

No. QTC 0002/2024

February 9, 2024

Subject Management Discussion and Analysis Fiscal Year 2023

Dear Committees and Manager of the Stock Exchange of Thailand

QTC Energy Public Company Limited would like to clarify on the net profit of the year ended at December 31, 2023, whereas, the total financial budget of QTC Energy Public Company Limited and the company’s subsidiary (“Company Group”), had the net profit in the amount of 66.89 million baht that was increase by 322.55% compared to that of 2022 with the net profit of 15.83 million baht. The financial performance and the analysis factors as follows:

**Financial Performance**

STATEMENT OF PROFIT (CONSOLIDATED)	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Income from sales and services	1,337.12	120.67	9.92	1,216.45
Cost of sales and services	(1,108.49)	(40.41)	3.78	(1,068.08)
<b>Gross profit</b>	<b>228.63</b>	<b>80.26</b>	<b>54.09</b>	<b>148.37</b>
Other income	23.78	3.54	17.49	20.24
<b>Profit before expenses</b>	<b>252.41</b>	<b>83.80</b>	<b>49.70</b>	<b>168.61</b>
Selling expenses	(54.20)	(8.22)	17.88	(45.98)
Administrative expenses	(112.92)	(10.97)	10.76	(101.95)
<b>Total expenses</b>	<b>(167.12)</b>	<b>(19.19)</b>	<b>12.97</b>	<b>(147.93)</b>
<b>Profit before finance costs and income tax</b>	<b>85.29</b>	<b>64.61</b>	<b>312.43</b>	<b>20.68</b>
Share of loss from investment in associated company	(0.91)	(0.40)	78.43	(0.51)
Finance costs	(1.50)	(0.53)	54.64	(0.97)
<b>Profit before income tax</b>	<b>82.88</b>	<b>63.68</b>	<b>331.67</b>	<b>(19.20)</b>
Income tax benefit (income tax)	(15.99)	(12.62)	374.48	(3.37)
<b>Profit for the period</b>	<b>66.89</b>	<b>51.06</b>	<b>322.55</b>	<b>15.83</b>

## **INCOME FROM SALES AND SERVICE**

In 2023, the company had income from sales and services and electricity sales by subsidiary company amounting to 1,337.12 million baht. increase from the same period of 2022 was 1,216.45 million baht which made the increase rate of 9.92%.

Revenue by Business	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Revenue from sales of finished goods	874.53	121.65	16.16	752.88
Revenue from the sale of electricity	53.76	1.79	3.44	51.97
Revenue from Solar Business	357.25	0.23	0.06	357.02
Revenue from sales of raw materials and other equipment	4.23	(4.38)	(50.87)	8.61
Revenue from Service	47.35	1.38	3.00	45.97
<b>Total Revenue from Sales and Service</b>	<b>1,337.12</b>	<b>120.67</b>	<b>9.92</b>	<b>1,216.45</b>

**Revenue from sales of finished goods:** With revenue from selling transformers to government agencies. Including the private sector and exports in 2023, the revenue increase from 2022 was 121.65 million baht, representing an increase of 16.16%. Due to in 2022 didn't bidding with government sector. For export sales in 2023 decrease from 2022 of 22.54% is a result of outbound transportation problem.

Customer type	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Government and State enterprises	181.46	117.23	4,189.83	4.23
Private companies domestic	476.45	7.44	1.59	469.01
Export	216.62	(63.02)	(22.54)	279.64
<b>Total Revenue from Sale of electric transformers</b>	<b>874.53</b>	<b>121.65</b>	<b>16.16</b>	<b>752.88</b>

**Revenue from the sale of electricity:** the revenue from electricity sales of indirect subsidiaries in 2023 amounted to 53.76 million baht while in 2022, the amount was 51.97 million baht, an increase of 3.44%, reason is tariff (FT) rate per unit increase. In other words, still to maintain capacity of electricity generate to stable.

**Revenue from Solar Business:** In 2023 there was a revenue from the solar cell business, and related equipment amounted to 357.25 million baht increase from the same period of 2022 that was 357.02 million baht which made the increase of 0.06%. this is because the demand for inverter products continues to cause sales to increase from 2022 by 75.84 million, because all 2023 costs of solar cell fluctuations. It’s highly competitive , be the cause of reduced sales price.

Product type	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Inverter	255.61	75.84	42.19	179.77
Solar cell	99.52	(75.53)	(43.15)	175.05
EV Charger & Cable Connector	2.12	(0.08)	(3.64)	2.20
<b>Total Revenue from Solar Business</b>	<b>357.25</b>	<b>0.23</b>	<b>0.06</b>	<b>357.02</b>

**Revenue from Service:** The Company had revenues from providing services to customers to support the needs and convenience of customers in 2023 amounted to 47.35 million baht, an increase of 3.00%, while in 2022, it was 45.97 million baht. The company continues to maintain quality of service. To support customer’s expectation and facilitate to customers. Including maintaining the existing customer and continuously expanding the new customer.

Type	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Service and maintenance	24.51	0.07	0.29	24.44
Transformer repairs	18.27	1.77	10.73	16.50
Other services	4.57	(0.46)	(9.15)	5.03
<b>Total Revenue form Service</b>	<b>47.35</b>	<b>1.38</b>	<b>3.00</b>	<b>45.97</b>

### **COST OF SALES AND SERVICES**

In 2023, the company has cost of sales and services of 1,108.49 million baht, gross profit margin of 17.10%, while the same period of year 2022, the company has cost of sales and services of 1,068.08 million baht, to be gross profit of 12.20%, the reason from to the price of main raw materials used in production having decreased.

### **SELLING AND ADMINISTRATIVE EXPENSES**

The Company had selling and administrative expenses of 167.12 million baht for the year 2023, a increase of 12.96% from the amount of 147.94 million baht in 2022, due to sales promotion activities and expenses for operating raise the price.

Please be informed accordingly.

Yours Sincerely



Mr. Poonphiphat Tantanasin

Chief Executive Officer