

2Q 2022: Management Discussion and Analysis

2Q 2022 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 2,445 million with Net Loss attributable to equity holders of the Company was THB 19 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 2,651 million. By the end of 2Q/2022, SAMTEL had total backlog worth THB 7,423 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 16,024 flights, an increase from 7,556 flights, or growth by 112% YoY. In addition, increase from previous quarter, with reported at 11,192 flights, or growth by 43% 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 2Q/2022 were THB 2,410 million, increased by 29% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 2Q/2022 were THB 229 million, increased by 646% YoY. Majorly contributed by the increasing in revenue of trading DTRS equipment in Digital Network business, mainly from recognizing the revenue of 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 2Q/2022 were THB 1,424 million which decreased by THB 150 million from the same period last year or decreased by 10%. It was mainly come from lower sales and contract work revenue recognition.

Utilities and Transportations and Technology Related Business

The revenues from sales, contract works and services were THB 715 million, increased by 146% 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 2,063 million, increased by 25% 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 263 million, which represented 11% of total revenues of the Company, decreased by THB 50 million or 16% YoY.

Finance Cost

Finance cost was THB 109 million, increased by 32% 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 19 million, decreased by THB 94 million or 83% YoY.

Financial Position

As of 30 June 2022, SAMART reported the total assets of THB 19,114 million, increased by 5.3% compared to the year-end of 2021.

The total liabilities was THB 14,214 million by the end of 2Q/2022, increased by 8.6% compare to the end of 2021. The total shareholders' equity was reported THB 4,899 million.