54)	(19.5%)
Finance costs	(2)	(1)	65.0%
<b>Profit (loss) before tax</b>	40	37	8.2%
Net profit (loss) after tax	33	29	11.1%
Non-controlling interests	5	3	49.8%
<b>Net profit (loss) of parent company</b>	28	26	6.9%
<b>Gross profit margin</b>	22.0%	16.2%	
<b>Net profit margin</b>	6.6%	4.2%	

Revenue from sales and services for the first quarter of 2021 was lower than the same period in 2020 but the gross profit margin was higher, which was a result of the increase, in proportion to total revenue, of revenue from services and the higher gross profit margin from sale revenue and the Company incurred a THB 28 million net profit in Q1/2021 (THB 26 million net profit in Q1/2020). More details analysis are discussed below.

1. Revenue from sales and services

For the first quarter of 2021 revenue was THB 425 million, a decrease of THB 198 million, or 31.8% from the same period in 2020. Revenue decreased in both domestic and revenue from CLM countries resulted from less number of major projects when compared to the same period of last year.



## 2. Gross profit

For Q1/2021, gross profit was THB 93 million (Q1/2020: 101 Million Baht). Gross profit margin was 22% (Q1/2020: 16.2%). The increasing in gross profit margin resulted from the increase, in proportion to total revenue, of revenue from services. Moreover, the sale revenue was lower than the same period of last year but higher gross profit margin.

## 3. Distribution costs

In Q1/2021, distribution costs was THB 14 million, as same as the last year. Distribution costs was 3.2% of revenue in Q1/2021 (Q1/2020: 2.2%).

## 4. Administrative expenses

Administrative expenses of Q1/2021 was THB 44 million, decreased THB 11 million from the same period of last year. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, and depreciation and amortization. The administrative expenses was 10% of total revenue, slightly increased from last year (Q1/2020: 9%).

## 5. Net profit and Net profit margin

Net profit of Q1/2021 was THB 28 million, an increase of THB 2 million or 6.8% from Q1/2020. The net profit margin for Q1/2021 was 6.6% (Q1/2020: 4.2%).

## Financial Position

### Assets

A majority of assets were account receivables, other receivables, cash and cash equivalent, and goodwill. Total assets as at March 31, 2021 and December 31, 2020 were THB 1,152 million and THB 1,461 million, respectively. The decrease in total assets by THB 309 million, or 21.2%.

Cash and cash equivalent as at March 31, 2021 and December 31, 2020 were THB 253 million and THB 285 million, respectively. The decrease THB 32 million was resulted from to payments to trade payables and short-term borrowings from financial institutions.

Account receivables and other current receivables as at March 31, 2021 and December 31, 2020 were THB 466 million and THB 737 million, respectively. The decrease in these receivables by THB 271 million was resulted from receiving from account receivables.

Investment in associates as at March 31, 2021 was THB 17 million. This was the investment in 22% equity interest in M Intelligence.

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



### Liabilities

92% of total liabilities was current and consisted of trade, other current payables, and short-term borrowings from financial institutions. A significant amount of non-current liabilities was the provisions for employee benefits and lease liabilities. Total liabilities as at March 31, 2021 and December 31, 2020 were THB 613 million and THB 956 million, respectively. The THB 343 million decreasing in total liabilities, or 36% was mainly due to payments to trade payables and short-term borrowings from financial institutions.

### Shareholders' Equity

Total shareholders' equities as at March 31, 2021 and December 31, 2020 were THB 480 million and THB 451 million, respectively. The increase was due to net profit for Q1/2021 amounting to THB 28 million.

Please be informed accordingly.

Yours Sincerely,

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