

## 2021 Management Discussion and Analysis

### Performance Overview

In 2021, Samart Corporation Pcl., or SAMART, had a total revenue of Baht 7,129 million. Decreased from 2020 by 24.88%. In 2021, the revenue from sales, contracted work and services decreased from Baht 9,106 to Baht 6,955 million or 23.62%. The decrease was due to the COVID-19 impact to the ICT Solution & Service and Utilities and Transportations business, especially the air traffic management business in Cambodia.

The Company had Baht 7,111 million of expenses in 2021, which decreased by Baht 2,363 million or 24.94% from 2020. The gross profit margin was 14.18%, compared to the year earlier of 12.21%. Besides, the Company's selling, distribution, administrative and other expenses were Baht 1,142 million in total, which decreased by Baht 337 million or 22.80%.

In 2021, there were Baht 388 million of financial expenses in total, decreased by Baht 21 million compared to last year. The Company loss in the shareholders part was Baht 389 million. The key contribution to the Company loss was Digital business.

### Operational Outcome of the Company and Subsidiaries

In 2021, the Company earned Baht 6,955 million from sales, contracted work and services. Decreased by 23.62% from the previous year.

### Revenues from sales, contract works and services breakdown

<b>Business</b>	<b>Revenue from sales, contract works and services in 2021 (Million Baht)</b>	<b>Revenue from sales, contract works and services in 2020 (Million Baht)</b>	<b>% Change</b>
ICT Solution and Service	4,581	5,431	-15.65%
Digital	394	636	-38.05%
Call Center*	-	645	-
Utilities and Transportations	1,968	2,113	-6.86%
Technology Related Services	578	469	23.24%
Adjustment and transactions	-566	-188	201.06%
<b>Revenue from sales, contracted projects and services (before transactions)</b>	<b>6,955</b>	<b>9,106</b>	<b>-23.62%</b>

\* On 8 December 2020, the Company disposed of all investments in One to One Contacts Public Co., Ltd.

### **ICT Solution and Service business (“SAMTEL”)**

In 2021, ICT Solution and Service business had total of Baht 4,581 million revenue from sales, contract works and services, decreased by 15.66% from the previous year. During the past year, SAMTEL signed the contracts in new projects in total of Baht 4,500 million worth from various clients; such as Provincial Electricity Authority, Social Security Office, Bangkok Metropolitan Administration. By the end of the year, there were still Baht 7,200 million worth of backlog of which the revenue has not been realized.

### **Digital business (“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 and SDC has signed 2 new DTRS projects, Ministry of Interior and Provincial Electricity Authority, including the national park areas which on the process of installation. Moreover, we also offer Digital Content to various platforms as well as the Digital Sport.

### **Non-Listed business**

#### **Utilities and Transportations business**

This year, the revenue from sales, contract works, and services had decreased from Baht 2,113 million in the previous year to Baht 1,968 million or down by 6.86%. The decrease was due to the COVID-19 impact to Cambodia Air Traffic Service (CATS) in Cambodia. CATS operates the countrywide air traffic business in Cambodia, which in 2021 the flight declined from 49,071 flights to 30,876 flights or declined by 37.08%. However, the power substation business operated under Teda Company Limited also expand its business continuously. By the end of 2021, Teda has the backlog value of Baht 3,300 million.

#### **Technology Related Services business**

The revenue from sales, contract works, and services of Technology Related Service business slice increased to Baht 578 million from Baht 469 million on the previous year. The key driver of Technology Related Service business is Vision and Security System Company Limited that runs a security system and high-quality close-circuit camera installation business.

## **Statement of financial position**

### **Assets**

As of 31 December 2021, the Company's total asset value Baht 18,149 million, increased from the previous year by 0.65% due to the current asset decreased from Baht 8,894 million to Baht 8,441million or 5.09%, resulted from the decline in trade and other receivables and accrued income. However, non-current asset increased from Baht 9,137 to Baht 9,708 million in 2021.

Cash and cash equivalents decreased from Baht 1,600 to Baht 1,309 million or 18.21%.

### **Trade and Other Receivables**

As of 31 December 2021, the Company has a total of Baht 1,759 million trade and other receivables, which was decrease of Baht 133 million or 16.34% from the previous year.

### **Debt-to-Equity Ratio (D/E Ratio)**

As of 31 December 2021, the D/E ratio has decreased from 3.26 times from the previous year to 2.84 times while interest-bearing debt-to-equity ratio decreased from 2.34 times to 2.09 times.

### **Liquidity**

As of 31 December 2021, the current ratio was 0.82 time, which decreased from the previous year.

The Company has a total of Baht 152 million used in operating activities, Baht 824 million net cash flow spent on investment, and Baht 634 million cash flow from financing activities, resulting in cash and cash equivalents value Baht 1,309 million this year.

### **Sources of Fund**

As of 31 December 2021, the total shareholders' equity of the Company was Baht 4,725 million. Decreased by Baht 491 million from the previous year, while the unappropriated retained earnings were Baht 2,355 million.

The Company's total debt has decreased to Baht 13,423 million or 2.71%.