

1Q 2021: Management Discussion and Analysis

1Q 2021 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period as of March 31, 2021 of THB 1,845 million with Net Loss attributable to equity holders of the Company was THB 69 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 1,331 million. By the end of 1Q/2021, SAMTEL had total backlog worth THB 6,872 million.

Contact Center Business

(One To One Contacts Pcl. or "OTO")

The Company had sold all the OTO shares held by the Company in 4Q/2020.

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.

However, the COVID-19 crisis has been effected to the air traffic business of CATS. The flights number in 1Q/2021 were 8,096 flights, decreased from 27,099 flights or decreased by 70% YoY.

Technology Related Business

In 2020, the Company signed the contract on Improvement of Efficiency in Excise Tax Management for Domestic Beer with Excise Department for 7 years with the total project value of THB 8,033 million. This project is expected to go live in 3Q/2021.

Financial Performance

Revenues

The consolidated sales, contract works and services revenues (after elimination of related parties transaction) in 1Q/2021 were THB 1,805 million, decreased by 96% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 1Q/2021 were THB 99 million, decreased by 62% YoY. However, the key revenues from the Digital Network business will start to kick in from 3Q/2021 onwards, which will improve the performance of the Digital Business tremendously.

ICT Solution and Service Business

The revenues from sales, contract works and services in 1Q/2021 were THB 1,232 million which decreased by THB 446 million from the same period last year or decreased by 27%. It was mainly come from the COVID-19. The performance of the ICT Solutions and Service Business is expected to be better in the rest of the year.

Contact Center Business

The Company had sold all the OTO shares held by the Company in 4Q/2020.

Utilities and Transportations and Technology Related Business

The revenues from sales, contract works and services were THB 567 million, decreased by 22% YoY. The decrease in sales, contract works and services revenues mainly came from the air traffic business in Cambodia.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 1,556 million, decreased by 31% YOY. The cost of sales, contract works and services were came from ICT Solution and Service Business.

Selling and Administrative Expenses

Selling and Administrative expenses were THB 275 million, which represented 15% of total revenues of the Company.

Finance Cost

Finance cost was THB 83 million, decreased by 31% YoY.

Net Profit/ Loss

Net Loss attributable to the equity holders of the Company was THB 69 million, the decreased in Net Loss from the same period last year resulted from ICT Solution and Service Business and Utilities and Transportations Business.

Financial Position

As of 31 March 2021, SMART reported the total assets of THB 18,085 million, slight increase compared to the year-end of 2019.

The total liabilities was THB 13,912 million by the end of 1Q/2021, remain unchanged compare to the end of 2020. The total shareholders' equity was reported THB 4,173 million.