

INSPECTION FOR A SUSTAINABLE FUTURE

Management Discussion & Analysis Q3/2026

Dexon Technology Public Company Limited

SECTION 1

EXECUTIVE SUMMARY

The third quarter of 2026 marked a clear turning point for Dexon Technology Public Company Limited (the "Company") and its subsidiaries (together, the "Group"). **Net profit reached THB 28 million for this quarter**, compared with a net loss of THB 13 million in 3Q25 and THB 2 million in 2Q26, the third consecutive quarter of year-on-year improvement. The result reflects the two pillars of the Group's strategy, the international expansion of its in-line inspection technologies and disciplined cost management, which together lifted the gross profit margin to 35.6% from 25.8%. The Group also generated strong cash flow and ended the quarter with THB 228 million in cash (THB 256 million including restricted bank deposits) and a net cash position.

THB 28m	**35.6%**	**67%**	**THB 228m**
Net profit, 3Q26 (3Q25: net loss of THB 13m)	Gross profit margin, 3Q26 (3Q25: 25.8%)	Share of segment revenue from overseas markets, 3Q26 (3Q25: 46%)	Cash and cash equivalents at 30 September 2026

Key Highlights of 3Q26 (July–September 2026)

Higher-value revenue mix: revenue from research and development innovation projects, all for overseas markets, increased to THB 95 million from THB 39 million in 3Q25, driven by new projects as well as the progress of ongoing projects. 3Q26 revenue from in-line inspection and R&D projects increased to THB 163 million, up from THB 111 million in the comparative period.

Overseas subsidiaries: revenue of the Group's overseas subsidiaries in the United States and Germany continued to grow in 3Q26, supported by in-line inspection and research and development projects in the Americas and Europe, while Thailand remains the Group's main operating base.

Strong cash generation and balance sheet: free cash flow of approximately THB 104 million in 9M26 was the highest quarter-end level since IPO. The Group also repaid THB 42 million of overdrafts and other loans, turning its position from net debt of THB 21 million at the end of 2025 to net cash of THB 60 million.

Recognition for innovation: the Company received the SET Awards of Honor in the Best Innovative Company Awards category at the SET Awards 2026, recognizing four consecutive years of innovation excellence (2023–2026); this year's award recognized DEXON PipeGlide, a remotely operated robot that inspects partially submerged piping for corrosion without requiring a shutdown.

Outlook: The Group expects the positive momentum to continue into 4Q26, supported by the overseas in-line inspection and research and development project pipeline and continued cost discipline.

SECTION 2

ECONOMIC AND INDUSTRY CONDITIONS

The global economy in 3Q26 was shaped by a renewed escalation of the Middle East conflict in July, which again disrupted energy flows through the Strait of Hormuz. Several major central banks paused or reversed their easing cycles: the U.S. Federal Reserve raised its policy rate by 25 basis points to 3.75–4.0% in September, and the European Central Bank lifted its deposit facility rate to 2.5%. UNCTAD projects world growth of 2.6% in 2026.

The Thai economy continued to grow at a low and uneven pace. Merchandise exports and private investment expanded faster than expected on the back of the technology and AI cycle, but spillovers to the domestic economy remained limited. Private consumption softened as households faced higher living costs and elevated debt. The baht was volatile against the U.S. dollar, driven by developments in the Middle East and shifting expectations for U.S. monetary policy. Headline inflation rose from 1.95% in July to 2.82% in September, mainly reflecting higher energy and food prices. The Monetary Policy Committee maintained the policy rate at 1.00% at its August meeting.

For the energy and process industries, elevated energy prices and heightened supply-security concerns placed greater emphasis on asset availability and integrity, with refining margins rising through the quarter. Ageing pipeline networks continue to support demand for in-line inspection, including the Group's ultrasonic crack-detection technology.

In 3Q26, the Group's performance was driven mainly by overseas markets, which accounted for 67% of segment revenue (3Q25: 46%), supported by in-line inspection and research and development projects in the Americas and Europe.

The Group expects the positive momentum to continue into 4Q26, supported by the overseas in-line inspection and research and development project pipeline and continued cost discipline. The main factors that could affect future performance are the timing of large in-line inspection projects, which can cause quarterly volatility in revenue and profit; energy prices and customers' maintenance spending; and movements in the baht against the U.S. dollar and the euro, given the higher share of revenue from overseas markets. The Group mitigates these through a multi-country project pipeline, a focus on safety- and regulation-driven inspection work and, for part of its overseas projects, costs incurred in the same currencies.

SECTION 3

OPERATING RESULTS

Income Statement – Year-on-Year

Items (Unit: THB million)	3Q25	3Q26	YoY	9M25	9M26	YoY
Revenue from services	208	203	(3%)	545	550	1%
Other income	0	1	>100%	1	2	>100%
Total revenues	**209**	**204**	**(2%)**	**546**	**553**	**1%**
Cost of services	(155)	(130)	(16%)	(446)	(408)	(9%)
SG&A	(63)	(51)	(19%)	(165)	(155)	(6%)
Finance cost	(2)	(2)	12%	(4)	(6)	48%
Others	(3)	6	(>100%)	(11)	9	(>100%)
Total expenses	**(222)**	**(177)**	**(20%)**	**(626)**	**(560)**	**(11%)**
Profit (loss) before income tax	**(13)**	**27**	**>100%**	**(80)**	**(8)**	**(91%)**
Income tax	1	1	74%	1	(1)	(>100%)
Net profit (loss) for the period	**(13)**	**28**	**>100%**	**(79)**	**(9)**	**(89%)**

Remark: 2025 comparative figures are restated (see Restatement of Prior Period Financial Statements in Section 5).

Income Statement – Quarter-on-Quarter

Items (Unit: THB million)	2Q26	3Q26	Change	QoQ
Revenue from services	192	203	10	5%
Other income	1	1	-	38%
Total revenues	**193**	**204**	**10**	**5%**
Cost of services	(140)	(130)	9	(7%)
SG&A	(54)	(51)	3	(5%)
Finance cost	(2)	(2)	-	(13%)
Others	2	6	4	173%
Total expenses	**(194)**	**(177)**	**17**	**(9%)**
Profit (loss) before income tax	**(0)**	**27**	**27**	**>100%**
Income tax	(2)	1	3	>100%
Net profit (loss) for the period	**(2)**	**28**	**30**	**>100%**

3Q26 was the Group's strongest quarter of 2026 to date, with revenue from services of THB 203 million, a gross profit margin of 35.6% and a net profit of THB 28 million. Compared with 2Q26, revenue from services increased by THB 10 million (+5%) and cost of services decreased by THB 9 million (-7%), lifting the gross profit margin from 27.3%. SG&A decreased by THB 3 million (-5%), and other items improved to a net gain of THB 6 million from THB 2 million. As a result, net profit improved by THB 30 million from a net loss of THB 2 million in 2Q26.

EBITDA and Profit

EBITDA was approximately THB 58 million in 3Q26 (3Q25: THB 19 million), and the EBITDA margin rose to 28% from 9%. A large part of the Group's costs, mainly personnel and depreciation, is fixed in the short term. As a result, the higher contribution from overseas projects translated largely into higher EBITDA. For 9M26, EBITDA was approximately THB 87 million (9M25: THB 15 million), an EBITDA margin of 16% (9M25: 3%).

Compared with 3Q25, net profit improved by THB 41 million, from a net loss of THB 13 million to a net profit of THB 28 million. The improvement came mainly from higher gross profit of THB 18 million, driven by the more favorable project mix, and lower SG&A of THB 12 million. Other items contributed a further THB 9 million. The net profit margin was 13.7% (3Q25: negative 6.0%).

For 9M26, the net loss narrowed by THB 70 million to THB 9 million from THB 79 million in 9M25. Higher gross profit contributed THB 44 million, lower SG&A THB 10 million and other items THB 20 million, partly offset by higher finance cost and income tax expense. The net profit margin improved to negative 1.6% from negative 14.5%.

Revenue

In 3Q26, the Group recorded revenue from services of THB 203 million, compared with THB 208 million in 3Q25 (-3%) and THB 192 million in 2Q26 (+5%). The revenue mix shifted towards higher-value in-line inspection technology, which grew by 22% year-on-year to THB 215 million, led by research and development innovation projects for overseas markets. Revenue generated through the subsidiaries in the United States and Germany nearly doubled year-on-year, raising the share of overseas markets to 67% of segment revenue from 46% in 3Q25. This growth was offset by lower revenue from other segments.

For 9M26, revenue from services was THB 550 million, an increase of THB 5 million (+1%) from THB 545 million in 9M25. Revenue from research and development innovation projects increased to THB 110 million from THB 55 million, Advanced Non-Destructive Testing rose by 11% to THB 159 million and mechanical and maintenance personnel services rose by 29% to THB 74 million. These more than offset lower revenue from other segments.

Revenue and margin drivers: As a project-based service business, the Group's revenue and margins depend mainly on the mix and scale of the projects executed rather than on a single volume or price measure, and its main business lines have distinct margin profiles:

- **Advanced In-Line Inspection:** large, technology-intensive projects using the Group's proprietary tools. Margins are high once revenue covers the largely fixed cost of tools, engineering teams and depreciation, so the segment's contribution rises sharply with volume.
- **Inspection services (conventional and advanced NDT):** moderate but steady margins, driven by the utilization of certified inspection personnel and recurring maintenance and turnaround programs of customers.

Costs and Expenses

Cost of services and gross margin: Cost of services decreased by THB 24 million (-16%) to THB 130 million in 3Q26 from THB 155 million in 3Q25, and the gross profit margin improved to 35.6% from 25.8%, driven mainly by a more favorable project mix, particularly the higher contribution from overseas projects.

For 9M26, cost of services decreased by THB 38 million (-9%) to THB 408 million, while revenue from services increased by 1%, lifting the gross profit margin to 25.8% from 18.1%. In the separate financial statements, cost of services decreased by THB 70 million (-18%), compared with a 16% decrease in revenue. This was driven by a more favorable project mix, lower personnel costs following the restructuring, and lower depreciation reflecting improved management of fixed assets and tighter control over new capital expenditure. Closer control of operating costs also contributed. These savings more than offset the higher cost of services at the overseas subsidiaries, which rose in line with their increased project activity.

Cost structure: For 9M26, personnel costs and depreciation and amortization accounted for approximately 69% of total costs and expenses and are largely fixed in the short term, while supplies for tools and equipment, subcontract and travelling costs vary with project activity. Consequently, higher revenue from high-margin projects translates into a proportionally larger improvement in profitability, as seen in 3Q26.

Selling, general and administrative expenses (SG&A): SG&A amounted to THB 51 million in 3Q26, a decrease of THB 12 million (-19%) from THB 63 million in 3Q25. For 9M26, SG&A decreased by THB 10 million (-6%), from THB 165 million to THB 155 million. The decrease was mainly attributable to the restructuring initiatives implemented in the prior year and the absence of non-recurring items recognized in 2025, including the provision for inventory obsolescence and the finalization of tax refunds from prior years. As a result, SG&A in the separate financial statements decreased by THB 27 million. At the consolidated level, the benefit was partially offset by higher expenses at the subsidiaries in the United States and Germany, which continued to build their teams and market presence to support the Group's international expansion.

Other items and finance cost: Other items turned into a net gain of THB 6 million in 3Q26 from a net expense of THB 3 million in 3Q25, mainly from a THB 5 million reversal of expected credit losses following the clearance of long-outstanding receivables, which is non-recurring in nature. For 9M26, other items amounted to a net gain of THB 9 million, compared with a net expense of THB 11 million in 9M25. This comprised a reversal of expected credit losses of THB 4 million (9M25: loss of THB 7 million) and a foreign exchange gain of THB 5 million (9M25: loss of THB 4 million, mainly from the appreciation of the baht). Finance cost was stable at THB 2 million in 3Q26. For 9M26, finance cost increased to THB 6 million from THB 4 million, following the long-term loan and sale-and-leaseback financing arranged in 2025. The Group repaid THB 42 million of borrowings during 9M26.

SECTION 4

FINANCIAL POSITION AND LIQUIDITY

Statement of Financial Position

Items (Unit: THB million)	31-Dec-25	30-Sep-26	Change	%Change
Cash & cash equivalents	191	228	37	19%
Trade & other receivables	148	134	(14)	(10%)
Contract assets	147	97	(50)	(34%)
Inventories	53	49	(4)	(8%)
Property, plant & equipment	354	302	(52)	(15%)
Intangible assets	38	34	(4)	(11%)
Other assets	57	78	21	37%
Total assets	**988**	**921**	**(67)**	**(7%)**
Trade & other payables	69	40	(29)	(42%)
Loans from financial institutions	172	130	(42)	(24%)
Employee benefit obligations	43	40	(3)	(8%)
Other liabilities	54	62	9	16%
Total liabilities	**337**	**272**	**(65)**	**(19%)**
Paid-up share capital	238	238	-	0%
Retained earnings	(37)	(46)	(9)	(25%)
Others	449	457	8	2%
Total equities	**651**	**649**	**(1)**	**(0%)**
Total liabilities & equities	**988**	**921**	**(67)**	**(7%)**

Total assets: Total assets were THB 921 million as at 30 September 2026, down THB 67 million (-7%) from the end of 2025, mainly because contract assets fell by THB 50 million as project milestones were billed and collected, and property, plant and equipment decreased by THB 52 million as normal depreciation exceeded new investment. Cash and cash equivalents rose by THB 37 million to THB 228 million.

Total liabilities: Total liabilities fell by THB 65 million (-19%) to THB 272 million, mainly due to the repayment of THB 42 million of bank borrowings and the settlement of THB 29 million of trade payables.

Total equity: Shareholders' equity decreased by THB 1 million to THB 649 million, as the 9M26 net loss of THB 9 million was largely offset by currency translation gains of THB 8 million.

Cash Flow Statement

Cash Flow Statement (Unit: THB million)	9M25	9M26	Change
Net cash flow from (used in) operating activities	66	130	64
Net cash flow from (used in) investing activities	(61)	(25)	36
Net cash flow from (used in) financing activities	73	(74)	(148)
Net increase (decrease) in cash and cash equivalents	**78**	**30**	**(48)**
Effect on exchange rate	1	7	6
Cash at the beginning of the period	**123**	**191**	**68**
Cash at the end of the period	**203**	**228**	**25**

Remark: 9M25 figures are restated per Note 2 to the interim financial statements.

Net cash generated from operating activities amounted to THB 130 million, compared with THB 66 million in 9M25 (restated). Profit from operating activities before changes in working capital rose to THB 91 million from THB 35 million, reflecting the turnaround in operating performance, and working capital released THB 49 million, mainly from the conversion of contract assets and trade receivables into cash, partly offset by the settlement of trade payables.

Net cash used in investing activities was THB 25 million, comprising equipment of THB 20 million and intangible assets of THB 6 million – a disciplined level of capital expenditure, well below depreciation and amortization for the period.

Net cash used in financing activities was THB 74 million, mainly for the repayment of borrowings of THB 42 million, lease payments of THB 13 million and the placement of restricted bank deposits of THB 20 million.

Including a favorable exchange-rate effect of THB 7 million, cash and cash equivalents increased by THB 37 million.

Cash Balances and Free Cash Flow

THB 228m	THB 60m	THB 104m	THB 42m
Cash and cash equivalents as at 30 Sep 2026	Net cash position	Free cash flow, 9M26	Bank borrowings repaid in 9M26

Free cash flow = net cash from operating activities less cash paid for equipment and intangible assets. Net cash = cash and cash equivalents less interest-bearing debt (bank borrowings and lease liabilities).

Strong cash generation: The Group generated free cash flow of approximately THB 104 million in 9M26, as net cash from operating activities of THB 130 million comfortably covered capital expenditure of THB 25 million. This allowed the Group to repay THB 42 million of bank borrowings and THB 13 million of lease liabilities and to place THB 20 million of deposits as collateral, while still increasing its cash balance.

Cash balances: Cash and cash equivalents reached THB 228 million (THB 256 million including restricted bank deposits) as at 30 September 2026, up THB 37 million (+19%) from THB 191 million at the end of 2025 and the highest quarter-end balance since IPO. Cash has increased in every quarter of 2026 (1Q26: THB 202 million; 2Q26: THB 216 million).

Net cash position: Cash now exceeds interest-bearing debt of THB 168 million, giving the Group a net cash position of THB 60 million. This compares with net debt of THB 21 million at the end of 2025, an improvement of THB 81 million in nine months. Cash alone covers total bank borrowings of THB 130 million 1.8 times, giving the Group ample headroom to fund growth and service its obligations.

Financial covenants: As at 30 September 2026, the Company did not meet certain financial covenants under its loan agreement, which require it to maintain a debt-to-equity ratio and a debt service coverage ratio at prescribed levels. The Company requested a waiver from the bank in May 2026. Management does not expect this to affect the Group's liquidity or financial position, as cash and cash equivalents of THB 228 million exceed total bank borrowings of THB 130 million.



Key Financial Ratios

Key Financial Ratio	9M25	9M26
Profitability Ratio		
Gross Profit Margin	18.1%	25.8%
EBITDA Margin	2.7%	15.8%
Net Profit Margin	(14.5%)	(1.6%)
Return on Equity	(11.5%)	(1.4%)
Liquidity Ratio		
Current Ratio	2.0	2.6
Quick Ratio	1.7	2.3
Efficiency Ratio		
Return on Asset	(8.2%)	(0.9%)
Fixed Assets Turnover	1.6	1.9
Leverage and Solvency Ratio		
Debt/Equity	0.6	0.4
Cost of Debt	3.2%	3.2%
Interest Coverage Ratio (times)	3.6	14.4
Debt Service Coverage Ratio (times)	0.4	1.1

Financial Ratio Analysis

Gross profit margin improved to 25.8% in 9M26 from 18.1% in 9M25, and the EBITDA margin rose to approximately 16% from 3%. The net profit margin improved to negative 1.6% from negative 14.5%, reflecting the stronger operating performance, particularly in 3Q26. Return on equity and return on assets improve to negative 1.4% and negative 0.9%, respectively, from negative 11.5% and negative 8.2%.

The Group's liquidity position strengthened, with the current ratio increasing to 2.6 times from 2.0 times and the quick ratio improving to 2.3 times from 1.7 times, reflecting an enhanced ability to meet short-term obligations.

Fixed assets turnover increased to 1.9 times from 1.6 times, reflecting higher revenue generated from a lower fixed-asset base.

The debt-to-equity ratio decreased to 0.4 times from 0.6 times as the Group continued to repay borrowings, while the cost of debt remained stable at 3.2% (not annualized). Interest coverage (EBITDA to finance cost) improved to 14.4 times from 3.6 times. The DSCR calculated under the loan agreement for the 12 months ended 30 September 2026 improved to 1.1 times from 0.4 times for 2025, but remained below the covenant level of 1.2 times, as discussed under financial covenants above.

SECTION 5

RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

During the fourth quarter of 2025, the Company reviewed its policies and practices and methods in recording development, repair and modification costs of assets used in provision of services to customers in order to ensure the appropriateness and to align with assets group that are specifically used for each customer prior to the commencement of each project. The Company considered recording such costs as “costs to fulfil a contract” of each project instead of fixed assets, including the reviews of the overhead rates used for allocating asset costs and the useful lives of assets. Furthermore, the Company reviewed the policies on relevant research and development expenses to ensure its appropriateness. Consequently, the interim financial information for the three-month and nine-month periods ended 30 September 2025, which had previously been presented, did not reflect the impact of the aforementioned review.

Accordingly, in preparing and presenting the interim financial information for the three-month and nine-month periods ended 30 September 2026, the Company has retrospectively adjusted the consolidated and separate financial information, comprising the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2025, changes in shareholders' equity, and cash flows for the nine-month period then ended, presented as comparative information, to reflect the changes and adjustments items resulting from such changes. The cumulative effect of the prior period restatement is presented as a separate item in the consolidated and separate statements of changes in shareholders' equity.

The amounts of the adjustments that affected the consolidated and separate statements of comprehensive income and the consolidated and separate statements of cash flows are presented as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September					
	Consolidated financial information			Separate financial information		
	2025 As previously reported	Adjusted	2025 Restated	2025 As previously reported	Adjusted	2025 Restated
Statements of comprehensive income						
Cost of services	156,383	(2,221)	154,162	138,306	(2,221)	136,085
Administrative expenses	45,506	129	45,635	34,449	129	34,578
Loss for the period	(14,694)	2,092	(12,602)	(19,214)	2,092	(17,122)
Total comprehensive income for the period	(16,660)	2,092	(14,568)	(19,214)	2,092	(17,122)
Basic loss per share (Baht/Share)	(0.031)	0.005	(0.026)	(0.041)	0.005	(0.036)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September					
	Consolidated financial information			Separate financial information		
	2025 As previously reported	Adjusted	2025 Restated	2025 As previously reported	Adjusted	2025 Restated
Statements of comprehensive income						
Cost of services	428,827	17,215	446,042	364,557	17,215	381,772
Administrative expenses	115,897	384	116,281	90,225	384	90,609
Loss for the period	(61,624)	(17,599)	(79,223)	(80,806)	(17,599)	(98,405)
Total comprehensive income for the period	(60,635)	(17,599)	(78,234)	(80,806)	(17,599)	(98,405)
Basic loss per share (Baht/Share)	(0.129)	(0.037)	(0.166)	(0.170)	(0.037)	(0.207)
Statements of cash flows						
Loss before tax	(62,661)	(17,599)	(80,260)	(82,678)	(17,599)	(100,277)
Depreciation and amortisation	111,571	(20,826)	90,745	104,657	(20,826)	83,831
Other current assets	(1,274)	415	(859)	(275)	415	140
Net cash flows from operating activities	104,084	(38,010)	66,074	75,212	(38,010)	37,202
Cash paid for acquisition of equipment	(84,113)	36,691	(47,422)	(83,402)	36,691	(46,711)
Cash paid for acquisition of intangible assets	(15,168)	1,319	(13,849)	(15,209)	1,319	(13,890)
Net cash flows used in investing activities	(99,281)	38,010	(61,271)	(98,611)	38,010	(60,601)