

No. SICT 019/2025

12 November 2025

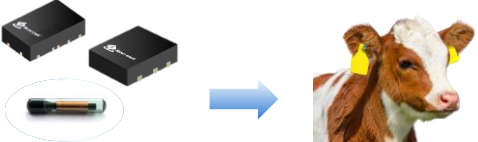

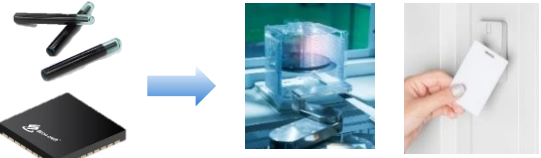

Subject: Management Discussion and Analysis for Quarter 3/2025

Attn: Governors and President Market for Alternative Investment (mai)

Silicon Craft Technology Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis of the operating results for Quarter 3/2025, as follows:

### Business Overview

The Company engaged in design, research and development of **integrated circuits (ICs) or microchips for RFID systems** (Radio Frequency Identification), which is a technology used for identifying and gathering information about registered objects or animals via radio frequency. After the design process, the Company outsources the manufacturing and assembly of the microchips. The Company will control the production quality throughout the process according to the Company's design and quality requirements and the products will be sold under the Company's brand, "SIC." In other words, the Company is an upstream business in the semiconductor supply chain. **Microchip products of the Company are categorized into four main groups:**

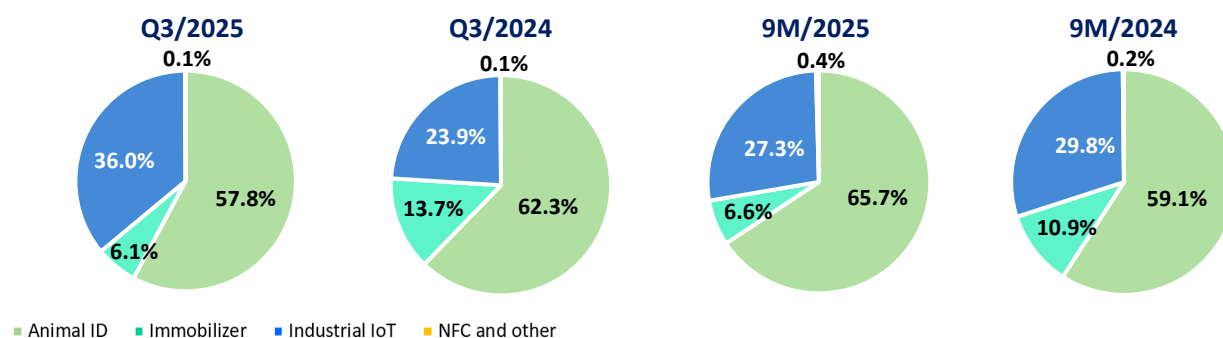
<p><b>1. Microchip for Animal Identification group</b></p> 	<p>Customers purchase microchips from the company to integrate into electronic animal ID tags under their own brand, which are then sold to end-users such as cattle, sheep, goat, and other livestock owners. These tags are used to read and record specific animal information, including breed, feeding schedules, and vaccination history</p>
<p><b>2. Microchip for Immobilizer group</b></p> 	<p>Customers purchase the company's microchips to place in vehicle keys, which are then distributed to car manufacturers or spare key service centers worldwide, particularly in European and American markets where vehicle security regulations are being implemented.</p>
<p><b>3. Microchip for Industrial IoT group</b></p> 	<p>Customers purchase the company's microchips and sell them to industrial operators, as products in this category can serve various purposes, such as factory automation, access control systems, automated guided vehicles (AGVs) in factories, waste management systems, and warehouse and logistics management systems.</p>
<p><b>4. Microchip for NFC and others group</b></p> 	<p>The chip can be used for smart labeling systems to prevent product counterfeiting, with customers being entrepreneurs aiming to add value and enhance product security. It can also be used to monitor various sensor readings, such as water contaminants, glucose levels, hormones, and viruses, aligning with the trend of digital healthcare.</p>



## Revenue Structure

For Q3/2025, the Company's revenues are derived from 4 product groups: Animal identification group accounted for 92.45 million Baht, representing 57.8% of total revenue, Immobilizer group accounted for 9.80 million Baht, representing 6.1% of total revenue, Industrial IoT group accounted for 57.47 million Baht, representing 36.0% of total revenue, and NFC and others group accounted for 0.12 million Baht, representing 0.1% of total revenue. Overall sales in this quarter, as expected from seasonal and usual annual trend, decreased 19.0% from the previous quarter, partially attributable to seasonal factors as the Company's customers had holiday closures during the quarter. However, compared to the same period last year, overall sales increased 23.9%, driven by higher revenue from Industrial IoT and Animal Identification products. For this year Q3, it is the highest ever Q3 of the Company driven by the continuous growth in overall Animal Identification as well as the partial recovery from Industrial IoT business.

For the nine-months of 2025, the Animal Identification group generated revenue of 362.34 million Baht (65.7% of total revenue), Immobilizer group contributed 36.41 million Baht (6.6% of total revenue), Industrial IoT group accounted for 150.42 million Baht (27.3% of total revenue) and NFC and others totaled 2.35 million Baht (0.4%). Total sales for the nine-month period increased 2.7% compared to the same period last year, driven by continued growth in Animal Identification products and declining inventory levels among some customers, which offset the 7.1% appreciation of the Thai Baht during the year. Since over 99% of the Company's revenue comes from exports, when comparing revenue in US dollar terms, overall revenue increased from 15.08 million USD to 16.65 million USD, representing growth of 10.4%.



(Unit: Million Baht)

Revenue Breakdown by Product Group	Q3/2025	Q2/2025	Q3/2024	Change		For nine months		
				%QoQ	%YoY	2025	2024	%Change
Animal Identification group	92.45	132.98	80.35	-30.5%	15.1%	362.34	317.54	14.1%
Immobilizer group	9.80	8.12	17.72	20.7%	-44.7%	36.41	58.47	-37.7%
Industrial IoT group	57.47	55.57	30.81	3.4%	86.5%	150.42	160.10	-6.0%
NFC and others group	0.12	0.55	0.15	-77.9%	-16.5%	2.35	0.94	150.8%
<b>Total revenue</b>	<b>159.84</b>	<b>197.23</b>	<b>129.02</b>	<b>-19.0%</b>	<b>23.9%</b>	<b>551.52</b>	<b>537.05</b>	<b>2.7%</b>
<b>Total Revenue (Million USD)</b>	<b>4.96</b>	<b>5.94</b>	<b>3.75</b>	<b>-16.5%</b>	<b>32.4%</b>	<b>16.65</b>	<b>15.08</b>	<b>10.4%</b>
<b>Average Exchange Rate (THB/USD)</b>	<b>32.21</b>	<b>33.06</b>	<b>34.68</b>	<b>-2.6%</b>	<b>-7.1%</b>	<b>33.04</b>	<b>35.57</b>	<b>7.1%</b>



## Statement of Comprehensive Income

(Unit: Million Baht)

Statements of Comprehensive Income	Q3/2025	Q1/2025	Q3/2024	Change		For nine months		
				%QoQ	%YoY	2025	2024	%Change
Revenue from sales and services	159.84	197.23	129.02	-19.0%	23.9%	551.52	537.05	2.7%
Costs of sales or services	(84.53)	(107.15)	(75.13)	-21.1%	12.5%	(305.64)	(307.16)	-0.5%
<b>Gross profits</b>	<b>75.31</b>	<b>90.08</b>	<b>53.89</b>	<b>-16.4%</b>	<b>39.7%</b>	<b>245.88</b>	<b>229.89</b>	<b>7.0%</b>
Other income	0.15	0.28	0.32	-47.3%	-54.3%	0.69	0.69	-0.3%
Distribution costs	(7.89)	(6.21)	(7.68)	27.1%	2.7%	(20.38)	(27.60)	-26.1%
Administrative expenses**	(55.09)	(51.92)	(44.90)	6.1%	22.7%	(147.26)	(109.13)	34.9%
<i>Research expenses</i>	<i>(17.13)</i>	<i>(14.83)</i>	<i>(10.35)</i>	15.5%	65.4%	<i>(46.86)</i>	<i>(36.03)</i>	30.1%
<i>Other administrative expenses</i>	<i>(37.96)</i>	<i>(37.09)</i>	<i>(34.55)</i>	2.3%	9.9%	<i>(100.40)</i>	<i>(73.10)</i>	26.3%
<b>Profit (loss) from operating activities</b>	<b>12.48</b>	<b>32.23</b>	<b>1.63</b>	<b>-61.3%</b>	<b>N/A</b>	<b>78.93</b>	<b>93.85</b>	<b>-15.9%</b>
Finance income	0.19	0.06	0.14	N/A	42.1%	0.37	0.40	-7.9%
Finance costs	(0.25)	(0.50)	(1.22)	-50.7%	-79.7%	(1.32)	(4.82)	-72.7%
Share of profit (loss) from investment in joint ventures	(0.03)	(0.09)	(0.03)	-68.4%	-3.0%	(0.01)	(0.24)	-97.0%
<b>Profit (loss) before tax expense</b>	<b>12.40</b>	<b>31.70</b>	<b>0.52</b>	<b>-60.9%</b>	<b>N/A</b>	<b>77.98</b>	<b>89.19</b>	<b>-12.6%</b>
Tax income (expense)	0.14	0.38	0.14	-63.5%	0.6%	0.58	0.70	-16.8%
<b>Profit (loss) for the year</b>	<b>12.54</b>	<b>32.08</b>	<b>0.66</b>	<b>-60.9%</b>	<b>N/A</b>	<b>78.56</b>	<b>89.89</b>	<b>-12.6%</b>

\*The financial statement from Q1/2567 onwards will be presented with "Share of profit (loss) from investment in joint ventures".

\*\*In Q3/2025, the Company recognized a realized FX loss of 3.96 million Baht and an unrealized FX gain of 2.88 million Baht, resulting in a net loss of 1.08 million Baht. These amounts are presented within "Administrative Expenses" in the financial statements, consistent with the presentation in Q2/2025 and Q3/2024, which reported net losses of 6.62 million Baht and 13.26 million Baht, respectively.

\*\*For the nine-months of 2025, the Company recognized a realized FX loss of 8.87 million Baht and an unrealized FX gain of 2.16 million Baht, resulting in a net loss of 6.70 million Baht. These amounts are presented within "Administrative Expenses," consistent with the same period in the prior year when the Company recognized a realized FX loss of 0.60 million Baht and an unrealized FX loss of 6.30 million Baht, totaling a net loss of THB 6.90 million.

Profitability Ratios	Q3/2025	Q2/2025	Q3/2024	9M/2025	9M/2024
Gross Profit Margin	47%	46%	42%	45%	43%
Net Profit Margin	8%	16%	1%	14%	17%

### Revenue from sales and services

In Q3/2025, the Company recorded revenue from sales and services of 159.84 million Baht, a decrease of 37.39 million Baht or 19.0% compared to the previous quarter. This decline was primarily attributable to Animal Identification group revenue, which decreased 40.53 million Baht or 30.5%, and NFC and others revenue, which decreased 0.43 million Baht or 77.9%. Meanwhile, Immobilizer group revenue increased 1.68 million Baht or 20.7%, and Industrial IoT group revenue increased 1.89 million Baht or 3.4%.



Compared to Q3/2024, the Company's sales and service revenue increased 30.82 million Baht or 23.9%, driven by Industrial IoT group revenue increasing 26.66 million Baht or 86.5%, and Animal Identification group revenue increasing 12.10 million Baht or 15.1%, while Immobilizer group revenue decreased 7.92 million Baht or 44.7%, NFC and others revenue decreased slightly.

For the nine months of 2025, the Company recorded revenue from sales and services of 551.52 million Baht, an increase of 14.48 million Baht or 2.7% compared to the same period in the prior year. This growth was primarily driven by Animal Identification group revenue increasing 44.80 million Baht or 14.1%, and NFC and others revenue increasing 1.41 million Baht or 150.8%, while Immobilizer group revenue decreased 22.06 million Baht or 37.7%, and Industrial IoT group revenue decreased 9.67 million Baht or 6.0%.

#### **Revenue Breakdown by Product Group**

**Revenue from the Animal Identification group** in this quarter decreased 30.5% quarter-over-quarter due to seasonal factors, including customer holiday schedules that resulted in delayed product deliveries in the second half of the year. However, compared to the same quarter in the prior year, revenue increased 15.1%. For the nine-month period, the Company generated revenue of 362.34 million Baht from this product group, representing a 14.1% increase compared to the same period last year. This growth was driven by expansion among key Europe customers, supported by the continued rollout of mandatory Electronic Identification tag regulations, as well as the introduction of new products that have opened additional market opportunities and enhanced the Company's business prospects.

For the long-term outlook, positive factors continue to be supported by the Argentine government, which has announced a mandatory implementation plan for electronic identification tags for cattle, buffalo, and deer, with funding support for electronic animal identification tags provided to operators. Additionally, Brazil has announced the National Plan for the Individual Identification of Cattle and Buffalo (PNIB), which aims to transition Brazil's entire cattle and buffalo tracking system from group-based to individual identification. The plan designates electronic identification devices for individual animal identification as one of the options for farmers, with an implementation timeline of 2025-2032 (8 years). This represents a significant factor that will drive improved growth in the animal identification microchip market, while also benefiting from positive trends in livestock health management driven by growing awareness of meat quality traceability for safe and sustainable consumption in the future.

**Revenue from the Immobilizer group** in this quarter increased 20.7% quarter-over-quarter, primarily driven by declining customer inventory levels, which led certain customers to resume product orders. However, compared to the same quarter in the prior year, revenue decreased 44.7%. For the nine-month period, the Company generated revenue of 36.41 million Baht from this product group, representing a 37.7% decrease compared to the same period last year. This decline was primarily attributable to reduced revenues from



customers in Europe and the United States, as the global automotive industry contracted following the slowdown of the global economy. Revenue from the ULTX product, which represents a significant portion of the Immobilizer group, accounted for 50.2% of the Immobilizer segment's total revenue in this quarter.

Additionally, the Company is currently working with customers in new markets to jointly develop new projects, which is expected to enhance promising business opportunities and support the Company's long-term strategy focused on continuously promoting new product designs to an increasing number of new customers, ultimately driving sustainable sales growth in the long term.

**Revenue from Industrial IoT group** in this quarter increased 3.4% quarter-over-quarter and 86.5% year-over-year, driven by on-schedule product deliveries to customers in Asia. For the nine-month period, the Company generated revenue of 150.42 million Baht from this product group, a decrease of 6.0% compared to the same period in the prior year. This decline was attributable to slower order momentum from customers in China and extended product testing timelines by customers in Asia and Europe. Nevertheless, the Company continues to develop new products to meet the evolving needs of new customer segments.

**Revenue from NFC and others group** in this quarter was 0.12 million Baht, decreasing 77.9% from the previous quarter and 16.5% year-over-year. This decline resulted from slower-than-expected adoption of new applications and related ecosystems utilizing the Company's products.

For the nine-month period, the Company generated revenue of 2.35 million Baht from this product group, representing a 150.8% increase compared to the same period in the prior year. This growth reflects the Company's strategic plans to continuously co-develop new products in the NFC group in collaboration with customers, particularly in the industrial NFC, authentication, and sensors groups, to drive revenue growth from these product groups.

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#### Cost of Goods Sold, Gross Profit and Gross Profit Margin

**Cost of goods sold (COGS)** in Q3/2025 totaled 84.53 million Baht, decreasing by 22.62 million Baht or 21.1% from the previous quarter, while increasing 9.41 million Baht or 12.5% compared to the same period of the previous year. For the nine-month period, the Company recorded COGS of 305.64 million Baht, a decrease of 1.52 million Baht or 0.5% compared to the same period last year, resulting from more efficient cost management.

**Gross Profit** in Q3/2025 was 75.31 million Baht, decreasing by 14.77 million Baht or 16.4% compared to the previous quarter, while increasing 21.41 million Baht or 39.7% compared to the same period of the previous year. For the nine-month period, the Company recorded a gross profit of 245.88 million Baht, increasing by 15.99 million Baht or 7.0% compared to the same period last year.



**Gross profit margin** in this quarter was 47%, increasing from 46% in the previous quarter and from 42% in Q3/2024, due to changes in product mix as lower Animal Identification group revenue and more efficient cost structure management. For the nine-month period, the gross profit margin was 45%, up from 43% in the same period last year, as the Company conducted detailed cost structure analysis and managed pricing strategies more effectively in line with costs, along with launching new products as planned to continuously enhance profitability.

#### **Other Income**

In Q3/2025, the Company had other income amounting to 0.15 million Baht, decreasing from 0.28 million Baht in the previous quarter and 0.32 million Baht in the same period last year, due to lower service income. For the nine-month period, the Company recorded other income of 0.69 million Baht, which remained similar to the same period last year.

#### **Selling and Administrative Expenses**

Selling expenses in Q3/2025 totaled 7.89 million Baht, increasing by 1.68 million Baht or 27.1% from the previous quarter and 0.20 million Baht or 2.7% compared to the same quarter in the prior year due to higher advertising and promotional expenses in line with the Company's gradual rollout of new products beginning in late Q2/2025. For the nine-month period, selling expenses totaled 20.38 million Baht, a decrease of 7.21 million Baht or 26.1% compared to the same period in the prior year, primarily driven by lower employee salaries and benefits, promotional expenses, and travel expenses.

Administrative expenses in Q3/2025 totaled 55.09 million Baht, an increase of 3.16 million Baht or 6.1% from the previous quarter and 10.18 million Baht or 22.7% compared to the same quarter in the prior year. This increase was primarily due to the Company's recognition of an impairment loss on intangible assets 9.29 million Baht in from two research and development projects. These projects involved new technology that took longer to develop than originally estimated, resulting in delayed revenue recognition from new product sales. This caused the discounted cash flow projections to decrease, necessitating the asset impairment recognition. For the nine-month period, the Company recorded administrative expenses of 147.26 million Baht, an increase of 38.13 million Baht or 34.9% compared to the same period last year. This increase was attributed to the aforementioned impairment loss, as well as higher research expenses and employee salaries and benefits in line with the Company's business plan and expansion.

#### **Finance costs**

Finance costs in Q3/2025 accounted for 0.25 million Baht, decreasing by 0.25 million Baht or 50.7% quarter-on-quarter and 0.97 million Baht or 79.7% compared to the same quarter in the prior year. For the nine-



month period, finance costs totaled 1.32 million Baht, a decrease of 3.51 million Baht or 72.7% compared to the same period in the prior year, as the Company fully repaid its short-term borrowings from financial institutions in September 2025.

#### **Share of profit (loss) from investment in joint ventures**

The Company has an investment in a joint venture with a 25% stake in Adaptrics Company Limited. In Q3/2025 the Company recognized its share of loss of 0.03 million Baht, similar to the same period last year but improved from 0.09 million Baht in the previous quarter. For the 9-month period, the Company recognized a share of loss of 0.01 million Baht, compared to 0.24 million Baht in the same period last year, reflecting improvement as revenue gradually increased during the year. Adaptrics has shown clearer business progress recently, including signing a Memorandum of Understanding with Burapha University to strengthen technological cooperation in RFID Solutions and apply jointly developed innovations to real industrial applications. This follows the successful launch of an advanced NFC Wristband system for graduation ceremony management, which was first implemented by Burapha University.

#### **Tax income (expense)**

In Q3/2025, the Company recorded tax income of 0.14 million Baht, compared to 0.38 million Baht in the previous quarter, while remaining similar to the same period last year. For the 9-month period, the Company recorded an income tax benefit of 0.58 million Baht, compared to 0.70 million Baht in the same period last year, resulting from the recognition of deferred tax income.

#### **Net Profit**

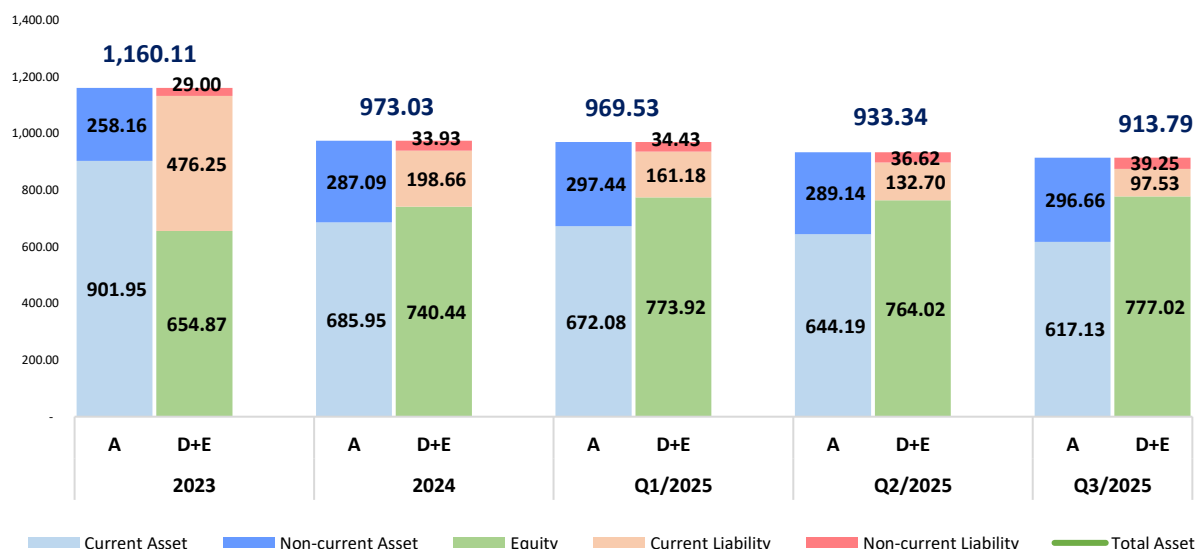
In Q3/2025, the Company had a net profit of 12.54 million Baht, a decrease of 19.54 million Baht or 60.9% from the previous quarter. This was primarily due to lower sales revenue from seasonal factors, an asset impairment loss of 9.29 million Baht, and increased research expenses of 2.30 million Baht. However, compared to the same period last year, net profit increased by 11.88 million Baht or 1,811.5%, driven by higher sales revenue, improved gross profit margin from 42% to 47%, and better foreign exchange management that reduced FX losses. The Company's net profit margin for the quarter was 8%, down from 16% in the previous quarter but up from 0.5% in the same period last year.

For the nine-month period, the Company reported net profit of 78.56 million Baht, representing a decrease of 11.33 million Baht or 12.6% compared to the corresponding period of the previous year. This decline was primarily due to the recognition of the impairment loss on intangible assets mentioned above, as well as higher research expenses and increased employee salaries and benefits. As a result, the Company's net profit margin decreased from 17% to 14%.





### Statement of Financial Position



Total assets of the Company as of Q3/2025 were 913.79 million Baht, decreasing by 59.24 million Baht from 973.03 million Baht at the end of 2024. This was due to a decrease in current assets of 68.81 million Baht, primarily from lower inventory levels following product deliveries to customers as planned, while cash and cash equivalents increased from cash inflows from operating activities. Non-current assets increased by 9.57 million Baht, mainly from an increase in other intangible assets of 32.14 million Baht due to more projects under development for new product launches to support future growth, and a decrease in other non-current financial assets of 31.14 million Baht due to lower pledged deposits as the Company repaid loans to financial institutions.

The Company had total liabilities as of Q3/2025 amounted to 136.77 million Baht, a decrease of 95.82 million Baht from the end of 2024, which was 232.59 million Baht, primarily due to lower current liabilities, specifically the full repayment of short-term loans from financial institutions in September 2025, as well as reduced advance payments received for goods and services. Non-current liabilities totaled 39.25 million Baht, an increase of 5.32 million Baht from the end of 2024, which was at 33.93 million Baht, due to higher lease liabilities and non-current provisions for employee benefits.

The Company's shareholders' equity as of Q3/2025 was at 777.02 million Baht, increasing 36.58 million Baht from the end of 2024 which was 740.44 million Baht. The rise was primarily due to an increase in the unappropriated retained earnings reflecting the Company's operating performance during the nine-month period, net of dividend payments approved by the Annual General Meeting of Shareholders.





### Key Financial Ratios

Financial Ratios	Unit	2023	2024	Q3/2024	Q2/2025	Q3/2025
Current Ratios	times	1.89	3.45	3.12	4.85	6.33
Average Sale Period*	days	197	223	212	177	174
Average Collection Period	days	31	27	33	41	34
Average Payment Period	days	91	75	50	31	27
Cash Conversion Cycle	days	137	174	196	187	182
Return on Assets (ROA)	%	16%	10%	11%	8%	9%
Return on Equity (ROE)	%	24%	15%	16%	10%	12%
Debt to Equity Ratio	times	0.77	0.31	0.36	0.22	0.18

\*Inventory excludes raw materials

In Q3/2025, the Company had a current ratio of 6.33 times, reflecting continuously improving liquidity management efficiency with sufficient capacity to meet short-term debts. Debt to Equity ratio was 0.18 times, decreasing continuously from the end of 2024 as a result of gradual repayment to financial institutions. This reflects a low-risk capital structure for operations and funding ability to support future growth.



## Progress in Sustainability Development



On July 16, 2025, the Company received the ESG100 Certificate from Thaipat Institute, as the Company was selected to be listed in the ESG100 companies for the year 2025 for the third consecutive year.



On September 19, 2025, the Company held its "SIC CSR: Restoring Forests Together" environmental initiative, where employees collectively planted 160 indigenous trees to support forest restoration efforts at the Khao Khiao Open Zoo and Nature Study Center, Chonburi Province.

## Q3 2025 Achievement Highlights



On 28 October 2025, the Company received a 5-Star "Excellent" Corporate Governance rating from the Thai Institute of Directors Association (IOD) for the fourth consecutive year, reflecting its commitment to sound governance principles for sustainable growth and stakeholder value creation.



Please be informed accordingly.

Best regards

(Dr. Bodin Kasemset)

Chief Executive Officer

Silicon Craft Technology Public Company Limited

