



November 15, 2021

Subject: Management discussion and analysis for the third quarter ended September 30, 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 third quarter ended September 30, 2021. 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.

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q3/2021	Q3/2020	Changes +/(-)	9 months / 2021	9 months /2020	Changes +/(-)
Revenue from sales and services	526	549	(4.3%)	1,507	1,826	(17.5%)
Gross profit	113	105	7.5%	317	327	(3.1%)
Other income	7	3	149.8%	16	7	122.2%
Distribution costs	(11)	(15)	(29.3%)	(37)	(43)	(13.7%)
Administrative expenses	(63)	(48)	30.5%	(153)	(149)	2.4%
Finance costs	(3)	(1)	168.1%	(5)	(3)	71.5%
Profit before tax	46	38	21.4%	138	129	7.2%
Net profit after tax	38	29	28.8%	115	107	7.4%
Non-controlling interests	(7)	(6)	12.2%	(16)	(14)	10.8%
Net profit of parent company	31	23	33.0%	99	93	6.9%
Gross profit margin	21.6%	19.2%		21.0%	17.9%	
Net profit margin	5.9%	4.2%		7.5%	5.8%	

Revenue from sales and services for Q3/2021 was slightly decreased from Q3/2020, though gross profit margin and net profit margin was higher than that of Q3/2020 and the Company incurred a THB 31 million net profit in Q3/2021 (THB 23 million net profit in Q3/2020). The main reasons are resulting from recognition of income from major projects and share of profit from associated company THB 1.5 million in this quarter, moreover, in Q3/2020 the Company recognized THB 6 million doubtful debts. These reasons made net profit increased THB 8 million when compared to the same period in the last year. More details analysis are discussed below.

1. Revenue from sales and services

In the third quarter of 2021, the revenue was THB 526 million, a decrease of THB 23 million, or 4.2% from Q3/2020. Revenue in domestic was decreased 10% while the overseas regions was increased 19%.



2. Gross profit

For Q3/2021, gross profit was THB 113 million (Q3/2020: 105 Million Baht). Gross profit margin was 21.6%, a slightly higher than the last year (Q3/2020: 19.2%).

3. Distribution costs

In Q3/2021, distribution costs was THB 11 million, 29.2% decrease from last year. Distribution costs was 2.0% of total revenue (Q3/2020: 2.8%). Lower percentage of distribution cost to total revenue was a result of cost reduction and control measures in respect of staff expense, commission and marketing expenses.

4. Administrative expenses

Administrative expenses of Q3/2021 was THB 63 million, increase from Q3/2020 which was THB 48 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization etc. The administrative expenses was 11.8% of total revenue, which was higher than last year (8.7% in Q3/2020) due to increasing in staff expense.

5. Net profit and Net profit margin

Net profit of Q3/2021 was THB 31 million, an increase of THB 8 million or 33.0% from the same period in last year. The net profit margin for Q3/2021 was 5.9% (Q3/2020: 4.2%).

Financial Position

Assets

A majority of assets were account receivables and other receivables, goodwill, and cash and cash equivalent. Total assets as at September 30, 2021 and December 31, 2020 were THB 1,323 million and THB 1,461 million, respectively. The decrease in total assets by THB 138 million, or 9.4% was mainly due to a decrease in cash and cash equivalent and account receivables.

Cash and cash equivalent as at September 30, 2021 and December 31, 2020 was THB 188 million and THB 285 million, respectively. The decrease THB 97 million was resulted from repayments for payable deriving from business combination and short-term loans from financial institutions.

Account receivables and contract assets as at September 30, 2021 and December 31, 2020 were THB 732 million and THB 770 million, respectively, decreased THB 38 million.

Investment in associates as at September 30, 2021 was THB 19 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

83% of total liabilities was current and consisted of trade and other current payables, short-term loans from financial institutions, and contract liabilities. A significant amount of non-current liabilities was trade and other current payables, and the provisions for employee benefits. Total liabilities as at September 30, 2021 and December



31, 2020 were THB 745 million and THB 956 million, respectively. The THB 212 million decrease in total liabilities, or 22.1%, was mainly due to decrease in payable deriving from business combination and short-term loans from financial institutions.

Shareholders' Equity

Total shareholders' equities as at September 30, 2021 and December 31, 2020 were THB 534 million and THB 451 million, respectively. The increase THB 83 million increase was mainly due to issuance of new ordinary shares for business acquisition payables settlement amounting to THB 40 million, net profit amounting to THB 99 million and dividend paid amounting to THB 61 million.

Please be informed accordingly.

Yours Sincerely,

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