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TMT-CP006/2022

February 18, 2022

Subject: Management Discussion and Analysis for the year 2021

To: President

The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 1/2022 dated February 18, 2022, has approved the financial statements for the year ended December 31, 2021. In this regard, the company would like to clarify a significant change in operating results in the year 2021, with a net profit of Baht 1,530.06 million, increased by 184.46% compared to the same period of last year with the major change reasons as follows;

1. Sales revenue was Baht 21,559.34 million (+47.91%) compared to the previous year due to the average selling price was 57.11% increase from the high rise in global and domestic steel prices which continued throughout the year, whilst the spread of the COVID-19 declined and more relaxed as most of the populations were vaccinated. Consequently, the manufacturing sector in various industries recovered, therefore the demand for raw materials and products was higher. Meanwhile, the level of inventory was lower than normal, inadequate to the needs of various industrial sectors as well as the supply constraint of decreasing imported products, due to the production control policy to reduce the carbon and the abolishment of subsidies on the exports in China, and the production for domestic use of other countries. As a result, the steel prices increased due to the higher demand than the supply. Accordingly, the company's gross profit margin was 12.34% higher than last year which was 8.68%.

2. Selling expenses were Baht 187.86 million, an increase of Baht 13.14 million (+7.52%) from the previous year, which was an increase in transportation costs around Baht 5 million due to the oil prices and marketing expenses increased by approximately Baht 8 million. Administrative expenses were Baht 536.08 million, an increase of Baht 127.35 million (+31.2%) from the previous year due to an increase in employee expenses from salary, bonus, and employee benefits were increased of approximately Baht 109 million, also an increase of director's remuneration and adjustments to the transaction according to the Financial Reporting Standard No. 9 of approximately Baht 7 million, most of which was an allowance for doubtful accounts based on the new assessment criteria, administrative expenses totaling an increase of approximately Baht 11 million, which are fuel costs, depreciation, and consulting fees.

**บริษัท ทีเอ็มที สตีล จำกัด (มหาชน) TMT STEEL PUBLIC COMPANY LIMITED**

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3. Interest expense was Baht 102.90 million, an increase of Baht 20.85 million (+25.41%) compared to the previous year. This was an increase in the interest expenses of short-term loans from the usage of working capital that was higher in line with the products price and interest expenses of long-term loans for the investment on new machines and warehouse building to support the expansion of the business.

Please be informed accordingly.

Yours sincerely,

*-Signed-*

(Mr. Paisal Tarasansombat)

Chief Executive Officer