

Subject: Management Discussion and Analysis for the First Quarter of 2023  
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 First Quarter of 2023 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 2/2023 held on 11<sup>st</sup> May 2023. The details are as follows:

### The operating result analysis

Unit: Million Baht

	For the year ended 30 March			
	2023	2022	Increased (Decreased)	
			Amount	%
Total revenue	327.68	374.74	(47.06)	(12.56)
Net profit of Equity holders of the parent	(36.28)	(39.88)	3.60	9.03

#### **Net Profit**

For the first quarter of 2023, SCI Group had net loss of Baht 36.28 million, decreased of loss by Baht 3.60 million or 9.03% as compared to the net loss of Baht 39.88 million incurred in the same period last year. The main reasons are as follows:

#### **Revenue**

For the first quarter of 2023, SCI Group had total revenues of Baht 327.68 million, decreased by Baht 47.06 million or 12.56 % compared to that of Baht 374.74 million the same period last year with details as follows:

- The sales revenues were Baht 323.10 million, decreased by Baht 35.70 million or 9.95%, compared to that of Baht 358.80 million in the same period last year. The sales decreased from switchboard and cable tray business.
- Service revenues decreased Baht 12.50 million, decreased 100%, compared to the same period last year. Service revenues decreased as the substation EPC project in Thailand was completed in 2022. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress.

#### **Cost and Expense**

For the first quarter of 2023, SCI Group had total expenses of Baht 357.48 million, decreased by Baht 54.20 million or 13.17% compared to that of Baht 441.68 million in the same period last year with details as follows:

- Cost of sales were Baht 326.18 million, decreased by Baht 30.08 million or 8.44%, compared to that of Baht 256.26 million in the same period last year. Cost of sales decreased as sales decreased.
- Service cost decreased 14.91 million, decreased 100%, compared to the same period last year as the substation EPC project in Thailand was completed in 2022.

### **Statement of financial position**

Unit: Million Baht

	As of 31 March 2023	As of 31 December 2022	Increased (Decreased)	
			Amount	Percentage
Total Assets	3,068.82	2,881.79	187.04	6.49
Total Liabilities	1,854.05	1,629.13	224.92	13.81
Total Shareholder's Equity	1,214.78	1,252.66	(37.88)	(3.02)
D/E Ratio	1.53	1.30	0.23	17.35

#### **Total Assets**

As of 31 March 2023, SCI Group had total assets of Baht 3,068.82 million, increased by Baht 187.04 million or 6.49% from as of 31 December 2022 of Baht 2,881.79 million with details as follows:

- Cash decreased from operations (e.g., purchasing raw materials);
- Account receivables and other current receivables increased from the delivery of transmission projects;
- Inventory increased from raw materials and work in progress;
- Digital assets increased from the reversal of impairment loss on BITCOIN

#### **Liabilities**

As of 31 March 2023, SCI Group had total liabilities of Baht 1,854.05 million, increased by Baht 224.92 million or 13.81% from as of 31 December 2022 of Baht 1,629.13 million with details as follows:

- Account payables increased from purchasing raw material for production;
- Contract liabilities increased from deferred income of high voltage transmission towers projects.

#### **D/E Ratio**

As of 31 March 2023, SCI Group had D/E ratio of 1.53, increased from 1.30 as of 31 December 2022. 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