

No. Elen 002/2024

February 19, 2024

Subject: Management Discussion and Analysis Yearly ending December 31, 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 year ended December 31, 2023. The Company had the net loss 141.34 million Baht, when compared to the last year had the net profit of 17.86 million Baht, found it was decreased by 159.19 million Baht or 891.52% as following details.

- The Company had the revenue from sales and services was 427.59 million Baht decreased from the last year by 27.78 million Baht or 6.10%. Due to a decrease in revenue from inspection services and industrial services and non-destructive testing services.
- Cost of sales & services was 316.93 million Baht decreased from the last year by 5.42 million Baht or 2.46% due to a decrease in customer demand for our services, the Company has experienced a reduction in costs.
- Distribution costs was 12.37 million Baht increased from the last year by 2.46 million Baht or 24.78% 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 236.59 million Baht which increased from the last year by 126.02 million Baht or 113.977% 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
- The credit loss amounted to 7.09 million baht, compared to the last year's credit loss forecast of 9.37 million baht, indicating an increase of 16.46 million baht or 175.69 percent. This increase is due to the fact that in the previous year, the company received payment for a customer litigation

case against Nacap Asia Pacific (Thailand) Co., Ltd., amounting to 9.59 million baht, resulting in the reversal of the forecasted credit loss of trade debtors. Additionally, this year, the company experienced an increase in overdue payments from customers, leading to the recognition of increased credit loss forecast for trade debtors.

Please be informed accordingly.

Best Regards,

(Miss Kunlanit Sarapab)
The Company's Secretary