**No.** **QTC 0023/2569**
**Date** **November 11, 2569**
**Subject** **Management Discussion and Analysis For Q3/2026 Operating Results**
**To** **Committees and Manager of the Stock Exchange of Thailand**

QTC Energy Public Company Limited ("the Company") hereby submits the Management Discussion and Analysis (MD&A) for the operating results of Quarter 3/2026 (ended September 30, 2026) of the Company and its subsidiaries (consolidated financial statements). The quarterly revenue and net profit changed by more than 20 percent compared to the same period of the previous year, with details as follows:

# 1. Operational Overview

## 1.1 Operational Overview

The Company and its subsidiaries manufacture and distribute electric transformers alongside the distribution of electrical equipment and renewable energy products (solar equipment), solar power generation and distribution, electric vehicle charging stations (EV Charging Station), and service businesses. These services include inspection, maintenance, transformer repair, as well as comprehensive solar rooftop system installation. The Company continues to expand into clean energy solutions and energy storage systems under the QTC RE, QTC EV, and QTC ESS group companies.

## 1.2 Economic and Industry Conditions

- **Demand for electric transformers continues to grow,** driven by public and private infrastructure investments, particularly in power distribution systems and renewable energy projects.
- **The solar market expanded** across both residential and large-scale project segments, supported by renewable energy policies, tax incentives, and rising energy demand from industrial expansion.
- **Industry pressures include** fluctuations in key raw material prices, intensified price competition (especially in the electrical equipment market), and slowing purchasing power due to economic conditions. The Ministry of Finance evaluates that the slowdown was partly impacted by the Middle East conflict, which began in late March 2026.

## 1.3 Key Strategies

- **Cost and quality control standard:** Deploying modern technology and machinery to reduce labor dependency and production costs, including the factory expansion initiated since early 2025 to support future growth, which has yielded positive results in Q3 of this year.
- **Market expansion:** Expanding trade partnerships across diverse product lines to cover the renewable energy sector.
- **Business extension:** Advancing into clean energy solutions, electric vehicles (EV), and energy storage systems (ESS).

### 1.4 Summary of Operating Performance for Q3/2026

| Revenue from Sales & Services | Gross Profit | Net Income |
|---|---|---|
| **870.05** million baht \| +110.48% YoY | **204.75** Gross Profit Margin 23.53% (vs. 11.08% Q3/25) | **99.99** Recovered from Net Loss of THB (2.84) M in Q3/25 |

- **Revenue more than doubled** in the third quarter of 2026, revenue from sales and services totaled 870.05 million baht, representing a 110.48% increase from the same period last year. This primary growth was driven by higher transformer sales resulting from increased public infrastructure investment and private sector project expansion where demand for transformers escalated. Concurrently, sales of electrical equipment increased due to the strategic market expansion through diversified commercial partners across product lines to cover the renewable energy business particularly elevated demand for Solar Rooftop installations across residential and large-scale public/private projects.
- **Gross profit** reached 204.75 million baht, up 158.93 million baht or 3.46 times compared to the prior year period. Gross profit margin rose to 23.53% from 11.08%, primarily driven by production process enhancements, plant construction and modern machinery integration that effectively lowered unit production costs.
- **For Q3/2026, the Company recorded a net profit** of 99.99 million baht, an increase of 102.83 million baht compared to a net loss of 2.84 million baht in Q3/2025.

## 2. Financial Performance

### 2.1 Consolidated Statement of Comprehensive Income (YoY Comparison)

| Consolidated Income Statement | Q3/2026 million baht | YoY Change million baht | YoY Change % | Q3/2025 million baht |
|---|---|---|---|---|
| Revenue from sales and services | 870.05 | 456.69 | 110.48% | 413.36 |
| Cost of sales and services | (665.30) | 297.75 | 81.01% | (367.55) |
| **Gross Profit** | **204.75** | **158.94** | **346.95%** | **45.81** |
| Other income | 3.67 | (6.84) | (65.08%) | 10.51 |
| **Profit Before Expenses** | **208.42** | **152.10** | **270.06%** | **56.32** |
| Selling expenses | (31.10) | 6.25 | 25.15% | (24.85) |
| Administrative expenses | (47.58) | 17.65 | 58.97% | (29.93) |
| **Total Expenses** | **(78.69)** | **23.91** | **43.65%** | **(54.78)** |
| **Operating profit** | **129.73** | **128.19** | **8,324.03%** | **1.54** |
| Share of loss from joint ventures and associates | (0.16) | 0.02 | 14.29% | (0.14) |
| Finance costs | (4.08) | 1.90 | 87.16% | (2.18) |
| **Profit (loss) before income tax** | **125.49** | **126.27** | **16,188.46%** | **(0.78)** |

| Consolidated Income Statement | Q3/2026 million baht | YoY Change million baht | YoY Change % | Q3/2025 million baht |
|---|---|---|---|---|
| Income tax expense | (25.50) | 23.44 | 1,137.86% | (2.06) |
| **Profit (Loss) for the Period** | **99.99** | **102.83** | **3,620.77%** | **(2.84)** |

### Profitability Ratios (% of Sales and Services Revenue)

| Ratio | Q3/2026 | Q3/2025 | Change |
|---|---|---|---|
| Gross Profit Margin | 23.53% | 11.08% | +12.45% |
| Total Expenses to Revenue | 9.04% | 13.25% | (4.21)% |
| Operating Profit Margin | 14.91% | 0.37% | +14.54% |
| Net Profit Margin | 11.49% | (0.69%) | +12.18% |
| Effective Tax Rate (Tax / EBT) | 20.32% | - | – |

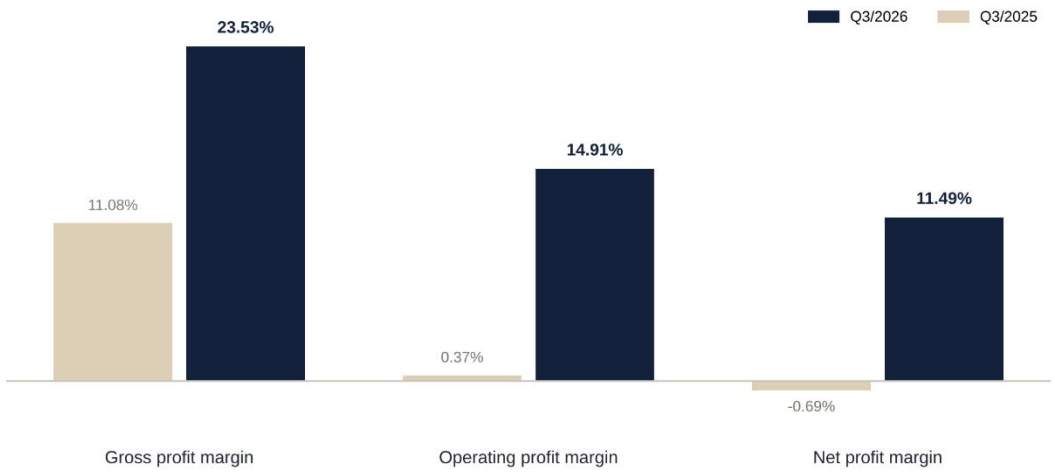



Chart 1: Gross, Operating and Net profit margins, Q3/2026 vs Q3/2025

## 2.2 Revenue from Sales and Services

Revenue from sales and services in Q3/2026 stood at 870.05 million baht, an increase of 456.69 million baht or 110.48% YoY, categorized by business line as follows:

| Revenue by Business Line | Q3/2026 | % | Q3/2025 | % | YoY Change (million baht) | YoY Change (%) |
|---|---|---|---|---|---|---|
| Sales of Electrical Transformers | 490.82 | 56.4% | 274.02 | 66.3% | 216.80 | 79.12% |
| sale of electricity | 9.54 | 1.1% | 10.06 | 2.4% | (0.52) | (5.17%) |

| Revenue by Business Line | Q3/2026 | % | Q3/2025 | % | YoY Change (million baht) | YoY Change (%) |
|---|---|---|---|---|---|---|
| Sales of Electrical Equipment | 331.73 | 38.1% | 96.95 | 23.5% | 234.78 | 242.17% |
| EV charging station | 21.09 | 2.4% | 14.91 | 3.6% | 6.18 | 41.45% |
| Sales of raw materials and other equipment | 0.86 | 0.1% | 1.23 | 0.3% | (0.37) | (30.08%) |
| Services | 16.01 | 1.8% | 16.19 | 3.9% | (0.18) | (1.11%) |
| **Total revenue from sales and services** | **870.05** | **100%** | **413.36** | **100%** | **456.69** | **110.48%** |

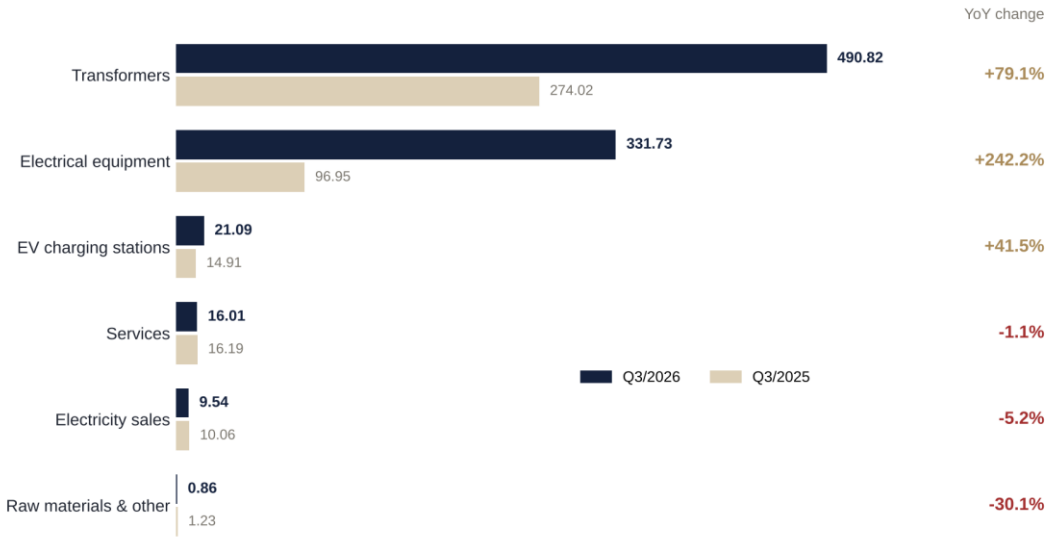



Chart 2: Revenue by business line, Q3/2026 vs Q3/2025 (Million baht)

- **Electric Transformers (+216.80 million baht, +79.12%):** Driven by deliveries to large-scale government and private sector projects, supported by expanding private investment and power distribution expansion. Transformer revenue accounted for 56.4% of total revenue.

- **Electrical Equipment & Solar (+234.78 million baht, +242.17%)** Despite economic deceleration and heightened price competition, revenue grew substantially due to commercial partner network expansion, growing solar rooftop installation demand (residential and commercial), government tax incentives, and industrial expansion. Revenue contribution increased from 23.5% to 38.1% of total revenue.

- **EV Charging Stations (+6.18 million baht, +41.45%)** Attributable to investment expansion to accommodate the growing number of commercial EV users.

- **Electricity sales (-0.52 million baht, -5.17%)** Slight decline caused by volatile weather conditions that reduced sunlight hours and solar intensity, lowering solar power generation output.

- **Services** (**-0.18 million baht, -1.11%**) were similar to the same period last year and consisted of revenue from scheduled inspections, maintenance, and repairs of electrical transformers for customers. Additionally, the subsidiary generated revenue from turnkey solar power system installation services, as well as revenue from the construction of electric vehicle (EV) charging stations for private customers

## 2.3 Costs, Expenses, and Profit

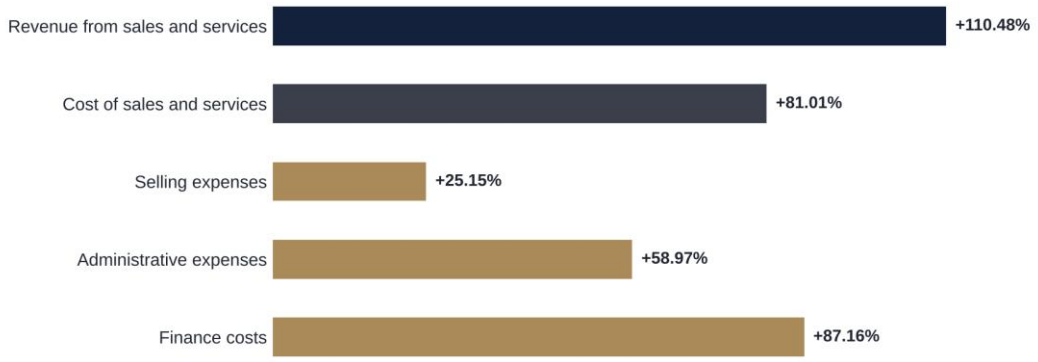



Chart 3 : YoY change in revenue and key cost and expense lines

- **Cost of Sales and Services**: 665.30 million baht, an increase of 81.01% YoY, which is lower than the revenue growth rate (110.48%). This improvement was realized through delivering higher-margin projects and enhanced efficiency in manufacturing and project cost management.

- **Selling and Administrative Expenses** (**SG&A**): Totaled 78.69 million baht, an increase of 43.65% YoY from 54.78 million baht, primarily driven by higher marketing, logistics, and promotional costs aligned with revenue expansion, alongside increased personnel expenses.

- **Financial expenses** 4.08 million baht, up 87.16% YoY from 2.18 million baht, as business expansion required adequate working capital liquidity for project delivery, necessitating short-term bank credit facility utilization.

- **Net Profit**: 99.99 million baht (11.49% net margin), an increase of 102.83 million baht compared to a net loss of 2.84 million baht in Q3/2025.

# 3. Financial position

## 3.1 Assets, Liabilities, and Shareholders' Equity as of September 30, 2026

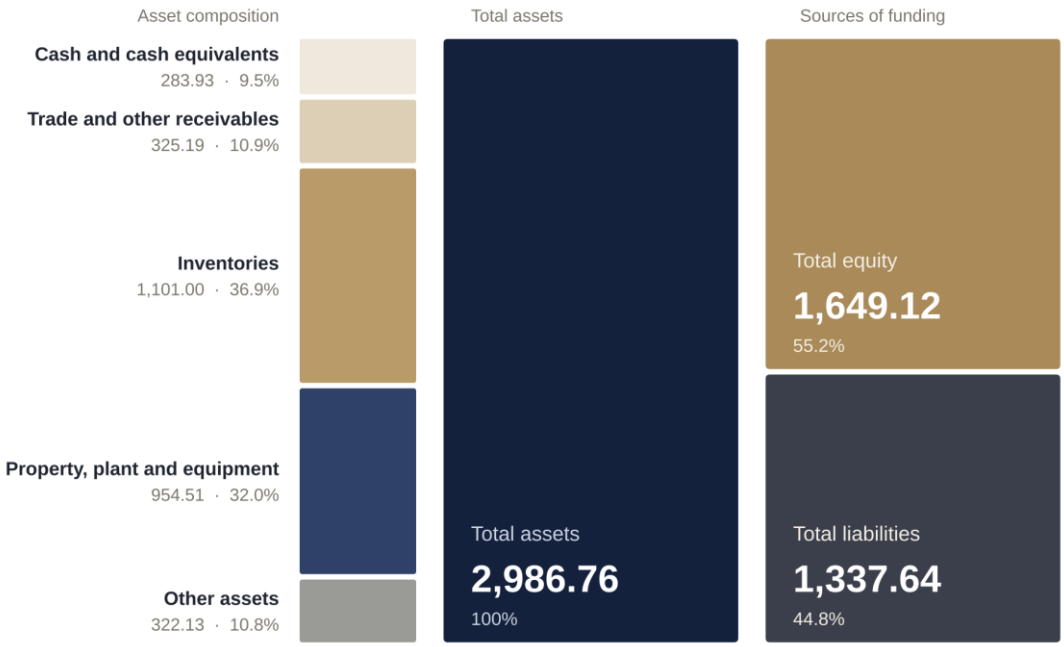



Chart 4: Composition of assets and sources of funding (Million baht).

- **Total Assets: 2,986.76 million baht,** an increase of 27% from the end of the previous year. The key driver was inventories, standing at 1,101.00 million baht (+97.62%), due to raw material procurement to support order backlogs and advance stocking to mitigate price volatility and import lead-time uncertainties. Trade receivables increased in tandem with sales, while cash decreased by 36.59% as funds were utilized for operational working capital.

- **Total Liabilities: 1,337.64 million baht**, up 70.02% from year-end, primarily driven by advance payments from customers in line with increased purchase orders and ongoing project advances. Trade and other payables increased with higher raw material orders and operational costs, alongside increased short-term bank borrowings for working capital.

- **Total Shareholders' Equity: 1,649.12 million baht,** up 5.37%, reflecting accumulated net profit for the period of 152.20 million baht, net of dividend payments paid from 2025 retained earnings.

## 4. ESG Operations, Sustainability, and Greenhouse Gas Management

QTC Energy Public Company Limited continues to drive its business operations under sustainable development frameworks, integrating Environmental, Social, and Governance (ESG) aspects into core operations and stakeholder engagement under the guiding philosophy of "Quality of Details" to create balanced value and long-term sustainable growth.

### Environmental Dimension

- **Environmental Quality Monitoring:** Air and water quality measurements complied with legal standards with zero pollution complaints. Zero Waste to Landfill was maintained. However, waste volume per production unit stood at 0.21 tons/ton of production (target: 0.06 tons/ton), and green area accounted for 7.26% (target: 10%), due to ongoing construction in new areas.

- **Climate Change & Decarbonization:** Operations aligned with Carbon Neutrality and Net Zero Emissions roadmaps. Key GHG reduction initiatives included electric forklift transition (-19.35 tCO2e), hybrid/EV executive vehicle fleet replacement (-38.41 tCO2e), 561 kWp Solar Rooftop installation (-267.89 tCO2e), and zero-landfill operations. The Company was certified as a Climate Action Leading Organization (CALO) at the Bronze level for Reduction and Gold level for Offset.

- **Resource Efficiency:** Water consumption per employee at Bangkok office and Rayong factory met targets (2.24 and 8.21 $m^3$/person, respectively). Factory electricity consumption was 1,484.34 kWh/MVA (target: 1,413 kWh/MVA), diesel for transport was 79.32 L/ton, and diesel for service was 9.35 L/unit. Energy and logistics efficiency measures will be reviewed in Q4.

- **Green Products Promotion:** Super Low Loss transformer cumulative deliveries reached 532 units out of 1,572 units (33.84%), exceeding the target of 10%.

### Social Dimension

- **Product Safety & Customers:** Zero user hazard incidents from product quality; zero customer data breach incidents. Customer complaints numbered 17 cases (1.08% of total deliveries), with a 100% resolution rate.
- **Supply Chain: 99.50% raw material quality pass rate;** 99.69% on-time delivery; 100% Supplier Code of Conduct communication; 100% human rights due diligence completed for Tier-1 suppliers.
- **Workforce & Safety:** 26 workplace incidents recorded with zero work-related illness. 92.27% of target employees completed safety training (target: 100%). Voluntary turnover was 8.78% (below 10% ceiling). Employee Happiness Index stood at 71.02% (target: 75%). Human rights policy training reached 100% of new hires with zero confirmed violations. Awarded Model Organization on Human Rights (Outstanding Level) for Large Enterprises on September 24, 2026.
- **Stakeholder Engagement:** Active engagement included Fun & Fit Season, Savings Promotion, 5S Safety & Happy Workplace 2026 for employees; 13 customer seminars and 17 Campus Tours for customers; community dialogue forums, medical equipment donations, and vocational skill development for interns.

### Governance & Economic Dimension

- **Clean Energy Transition:** Reinforced long-term competitiveness by supporting energy transition solutions under QTC RE, QTC EV, and QTC ESS, fostering energy efficiency, reducing fossil fuel reliance, and supporting UN Sustainable Development Goals (SDGs) for clean energy and climate action.

- **Corporate Governance & Anti-Corruption**: Zero violations of corporate governance principles, business ethics, laws, or corruption; zero whistleblowing complaints. Thai Private Sector Collective Action Against Corruption (CAC) certification remains valid through March 31, 2028. CSR-DIW verification completed awaiting official result publication. Achieved 5-Star CGR Rating for the 13th consecutive year.

**Overall Summary**: In Q3/2026, the Company demonstrated clear progress in energy-saving products, GHG management, human rights, supplier management, and corporate governance. Areas targeted for immediate improvement prior to year-end include reducing accident rates, unit waste generation, and optimizing electricity and fuel usage efficiency.

Yours Sincerely



Mr. Poonphiphat Tantanasin

Chief Executive Officer