

3Q 2024: Management Discussion and Analysis

3Q 2024 Highlights

For the three-month period ending September 30, 2024, Samart Aviation Solutions Public Company Limited or “SAV” had total revenue of THB 436.8 million, compared to the same quarter of the previous year, increased by THB 35.3 million (+8.8% YoY) due to the number of flights increasing from providing air traffic management services in Cambodia's airspace that gradually return to the pre-COVID-19 pandemic situation but compared to the previous quarter, decreased by THB 3.7 million (-0.8% QoQ) due to the appreciation of the Thai Baht against the US Dollar, the currency in which the Company operates. However, revenue from services in US Dollars increased in line with the increased number of flights provided, while profit attributable to equity holders of the Company was THB 126.1 million, increased by THB 35.3 million (+38.9% YoY) compared to the same quarter of the previous year, increased by THB 9.7 million (+8.4% QoQ) compared to the previous quarter.

For the nine-month period ended September 30, 2024, the Company had total revenue of THB 1,285.2 million, increased by THB 173.2 million (+15.6% YoY), and profit attributable to equity holders of the Company was THB 336.6 million, increased by THB 131.8 million (+64.4 YoY) compared to the first nine months of the previous year.

Financial Performance

Revenue from contracts with customers

In the 3rd quarter of 2024, the Company had revenue from contracts with customers for THB 434.9 million, compared to the same quarter of the previous year, increased by THB 34.1 million (+8.5% YoY) but compared to the previous quarter, decreased by THB 5.0 million (-1.1% QoQ) due to the appreciation of the Thai Baht against the US Dollar, while revenue from services in US dollars increased in line with the increased number of flights.

The Company's revenues are divided into 3 types as follows:

- Service revenues for flights landing and take-off within the country (Landing & Take-off: Domestic)
- Service revenues for flights landing and take-off from international flights (Landing & Take-off: International)
- Service revenues for flights flying through Cambodian airspace (Overflight)

The Company has several flights and revenue from services for the three-month period ended September 30, 2024, compared to the same quarter of the previous year (YoY) and the previous quarter (QoQ), classified by flight type as follows.

• Table of the number of flights classified by type

(Unit: Flight)

ITEM	3Q/24	3Q/23	% YoY	2Q/24	% QoQ
Landing & Take-off: Domestic	981	1,141	(14.0%)	1,623	(39.6%)
Landing & Take-off: International	6,376	5,749	10.9%	6,203	2.8%
Overflight	18,544	17,323	7.0%	16,852	10.0%
Total	25,901	24,213	7.0%	24,678	5.0%

In the 3rd quarter of 2024, the Company had a total of 25,901 flights of all types compared to the same quarter of the previous year, increased by 1,688 flights (+7.0% YOY) and compared to the previous quarter, increased by 1,223 flights (+5.0% QoQ).

• Table of service revenue classified by type

(Unit: THB million)

ITEM	3Q/24	3Q/23	% YoY	2Q/24	% QoQ
Landing & Take-off: Domestic	8.8	2.3	284.8%	13.2	(33.6%)
Landing & Take-off: International	133.3	121.4	9.8%	144.8	(7.9%)
Overflight	292.7	277.1	5.7%	281.8	3.9%
Total	434.9	400.8	8.5%	439.8	(1.1%)

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As the Thai Baht appreciated significantly against the US Dollar in Q3/ 2024, especially when compared to the previous quarter, revenue from services in US dollars is summarized as follows:

(Unit: USD million)

ITEM	3Q/24	3Q/23	%YoY	2Q/24	%QoQ
Landing & Take-off:					
Domestics	0.3	0.1	288.9%	0.4	(29.9%)
Landing & Take-off:					
International	3.8	3.5	11.0%	3.9	(2.9%)
Overflight	8.4	7.9	6.8%	7.7	9.5%
Total	12.5	11.4	9.6%	12.0	4.3%

Gross profit

The Company had a gross profit of THB 229.1 million compared to the same quarter of the previous year, increased by THB 15.4 million (+7.2% YoY) but compared to the previous quarter, decreased by THB 0.3 million (-0.1% QoQ) due to the appreciation of the Thai Baht. The Company's gross profit margin in the 3rd quarter of 2024 was 52.7%

Selling and administrative expenses

The Company had total service and administrative expenses of THB 63.5 million, compared to the same quarter of the previous year, decreased by THB 3.6 million (-5.4% YoY) mainly from public relations expenses, consulting fees etc., and compared to the previous quarter, decreased by THB 4.6 million (-6.7% QoQ), mainly due to the appreciation of the Thai Baht against the US Dollar.

Other expenses

Other expenses amounted to THB 9.9 million compared to the same quarter of the previous year, increased by THB 8.1 million (+439.5% YoY) due to the Company receiving dividends from CATS in the 3rd quarter of 2024, the amount of USD 2.5 million resulting in withholding tax expenses at 10% of the dividend amount received, the amount of THB 8.7 million. Meanwhile, in the same quarter of the previous

year, the Company did not receive dividends from CATS, so there were no such expenses but compared to the previous quarter, decreased by THB 4.2 million (-29.9% QoQ) due to the Company receiving dividends from CATS in the 2nd quarter of 2024, the amount of USD 3.5 million, resulting in a decrease in withholding tax expenses from dividends received in the 3rd quarter of 2024, the amount of THB 4.1 million.

Financial expenses

Financial expenses amounted to THB 1.6 million, decreased by THB 18.6 million (-92.2 YoY) from the same quarter of the previous year from repayment of loans from financial institutions in full on 11 October 2023.

Net profit

The Company had profits attributable to the Company's shareholders totaling THB 126.1 million, compared to the same quarter of the previous year, increased by THB 35.3 million (+38.9% YoY) and compared to the previous quarter, increased by THB 9.7 million (+8.4% QoQ)

Financial Position

Assets

As of September 30, 2024, the Company had total assets of THB 2,078.6 million, an increase of THB 197.2 million compared to the end of 2023, mainly due to cash and cash equivalents, including trade and other receivables, a total of THB 303.3 million resulted from increasing in the number of flights in service and intangible assets decreased by THB 96.5 million mainly from inter-period amortization and translation adjustments.

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Liabilities

As of September 30, 2024, the Company had total liabilities of THB 570.1 million, which decreased by THB 35.5 million compared to the end of 2023, mainly due to a decrease in trade and other payables as the Company paid for the installation of a radar tower for the New Phnom Penh International Airport in Cambodia.

Shareholder's Equity

As of September 30, 2024, the Company had shareholders' equity of THB 1,508.5 million, an increase from the total comprehensive income for the period of THB 232.6 million.