No.	**QTC 0018/2026**
Date	Aug 07, 2026
Subject	Management Discussion and Analysis For Q2/2026 Operating Results
Dear	Committees and Manager of the Stock Exchange of Thailand

Operational Overview

In the second quarter of 2026, the transformer industry in Thailand continuously growing. In line with the expansion of infrastructure investments in both public and private sectors, particularly projects related to power distribution and renewable energy systems, there is still a high demand. However, the industry is under pressure from fluctuations in main raw material prices and price competition. As a result, the company focused on effective cost management, along with ensuring product quality met standards by adopting cutting edge technology to reduce labor usage.

Analysis of Performance in the Second Quarter of 2026

- **The company's operating revenue** amounted to 736.55 million baht, an increase of 73.20% from the same period last year. The main reason was the increased revenue from the sale of transformers due to the growth of investment in government infrastructure and private sector projects that have a higher demand for transformers. At the same time, revenue from the sale of electrical equipment also increased due to the strategy of expanding the market by increasing diversified business partners in each product category to cover the renewable energy business, particularly the rising demand for the installation of rooftop solar power systems (Solar Rooftop) in both residential sectors and large-scale projects in the government and private sectors.

- **The company's gross profit** was 128.90 million baht, an increase of 91.28 million baht or 242.64 percent from the same period of the previous year, while the gross profit margin increased to 17.50 percent from 8.85 percent. The increase in the gross profit margin was mainly due to the company's improvement of the production process to reduce production costs, construction and improvement of the production plant by introducing modern technology and machinery into the production process to reduce production costs, resulting in a higher gross profit margin.

- **For the second quarter of 2026**, the company had a net profit of 61.84 million baht, an increase of 73.64 million baht compared to the same period of 2025, which had a net loss of 11.80 million baht.

Financial Performance

Statement of Profit (Consolidated)	Q2'69	Change		Q2'68
	Million Baht	Million Baht	%	Million Baht
Revenue from sales and services	736.55	311.30	73.20%	425.25
Cost of sales and services	(607.65)	(220.02)	56.76%	(387.63)
Gross profit	128.90	91.28	242.64%	37.62
Other income	12.33	8.91	260.53%	3.42
Profit before expenses	141.23	100.19	244.13%	41.04
Selling expenses	(27.85)	(9.21)	49.41%	(18.64)
Administrative expenses	(30.56)	1.94	-5.97%	(32.50)
Total expenses	(58.41)	(7.27)	14.22%	(51.14)
Profit before finance costs and income tax	82.82	92.92	-920.00%	(10.10)
Share of loss from investments in associated company	(0.42)	(0.23)	121.05%	(0.19)
Finance costs	(3.62)	(2.74)	311.36%	(0.88)
Profit before income tax	78.78	89.95	-805.28%	(11.17)
Income tax benefit (income tax)	(16.94)	(16.31)	2588.89%	(0.63)
Profit for the period	61.84	73.64	-624.07%	(11.80)

Revenue from sales and Service

Revenue: The company had operating revenue of 736.55 million baht, an increase of 73.20 percent compared to the same period last year.

Type of Revenue	Q2'69	Change		Q2'68
	Million Baht	Million Baht	%	Million Baht
Revenue from sales of finished goods	385.07	109.35	39.66%	275.72
Revenue from the sale of electricity	11.80	0.46	4.06%	11.34
Revenue from sale of electric equipment	285.46	168.21	143.46%	117.25
Revenue from the EV charging station	12.76	7.95	165.28%	4.81
Revenue from sales of raw materials and other equipment	1.42	(0.34)	-19.32%	1.76
Revenue from Service	40.04	25.67	178.64%	14.37
Total Revenue from Sales and Service	736.55	311.30	73.20%	425.25

- **Revenue from the manufacturing and sales of transformers:** The company's revenue from the sale of transformers to government agencies and private customers in the second quarter of 2026 increased by 109.35 million baht, or 39.66 percent, compared to the same period of the previous year. The main factor was the delivery of goods in large projects, both public and private.

- **Revenue from the sale of electricity:** The indirect subsidiary sold electricity to government agencies in the second quarter of 2026 for 11.80 million baht, while in the second quarter of 2025, it was 11.34 million baht, an increase of 4.06 percent. The main reason was the weather conditions in the second quarter of 2026, which resulted in a period of increased sunlight and higher solar irradiance values, conducive to solar power generation, resulting in an increase in the amount of electricity generated and distributed.

- **Revenue from sale of electric equipment:** In the second quarter of 2026, the subsidiary had revenue from the sale of electrical equipment and renewable energy-related products amounting to 285.46 million baht, an increase from the second quarter of 2025 amounting to 168.21 million baht, an increase of 143.46 percent. Despite the economic slowdown and increased price competition in the market, the company has a continuous market expansion strategy. In addition, the government's Solar Group products have support policies and incentives in terms of tax benefits for the use of renewable energy, as well as the expansion of the rapidly growing industrial sector, resulting in a continuous increase in energy demand.

- **Revenue from the EV charging station:** The subsidiary's revenue from the EV charging station business increased. In the second quarter of 2026, the revenue was 12.76 million baht, compared to 4.17 million baht in the same period of the previous year, an increase of 8.59 million baht. This was due to the expansion of investment in EV charging stations to support the increasing number of commercial electric vehicle users.

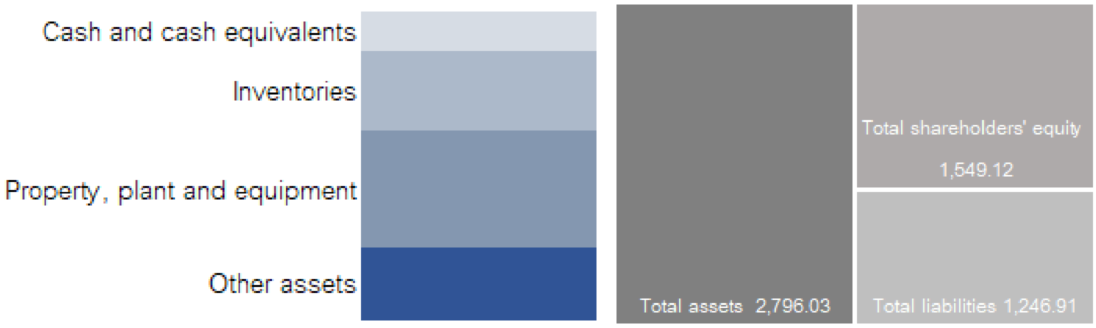
- **Revenue from Service:** The company experienced an increase in service revenue. In the second quarter of 2026, revenue amounted to 40.04 million baht, compared to 14.37 million baht in the same period of the previous year, an increase of 25.67 million baht. This revenue is derived from providing inspection, condition checks, and scheduled maintenance services, as well as repairing power transformers for customers. Additionally, the subsidiary generated revenue from installing comprehensive solar power generation systems and constructing EV charging stations for private customers. This revenue increase is attributed to the recognition of revenue based on the progress of work from several private customer installation projects, resulting in an overall increase in the company's service revenue.

- **Cost of sales and services:** In the second quarter of 2026, the company had a cost of sales and services of 607.65 million baht, representing a gross profit margin of 17.50 percent. In contrast, in the second quarter of 2025, the company had a cost of sales and services of 387.63 million baht, representing a gross profit margin of 8.85 percent. The main reason was the increase in revenue from the sale of transformers and services, especially the delivery of goods and project work with a higher gross profit margin compared to the same period of the previous year, as well as more efficient management of production costs and project costs. As a result, the rate of increase in the cost of sales and services was lower than the rate of increase in revenue, causing the company's gross profit margin to increase.

- **Selling and administrative expenses:** In the second quarter of 2026, the company had selling and administrative expenses of 58.41 million baht, an increase of 14.22 percent from the same period of the previous year, which was 51.14 million baht. The main reason was the increase in marketing expenses, transportation costs, Sales promotion and other expenses, which was consistent with the expansion of sales, as well as the increase in personnel expenses.

- **Financial costs:** In the second quarter of 2026, the company had financial costs of 3.62 million baht, an increase from the same period of the previous year, which was 2.74 million baht. This is due to the continuous growth of the company's business and the group of companies. There is a need for sufficient cash flow to be used in the business to deliver goods to customers, which may require the use of short-term loans from financial institutions.

Financial position analysis



- **The total** assets of the company as of June 30, 2026, amounted to 2,796.03 million baht, an increase of 18.89 percent from the end of the previous year. The main factor was the increase in inventory of 271.35 million baht, or 48.70 percent, in line with the increase in the volume of raw materials to support the expanding orders, as well as the advance stockpiling of raw materials to reduce the risk of fluctuations in raw material prices and the uncertainty of import lead times. In addition, trade receivables increased in line with the growth in sales revenue. At the same time, cash and cash equivalents decreased by 21.16 percent as a result of the use of cash in the business to reduce the interest burden on short-term loans.

- **The Company's total liabilities** as of June 30, 2026 amounted to 1,246.91 million baht, an increase of 58.48 percent from the end of the previous year. The main factor was the increase in advance payments from customers, which was consistent with the increase in orders and advance payments for projects in progress. At the same time, trade payables and other payables increased in line with the volume of raw material orders and expenses related to the expansion of operations, as well as the increase in short-term loans from financial institutions to meet the Company's working capital needs.
- **Shareholders' equity** as of June 30, 2026 was 1,549.12 million baht, a decrease of 1.02 percent, mainly due to a decrease in retained earnings. Although the company had a net profit in the current period, the company paid dividends from retained earnings for the year 2025, resulting in a decrease in shareholders' equity as of June 30, 2026 compared to the end of the previous year.

The company's business sustainability goals

QTC Energy Public Company Limited continues to drive its business operations under the framework of sustainable development by integrating economic, social, environmental, and corporate governance (ESG) dimensions into its operational processes and business decision-making. This is done to create stable growth while creating value for all stakeholders according to the principle of "Quality of Details," which is a key foundation of sustainable organizational development.

In the economic dimension, the company aims to enhance competitiveness and long-term growth through the development of products and services that support energy transition, especially by expanding its business into clean energy solutions and energy storage systems under the QTC ESS business group, which plays a key role in promoting energy efficiency and reducing dependence on fossil fuels. and supporting the development of sustainable energy infrastructure in line with the goals of sustainable development in clean energy and climate change response.

In terms of the environment, the company focuses on the efficient use of resources, the development of products that help reduce energy loss, and the support of reducing greenhouse gas emissions in accordance with the organization's long-term goals. The company has set a goal to achieve carbon neutrality by 2035 and net zero emissions by 2050, while continuously promoting the creation of an environmental corporate culture.

In terms of society, the results of operations in the second quarter of 2026 show that there were 17 accidents, one of which resulted in a work stoppage. There were no cases of work-related illness and no labor disputes. While the company's voluntary resignation rate is 6.53%, which is still below the set target of no more than 10%, there were no confirmed complaints from external stakeholders.

For personnel capacity development, the company continuously promotes learning and training, with 93.82% of employees receiving training to develop their skills, knowledge, and abilities according to the established plan.

However, the company continues to focus on enhancing internal knowledge and knowledge management to support competitiveness and sustainable growth in the future. In addition, the company has continuously implemented human rights throughout the value chain, being able to fully conduct human rights audits on Tier 1 suppliers according to the set target, accounting for 100%. This reflects the company's commitment to conducting business responsibly and in accordance with international principles on human rights and sustainability.

Currently, the company has applied for the "Elevating Industry to a Green Industry for Sustainable Coexistence with Society" program (an activity to promote industrial plants to be responsible to the community and society) of the Department of Industrial Works at no cost, with the goal of receiving the CSR-DIW award from the Department of Industrial Works by 2026.

Overall, in the second quarter of 2026, QTC Energy continues to progress towards its sustainable development goals through strengthening the business, developing clean energy innovations, managing environmental impacts, developing human resources, and conducting business with responsibility to all stakeholders in order to create stable, transparent, and long-term sustainable growth.

Yours Sincerely

Mr. Poonphiphat Tantanasin
Chief Executive Officer