

## 3Q21: Management Discussion and Analysis

### Business overview

In 3Q21, Samart Digital PLC. (SDC) reported quarterly consolidated revenue of Baht 147 million, decreased by Baht 98 million or 40.0% YoY, majorly contributed by the decreasing in revenue of trading equipment in Digital Network business and decreasing in revenue of Digital Content business from the decreasing of revenue of mobile content and decreasing in revenue of football broadcasting.

Comparing 3Q21 to 2Q21, consolidated revenue increased by Baht 117 million or 390.0% QoQ, majorly contributed by the increasing in revenue of trading equipment in Digital Network business and increasing in revenue of Digital Content business from a football broadcasting which it started in 3Q21, resulted in increasing revenue in this quarter.

Operating loss (EBT) of Baht 87 million increased by Baht 83 million YoY and operating loss (EBT) increased by Baht 12 million QoQ.

The Company reported the consolidated net loss attributable to equity holders of the Company of Baht 89 million, increased by Baht 85 million YoY, and increased by Baht 11 million QoQ.

### Financial highlights

| Revenue breakdown     |            |            | in Million Baht |           |               |
|-----------------------|------------|------------|-----------------|-----------|---------------|
| Business Unit         | 3/21       | 3/20       | %YoY            | 2/21      | %QoQ          |
| Digital Network       | 118        | 194        | (39.2%)         | 3         | 3,833.3%      |
| Digital Content       | 29         | 51         | (43.1%)         | 27        | 7.4%          |
| <b>Total revenue*</b> | <b>147</b> | <b>245</b> | <b>(40.0%)</b>  | <b>30</b> | <b>390.0%</b> |

\* Total Revenue (sales, service revenue and revenue from contract work)

### Revenue

**Digital Network Business:** This quarter, the revenue of digital network business was reported of Baht 118 million, which represented 80.3% of total revenue. Comparing 3Q21 to 3Q20, the revenue decreased by Baht 76 million or 39.2% YoY. On the other hand, the revenue increased by Baht 115 million QoQ or 3,833.3%.

**Digital Content business:** This quarter, the revenue of digital content business was reported of Baht 29 million, which represented 19.7% of total revenue. Comparing 3Q21 to 3Q20, the revenue decreased by Baht 22 million or 43.1% YoY. On the other hand, the revenue increased by Baht 2 million or 7.4% QoQ.

## Gross profit

In 3Q21, overall gross profit of the Company was reported at loss of Baht 1 million, as 3Q20 was reported at profit of Baht 24 Million. However, comparing to last quarter, gross profit increased by Baht 7 Million QoQ, which 2Q21 was reported at loss of Baht 8 million.

## S&A and other expenses

In 3Q21, selling and administrative expenses including other expenses were reported of Baht 34 million, decreased by Baht 8 million or 19.6% YoY. The reduction of the expenses were due to decreasing in depreciation expense, and decreasing in salary.

Comparing to 2Q21, selling and administrative expenses including other expenses decreased by Baht 5 million or 13.4% QoQ.

## Financial costs

In 3Q21, financial costs were Baht 49 million, increased by Baht 10 million or 26.6% YoY, and increased by Baht 13 million or 36.1% QoQ mainly resulted from cost of issuing convertible debenture.

## Net loss

In 3Q21, the consolidated net loss attributable to equity holders of the Company was reported of Baht 89 million. Net loss increased by Baht 85 million YoY, resulted from increasing in provision for doubtful debts of Baht 15 million. As, in 3Q20, revenue from reversal provision AR of Baht 45 million and net loss increased by Baht 11 million or 14.8% QoQ.

## Financial position

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As at September 30, 2021, SDC reported total assets at Baht 4,372 million, decreased by Baht 20 million or 0.5% compared with 31 December 2020, mainly resulted from decreasing in trade and other receivables of Baht 153 million, and decreasing in the inventory of Baht 65 million from trading equipment. As, cash and cash equivalents increased by Baht 180 million mainly due to the cash received from the convertible debenture.

The Company also reported its total liabilities at Baht 3,919 million, increased by Baht 22 million or 0.6%, mainly resulted from increasing in the convertible debenture of Baht 64 million, and increasing in the unearned revenue of Baht 31 million. On the other hand, the long-term loans from financial institution decreased by Baht 66 million from loan repayment.

Total shareholders' equity was Baht 453 million, decreased by Baht 42 million or 8.5% compared with 31 December 2020, as a result of net comprehensive loss in this year Baht 212 million and increased from converted convertible debenture Baht 170 million.