

3Q 2022: Management Discussion and Analysis

3Q 2022 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 2,133 million with Net Loss attributable to equity holders of the Company was THB 477 million.

SAMART's performance by business lines;

Samart Corporation PCL., divided its businesses into 4 lines of business

- 1) Digital Business or "SDC"
- 2) ICT Solution and Service Business or "SAMTEL"
- 3) Utilities and Transportations Business
- 4) Technology related Business

Digital 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, we also offer the platform service as well as the Digital Sport.

ICT Solution and Service Business

(Samart Telcoms Pcl. or "SAMTEL")

In this quarter, the new projects were signed with the total value of THB 919 million. By the end of 3Q/2022, SAMTEL had total backlog worth THB 7,155 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. The Company plan to IPO SAV and the process shall use for the business expansion in the future. SAV has the direct ownership in Cambodia Air Traffic Services Company Limited (CATS). CATS operates the countrywide air traffic business in Cambodia.

After the most countries removed COVID-19 restrictions and gradually opened the country in the first half of 2022, it had a good effect on the air traffic business of CATS. In this quarter, the number of flights increased to 18,971 flights, an increase from 6,547 flights, or growth by 190% YoY. In addition, increase from previous quarter, with reported at 15,164 flights, or growth by 25% QoQ.

Technology Related Business

The project, Improvement of Efficiency in Excise Tax Management for Domestic Beer with the Excise Department, has already started since 1 May 2022 with a project value of THB 8,032 million (including Vat) and the total project duration is 7 years.

Financial Performance

Revenues

The consolidated sales, contract works and services revenues (after elimination of related parties transaction) in 3Q/2022 were THB 2,099 million, increased by 24% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 3Q/2022 were THB 57 million, decreased by 75% YoY. Mainly from in this quarter the company was not recognized the revenue of trading DTRS equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project.

ICT Solution and Service Business

The revenues from sales, contract works and services in 3Q/2022 were THB 1,200 million which increased by THB 302 million from the same period last year or increased by 34%. It was mainly from contract work revenue recognition.

Utilities and Transportations and Technology Related Business

The revenues from sales, contract works and services were THB 944 million, increased by 14% YoY. The increase in sales, contract works and services revenues mainly came from the construction of transmission line, substation business and air traffic business.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 1,704 million, increased by 17% YOY.

The cost of sales, contract works and services were mainly came from ICT Solution and Service Business.

Selling and Administrative Expenses

Selling and Administrative expenses were THB 251 million, which represented 12% of total revenues of the Company, decreased by THB 54 million or 18% YoY.

Other Expenses

Other expense were THB 486 million mainly came from long-term provisions from litigation and loss from write-off of goodwill.

Finance Cost

Finance cost was THB 118 million, increased by 17% YoY, mainly due to an increase in interest as the loan and debenture increased.

Net Profit/ Loss

Net Loss attributable to the equity holders of the Company was THB 477 million, increased by THB 367 million or 334% YoY.

Financial Position

As of 30 Sep 2022, SMART reported the total assets of THB 19,422 million, increased by 7% compared to the year-end of 2021.

The total liabilities was THB 15,012 million by the end of 3Q/2022, increased by 12% compare to the end of 2021. The total shareholders' equity was reported THB 4,410 million.