



May 13, 2022

Subject: Management discussion and analysis for the first quarter ended March 31, 2022
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, 2022, as follows:

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q1/2022	Q1/2021	Changes +/(%)
Revenue from sales and services	369	425	(13.0%)
Gross profit	88	93	(6.0%)
Other income	6	6	(6.5%)
Share of profit of associate	1	(0.4)	>100%
Distribution costs	(11)	(14)	(17.4%)
Administrative expenses	(46)	(44)	6.0%
Impairment gain (loss)	1	(0.1)	>100%
Finance costs	(2)	(2)	4.0%
Profit (loss) before tax	36	40	(9.2%)
Net profit (loss) after tax	31	33	(6.2%)
Non-controlling interests	(6)	(5)	26.1%
Net profit (loss) of parent company	25	28	(11.3%)
Gross profit margin	23.8%	22.0%	
Net profit margin	6.7%	6.6%	

Revenue from sales and services for Q1/2022 was decreased from Q1/2021, while the gross profit margin of Q1/2022 was higher than that of Q1/2021. This was mainly due to that the Company had improved its profitability from rendering of services, delivering net profit of THB 25 million in Q1/2022 (Q1/2021 : THB 28 million). More detailed analysis has been discussed on the followings:

1. Revenue from sales and services

For the first quarter of 2022, the Company and its subsidiaries earned revenue from sales and services amounting to THB 369 million, a decrease from the same period in 2021 THB 56 million, or 13% resulting from revenue from major projects relating to domestic revenue was lower than the same period of last year. Hence, this



led to 33% decrease in domestic revenue, while revenue from Cambodia was triple of the revenue of Q1/2021 due to much more investment by financial institutions.

2. Gross profit

In Q1/2022, gross profit was THB 88 million (Q1/2021: 93 Million Baht). Gross profit margin was 23.8% slightly increased from same period of last year (Q1/2021: 22.0%), resulted from the increase in gross profit margin from rendering of services.

3. Distribution costs

In Q1/2022, distribution costs was THB 11 million, 6.5% decrease from last year was a result of cost reduction and ability to control expenses. In general, distribution costs compose of staff expense, commission and marketing expenses. Distribution costs was 3.0% of revenue (Q1/2021: 3.2%).

4. Administrative expenses

Administrative expenses of Q1/2022 was THB 46 million, 6.0% increase from Q1/2021 which was THB 44 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization. The administrative expenses was 12.4% of total revenue (10.2% in Q1/2021).

5. Net profit and Net profit margin

For the first quarter of 2022, the Company and its subsidiaries' net profit was THB 25 million, leading to THB 3 million decrease, or 11.3% from Q1/2021. Total proportion of net profit to total revenue was 6.7% (Q1/2021: 6.6%).

Financial Position

Assets

Majority of the Company and its subsidiaries' total assets comprised of account receivables and other receivables, cash and cash equivalent and goodwill. Total assets as at March 31, 2022 and December 31, 2021 were THB 1,289 million and THB 1,285 million respectively. In sum, increase in total assets was THB 4 million or 0.3%.

Cash and cash equivalent as at March 31, 2022 and December 31, 2021 were THB 265 million and THB 170 million, respectively. Account receivables and other current receivables as at March 31, 2022 and December 31, 2021 was THB 432 million and THB 552 million, respectively. Mainly, THB 120 million decrease resulted from cash received from major projects.

Investment in associates as at March 31, 2022 and December 31, 2021 were THB 35 million and THB 33 million, respectively. This was investment in 18% of interests in M Intelligence's issued and paid-up ordinary shares. The increase THB 1.2 million was due to share of profit recognized in accordance of equity method.

Goodwill amounting to THB 210 million derived from the acquisition of 100% in interests of I-Secure.



Liabilities

Majority, or 80% of the Group's total liabilities was current liabilities consisting of trade and other current payables, contract liabilities, and short-term borrowings from financial institutions. The significant amount of non-current liabilities comprised trade and other current payables, and employee benefit liabilities. Total liabilities as at March 31, 2022 and December 31, 2021 were THB 645 million and THB 672 million, respectively. In sum, THB 27 million decrease in total liabilities, or 4.0% was mainly due to the payment the settle short-term borrowings from financial institutions and trade payables.

Shareholders' Equity

Total shareholders' equities of the Company as at March 31, 2022 and December 31, 2021 were THB 586 million and THB 561 million, respectively. Mainly, THB 25 million increase was due to net profit of Q1/2022.

Please be informed accordingly.

Yours Sincerely,

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