

3Q 2023 Management Discussion Analysis

3Q 2023 Highlights

In the 3rd quarter of 2023, Smart Aviation Solutions Public Company Limited or “SAV” recorded the total revenues for the three-month period of THB 401.6 million, increased by THB 70.0 million or 21.1% YoY and increased by THB 33.1 million or 9.0% QoQ which came from the number of flights had increased after the most countries ease restrictions of COVID-19. Moreover, the net profit attributable to shareholders was THB 90.8 million, increased by THB 2.7 million or 3.1% YoY and increased by THB 7.5 million or 8.8% QoQ.

For the nine-month period ending 30 September 2023, the company recorded total revenues of THB 1,120 million, increased by THB 241.9 million or 27.8% YoY, and the net profit attributable to shareholders was THB 204.8 million, increased by THB 70.6 million or 52.6% YoY.

Financial Performance

Revenue from contracts with customers

In this quarter, the company had revenue from contracts with customers for THB 400.8 million, increased by THB 69.9 million or 21.1% YoY and increased by THB 32.8 million or 8.9% QoQ due to the increased number of flights after the world relaxed COVID-19 measures last year. As a result, there were 24,213 flights in this quarter, increased by 4,438 flights or 22.4% YoY and increased by 1,114 flights or 5.0% QoQ.

The company's revenues has divided into 3 types as follows:

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

Revenues from contracts with customers for the three-month period ending on 30 September 2022 and the three-month period ending on 30 September 2023 can be classified as follows:

ITEM	3Q/23	3Q/22	%YoY	2Q/23	%QoQ
Landing & Take-off : Domestic	2.3	2.6	(11.7%)	3.0	(22.9%)
Landing & Take-off : International	121.4	85.3	42.3%	119.8	1.4%
Overflight	277.1	243.0	14.0%	245.3	13.0%
รวม	400.8	330.9	21.1%	368.0	8.9%

Cost of Services

Cost of services was THB 187.2 million, increase by THB 33.0 million or 21.4% YoY and increased by THB 11.0 million or 6.2% QoQ. The costs mainly arise from the revenue sharing to the State Secretariat of Civil Aviation of Cambodia (“SSCA”) under the service concession agreement according to the increased number of flights. The details of service costs can be classified as follows:

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ITEM	3Q/23	3Q/22	%YoY	2Q/23	%QoQ
Service sharing to SSCA	148.4	116.9	27.0%	136.0	9.2%
- L&T: Domestic	1.1	1.3	(11.7%)	1.5	(22.9%)
- L&T: International	60.7	42.7	42.3%	59.9	1.4%
- Overflight	86.6	72.9	18.7%	74.6	16.0%
Employee expenses	19.4	19.2	1.0%	20.4	(5.1%)
Depreciation	13.3	12.8	3.5%	12.0	10.0%
Other cost	6.1	5.3	15.1%	7.7	(20.9%)
Total service cost	187.2	154.1	21.4%	176.2	6.2%

Selling and administrative expenses

Selling and administrative expenses were THB 67.1 million, or 16.7% of total revenue, increased by THB 9.1 million or 15.7% YoY and increased by THB 2.3 million or 3.6% QoQ. In the 3rd quarter of 2023, the company had expenses related to listing on the Stock Exchange of Thailand (IPO) and were recorded in selling and administrative expenses in the amount of THB 4.1 million.

Financial Expenses

Financial expenses were THB 20.2 million, increased by THB 4.7 million or 30.4% YoY due to an increase in market interest rates and decreased by THB 0.8 million or 3.8% QoQ mainly from the repayment of long-term loans from financial institutions. However, the company has paid the full of long-term loans from financial institutions on 11 October 2023.

Net Profit

The company had net profit attributable to shareholders in the amount of THB 90.8 million, increased by THB 2.7 million or 3.1% YoY and increased by THB 7.5 million or 8.9% QoQ, as a result of the company's income from providing services based on the increased number of flights after the relaxation of COVID-19 measures. Meanwhile, the company had loss from foreign

exchange, increased by THB 11.1 million YoY and increased by THB 10.4 million QoQ.

Financial Position

Assets

As of 30 September 2023, the company had total assets of THB 3,291.9 million, an increase compared to the end of 2022 of THB 1,042.6 million or 46.4% due to cash receiving from the offering of additional common shares (IPO) in the amount of 64 million shares, totaling THB 1,216 million, and increased from intangible assets under the service concession contract with SSCA in the amount of THB 150.5 million, while the company received a refund of short-term loans to related businesses totaling THB 376.7 million.

Liabilities

As of 30 September 2023, the company had total liabilities of 1,516.5 million baht, a decrease compared to the end of 2022 of THB 393.7 million or 20.6%, mainly from the repayment of long-term loans from financial institutions in full amount.

Shareholder's Equity

As of 30 September 2023, the company had shareholders' equity of THB 1,775.4 million, an increase compared to the end of 2022 of THB 1,436.3 million or 423.5%, mainly from the increase in paid-up capital has registered on 21 September 2023 also premium on shares, total amount of THB 1,195 million and the company's operating results for the nine-month period of 2023, the amount of THB 204.8 million.