

2Q 2021: Management Discussion and Analysis

2Q 2021 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 1,936 million with Net Loss attributable to equity holders of the Company was THB 113 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 516 million. By the end of 2Q/2021, SAMTEL had total backlog worth THB 5,667 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.

However, the COVID-19 crisis has been effected to the air traffic business of CATS. For last quarter, the flights number were recovered to 7,556 flights, increased from 4,719 flights or increased by 60% 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 4Q/2021.

Financial Performance

Revenues

The consolidated sales, contract works and services revenues (after elimination of related parties transaction) in 2Q/2021 were THB 1,909 million, increased by 4% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 2Q/2021 were THB 31 million, decreased by 56% YoY. However, the key revenues from the Digital Network business will start 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 2Q/2021 were THB 1,608 million which increased by THB 515 million from the same period last year or increased by 47%. It was mainly come from higher sale and contract work revenue recognition.

Utilities and Transportations and Technology Related Business

The revenues from sales, contract works and services were THB 291 million, decreased by 34% YoY. The decrease in sales, contract works and services revenues mainly came from the construction of transmission line and substation business.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 1,649 million, decreased by 5% 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 313 million, which represented 16% of total revenues of the Company.

Finance Cost

Finance cost was THB 83 million, decreased by 24% YoY.

Net Profit/ Loss

Net Loss attributable to the equity holders of the Company was THB 113 million, the decreased in Net Loss from the same period last year resulted from ICT Solution and Service Business.

Financial Position

As of 30 June 2021, SAMART reported the total assets of THB 17,914 million, slight decrease compared to the year-end of 2020.

The total liabilities was THB 13,853 million by the end of 2Q/2021, remain unchanged compare to the end of 2020. The total shareholders' equity was reported THB 4,061 million.