

3Q 2021: Management Discussion and Analysis

3Q 2021 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 1,758 million with Net Loss attributable to equity holders of the Company was THB 110 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 1,537 million. By the end of 3Q/2021, SAMTEL had total backlog worth THB 6,243 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 declined to 6,081 flights, decreased from 7,416 flights or decreased by 18% 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 3Q/2021 were THB 1,691 million, decreased by 26% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 3Q/2021 were THB 147 million, decreased by 40% YoY. However, the key revenues from the Digital Network business started to recognize from selling DTRS handset in 3Q/2021, which will improve the performance of the Digital Business tremendously.

ICT Solution and Service Business

The revenues from sales, contract works and services in 3Q/2021 were THB 898 million which decreased by THB 454 million from the same period last year or decreased by 34%. It was mainly come from lower sale and contract work revenue recognition.

Utilities and Transportations and Technology Related Business

The revenues from sales, contract works and services were THB 674 million, increased by 38% 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 1,451 million, decreased by 31% 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 305 million, which represented 17% of total revenues of the Company, increased by THB 12 million or 4% YoY. In this quarter, the company and subsidiaries recorded allowance for damages arising from the agreement in the account of THB 62 million.

Finance Cost

Finance cost was THB 101 million, increased by 9% YoY mainly due to issuing convertible debenture of Digital Business.

Net Profit/ Loss

Net Loss attributable to the equity holders of the Company was THB 110 million, increased by THB 50 million or 85% YoY. Assuming that exclude allowance for damages arising from the agreement amounting THB 62 million, net loss attributable to the equity holders of the Company will be THB 55 million.

Financial Position

As of 30 September 2021, SMART reported the total assets of THB 18,383 million, slightly increase compared to the year-end of 2020.

The total liabilities was THB 14,053 million by the end of 3Q/2021, slightly increased compare to the end of 2020. The total shareholders' equity was reported THB 4,330 million.