

2Q 2024: Management Discussion and Analysis

2Q 2024 Highlights

For the three months period ending June 30, 2024, Smart Aviation Solutions Public Company Limited or “SAV” had total revenue of 440.5 million baht, compared to the same quarter of the previous year, increased by THB 72.0 million (+19.6% YoY) and compared to the previous quarter, increased by THB 31.8 million (+7.8% QoQ) 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, while profit attributable to the Company's shareholders was THB 116.3 million compared to the same quarter of the previous year, increased by THB 33.0 million (+39.6% YoY) and compared to the previous quarter, increased by THB 22.1 million (+23.4% QoQ).

For the six months period ending June 30, 2024, the Company recorded total revenues of THB 849.2 million, increased by THB 138.8 million (+19.5% YoY), and the net profit attributable to shareholders was THB 210.6 million, increased by THB 96.6 million (+84.7% YoY), compared to the first six months of the previous year.

Financial Performance

Revenue from contracts with customers

In the 2nd quarter of 2024, the Company had revenue from contracts with customers for THB 439.8 million, compared to the same quarter of the previous year, increased by THB 71.8 million (+19.5% YoY) and compared to the previous quarter, increased by THB 31.6 million (+7.7% QoQ) following the increase in the 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 months period ended June 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	2Q/24	2Q/23	% YoY	1Q/24	% QoQ
Landing & Take-off: Domestic	1,623	1,620	0.2%	1,401	15.8%
Landing & Take-off: International	6,203	5,731	8.2%	6,756	(8.2%)
Overflight	16,852	15,718	7.2%	15,977	5.5%
Total	24,678	23,069	7.0%	24,134	2.3%

In the 2nd quarter of 2024, the Company had a total of 24,678 flights of all types compared to the same quarter of the previous year, increased by 1,609 flights (+7.0% YOY) and compared to the previous quarter, increased by 544 flights (+2.3% QoQ).

- Table of service revenue classified by type

(Unit: THB million)

ITEM	2Q/24	2Q/23	% YoY	1Q/24	% QoQ
Landing & Take-off: Domestic	13.2	3.0	346.6%	3.3	305.1%
Landing & Take-off: International	144.8	119.8	20.9%	148.5	(2.5%)
Overflight	281.8	245.3	14.9%	256.5	9.9%
Total	439.8	368.0	19.5%	408.2	7.7%

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Gross profit

The Company had a gross profit of THB 229.3 million compared to the same quarter of the previous year, increased by THB 37.5 million (+19.5% YoY) and compared to the previous quarter, increased by THB 20.2 million (+9.7% QoQ). The Company's gross profit margin in the 2nd quarter of 2024 was 52.1%, which increased by approximately 1% from the previous quarter.

Selling and administrative expenses

The Company had total service and administrative expenses of THB 68.1 million, compared to the same quarter of the previous year, increased by THB 3.2 million (+5.0% YoY) and compared to the previous quarter, increased by THB 6.7 million (+11.0% QoQ), mainly from employee expenses and other administrative expenses such as office supplies and utility expenses, etc.

Other expenses

Other expenses amounted to THB 14.1 million compared to the same quarter of the previous year, increased by THB 12.3 million (+684.4% YoY) due to the Company receiving dividends from CATS in the 2nd quarter of 2024, the amount of USD 3.5 million resulting in withholding tax expenses at 10% of the dividend amount received, the amount of THB 12.8 million. Meanwhile, in the same quarter of the previous year, the Company did not receive dividends from CATS, so there were no such expenses and compared to the previous quarter, decreased by THB 4.9 million (-25.9% QoQ) due to the Company receiving dividends from CATS in the 1st quarter of 2024, the amount of USD 5.0 million, resulting in a decrease in withholding tax expenses from dividends received in the 2nd quarter of 2024, the amount of THB 5.0 million.

Financial expenses

Financial expenses amounted to THB 1.5 million, decreased by THB 19.5 million (-93.0 YoY) from the same quarter of the previous year from repayment of loans from

financial institutions in full on 11 October 2023 and compared to the previous quarter, decreased by THB 1.1 million (-42.8% QoQ).

Net profit

The Company had profits attributable to the Company's shareholders totaling THB 116.3 million, compared to the same quarter of the previous year, increased by THB 33.0 million (+39.6% YoY) and compared to the previous quarter, increased by THB 22.1 million (+23.4% QoQ)

Financial Position

Assets

As of June 30, 2024, the Company had total assets of THB 2,180.2 million, an increase of THB 298.8 million compared to the end of 2023, mainly due to cash and cash equivalents, including trade and other receivables, a total of THB 235.4 million resulted from increasing in the number of flights in service and intangible assets increased by THB 59.2 million mainly from translation adjustments.

Liabilities

As of June 30, 2024, the Company had total liabilities of THB 592.2 million, which decreased by THB 13.3 million compared to the end of 2023, mainly due to a decrease in accrued income tax of THB 27.4 million.

Shareholder's Equity

As of June 30, 2024, the Company had shareholders' equity of THB 1,588.0 million, an increase from the total comprehensive income for the period of THB 312.1 million.