

Subject: Management Discussion and Analysis for the Third Quarter of 2022  
To: The President, the Stock Exchange of Thailand

We, SCI Electric Public Company Limited would like to report the result of the Company and subsidiaries (all together as “SCI Group”) for the Third Quarter of 2022 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 7/2022 held on 14<sup>th</sup> November 2022. The details are as follows:

### The operating result analysis

Unit: Million Baht

	For the 3 months period ended 30 September			
	2022	2021	Increased (Decreased)	
			Amount	%
Total revenue	360.07	480.29	(120.23)	(25.03)
Net profit (loss) of Equity holders of the parent	(59.14)	8.40	(67.54)	(803.99)

#### **Net Profit (loss)**

For the third quarter of 2022, SCI Group had net loss of Baht 59.14million, increased loss by Baht 67.54 million or 803.99% as compared to the net profit of Baht 8.40 million incurred in the same period last year. The main reasons are as follows:

#### **Revenue**

For the third quarter of 2022, SCI Group had total revenues of Baht 360.07 million, decreased by Baht 120.23 million or 25.03% compared to that of Baht 480.29 million the same period last year with details as follows:

- The sales revenues were Baht 331.65 million, decreased by Baht 76.37 million or 18.72%, compared to that of Baht 408.02 million in the same period last year. The sales decreased from switchboard business and transmission tower business;
- Service revenues were Baht 6.74 million, decreased by Baht 30.24 million or 81.78%, compared to the same period last year. Service revenues decreased as the substation EPC project in Thailand was completed and delivered in the third quarter of 2022. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress.

#### **Cost and Expense**

For the third quarter of 2022, SCI Group had total expenses of Baht 413.00 million, decreased by Baht 47.71 million or 10.36% compared to that of Baht 460.71 million in the same period last year with details as follows:

- Cost of sales were Baht 369.51 million, decreased by Baht 9.00 million or 2.38%, compared to that of Baht 378.51 million in the same period last year. Cost of sales decreased in proportion to sales decrease however material costs were still rising especially steel and zinc which are main materials used in production.

**Statement of financial position**

Unit: Million Baht

	As of 30 September 2022	As of 31 December 2021	Increased (Decreased)	
			Amount	Percentage
Total Assets	3,037.01	3,144.82	(107.81)	(3.49)
Total Liabilities	1,731.03	1,696.62	34.41	2.05
Total Shareholder's Equity	1,305.98	1,448.20	(142.22)	(10.10)
D/E Ratio	1.33	1.17	0.15	12.92

**Assets**

As of 30 September 2022, SCI Group had total assets of Baht 3,037.01 million, decreased by Baht 107.81 million or 3.49% from as of 31 December 2021 of Baht 3,144.82 million with details as follows:

- Other current financial asset decreased from selling short-term investments for investing in new subsidiary and digital assets;
- Inventory decreased from raw materials and work delivered in the third quarter of 2022.

**Liabilities**

As of 30 September 2022, SCI Group had total liabilities of Baht 1,731.03 million, increased by Baht 34.41 million or 2.05% from as of December 31, 2021 of Baht 1,696.62 million with details as follows:

- Account payables decreased from raw material payment according to the payment period;
- Contract liabilities decreased from revenue recognition of switchboard projects and high voltage transmission towers projects in the period.

**D/E Ratio**

As of 30 September 2022, SCI Group had D/E ratio of 1.33, increased from 1.17 as of 31 December 2021. This was primarily due to the decrease in shareholder's equity in accordance with the operation results.

Kindly be informed accordingly.

Yours faithfully,  
 (Mr. Kriengkrai Pienwitthayasakul)  
 Chief Executive Officer