

2Q 2023: Management Discussion and Analysis

2Q 2023 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 2,075 million. The net profit attributable to equity holders of the Company was THB 26 million, increased by THB 44 million or 236% YoY, and increased by THB 52 million or 197% QoQ, which was increased from the Utilities and Transportations business especially from the air traffic business that operate by Samart Aviation Solutions Public Company Limited (SAV). In this quarter, SAV reported the net profit in an amount of Baht 83 million, increased by THB 40 million YoY, and increased by THB 53 million QoQ.

In the first half of this year, the Company recorded the total revenues for the six-month period of THB 4,586 million, increased by THB 505 million or 12% YoY, which was mainly increased from digital communications business (SDC) that was recognized the revenue of trading and installation of equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project and also increased from Utilities and Transportations business that increase in the number of flight as a resulted from a good effect on the air traffic business after the most countries ease restrictions of COVID-19. Moreover, the net loss attributable to equity holders of the company in the first half of this year was THB 1 million, decrease by THB 111 million or 99% YoY.

SAMART's performance by business lines;

Samart Corporation PCL., divided its businesses into 3 lines of business

- 1) Digital Communications Business or "SDC"
- 2) Digital ICT Solution Business or "SAMTEL"
- 3) Utilities and Transportations Business

Digital Communications Business

(Samart Digital Pcl. or "SDC")

The business under the Digital group will focus on the full service of Digital Trunked Radio System (DTRS). The DTRS network covers the key areas nationwide including the national park areas which on the process of installation. Moreover, the company also offers the platform services to support various lifestyles in digital age and also the Digital Sport, which focuses on marketing in terms of sports completely. By the end of 2Q/2023, SDC had total backlog worth THB 2,445 million.

Digital ICT Solution Business

(Samart Telcoms Pcl. or "SAMTEL")

In this quarter, the new projects were signed with the total value of THB 638 million. By the end of 2Q/2023, SAMTEL had total backlog worth THB 5,447 million.

Utilities and Transportations Business

The Company was on the preparation of listing our subsidiary, Samart Aviation Solutions Public Company Limited (SAV), in the stock exchange of

Thailand. SAV has the direct ownership in Cambodia Air Traffic Services Company Limited (CATS). CATS operates the countrywide air traffic business in Cambodia. The Company plans to IPO SAV and the process shall use for the business expansion in the future and add more value for the business lines. After the most countries ease the restrictions of COVID-19 and gradually opened the country in the previous year, which had a good effect on the air traffic business of CATS. In this quarter, the number of flights increased to 23,069 flights, increased by 7,045 flights or growth by 44% YoY and increased by 1,011 flights or growth by 5% QoQ. By the end of 2Q/2023, the Utilities and Transportations business had total backlog worth THB 12,320 million.

Financial Performance

Revenues

In 2Q/2023, the consolidated sales, contract works and services revenues of SAMART were THB 2,043 million (after elimination of related parties' transaction), decreased by THB 367 million or 15% YoY which was from the following reasons in each business line;

Digital Communications Business

In 2Q/2023, Sales, contract works and services revenues from SDC were THB 116 million, decreased by THB 113 million or 49% YoY, which the company was recognized the revenue of installation of equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project by THB 58 million in this quarter.

Digital ICT Solution Business

The revenues from sales, contract works and services in 2Q/2023 were THB 1,105 million which decreased by THB 319 million or decreased by 22% YoY.

Utilities and Transportations Business

The revenues from sales, contract works and services were THB 1,085 million, increased by THB 129 million or 14% YoY. The increasing of revenue mainly from the air traffic control in Cambodia and the revenue from project Improvement of Efficiency in Excise Tax Management for Domestic Beer with the Excise Department.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 1,607 million, decreased by 22% YOY.

Selling and Administrative Expenses

Selling and Administrative expenses were THB 288 million, which represented 14% of total revenues of the Company, decreased by THB 24 million or 9% YoY.

Finance Cost

Finance cost was THB 142 million, increased by 30% YoY.

Net Profit

Net profit attributable to the equity holders of the Company was THB 26 million, increased by THB 44 million or improved by 236% YoY.

Financial Position

As of 30 Jun 2023, SAMART reported the total assets of THB 19,480 million, increased by 1% compared to the year-end of 2022.

The total liabilities were THB 15,498 million by the end of 2Q/2023, increased by 0.1% compare to the end of 2022. The total shareholders' equity was reported THB 3,982 million.