

## 2Q23: Management Discussion and Analysis

### Business overview

In 2Q23, Samart Digital PLC. (SDC) reported quarterly consolidated revenue in an amount of Baht 119 million. Comparing 2Q23 to 2Q22, consolidated revenue decreased by Baht 112 million or 48.5% YoY. Comparing 2Q23 to 1Q23, consolidated revenue decreased by Baht 582 million or 83.1% QoQ, Due to in this quarter the revenue from contract work in digital network business was recognized only the revenue of installation of equipment for The Ministry of Interior (MOI) Project of Baht 58 million. Moreover, the revenue of digital content business was slightly decreased mainly from mobile content.

Operating loss of Baht 49 million increased by Baht 21 million YoY, and operating loss increased by Baht 36 million QoQ.

The Company reported the consolidated net loss attributable to equity holders of the Company of Baht 90 million, increased by Baht 3 million YoY, and increased by Baht 27 million QoQ.

### Revenue breakdown

in Million Baht

Business Unit	2/23	2/22	%YoY	1/23	%QoQ
Digital Network	92	203	(54.6%)	661	(86.0%)
Digital Content	24	26	(7.7%)	34	(29.4%)
<b>Total revenue*</b>	<b>116</b>	<b>229</b>	<b>(49.3%)</b>	<b>695</b>	<b>(83.3%)</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 92 million, which represented 79.3% of total revenue. Comparing 2Q23 to 2Q22, the revenue decreased by Baht 111 million or 54.6% YoY, and decreased by Baht 568 million or 86.0% QoQ.

**Digital Content business:** This quarter, the revenue of digital content business was reported of Baht 24 million, which represented 20.7% of total revenue. Comparing 2Q23 to 2Q22, the revenue decreased by Baht 2 million or 7.7% YoY, and the revenue decreased by Baht 10 million or 29.4% QoQ.

## Gross profit

In 2Q23, overall gross profit of the Company was reported at loss of Baht 18 million, loss increased by Baht 14 million YoY and loss increased Baht 27 Million QoQ.

## S&A and other expenses

In 2Q23, selling and administrative expenses including other expenses were reported of Baht 33 million, increased by Baht 8 million or 30.0% YoY, and increased by Baht 5 million or 19.2% QoQ, which mainly resulted from loss on foreign exchange of Baht 5 million in this quarter.

## Financial costs

In 2Q23, financial costs were Baht 43 million, increased by Baht 6 million or 16.9% YoY, which mainly resulted from the increasing in interest expense. However, financial costs decreased by Baht 6 million or 11.4% QoQ, which mainly resulted from the decreasing in convertible debenture expenses.

## Net loss

In 2Q23, the consolidated net loss attributable to equity holders of the Company was reported of Baht 90 million. Net loss attributable to equity holders of the Company increased by Baht 3 million or 3.9% YoY. In addition, net loss attributable to equity holders of the Company increased by Baht 27 million or 43.8% QoQ.

## Financial position

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As at Jun 30, 2023, SDC reported total assets at Baht 4,632 million, increased by Baht 381 million or 9.0% compared with December 31, 2022, mainly resulted from the increasing in trade and other receivables of Baht 634 million, increasing in equipment of Baht 56 million. As cash and cash equivalents decreased by Baht 101 million, inventories decreased by Baht 70 million from selling products of DTRS project, and other current asset decreased by Baht 124 million.

The Company also reported its total liabilities at Baht 4,595 million, increased by Baht 403 million or 9.6%, which trade and other payables increased by Baht 603 million. While current portion of long-term loans from financial institutions decreased by Baht 110 million, and unearned revenue decreased by Baht 74 million.

Total shareholders' equity was Baht 38 million, decreased by Baht 21 million or 36.1% compared with December 31, 2022, as a result from net comprehensive loss in this period of Baht 155 million, while the increasing of the converted convertible debenture of Baht 134 million.