

3Q 2023: Management Discussion and Analysis

3Q 2023 Highlights

In this quarter, Samart Corporation Public Company Limited or “SAMART” recorded the total revenues for the three-month period of THB 2,834 million, increased by THB 701 million or 33% YoY, and increased by THB 756 million or 37% QoQ, which was increased mainly from the Digital Communications Business. Due to the Company was recognized the revenue of trading equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project of Baht 785 million in this quarter. While the Company reported the consolidated net loss attributable to equity holders of the Company of Baht 206 million, loss decreased by THB 271 million or 57% YoY. Net loss in this quarter mainly from the recognition of impairment for loss on equipment in accordance with Thai Accounting Standard from Digital Communications Business.

For the nine-month period, the Company recorded the total revenues of THB 7,419 million, increased by THB 1,205 million or 19% YoY, which was mainly increased from Digital Communications Business 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 nine-month period was THB 207 million, loss decrease by THB 382 million or 65% 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 3Q/2023, SDC had total backlog worth THB 1,649 million.

Digital ICT Solution Business

(Samart Telcoms Pcl. or “SAMTEL”)

In this quarter, the new projects were signed with the total value of THB 712 million. By the end of 3Q/2023, SAMTEL had total backlog worth THB 5,373 million.

Utilities and Transportations Business

The Company listed our subsidiary, Samart Aviation Solutions Public Company Limited (SAV) in the stock exchange of Thailand on 26 September 2023. For

creating more strength 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 24,213 flights, increased by 4,438 flights or growth by 22% YoY and increased by 1,144 flights or growth by 5% QoQ. By the end of 3Q/2023, the Utilities and Transportations Business had total backlog worth THB 11,741 million.

Financial Performance

Revenues

In 3Q/2023, the consolidated sales, contract works and services revenues of SAMART were THB 2,812 million (after elimination of related parties' transaction), increased by THB 713 million or 34% YoY which was from the following reasons in each business line;

Digital Communications Business

In 3Q/2023, sales, contract works and services revenues from SDC were THB 857 million, increased by THB 799 million or 1,395% YoY, which the Company was recognized the revenue of trading equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project of Baht 785 million in this quarter.

Digital ICT Solution Business

The revenues from sales, contract works and services in 3Q/2023 were THB 1,198 million which slightly decreased by THB 2 million or decreased by 0.2% YoY.

Utilities and Transportations Business

The revenues from sales, contract works and services were THB 1,241 million, increased by THB 297 million or 31% YoY. The increasing of revenue mainly from the air

traffic control in Cambodia, the revenue from project Improvement of Efficiency in Excise Tax Management for Domestic Beer with the Excise Department and the revenue from the contractor for power substations and power transmission.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 2,358 million, increased by 38% YOY.

Selling and Administrative Expenses

Selling and Administrative expenses were THB 276 million, which represented 10% of total revenues of the Company, increased by THB 24 million or 10% YoY.

Finance Cost

Finance cost was THB 149 million, increased by 26% YoY.

Net Profit (Loss)

Net loss attributable to the equity holders of the Company was THB 206 million, loss decreased by THB 271 million or 57% YoY. Net loss in this quarter mainly from the recognition of impairment for loss on equipment in accordance with Thai Accounting Standard from Digital Communications Business.

Financial Position

As of 30 Sep 2023, SAMART reported the total assets of THB 20,680 million, increased by 7% compared to the year-end of 2022.

The total liabilities were THB 13,933 million, decreased by 10% compare to the end of 2022. The total shareholders' equity was reported THB 6,747 million.