

No. SICT 004/2026

24 February 2026

Subject: Management Discussion and Analysis for the year 2025

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

Business, Economic and Industry Overview Impacting Operations

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 closely controls the production quality throughout the processes according to the Company's design and quality requirements and the products are sold under the Company's brand, "SIC." Microchip products of the Company are categorized into four main groups:

<p>1. Animal Identification</p>  <p>supplies microchips animal identification tag makers supplies ear tags livestock farmers</p>	<p>Electronic identification tags are RFID-based devices used to track livestock and companion animal data, including breed, feeding records, and vaccination history, offering long-range communication, high quality, and full compliance with international standards.</p>
<p>2. Immobilizer</p>  <p>Supplies Microchips Spare automotive immobilizer manufacturers Supplies Immobilizer Spare automotive immobilizer Service centres</p>	<p>Immobilizer are RFID-based devices designed to enhance vehicle security by preventing engine ignition when unauthorized or counterfeit keys are used. The Company's products are compatible with approximately 99% of vehicle models currently available in the market.</p>
<p>3. Industrial IoT</p>  <p>Supplies Microchips Customers resell to various industrial operators Used in automated material systems Used in access control systems</p>	<p>RFID microchip technology in this group is applied across a wide range of industrial processes, including access control systems, smart toys, waste management solutions, and factory automation systems related to automated material handling, warehousing, and logistics.</p>
<p>4. NFC & Other</p>  <p>Supplies Microchips Customer group seeking to add value to their products Used in smart label systems Used in chemical sensing/measurement systems</p>	<p>NFC microchips are designed for use with modern smartphones and can be applied to smart labeling solutions for anti-counterfeiting purposes, as well as sensor-based applications such as detecting water contaminants and measuring glucose levels, hormones, and viruses, aligning with the growing trend toward digital healthcare.</p>



Competitive Environment

The Company operates in the design, research, and development of RFID microchips, with a strong focus on in-house R&D to support application-specific use cases across the Animal Identification, Immobilizer, Industrial IoT, and NFC segments. Each segment involves distinct operating environments, regulatory standards, and technical requirements, contributing to a highly competitive industry landscape. As a fabless semiconductor company, the Company primarily serves global customers on a business-to-business (B2B) basis, supplying device manufacturers and solution providers through chip design, development, and export. The competitive landscape includes global semiconductor manufacturers with scale advantages and extensive customer networks, as well as regional players in Asia competing primarily on cost. Against this backdrop, the Company differentiates itself through its expertise in analog mixed-signal (AMS) IC design, a critical capability that underpins signal transmission and reception performance, accuracy, and system stability in RFID applications. In addition, the Company's ability to develop application-specific IC solutions tailored to the requirements of specialized industries, together with effective intellectual property control and product customization flexibility, helps mitigate price-based competition and supports the development of long-term customer relationships within niche markets.

Industry Overview and Trends

Global Radio Frequency Identification (RFID) technology market is expected to expand steadily, with a projected compound annual growth rate of approximately 8.5% during the period from 2025 to 2034. This growth reflects the ongoing digital transformation because businesses increasingly prioritize data accuracy and real-time tracking capabilities. The trend aligns with the broader expansion of the semiconductor industry, particularly in the logic and memory segments driven by rising demand for artificial intelligence and cloud infrastructure, which serve as core processing platforms for RFID generated data. At the same time, the sensors and analog segments, which are essential components of RFID chips and readers, are expected to continue growing in line with sustained demand across a wide range of applications.

Key growth drivers of the RFID market include increasing demand for supply chain transparency, particularly in the retail and logistics sectors, where RFID adoption helps reduce inventory discrepancies and supports omnichannel operations. Growth is further supported by government initiatives and evolving international regulations, such as item level traceability requirements, which are expected to become widely adopted industry standards in the near future. Additionally, the expansion of contactless payment systems, aligned with the global shift toward cashless societies and the development of smart public transportation systems across multiple countries, continues to drive broader RFID adoption.

The industry is moving toward a data-driven future in which RFID is expected to evolve beyond simple data identification into a source of edge intelligence for artificial intelligence applications. RFID will increasingly be integrated with AI systems as a reliable field-level data source, enables advanced analytics and consumer behavior forecasting, alongside the development of higher-performance, application-specific chips and tags at more cost-



efficient levels. The Asia-Pacific region, including Thailand, remains a high-growth market, supported by the continued expansion of the semiconductor industry, presenting a strategic opportunity for the Company to leverage its expertise in application-specific microchip design to differentiate itself globally, deliver value-added solutions, and strengthen long-term competitiveness and sustainable growth.

Reference:

1. WSTS (World Semiconductor Trade Statistics) Spring 2025 Semiconductor Market Forecast
2. MarketsandMarkets: RFID Market - Global Forecast to 2034
3. Euro-Security: RFID market poised for strong growth – market volume expected to more than double by 2034.

Performance Summary

Financial Performance

For the year ended 31 December 2025, the Company reported total revenue from sales and services of 690.07 million baht, increase of 28.24 million baht or 4.3% compared with the year ended 31 December 2024, primarily supported by progress in the implementation and adoption of electronic animal identification tags. Net profit for the year amounted to 80.00 million baht, decrease of 21.21 million baht or 21.0% from the prior year, mainly due to R&D-related human capital expenses from increased headcount in design and development functions, higher research expenses to support the release of new advanced core technologies and products, as well as asset impairment losses and foreign exchange losses from the appreciation of the Thai baht during the year. Key changes are summarized as follows:

(Unit: Million Baht)

Statement of Comprehensive Income	Q4/2024	Q3/2025	Q4/2025	Change		For the year		
				%QoQ	%YoY	2024	2025	% Change
Revenue from sales and services	124.78	159.84	138.55	-13.3%	11.0%	661.83	690.07	4.3%
Costs of sales and services	(67.44)	(84.53)	(83.71)	-1.0%	24.1%	(374.60)	(389.35)	3.9%
Gross profits	57.34	75.31	54.84	-27.2%	-4.4%	287.23	300.72	4.7%
Other income**	5.75	0.15	0.32	114.9%	-94.5%	0.92	1.01	10.1%
Selling and distribution expenses	(8.99)	(7.89)	(7.91)	0.3%	-12.0%	(36.59)	(28.30)	-22.7%
Administrative expenses**	(41.96)	(55.09)	(46.38)	-15.8%	10.5%	(145.57)	(193.64)	33.0%
<i>Research expenses</i>	<i>(13.27)</i>	<i>(17.13)</i>	<i>(16.55)</i>	<i>-3.3%</i>	<i>24.8%</i>	<i>(49.29)</i>	<i>(63.41)</i>	<i>28.7%</i>
<i>FX Losses**</i>	<i>N/A</i>	<i>(1.08)</i>	<i>(2.42)</i>	<i>125.0%</i>	<i>N/A</i>	<i>(1.37)</i>	<i>(9.13)</i>	<i>564.1%</i>
<i>Other administrative expenses</i>	<i>(28.70)</i>	<i>(36.88)</i>	<i>(27.40)</i>	<i>-25.7%</i>	<i>-4.5%</i>	<i>(94.91)</i>	<i>(121.10)</i>	<i>27.6%</i>
Profit (loss) from operating activities	12.13	12.48	0.87	-93.1%	-92.9%	105.99	79.80	-24.7%
Finance income	0.15	0.19	0.75	283.8%	398.3%	0.55	1.12	102.7%
Finance costs	(1.01)	(0.25)	(0.06)	-76.0%	-94.1%	(5.84)	(1.38)	-76.4%
Share of profit (loss) from investment in joint ventures	(0.04)	(0.03)	(0.10)	253.1%	140.2%	(0.29)	(0.11)	-61.2%



Statement of Comprehensive Income	Q4/2024	Q3/2025	Q4/2025	Change		For the year		
				%QoQ	%YoY	2024	2025	% Change
Profit (loss) before tax expense	11.22	12.40	1.45	-88.3%	-87.1%	100.42	79.43	-20.9%
Tax income (expense)	0.09	0.14	(0.01)	-106.1%	-109.3%	0.79	0.57	-27.5%
Profit (loss) for the year	11.32	12.54	1.44	-88.5%	-87.3%	101.21	80.00	-21.0%
Gross Profit Margin (%)	45.95	47.11	39.58	N/A	N/A	43.40	43.58	N/A
Net Profit Margin (%)	9.07	7.85	1.04	N/A	N/A	15.29	11.59	N/A

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

**In Q4/2025, the Company recorded a net FX loss of 2.42 million baht (realized loss of 0.57 million baht and unrealized loss of 1.86 million baht), which was presented under "Administrative expenses". This treatment is consistent with Q3/2025, which recorded a net FX loss of 1.08 million baht. In contrast, Q4/2024 recorded a net FX gain of 5.53 million baht, presented under "Other income".

For FY2025, the Company recorded a net FX loss of 9.13 million baht, compared with a net FX loss of 1.37 million baht in FY2024, both presented under "Administrative expenses".

Revenue from Sales and Services

In Q4/2025, the Company recorded revenue from sales and services of 138.55 million baht, declining 21.29 million baht or 13.3% quarter-on-quarter due mainly to lower Industrial IoT revenue. However, revenue increasing 13.76 million baht or 11.0% year-on-year, driven primarily by stronger sales in the Animal Identification group.

For the year 2025, the Company recorded total revenue from sales and services of 690.07 million baht, an increase of 28.24 million baht or 4.3% from 661.83 million baht in 2024. The growth was primarily driven by continued demand in the Animal Identification group, supported by progress in the implementation of electronic animal identification requirements.

As more than 99% of the Company's revenue is generated from exports, performance analysis is strongly assessed in U.S. dollar terms. Total revenue increased from 18.76 million USD in 2024 to 21.00 million USD in 2025, representing growth of 12.0%. During the year, the appreciation of the Thai baht of approximately 6.6% adversely affected the translation of USD denominated revenue into Thai baht.

Revenue Structure – Breakdown by Product Group

Product Group	Q4/2024	Q3/2025	Q4/2025	Change		For the year		
				%QoQ	%YoY	2024	2025	% Change
Animal Identification	61.68	92.45	95.42	3.2%	54.7%	379.23	457.76	20.7%
Immobilizer	20.90	9.80	9.93	1.3%	-52.5%	79.37	46.34	-41.6%
Industrial IoT	40.44	57.47	32.65	-43.2%	-19.3%	200.53	183.08	-8.7%
NFC & Other	1.77	0.12	0.54	346.0%	-69.3%	2.70	2.89	7.0%
Total revenue	124.78	159.84	138.55	-13.3%	11.0%	661.83	690.07	4.3%
Total Revenue (Million USD)	3.68	4.96	4.34	-12.5%	18.2%	18.76	21.00	12.0%
Average Exchange Rate (THB/USD)	33.95	32.21	31.89	-1.0%	-6.1%	35.10	32.78	-6.6%



1) Revenue from the Animal Identification group

In Q4/2025, revenue from the Animal Identification group amounted to 95.42 million baht, with the SIC7150 product launched earlier in the year contributing approximately 1.2% of group revenue. Revenue grew 2.97 million baht or 3.2% quarter-on-quarter and 33.74 million baht or 54.7% year-on-year, driven by on-schedule product deliveries and the initial revenue recognition from the new product. These factors supported expanded orders from existing customers and further penetration into new markets.

For the year 2025, revenue from the Animal Identification group totaled 457.76 million baht, with the SIC7150 product accounting for approximately 1.0% of group revenue. Revenue increased 78.53 million baht or 20.7% year-on-year, driven by growth among key customers in Europe in line with the enforcement of electronic identification regulations across several countries. In addition, the newly launched product supported to gain market shares in the new market applications as well as to expand customer base into new markets, and strengthened the Company's long-term growth potential.

Over the long term, the Company continues to benefit from government policies in overseas markets. Argentina has mandated electronic animal identification for cattle, buffaloes, and deer, accompanied by financial support for operators, while Brazil has announced the National Individual Identification Plan (PNIB) to transition livestock traceability from herd-level to individual-level tracking between 2025 - 2032, with electronic identification designated as a key solution. These policy initiatives are expected to serve as important drivers of sustained growth in the animal identification microchip market, alongside increasing global emphasis on animal health, food safety, and meat traceability to support long-term sustainability in food supply.

2) Revenue from the Immobilizer group

In Q4/2025, revenue from the Immobilizer group amounted to 9.93 million baht, a slight increase from 9.80 million baht in the previous quarter. However, revenue declined 10.96 million baht, or 52.5% year-on-year, primarily due to high-level customer inventory levels resulting from global automotive trend in the prior years.

For the year 2025, revenue from the Immobilizer group totaled 46.34 million baht, declining by 33.02 million baht, or 41.6% year on year, reflecting lower market demand from customers in Europe and the United States amid a global slowdown in the automotive industry. Revenue from the ULTX product and its derivatives, the group's core offering, accounted for 61.9% of total Immobilizer revenue.

The Company is currently collaborating with customers in new markets on the development of joint projects, supporting its long-term strategy to expand new product designs and drive sustainable revenue growth.



3) Revenue from Industrial IoT group

In Q4/2025, revenue from the Industrial IoT group totaled 32.65 million baht, declining 24.81 million baht, or 43.2% quarter-on-quarter, primarily due to a high revenue base in the prior quarter following advance inventory purchases by key customers. Year-on-year, revenue declined 7.79 million baht or 19.3%, reflecting softer order demand from customers in the Asia region.

For the year 2025, revenue from the Industrial IoT group amounted to 183.08 million baht, declining 17.46 million baht or 8.7% year-on-year, primarily due to softer order demand from customers in China, partly offset by extended product testing periods among customers in the Asia and Europe regions.

The Company continues to develop and launch new products to address the evolving needs of new customer segments. The ongoing expansion of digitalization, automation, and device connectivity across sectors such as manufacturing, modern agriculture, and logistics is expected to remain a key growth driver for the Industrial IoT segment going forward.

4) Revenue from NFC and others group

In Q4/2025, revenue from the NFC and Others group amounted to 0.54 million baht, increasing 0.42 million baht or 346.0% quarter-on-quarter, while declining 1.22 million baht, or 69.3% year-on-year, primarily due to slower-than-expected development of new applications and the related ecosystem for the Company's products.

For the year 2025, revenue from the NFC and Others group totaled 2.89 million baht, increasing 0.19 million baht, or 7.0% year-on-year, driven by the continued development of new NFC-based products in collaboration with customers across Industrial NFC, authentication, and sensor applications, supporting the gradual expansion of this segment's revenue contribution.

Costs of Sales and Services

In Q4/2025, cost of sales and services amounted to 83.51 million baht, decreasing 1.02 million baht, or 1.2% quarter-on-quarter, in line with lower revenue during the period. Year-on-year, costs increased 16.07 million baht or 23.8%, consistent with the growth in revenue over the same period.

For the year 2025, total cost of sales and services amounted to 389.15 million baht, an increase of 14.56 million baht or 3.9% year-on-year, in line with higher revenue. During the year, the Company gradually launched new products with higher profit margins, which contributed to effective cost management and enabled the Company to maintain its gross margin at a level comparable to the prior year.



Gross Profit and Gross Profit Margin

In Q4/2025, the Company recorded gross profit of 54.84 million baht, declining 20.47 million baht or 27.2% quarter-on-quarter and 2.50 million baht or 4.4% year-on-year. The decline reflected a shift in product mix, baht appreciation, and lower revenue during the quarter. As a result, the gross profit margin contracted to 40% from 47% in Q3/2025 and 46% in Q4/2024, primarily driven by a higher revenue contribution from the Animal Identification product group, which accounted for 69% of total revenue in Q4/2025, compared with 58% in Q3/2025 and 49% in Q4/2024.

For the year 2025, the Company recorded gross profit of 300.72 million baht, an increase of 13.49 million baht or 4.7%, compared with the prior year. The gross profit margin improved to 44% from 43% in 2024, reflecting a more effective pricing strategy aligned with cost dynamics and the contribution of new product launches, which continued to support profitability improvement.

Other Income

In Q4/2025, the Company recorded other income of 0.32 million baht, increasing from 0.15 million baht in the previous quarter. However, other income declined significantly compared with 5.75 million baht in the same quarter of 2024, primarily due to the recognition of both realized and unrealized foreign exchange gains totaling 5.53 million baht in Q4/2024, which were presented under other income. For the year 2025, the Company reported other income of 1.01 million baht, representing a slight increase from 0.92 million baht in 2024.

Selling and Distribution Expenses

In Q4/2025, the Company's selling and distribution expenses amounted to 7.91 million baht, a slight increase from 7.89 million baht in the previous quarter. Year-on-year, expenses declined 1.08 million baht or 12.0%, mainly due to lower advertising and promotional expenses. For the year 2025, selling expenses totaled 28.30 million baht, declining 8.30 million baht or 22.7%, from the prior year, primarily reflecting reductions in salaries and employee benefits, promotional expenses, and travel expenses.

Administrative Expenses

In Q4/2025, the Company's administrative expenses amounted to 46.38 million baht, decreasing 8.71 million baht or 15.8% quarter-on-quarter, mainly due to the absence of intangible asset impairment losses of 9.29 million baht recognized in the prior quarter. Year-on-year, administrative expenses increased 4.41 million baht or 10.5%, primarily reflecting higher research and travel expenses.



For the year 2025, administrative expenses totaled 193.64 million baht, increasing 48.07 million baht or 33.0% from the prior year, primarily reflecting: (1) higher salaries and employee benefits of 15.76 million baht or 27.6%, in line with workforce expansion to support business growth; (2) increased research expenses of 14.13 million baht or 28.7%, consistent with the Company's long-term product development strategy; (3) intangible asset impairment losses of 11.13 million baht, up 345.4% year-on-year, related to three new product development projects using new technologies, which experienced longer-than-expected development timelines, resulting in lower discounted cash flow estimates; and (4) higher foreign exchange losses of 7.75 million baht or 564.1%, due to the appreciation of the Thai Baht, which adversely affected export revenues representing over 99% of total sales.

Finance Costs

In Q4/2025, the Company's finance costs amounted to 0.06 million baht, decreasing from 0.25 million baht in the previous quarter and 1.01 million baht in Q4/2024. For the year 2025, finance costs declined significantly to 1.38 million baht, down 4.46 million baht or 76.4% from the prior year, following the full repayment of short-term loans from financial institutions completed 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 2025, the Company recognized a reduced share of loss of 0.11 million baht, down from 0.29 million baht in the prior year, reflecting improved operational efficiency and gradually strengthening revenue. However, in Q4/2025, the Company recorded a share of loss of 0.10 million baht, compared with 0.03 million baht in the previous quarter and 0.04 million baht in Q4/2024.

Adaptrics has also successfully advanced its innovation toward commercial deployment. Most recently, the company launched an advanced NFC wristband system to enhance the management of graduation ceremonies at Burapha University, marking its first institutional implementation. In this regard, Adaptrics entered into a memorandum of understanding (MOU) with the university to jointly develop RFID-based solutions, representing a key strategic step in expanding smart technology applications across broader sectors.

Tax income (expense)

The Company benefits from tax incentives granted by the Board of Investment (BOI). As the majority of the Company's revenue is generated from BOI-promoted activities, it is therefore subject to a reduced corporate income tax rate, supporting overall profitability.



In Q4/2025, the Company recorded tax expense of 0.01 million baht, compared with tax income of 0.14 million baht in the previous quarter and 0.09 million baht in Q4/2024. For the year 2025, tax income totaled 0.57 million baht, declining from 0.79 million baht in 2024, primarily attributable to the lower recognition of deferred tax income from the prior year.

Net Profit

In Q4/2025, the Company recorded net profit of 1.44 million baht, declining 11.10 million baht or 88.5% quarter-on-quarter, in line with lower sales and service revenue and foreign exchange losses recognized during the quarter. Year-on-year, net profit decreased 9.88 million baht or 87.3%, reflecting a contraction in gross margin from 46% to 40%, higher research expenses, and foreign exchange losses. As a result, net profit margin for the quarter fell to 1%, from 8% in the prior quarter and 9% in Q4/2024.

For the year 2025, the Company recorded net profit of 80.00 million baht, a decrease of 21.21 million baht or 21.0% from 2024, with net profit margin declining from 15% to 12%. The decrease was primarily attributable to higher administrative expenses to support business expansion, increased investment in research and development activities, as well as impairment losses on intangible assets and foreign exchange losses recognized during the year, as discussed above. The increased investment in research and development involves in intellectual property development, patent creation and filing process, foundation researches for new technology product groups and new product development. This R&D investment is crucial for the sustainability management of the Company in fast changing business environment.

Financial Position Summary

Statements of Financial Position

Financial Position	As at						Change	
	31 Dec 2023		31 Dec 2024		31 Dec 2025		2025 Vs 2024	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Current assets	901.95	77.7	685.95	70.5	620.72	67.1	(65.23)	-9.5%
Non-Current assets	258.16	22.3	287.09	29.5	304.54	32.9	17.45	6.1%
Total Asset	1,160.11	100.0	973.03	100.0	925.26	100.0	(47.78)	-4.9%
Current Liabilities	476.25	41.1	198.66	20.4	102.79	11.1	(95.87)	-48.3%
Non-Current Liabilities	28.99	2.5	33.93	3.5	46.46	5.0	12.53	36.9%
Total Liabilities	505.25	43.6	232.59	23.9	149.25	16.1	(83.35)	-35.8%
Total shareholders' equity	654.87	56.4	740.44	76.1	776.01	83.9	35.57	4.8%



Total Asset

As of December 31, 2025, the Company's total assets amounted to 925.26 million baht, representing a decrease of 47.78 million baht from 973.03 million baht as of the end of 2024, driven by the following key factors:

- Current assets totaled 620.72 million baht, declining 65.23 million baht from the end of 2024, primarily due to a reduction in inventories of 171.65 million baht following product deliveries in line with planned schedules. This was partially offset by an increase in cash and cash equivalents of 61.36 million baht from operating cash inflows, as well as a 30.71 million baht increase in other current financial assets from higher short-term investments, supported by improved liquidity after the full repayment of financial institution loans.
- Non-current assets amounted to 304.54 million baht, increasing 17.45 million baht from the end of 2024, primarily driven by a 40.82 million baht increase in other intangible assets as the Company expanded projects under development for new product launches to support future growth. This was partially offset by a 31.23 million baht decline in other non-current financial assets, mainly due to a reduction in pledged deposits following the full repayment of loans from financial institutions.

Total Liabilities

As of December 31, 2025, the Company reported total liabilities of 149.25 million baht, representing a decrease of 83.35 million baht from 232.59 million baht at the end of 2024. The key changes were as follows:

- Current liabilities totaled 102.79 million baht as of December 31, 2025, decreasing by 95.87 million baht from the end of 2024. The decline was primarily attributable to the full repayment of short-term borrowings from financial institutions in September 2025, as well as a reduction of 13.62 million baht in advances received from customers.
- Non-current liabilities amounted to 46.46 million baht as of December 31, 2025, increasing by 12.53 million baht from the end of 2024. The increase was mainly due to higher provisions for long-term employee benefits of 8.14 million baht, in line with growth in headcount and employee tenure, as well as an increase of 4.39 million baht in lease liabilities related to office premises.

Total Shareholders' Equity

As of December 31, 2025, shareholders' equity amounted to 776.01 million baht, increasing by 35.57 million baht from 740.44 million baht at the end of 2024. The increase was primarily driven by higher retained earnings from the Company's operating results for the year ended December 31, 2025, net of dividends approved by the Annual General Meeting of Shareholders.



Cash Flow Liquidity and Capital Resource

Statement of Cashflow (Million Baht)	For the year end		Change	
	2024	2025	Million Baht	%
Cash Flow from Operating Activities				
Net cash provided by operating activities	138.26	259.78	121.53	87.9%
Cash Flow from Investing Activities				
Net cash used in investing activities	(56.82)	(85.60)	(28.78)	50.7%
Cash Flow from Financing Activities				
Net cash used in financing activities	(151.94)	(112.92)	39.03	-25.7%
Effects of exchange rate to cash and cash equivalents	(0.67)	0.09	0.76	-113.6%
Net increase (decrease) in cash and cash equivalents	(71.18)	61.36	132.54	-186.2%
Cash and cash equivalents as at 1 January	133.63	62.45	(71.18)	-53.3%
Cash and cash equivalents as at	62.45	123.82	61.36	98.2%

As of December 31, 2025, the Company had cash and cash equivalents of 123.82 million baht, increasing from 62.45 million baht as of the end of 2024. The change was driven by cash flows from the Company's operating, investing, and financing activities, as summarized below.

- Net cash provided by operating activities amounted to 259.78 million baht, primarily driven by favorable working capital movements, particularly a reduction in inventories of 159.72 million baht following product deliveries during the year. In addition, the Company recognized an impairment loss on product development and design projects of 11.13 million baht, a non-cash item reflecting adjustments to carrying values in line with business conditions.
- Net cash used in investing activities totaled 85.60 million baht, mainly attributable to net investments in debt mutual funds of 19.93 million baht and investments in intangible assets for product development and design projects of 56.20 million baht, reflecting the Company's continued investment in technological capabilities and long-term growth.
- Net cash used in financing activities amounted to 112.92 million baht, primarily due to net repayments of short-term borrowings from financial institutions of 100.02 million baht, dividend payments of 40.31 million baht, and lease liability payments. These outflows were partially offset by cash inflows of 31.14 million baht from the reduction in restricted bank deposits, reflecting prudent liquidity management and ongoing balance sheet strengthening.



Key Financial Ratios

Financial Ratios	Unit	2023	2024	2025
Current Ratios	times	1.89	3.45	6.04
Average Sale Period*	days	197	223	169
Average Collection Period	days	31	27	33
Average Payment Period	days	91	75	25
Cash Conversion Cycle	days	137	174	177
Gross Profit Margin (GPM)	%	46%	43%	44%
Net Profit Margin (NPM)	%	21%	15%	12%
Return on Assets (ROA)	%	16%	10%	9%
Return on Equity (ROE)	%	24%	15%	11%
Debt to Equity Ratio	times	0.77	0.31	0.19

*Inventory excludes raw materials

As of 31 December 2025, the Company reported a current ratio of 6.04 times, reflecting continued improvement in overall liquidity management and a strong capacity to meet short-term obligations. The average inventory holding period shortened to 169 days, in line with a reduction in inventory levels driven by more efficient inventory management. The debt-to-equity ratio stood at 0.19 times, continuing its downward trend from the end of 2023 and 2024 following the repayment of borrowings from financial institutions. This underscores the Company's low-risk capital structure and provides financial flexibility to support future growth opportunities.

Factors Affecting Future Operations and Growth

Research and Development: Continuous investment in research and development is a key driver of the Company's competitiveness and long-term growth, enabling the development of new products, enhancement of existing offerings, and expansion into new markets. However, technology development requires significant investment as well as sufficient time for development and testing, which may affect the Company's cost structure and the timing of revenue recognition in the short term.

Workforce Capability Development: A key element of the Company's competitiveness is its access to highly specialized talent. Accordingly, the Company places strong emphasis on human capital development to support the semiconductor industry. This effort is further supported by government initiatives, including the establishment of a national semiconductor network, which helps develop and supply skilled professionals directly to the industry. Such initiatives mitigate talent shortage risks and support the Company's long-term capabilities in integrated circuit design and innovation.



Government Support Measures: In early January 2026, the Thailand Board of Investment announced new incentives to promote the semiconductor and advanced electronics industry, with a focus on analog and sensor microchip design. The measures include tax incentives, support for research and development, and workforce development initiatives. These policies are expected to positively support the Company’s operational capabilities and long-term growth prospects.

Constraints and Risks: While the industry continues to demonstrate positive growth prospects, several constraints may affect business expansion. These include high research and development costs, volatility in the semiconductor supply chain, price competition from low-cost manufacturers, differences in regulatory requirements across jurisdictions, and rapid technological change. Addressing these challenges requires ongoing investment, effective cost management, and continuous innovation to sustain competitiveness.

Sustainability Progress and Achievements in 2025

Progress in Sustainability Development

	<p>On 22 April 2025, the Company obtained certification of its organizational carbon footprint assessment for the year 2024 in accordance with the carbon footprint calculation and reporting guidelines of Thailand Greenhouse Gas Management Organization. During 2024, the Company’s combined Scope 1 and Scope 2 greenhouse gas emissions totaled 135 tCO₂e, representing a reduction from 139 tCO₂e in 2023.</p>
	<p>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.</p>
	<p>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.</p>
	<p>On 12 December 2025, the Company was selected for inclusion in the 2025 list of sustainable stocks under the SET ESG Ratings by the Stock Exchange of Thailand and received an “A” rating for the fourth consecutive year.</p>



 <p>FTSE RUSSELL ESG SCORE 2025</p> <p>"SICT คว้าคะแนน FTSE Russell ESG 3.9 จัดอยู่ใน ระดับ Good Practice"</p> <p>3.9</p> <p>5.0 Governance</p> <p>3.8 Social</p> <p>3.0 Environmental</p>	<p>In 2025, the Company participated in the FTSE Russell ESG Score assessment under the collaboration between the Stock Exchange of Thailand and FTSE Russell. The Company achieved an overall ESG score of 3.9 out of 5.0, placing it in the "Good Practice" category, and received a full score of 5.0 in the Corporate Governance pillar.</p>
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Achievement Highlights

	<p>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.</p>
	<p>On 27 November 2025, the Company received two prestigious awards at the SET Awards 2025:</p> <ul style="list-style-type: none"> • SET Awards of Honor: Excellence as an Innovative Company 2023 - 2025 • Outstanding Investor Relations Awards

Please be informed accordingly.

Best regards

(Dr. Bodin Kasemset)

Chief Executive Officer

Silicon Craft Technology Public Company Limited

