



MILL 014/2021

16 August 2021

**Subject:** Management's Discussion and Analysis of quarter 2, 2021, Ending 30 June 2021.

**Attention:** President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited ("the Company") would like to notify the Company's and its subsidiary' performance of quarter 2, 2021, Ending 30 June 2021, which are interim by auditors approved by the office of SEC, and which are also approved by the Board of Directors of the Company. The details are as follow;

#### Economics overview

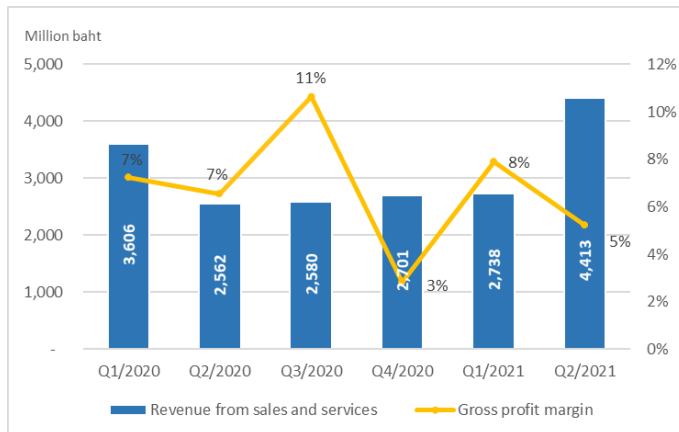
According to China's Steel industry, which has closed substandard steel factory and has canceled tax rebate policy which effected to steel prices was increased, which including Thailand's steel prices, that's effected to Thailand domestics steel consumptions was increased when compared with the same previous year. According to the Iron and Steel Institute of Thailand, in quarter 2 of the year 2021, Thailand finish steel consumption was increased by 37.4% when compared with the same previous year, which was volume at 5.17 million tons by long steel consumption was increased by 34.6% when compared with the same previous year which has volume at 1.73 million tons, divided into Steel bar consumption and Structural steel consumption (Bar & HR section) were at 0.95 million tons which were increased by 48.5% when compared with the same previous year, and Wire rod consumption was at 0.70 million tons increased by 28% when compared with the same previous year, flat product steel consumption was at 3.44 million tons which was increased by 38.8% when compared with the same previous year.

#### Performance summary in of quarter 2, 2021.

Performance	Q2/2021	Q2/2020	(YoY)	
	Million Baht	Million Baht	+/- Million Baht	Percentage
Total revenues	4,468	2,621	1,846	70
Revenues from sale and services	4,413	2,562	1,851	72
Cost of sales and services	4,183	2,394	1,788	75
Gross profit	231	168	63	37
SG&A	97	103	-6	-6
Financial cost	128	138	-9	-7
Net Profit*	65	16	49	297
EBITDA	256	250	6	2



**Remark** \*Net profit above does not include the operating results of Kobelco Millcon steel Co., Ltd. ('KMS '), a 50% joint venture with Kobe Steel Limited. which is production and distribution of ordinary grade wire rod and special grade wire rod. At present, the production and distribution of special grade wire rods for the automobile industry has been completed, and able to resume profitable operations, in 6 months of the year 2021, KMS had net profit 268 million baht, and In quarter 2 of the year 2021, KMS had a net profit of 125 million baht, if included KMS profit, the Company had net profit of 128 million baht.

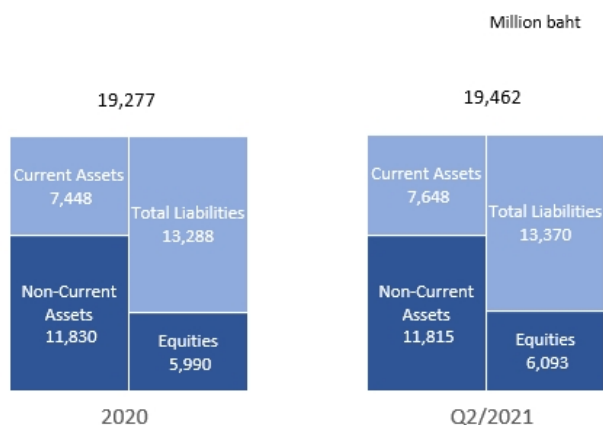


In quarter 2 of the year 2021, the Company had the Revenue from sale and services in the amount of 4,413 million baht, increased by 72% from sale volume increased by 39%, due to the average selling price increased following with world steel prices. In addition, material prices increased, as a resulted to Cost of sales of goods and rendering services were at 4,183 million baht increased by 75%, resulted in the

Company has gross profit 231 million baht, increased by 37%.

Selling, General and Administrative Expense (SG&A) decreased 6 million baht or 6% when compared with quarter 2 of the year 2020, which decreased from transportation cost. Financial cost decreased by 9 million baht from reduction of the interest rate, and repayment to long-term loan to financial institution.

From the reason above, resulted in the Company had net profit in the amount of 65 million baht, increased 297 million baht, and had EBITDA 256 million baht.



As of June 30,2021, the Company had total current assets in the amount of 19,462 million baht, increased 185 million baht from trade accounts receivable were 358 million baht, which increased from order from customers and waiting for the payment at due. Inventories were increased 281 million baht, due to produce products to customers. Short-term loan from related parties increased 745 million baht, due to the Megawatt Co., Ltd. ("the Megawatt") which is

the Company's associates has payment for shares of Siam Solar Generation Company Limited. ("Siam solar") in a promissory note in the amount of 735 million baht which affected to asset hold for sale which is the shares of Siam solar decreased 1,170 million baht.



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MILLCON STEEL PUBLIC COMPANY LIMITED

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Total liabilities were at 13,370 million baht increased 82 million baht, from trade account payables was increased 697 million baht, advance receive for goods decreased 85 million baht from the Company has delivered products to customers, advance received for disposal of subsidiary company decreased 435 million baht due to the Company has already transferred shares of Siam solar to the Megawatt, and Long-term loans from financial institutions decreased 177 million baht from repayment to the long-term loan of the Company.

The shareholders' equity as of June 30, 2021, was at 6,093 million baht, increased 103 million baht, from the Company's operation in 6 months resulted in debt to equity ratio of the Company was at 2.19.

Please be inform accordingly.

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director