

Subject: Management Discussion and Analysis for the Year 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 Year 2022 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 1/2023 held on 24nd February 2023. The details are as follows:

The operating result analysis

Unit: Million Baht

| | For the year ended 31 December | | | |
|--|--------------------------------|----------|-----------------------|------------|
| | FY 2022 | FY 2021 | Increased (Decreased) | |
| | | | Amount | % |
| Total revenue | 1,493.04 | 1,626.21 | (133.17) | (8.19) |
| Net profit of Equity holders of the parent | (199.69) | 3.45 | (203.14) | (5,880.12) |

Net Profit (Loss)

For the year 2022, SCI Group had net loss of Baht 199.69 million, decreased by Baht 203.14 million or 5,880.12% as compared to the net profit of Baht 3.45 million incurred last year. The main reasons are as follows:

Revenue

For the year 2022, SCI Group had total revenues of Baht 1,493.04 million, decreased by Baht 133.17 million or 8.19% compared to that of Baht 1,626.21 million last year with details as follows:

- The sales revenues were Baht 1,440.68 million, decreased by Baht 3.21 million or 0.22%, compared to that of Baht 1,443.89 million last year. The sales decreased from switchboard business and tower business.
- Service revenues were Baht 25.42 million, decreased by Baht 99.93 million or 79.72%, compared to last year. Service revenues decreased as substation EPC project in Thailand was finished and delivered in 3Q22. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress.

Cost and Expense

For the year 2022, SCI Group had total expenses of Baht 1,672.75 million, increased by Baht 74.23 million or 4.64% compared to that of Baht 1,598.52 million in the same period last year with details as follows:

- Cost of sales were Baht 1,486.73 million, increased by Baht 171.87 million or 13.07%, compared to that of Baht 1,314.87 million last year. Cost of sales increased from rising material costs especially steel and zinc.
- Other losses increased by Baht 7.19 million from allowance for impairment of digital currency assets.

Statement of financial position

Unit: Million Baht

| | As of Dec 31, 2022 | As of Dec 31, 2021 | Increased (Decreased) | |
|----------------------------|-----------------------|-----------------------|-----------------------|------------|
| | | | Amount | Percentage |
| Total Assets | 2,881.79 | 3,144.82 | (263.03) | (8.36) |
| Total Liabilities | 1,629.13 | 1,696.62 | (67.49) | (3.98) |
| Total Shareholder's Equity | 1,252.66 | 1,448.20 | (195.55) | (13.50) |
| D/E Ratio | 1.30 | 1.17 | 0.13 | 11.01 |

Total Assets

As of 31 Dec 2022, SCI Group had total assets of Baht 2,881.79 million, decreased by Baht 263.03 million or 8.36% from as of 31 December 2021 of Baht 3,144.82 million with details as follows:

- Account Receivables decreased from the received payment of switchboard and transmission business as well as EPC project in Thailand according credit-term;
- Other current financial asset decreased from selling short-term investments for investing in new subsidiary and digital assets;
- Digital assets increased from bitcoin investment in 2022.

Liabilities

As of 31 Dec 2022, SCI Group had total liabilities of Baht 1,629.13 million, decreased by Baht 67.49 million or 3.98% from as of 31 December 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 the delivery of switchboard and transmission project.

D/E Ratio

As of 31 Dec 2022, SCI Group had D/E ratio of 1.30, 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