

## Management Discussion & Analysis. (MD&A Q1/2021)

Kingsmen C.M.T.I. Public Company Limited.

May 17, 2021.

Discussion and analysis of operations for the quarter ended March 31, 2021.

Attention: Director and Manager of the Stock Exchange of Thailand.

Kingsmen Company C.TM.T.I. Public Company Limited ("the Company") would like to clarify the operating results for the quarter ended March 31, 2021 which the income and net profit (loss) have changed more than 20% compared to the same period of the previous year. Figures according to the table are as follows.

Unit : Mil Baht

Consolidated	Q1-21		Q1-20		Q2-20		Q3-20		Q4-20		Y2020		#YoY (Q1/21#Q1/20) Inc./Dec.		#QoQ (Q1/21#Q4/20) Inc./Dec.	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
	Service Income	183.47		114.20		100.19		183.84		226.76		624.99		69.27	61%	-43.29
Cost of Service	163.71	89%	124.47	109%	97.82	98%	174.78	98%	208.39	92%	605.46	97%	39.24	32%	-44.68	-21%
Gross (Loss) Profit	19.76	11%	-10.27	-9%	2.37	2%	9.06	2%	18.37	8%	19.53	3%	30.03	292%	1.39	8%
Net After Tax	-7.15	-4%	-49.00	-43%	-30.62	-31%	-15.61	-31%	-10.84	-5%	-106.07	-17%	41.85	85%	3.69	34%

Service income of 183.47 million baht, 61% increase y-y, mainly due to the company, including some customers, has begun to adapt to the epidemic situation, and has started business activities to support the situation that may arise in the future with the experience from the same quarter of last year. The company has increased revenue recognition in the interior section.

The exhibition and events will continue to be affected, but when compared to the same quarter of the previous year, there was an increase in revenue because the event was able to be held in time for the beginning of the year, before the new coronavirus outbreak.

Cost of services is 163.71 million baht, a 32% increase y-y in proportion to the increase in revenue. Gross profit 19.76 million baht, a significant increase from the same quarter of the previous year. Although it was below the company's average profit margin under normal circumstances, it was reasonable due to increased work intensity, events amid a new epidemic that was more severe than expected.

The company had promotional expenses of 3.70 million baht, a decrease of 0.51 million baht or 12% y-y, continuously reducing the budget in this segment.

Administrative expenses 19.14 million baht, a decrease of 11.27 million baht, or -37% y-y decrease as a result of the company cut this budget in accordance with various measures in the past year. The expenses were reduced and proportioned to be in line with the Company's strategic plan to cope with the current economic situation.

Financial costs 3.14 million baht, a decrease of 0.75 million baht, decrease -19% y-y and the company still has interest burden on short-term loans from financial institutions to pay in order to be used as working capital.

Summary of operating results according to the consolidated financial statements for quarter 1/2021. The Company had a total loss of -7.15 million baht, belonging to separate items -6.40 million baht, while the subsidiary had a loss of only -0.75 million baht due to both the epidemic situation and the political situation affecting in Cambodia and Myanmar. The Company decided to temporarily suspend operations of the subsidiary until the situation improves. (as reported in late last year)

The Company's trend in the year 2021 which is expected to recover. The company has laid out strategies as follows:

- The short term, returned to profit again since 2021.
- In the medium term for 3-5 years, the company is heading towards sustainable stocks (ESG) which has the primary condition of 3 consecutive years of profit.
- Meanwhile, the company ceased doing business in Myanmar and Cambodia. But bringing employees to incubate and work in Thailand for 2.3 years after the situation in 2 countries has returned, to make it ready to re-enter again.
- Up organization skills according to the group's guidelines to increase the competitiveness.
- Look for recurring income businesses such as new businesses that have started doing business in many countries, possibly in the form of joint venture with overseas branches or with interested investors in Thailand.

Please be informed accordingly,

Yours sincerely,



(Mr. Chayawat Pisessith)

Chairman of the Board.

Kingsmen C.TM.T.I. Public Company Limited.