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Ref: THE 016/2022

November 14,2022

Subject: Management Discussion and Analysis Quarter 3 Ending 30 Sep 2022

To: President

The Stock Exchange of Thailand

CC: Corporate Finance Department

Securities and Exchange Commission

We, The Steel Public Company Limited (the "Company"), hereby submit the financial statements of the company and subsidiaries for the 3<sup>rd</sup> quarter ended September 30, 2022 , and would like to clarify differences of the operating result for the 3<sup>rd</sup> quarter ended September 30,2022 compared with 2021 as follows:

#### 1. Statement of Comprehensive Income

Total revenues from sale of the Company and subsidiaries for the 3<sup>rd</sup> quarter ended September 30,2022 equaled Baht 2,102.41 million compared with Baht 3,796.17 million for the same period of 2021, revenue decreased ,Baht 1,693.76 million or 44.62% due to sale quantities decreased around 40.46%, since Macro Economy of metal business was regression. Consumers and whole sellers had delayed consuming and purchasing, which were affected from COVID-19 and protracted war between Russia and Ukraine, resulting low purchasing power of customers and selling price also decreased around 11.73%, resulting gross profit of this quarter Baht 56.35 million, while gross profit in 3<sup>rd</sup> quarter 2021 was Baht 293.18 million.

Selling and administrative expense of 3<sup>rd</sup> quarter 2022 totally Baht 136.87 million compared with Baht 107.32 million for the same quarter of 2021, increased Baht 27.53 million due to commission and transportation expense which was decreased in line with sale volume, but there was written off uncollectable of advance money for inventory amount Baht 64.61 million in this quarter. Financial cost increased from Baht 14.99 million in 3<sup>rd</sup> quarter 2021 to Baht 21.77 million in this quarter due to interest rates had ascending trend. There was provision of loss from exchange rate Baht 42.37 million, decreased from the same quarter of last year for Baht 44.80 million, and there was loss recognition from associated company Baht 12.77 million in this quarter, while profit recognition of Baht 73.14 million in 3<sup>rd</sup> quarter of 2021. After deducting all expenses and income tax, the company reported net loss attributable to Parent Company for the 3<sup>rd</sup> quarter of 2022 equaled Baht 204.24 million, compared to net profit of Baht 151.82 million for the same quarter of 2021, decreasing of profit Baht 356.06 million or 234.52%.

#### 2. Statement of Financial Position

Total Assets of the Company as at September 30, 2022 equaled Baht 6,006.10 million compared with Baht 5,607.34 million as at December 31, 2021, assets increased Baht 398.76 million caused from

increasing of receivable around 180 million, advance money for inventory Baht 60 million and Hire purchase receivable 87 million.

Total liabilities increased from Baht 3,079.67 million as at December 31, 2021 to Baht 3,732.54 million as at September 30,2022, increased Baht 652.87 million due to previously high purchasing, caused more using of short term loans, resulting D/E ratio increased from 1.22 as at December 31, 2021 to 1.64 as at September 30, 2022.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

(Mr.Suroj Jiraphongtrakul)

Chief Executive Officer