



August 13, 2021

Subject: Management discussion and analysis for the second quarter ended June 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 second quarter ended June 30, 2021, as follows:

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q2/2021	Q2/2020	Changes +/-	6 months /2021	6 months /2020	Changes +/-
Revenue from sales and services	557	654	(14.9%)	981	1,277	(23.2%)
Gross profit	110	120	(8.6%)	203	221	(8.1%)
Other income and other expenses	3	(3)	178.1%	9	1	527.5%
Distribution costs	(13)	(14)	(8.3%)	(26)	(28)	(5.1%)
Administrative expenses	(46)	(47)	(0.9%)	(90)	(101)	(10.9%)
Finance costs	(1)	(1)	(11.9%)	(3)	(2)	26.2%
Profit (loss) before tax	53	55	(3.3%)	93	91	1.3%
Net profit (loss) after tax	44	48	(8.1%)	77	77	(0.8%)
Non-controlling interests	4	5	(13.5%)	9	8	9.7%
Net profit (loss) of parent company	40	43	(7.5%)	68	69	(2.0%)
Gross profit margin	19.7%	18.4%		20.7%	17.3%	
Net profit margin	7.0%	6.6%		6.9%	5.4%	

Revenue from sales and services for the second quarter of 2021 was lower than the same period in 2020 but the gross profit margin of revenue from sales and services was slightly higher. The net profit in Q2/2021 was THB 40 million (THB 43 million net profit in Q2/2020). More detailed analysis is discussed below.

1. Revenue from sales and services

For the second quarter of 2021 revenue was THB 557 million which was THB 98 million or 14.9% less than revenue of the same period in 2020. The decrease in revenue resulted from less major projects in CLM countries when compared to the same period of last year.



2. Gross profit

For Q2/2021, gross profit was THB 110 million (Q2/2020: 120 Million Baht). Gross profit margin was 19.7% higher than 18.4% gross profit margin of Q2/2020. The increasing in gross profit margin resulted from overall higher gross profit margin compared to the same quarter of last year despite the decrease in revenue from sales and services.

3. Distribution costs

In Q2/2021, total distribution costs was THB 13 million, leading to THB 1 million decrease from the same period of last year. Distribution costs was 2.3% of revenue in Q2/2021 higher than 2.1% in Q2/2020.

4. Administrative expenses

Administrative expenses of Q2/2021 was THB 46 million, slightly decreased from the same period of last year. In general, the administrative expenses consisted of staff expenses, rental and office-facility service expenses, and depreciation and amortization. The administrative expenses was 8.3% of total revenue higher than 7.2% in Q2/2020.

5. Net profit and Net profit margin

Net profit of Q2/2021 was THB 40 million, leading to THB 3 million decrease or approximately 7.5% decrease from Q2/2020. The net profit margin for Q2/2021 was 7.1% (Q2/2020: 6.6%).

Financial Position

Assets

Mainly, the Company's and its subsidiaries' majority of assets comprised trade and other receivables, cash and cash equivalent, and goodwill. Total assets as at June 30, 2021 and December 31, 2020 were THB 1,350 million and THB 1,461 million, respectively. This led to THB 111 million or 7.6% decrease in total assets when compared to the same quarter of last year.

Cash and cash equivalent as at June 30, 2021 and December 31, 2020 were THB 156 million and THB 285 million, respectively. THB 129 million decrease, when compared to the same quarter of last year, resulted from payments of short-term borrowings from financial institutions and the settlement of business acquisition payables.

Trade and other receivables and contract assets as at June 30, 2021 and December 31, 2020 were THB 745 million and THB 737 million, respectively. This led to THB 7 million increase, when compared to the same quarter of last year.

Investment in associates as at June 30, 2021 was THB 18 million. This was the investments in 22% of equity interest in M Intelligence.

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



Liabilities

93.3% of total liabilities was current liabilities, consisting of trade and other payables, contract liabilities 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 June 30, 2021 and December 31, 2020 were THB 781 million and THB 956 million, respectively. THB 175 million decrease in total liabilities, approximately 18.3%, was mainly due to payments for short-term borrowings from financial institutions, and also trade and other payables.

Shareholders' Equity

Total shareholders' equities as at June 30, 2021 and December 31, 2020 were THB 530 million and THB 451 million, respectively. THB 79 million increase was mainly due to issuance of new ordinary shares for business acquisition payables settlement, net profit for 2020 amounting to THB 68 million and dividend paid amounting to THB 30 million.

Please be informed accordingly.

Yours Sincerely,

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