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Qualitech Public Company Limited

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Subject: Management Discussion and Analysis of the Operating Results for the Third Quarter Ended September 30, 2026

To: The Directors and Manager
The Stock Exchange of Thailand

Qualitech Public Company Limited and its subsidiaries (the "Company") would like to clarify the operating results for the third quarter ended September 30, 2026, as follows:

Overview of Business Operations, Significant Events and Developments

The operating results for the third quarter of 2026 improved compared to the same period of the previous year. This was mainly attributable to an increase in inspection work during customers' maintenance shutdowns in the energy and petrochemical industries, as well as inspection work from construction projects. As a result, revenue from sales and services increased by 1.31%, while cost of sales and services, as well as selling and administrative expenses, decreased. Consequently, the gross profit margin increased from 27.08% to 32.26%, and the Company returned to profitability, reporting a net profit of Baht 7.14 million, compared to a net loss of Baht 0.86 million in the same period of the previous year. This reflected the recovery in the Company's operating results during the quarter.

However, the cumulative operating results for the nine-month period continued to face limitations in revenue growth amid an uncertain business environment, driven by investment trends in certain industries, volatility in energy prices, and international conflicts, particularly in the Middle East. These factors may affect capital expenditure planning, operating costs, and project execution decisions of industrial operators. As the Company's engineering inspection and testing services are related to construction, installation, compliance inspections, and customers' maintenance shutdown schedules, changes in project schedules may affect the volume of work and the timing of the Company's revenue recognition. In addition, the business has certain fixed costs and semi-fixed costs, particularly specialized personnel costs, depreciation of equipment, and expenses incurred to maintain operational readiness, which cannot be reduced immediately in line with changes in work volume. As a result, cost absorption capacity and gross profit margin fluctuate according to the level of resource utilization.

In this regard, the Company places importance on cost management and improving operational efficiency, alongside developing service capabilities, expanding business opportunities, and strengthening internal management systems to support competitiveness and sustainable growth. The key actions undertaken during the period were as follows:

1. Improving Cost and Expense Management Efficiency

Through a review of the cost structure and operating expenses, with emphasis on the appropriateness and necessity of each expense category, including consulting fees and administrative expenses, as well as the allocation of personnel and equipment in line with the volume of work and requirements of each project. As a result, administrative expenses for the nine-month period decreased from Baht 68.86 million to Baht 59.46 million, and the ratio of administrative expenses to revenue from sales and services decreased from 25.41% to 22.82%.

2. Managing Receivables and Improving Collection Efficiency

Through an emphasis on monitoring and managing trade receivables, particularly overdue receivables and receivables for which expected credit loss allowances had previously been recognized. During the nine-month period, expected credit loss allowances decreased by Baht 6.94 million as a result of debt collections, as detailed in the movement of allowances in the notes to the financial statements.

3. Managing Benefits from Board of Investment (BOI) Promotion

Through an emphasis on managing and monitoring the utilization of investment promotion benefits in accordance with the prescribed criteria, including the proper classification of revenue and costs between promoted and non-promoted businesses, to support tax management efficiency and the utilization of benefits as prescribed by law.

4. Expanding the Customer Base and Developing Business Opportunities

Through strategies to expand the customer base and increase service opportunities in the energy, petrochemical, and power generation industries, alongside strengthening sales and marketing capabilities. The Company also established a Customer Relationship Management Working Group (CRM Working Group) to develop more systematic processes for monitoring business opportunities, managing customer relationships, and coordinating among relevant departments to support the retention of existing customers, expansion of the new customer base, and increased opportunities for continuous revenue generation in the long term.

5. Investing in and Developing Inspection Technology

Through the development of technology and enhancement of engineering inspection service capabilities. The Company invested in Electromagnetic Testing equipment and traded in its existing Ultrasonic Flaw Detector equipment for a trade-in discount on the purchase of new equipment to support customers' increasingly complex technical requirements and increase opportunities to develop value-added services.

6. Developing Personnel Capabilities and Operational Productivity

Through the initiation of the QLT Academy project to develop employees' professional knowledge and skills, as well as promote multi-skilling to increase flexibility in workforce allocation and support a wider range of engineering inspection services.

Overall, the Company places importance on maintaining the continuity of the recovery in operating results, alongside enhancing cost efficiency, managing working capital, developing personnel capabilities and technology, and expanding revenue sources from specialized services to increase profitability and ensure long-term business stability.

Business Development for Sustainability

The Company is committed to driving growth by integrating ESG principles into its engineering services, while applying innovation and advanced technologies to its work processes to create added value for customers, reduce environmental impacts, and enhance safety standards to international levels. The key performance highlights are as follows:

1. Environment

The Company focuses on delivering "Eco-Friendly Engineering Services" to help customers in target industries reduce greenhouse gas emissions and pollution. The Company has expanded its advanced testing services as an alternative to radiographic testing and penetrant testing, which helps reduce hazardous waste generation and pollution from residual chemicals in the process, as well as occupational health risks at worksites. In addition, the Company has adopted a new technology for cleaning heat exchanger and tube boiler systems as an alternative to conventional high-pressure water jet cleaning methods. This helps reduce water consumption and wastewater generation in customers' processes by up to 90%.

2. Social and Safety

The Company places the highest importance on health, safety, and human resource development, while maintaining the goal of zero Lost Time Injuries (LTI) among both employees and contractors at operating sites. The Company also analyzes accident and risk data to continuously improve safety measures, promotes the use of technology to inspect high-risk or difficult-to-access areas in order to reduce personnel exposure to risks, and develops employees' skills through Multi-Skilling to enhance flexibility and efficiency in providing a diverse range of services. These efforts are carried out alongside regular activities for society and surrounding communities.

3. Corporate Governance

ISO/IEC 17020 and ISO/IEC 17025, and operates in accordance with good corporate governance principles, internal controls, and risk management. The Company also maintains its membership in the Thai Private Sector Collective Action Against Corruption (CAC). These initiatives form part of the Company's approach to enhancing its services to better respond to the needs of industries that increasingly prioritize efficiency, safety, and sustainability.

Overview of Operating Results for the Three-Month Period

(Unit: Million Baht)

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated Financial Statements)	Q3/2026	Q3/2025	Change	
			Amount	%
Revenue from sales and services	95.46	94.23	1.23	1.31%
Cost of sales and services	(64.66)	(68.71)	-4.04	-5.88%
Gross profit	**30.80**	**25.52**	**5.28**	**20.68%**
Other income	2.24	0.15	2.07	1,344.03%
Selling expenses	(2.35)	(2.94)	-0.59	-19.97%
Administrative expenses	(20.99)	(23.35)	-2.36	-10.11%
Finance costs	(0.42)	(0.52)	-0.10	-19.60%
Profit (loss) before income tax	**9.27**	**(1.14)**	**10.41**	**n.m.**
Income tax (expenses) income	(2.13)	0.28	2.41	n.m.
Profit (loss) for the period	**7.14**	**(0.86)**	**8.00**	**n.m.**
Profit (loss) attributable to owners of the parent	**7.14**	**(0.86)**	**8.00**	**n.m.**

1. Revenue

In the third quarter of 2026, the Company reported revenue from sales and services of Baht 95.46 million, increasing by Baht 1.23 million or 1.31% compared to the same period of the previous year. The increase was supported by higher revenue from engineering inspection and testing services, particularly inspection work during customers' maintenance shutdowns in the energy and petrochemical industries, as well as inspection work in construction projects. Revenue from Non-Destructive Testing (NDT) services increased by 2.19%, and revenue from inspection and quality certification services increased by 3.10%, while revenue from product sales decreased from Baht 1.68 million to Baht 0.71 million.

2. Cost of Sales and Services

In the third quarter of 2026, the Company reported cost of sales and services of Baht 64.66 million, decreasing by Baht 4.04 million or 5.88% compared to the same period of the previous year. This was attributable to the Company's emphasis on managing resource utilization, allocating personnel and equipment in line with the volume of work, as well as effective project-by-project cost management. As a result, the ratio of cost of sales and services to revenue decreased compared to the same period of the previous year.

3. Gross Profit

In the third quarter of 2026, the Company reported gross profit of Baht 30.80 million, increasing by Baht 5.28 million or 20.68% compared to the same period of the previous year. This was attributable to an increase in revenue while cost of sales and services decreased. The Company continues to implement various measures to support the recovery of gross profit margin and profitability in the next period.

4. Other Income

In the third quarter of 2026, the Company reported other income of Baht 2.24 million, increasing by Baht 2.08 million or 1,344.03% compared to the same period of the previous year. This was attributable to the trade-in of Ultrasonic Flaw Detector equipment for a discount on the purchase of Electromagnetic Testing equipment to enhance service capabilities and support customer requirements.

5. Selling Expenses

In the third quarter of 2026, the Company reported selling expenses of Baht 2.35 million, decreasing by Baht 0.59 million or 19.97% compared to the same period of the previous year. The decrease was mainly attributable to improved management of expenses related to sales and marketing.

6. Administrative Expenses

In the third quarter of 2026, the Company reported administrative expenses of Baht 20.99 million, decreasing by Baht 2.36 million or 10.11% compared to the same period of the previous year. The decrease was mainly attributable to lower expenses in certain administrative expense categories, such as executive compensation, legal consulting fees, and meeting expenses, which helped reduce the Company's operating expenses.

In addition, the administrative expenses for this quarter included an additional provision for liabilities arising from a labor lawsuit involving a former executive amounting to Baht 1.75 million, which was a non-recurring item. The Company had already recognized a partial provision for this lawsuit in the second quarter of 2026 amounting to Baht 2.54 million, based on management's assessment and the legal department's opinion at that time. Subsequently, following the judgment of the Court of First Instance on September 24, 2026, the Company adjusted

the provision to reflect the judgment. As a result, as of September 30, 2026, the total provision amounted to Baht 4.29 million. The Company is currently considering whether to file an appeal. Excluding this item, administrative expenses for this quarter would have amounted to Baht 19.24 million, decreasing by 17.60% compared to the same period of the previous year.

7. Income Tax Expenses

In the third quarter of 2026, the Company reported income tax expenses of Baht 2.13 million, increasing by Baht 2.41 million or 865.98% compared to the same period of the previous year, when the Company reported income tax income of Baht 0.28 million, representing a change of Baht 2.41 million. All income tax expenses for the current period were deferred to income tax, arising from changes in temporary differences between accounting and tax.

8. Profit (Loss) Attributable to Owners of the Parent

In the third quarter of 2026, the Company reported profit attributable to owners of the parent of Baht 7.14 million. Compared to the same period of the previous year, when the Company reported a loss attributable to owners of the parent of Baht 0.86 million, the operating results improved by Baht 8.00 million or 931.71%. If the Company had not recognized a provision for liabilities arising from the labor lawsuit amounting to Baht 1.75 million, the Company would have reported an operating profit of Baht 8.89 million in the third quarter of 2026.

Overview of Operating Results for the Nine-Month Period

(Unit: Million Baht)

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated Financial Statements)	Q3/2026	Q3/2025	Change	
			Amount	%
Revenue from sales and services	260.59	270.95	-10.35	-3.82%
Cost of sales and services	(192.54)	(196.50)	-3.96	-2.02%
Gross profit	**68.06**	**74.45**	**-6.39**	**-8.58%**
Other income	2.67	0.50	2.17	436.47%
Selling expenses	(8.37)	(8.02)	0.35	4.37%
Administrative expenses	(59.46)	(68.86)	-9.40	-13.65%
Finance costs	(1.32)	(1.56)	-0.24	-15.29%
Profit (loss) before income tax	**1.57**	**(3.49)**	**5.06**	**n.m.**
Income tax (expenses) income	(1.15)	0.35	1.50	**n.m.**

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated Financial Statements)	Q3/2026	Q3/2025	Change	
			Amount	%
Profit (loss) for the period	0.42	(3.14)	3.56	n.m.
Profit (loss) attributable to owners of the parent	0.42	(3.14)	3.56	n.m.

1. Revenue

For the nine-month period ended September 30, 2026, the Company reported revenue from sales and services of Baht 260.59 million, decreasing by Baht 10.35 million or 3.82% compared to the same period of the previous year. The main factors were the impact of economic conditions and the war situation. Overall industrial investment remained sluggish, and certain affected customers postponed their investment decisions and the commencement of new projects. As a result, revenue from services for several projects did not meet the Company's expectations. Nevertheless, the Company continues to focus on maintaining its existing customer base while expanding business opportunities in inspection and engineering maintenance services, which remain essential to safety and operational continuity in the industrial sector.

2. Cost of Sales and Services

For the nine-month period ended September 30, 2026, the Company reported cost of sales and services of Baht 192.54 million, decreasing by Baht 3.96 million or 2.02% in line with the decrease in work volume. However, cost of sales and services decreased at a lower rate than the decrease in revenue because certain service costs are fixed costs and semi-fixed costs, particularly personnel costs, depreciation of equipment, and equipment maintenance expenses, which the Company needs to maintain operational readiness to support services provided to customers. As a result, the ratio of cost of sales and services to revenue increased compared to the same period of the previous year.

3. Gross Profit

For the nine-month period ended September 30, 2026, the Company reported gross profit of Baht 68.06 million, decreasing by Baht 6.39 million or 8.58% compared to the same period of the previous year. The decrease was attributable to lower revenue. Nevertheless, the Company continues to focus on maintaining its existing customer base while expanding business opportunities in inspection and engineering maintenance services, which remain essential to safety and operational continuity in the industrial sector. In addition, the Company continues to emphasize managing resource utilization, allocating personnel and equipment in line with the volume of work, as well as project-by-project cost management, to support the recovery of gross profit margin and profitability in the next period.

4. Other Income

For the nine-month period ended September 30, 2026, the Company reported other income of Baht 2.68 million, increasing by Baht 2.17 million or 436.47% compared to the same period of the previous year. This was attributable to the trade-in of Ultrasonic Flaw Detector equipment for a discount on the purchase of Electromagnetic Testing equipment to enhance service capabilities and support customer requirements.

5. Selling Expenses

For the nine-month period ended September 30, 2026, the Company reported selling expenses of Baht 8.37 million, increasing by Baht 0.35 million or 4.37% compared to the same period of the previous year. The increase was mainly attributable to the Company increasing the number of sales and marketing staff to expand its customer base.

6. Administrative Expenses

For the nine-month period ended September 30, 2026, the Company reported administrative expenses of Baht 59.46 million, decreasing by Baht 9.40 million or 13.65% compared to the same period of the previous year. The decrease was mainly attributable to lower expected credit losses, as the Company was able to follow up and receive more repayments from overdue receivables. In addition, certain administrative expenses decreased, such as legal consulting fees, directors' meeting fees, and executive compensation.

During the quarter, there was progress in the labor lawsuit involving a former executive. The Court issued its judgment on September 24, 2026, and the Company recognized a provision for liabilities amounting to Baht 4.29 million in the statement of financial position as of September 30, 2026, based on management's assessment and the legal department's opinion. The Company is currently considering whether to file an appeal. Excluding this item, administrative expenses for the quarter would have amounted to Baht 57.72 million, decreasing by 16.18% compared to the same period of the previous year.

7. Income Tax Expenses

For the nine-month period ended September 30, 2026, the Company reported income tax expenses of Baht 1.15 million, increasing by Baht 1.50 million compared to the same period of the previous year, when the Company reported income tax income of Baht 0.35 million, representing a change of Baht 1.50 million. All income tax expenses for the current period were deferred income tax, arising from changes in temporary differences between accounting and tax. As a result, deferred tax assets decreased from Baht 8.08 million at the end of 2025 to Baht 6.93 million as of September 30, 2026.

8. Profit (Loss) Attributable to Owners of the Parent

For the nine-month period ended September 30, 2026, the Company reported profit attributable to owners of the parent of Baht 0.42 million. Compared to the same period of the previous year, when the Company reported a loss attributable to owners of the parent of Baht 3.14 million, the operating results improved by Baht 3.56 million or 113.33%. If the Company had not recognized a provision for liabilities arising from the labor lawsuit amounting to Baht 4.29 million, the Company would have reported an operating profit of Baht 4.71 million for the nine-month period.

STATEMENTS OF FINANCIAL POSITION

Consolidated Financial Statements	Q3/2026		Year 2025		%
	Million Baht	%	Million Baht	%	Change
Total assets	357.32	100.00%	367.82	100.00%	-2.86%
Total liabilities	79.10	22.14%	86.96	23.65%	-9.05%
Equity attributable to owners of the parent	278.22	77.87%	280.85	76.35%	-0.94%

Total Assets

As of September 30, 2026, the Company had total assets of Baht 357.32 million, decreasing by Baht 10.50 million or 2.86% from December 31, 2025. The Company's total assets consisted of the following:

Current Assets As of September 30, 2026, the Company had current assets of Baht 170.76 million, decreasing by Baht 12.43 million or 6.79% from December 31, 2025, mainly due to the following factors:

- Cash and cash equivalents decreased by Baht 8.04 million.
- Trade and other current receivables decreased by Baht 24.70 million due to collection efforts and the receipt of long-outstanding payments, resulting in a decrease in receivables overdue for more than 12 months from Baht 10.56 million to Baht 8.01 million.
- Contract assets increased by Baht 21.43 million in line with maintenance shutdown work performed in the third quarter.
- Inventories decreased by Baht 1.12 million.

The decrease in trade and other current receivables reflected improved efficiency in debt collection and receivables management, while contract assets increased in line with the progress of ongoing service projects.

Non-current Assets As of September 30, 2026, the Company had non-current assets of Baht 186.55 million, increasing by Baht 1.93 million or 1.04% from December 31, 2025. The key details were as follows:

- Property, plant and equipment increased by Baht 3.36 million from investments in inspection equipment.
- Right-of-use assets decreased by Baht 6.51 million in line with depreciation and the transfer of fully paid-off vehicles to equipment.
- Intangible assets other than goodwill decreased by Baht 1.16 million.
- Deferred tax assets decreased by Baht 1.15 million.
- Refundable income tax increased by Baht 6.99 million.
- Other non-current assets increased by Baht 0.41 million.

Total Liabilities

As of September 30, 2026, the Company had total liabilities of Baht 79.10 million, decreasing by Baht 7.87 million or 9.05% from December 31, 2025. The Company's total liabilities consisted of the following:

Current Liabilities As of September 30, 2026, the Company had current liabilities of Baht 40.08 million, decreasing by Baht 5.27 million or 11.63% from December 31, 2025. The key details were as follows:

- Trade and other current payables decreased by Baht 2.20 million.
- Current portion of lease liabilities decreased by Baht 0.54 million.
- Income tax payable decreased by Baht 0.05 million.
- Current provisions for employee benefits decreased by Baht 2.49 million.

Non-current Liabilities As of September 30, 2026, the Company had non-current liabilities of Baht 39.02 million, decreasing by Baht 2.59 million or 6.23% from December 31, 2025, mainly due to the following factors:

- Lease liabilities decreased by Baht 4.32 million.
- Non-current provisions for employee benefits increased by Baht 1.83 million.
- Other non-current liabilities decreased by Baht 0.10 million.

Equity Attributable to Owners of the Parent

As of September 30, 2026, the Company had equity attributable to owners of the parent of Baht 278.22 million, decreasing by Baht 2.64 million or 0.94% from December 31, 2025. The decrease was mainly attributable to the profit for the nine-month period attributable to owners of the parent of Baht 0.42 million and dividends of approximately Baht 3.05 million.

Statement of Cash Flows

Statement of Cash Flows (Consolidated Financial Statements)	For the Nine-Month Period Ended September 30, 2026 (Million Baht)
Net cash provided by (used in) operating activities	10.60
Net cash provided by (used in) investing activities	(10.74)
Net cash provided by (used in) financing activities	(7.90)
Net increase (decrease) in cash and cash equivalents	(8.04)
Cash and cash equivalents at beginning of the period	59.21
Cash and cash equivalents at end of the period	51.17

As of September 30, 2026, the Company had cash and cash equivalents amounting to Baht 51.17 million. Net cash provided by operating activities amounted to Baht 10.60 million. Net cash used in investing activities amounted to Baht 10.74 million, mainly from investments in tools and equipment. Net cash used in financing activities amounted to Baht 7.90 million, comprising repayments of lease liabilities amounting to Baht 4.85 million and dividend payments to shareholders amounting to Baht 3.05 million.

Financial Ratios

Financial Ratios (Consolidated Financial Statements)	Q3/2026	Q3/2025
Profitability Ratios		
Gross profit margin (%)	26.12%	27.48%
Operating profit margin (%)	1.11%	(0.71%)
Net profit margin (%)	0.16%	(1.16%)
Return on equity (%)	2.44%	(2.49%)
Liquidity Ratios		
Current ratio (times)	4.26	4.33
Trade receivable turnover ratio (times)	4.50	4.21
Average collection period (days)	82	87
Trade payable turnover ratio (times)	8.71	7.94
Average payment period (days)	42	46

- The Company's gross profit margin decreased due to lower revenue and lower absorption of fixed and semi-fixed costs in line with the decrease in work volume, resulting in lower profitability.
- The Company's operating profit margin and net profit margin increased due to improved operating results, mainly attributable to a decrease in certain administrative expenses.
- The Company's return on equity increased in line with the Company's net profit for the current period.
- The Company's current ratio decreased because current liabilities increased due to the reclassification of provisions for employee benefits.
- The Company's trade receivable turnover ratio increased and the average collection period decreased, reflecting improved follow-up and collection of receivables, together with lower revenue and trade receivables compared with the previous period.
- The Company's trade payable turnover ratio increased and the average payment period decreased due to a decrease in cost of sales and services and trade payables.

Factors or Events That May Have a Significant Impact on Financial Position and Future Operations

The Company continues to monitor uncertainties in economic conditions, international conflicts, and volatility in energy prices, which may affect capital expenditure planning, project approvals, and maintenance shutdown schedules of customers in key industries, particularly the energy and petrochemical industries. As the Company's engineering inspection and testing services are related to customers' project execution and maintenance schedules, changes in such schedules may affect the volume of work and the timing of the Company's revenue recognition.

Therefore, the Company places importance on closely monitoring project Backlog and Pipeline, increasing the proportion of regular inspection and maintenance services, expanding its customer base and target industries, managing the utilization rates of personnel and equipment, and controlling costs in line with the level of revenue. These measures are intended to limit the impact on the Company's profitability and maintain its financial liquidity.

Please be informed accordingly.

Yours sincerely,

(Ms.Rinnatha Akeassavapirom)

President