

FAC/23-061

November 13, 2023

Subject: Management Discussion and Analysis for the 3rd Quarter, ending September 30, 2023

To: The Director and Manager
The Stock Exchange of Thailand

Qualitech Public Company Limited and Subsidiaries hereafter refer as (the “Company”) would like to clarify the Company’s operating results for the nine-month periods ended September 30, 2023. The Company had the net loss of 135.25 million Baht, when compared to the last year same period had the net profit of 33.86 million Baht, found it was decreased by 169.12 million Baht or 499.39% from the same period last year as following details.

- For the nine-month periods the Company had the revenue from sales and services was 298.12 million Baht decreased from the same period last year by 17.99 million Baht or 5.69%. Due to a decrease in revenue from inspection services, industrial services, and non-destructive testing services, the Company has experienced a decline in its overall revenue. In the past year, the Company secured projects with higher values than those anticipated for the current year. Additionally, certain projects scheduled for the current year have been postponed which contributes to the reduction in revenue.
- Cost of sales & services was 221.98 million Baht decreased from the same period last year by 0.07 million Baht or 0.03% due to a decrease in customer demand for our services, the Company has experienced a reduction in costs.
- Distribution costs was 9.54 million Baht increased from the same period last year by 2.66 million Baht or 38.62% because the Company and subsidiaries have incremental personnels of sales and marketing staff to support expanding the customer base and increasing more revenue.
- Administrative expenses was 211.57 million Baht which increased from the same period last year by 160.15 million Baht or 311.47% because the Company has determined to set up impairment loss on investment in an associate (Property Aim Solutions Company Limited) in amount of 121.49

million Baht and the associate lacks financial liquidity and there was a serious internal problem to inability to continue their business, along with the Company have incremental personnels of employee and the Company received 9.59 million baht, debt settlement in a lawsuit pending against Nacap Asia Pacific (Thailand) Company Limited, thus causing the Company to have expenses in the expected credit loss decreased from the provision account.

Please be informed accordingly.

Best Regards,

(Miss Kunlanit Sarapab)
The Company's Secretary