

12 November 2025

Subject: Management Discussion and Analysis - For the third quarter period ended 30 September 2025

To: The President of Stock Exchange of Thailand

MFEC Public Company Limited (“the Company”) would like to notify the operating results that the Company reported net profit’s equity owner of the parent for the third quarter period ended 30 September 2025 of Baht 75.6 million, net profit decrease by Baht 14.9 million or 16.5% compared to the same period of last year which net profit were Baht 90.5 million, due reason to the following reasons:

Overall Operating results

Description	Q3-25		Q3-24		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales and Services	1,766.6	100.0%	1,577.0	100.0%	189.6	12.0%
Cost of Sales and Services	(1,478.0)	-83.7%	(1,332.2)	-84.5%	(145.8)	10.9%
Gross Profit, before Operating Expenses	288.6	16.3%	244.8	15.5%	43.8	17.9%
Profit from disposal of investment in subsidiary	-	0.0%	42.1	2.7%	(42.1)	100.0%
Other income	0.1	0.0%	38.9	2.5%	(38.7)	-99.6%
Gain (loss) on derivative at Fair value	0.3	0.0%	(39.3)	-2.5%	39.5	-100.7%
Selling and Administrative Expenses	(193.8)	-11.0%	(164.9)	-10.5%	(29.0)	17.6%
Profit from Operating, before interest and Tax	95.2	5.4%	121.6	7.7%	(26.4)	-21.7%
Share of profit(loss) from joint venture & associates	2.9	0.2%	(0.3)	0.0%	3.2	-1130%
Financial income	3.0	0.2%	2.6	0.2%	0.4	16.0%
Financial Costs	(4.6)	-0.3%	(8.7)	-0.5%	4.1	-47.3%
Net Profit, Before Corporate Tax	96.6	5.5%	115.2	7.3%	(18.6)	-16.2%
Corporate Income Tax	(18.4)	-1.0%	(24.5)	-1.6%	6.1	-24.8%
Net Profit	78.2	4.4%	90.7	5.8%	(12.6)	-13.8%
Profit attributed to non-controlling interests	(2.6)	-0.1%	(0.2)	0.0%	(2.3)	938.6%
Net Profit, Equity owner of the Company	75.6	4.3%	90.5	5.7%	(14.9)	-16.5%

Comprised of:						
Profit (loss) from other activities:						
Profit from disposal of investment in subsidiary	-	0.0%	42.1	2.7%	(42.1)	100.0%
Profit (loss) on derivative at Fair value	0.3	0.0%	(39.3)	-2.5%	39.5	-100.7%
Share of Profit (loss) from JV and associates	2.9	0.2%	(0.3)	0.0%	3.2	-1130%
Profit from normal operations	72.4	4.1%	88.0	5.6%	(15.6)	-17.7%
Net Profit, Equity owner of the Company	75.6	4.3%	90.5	5.7%	(14.9)	-16.5%

Under the economic condition of the country that has been recovering gradually, although the GDP growth rate remains limited, the demand for technology investment from the business sector has continued. In particular, in the areas of cybersecurity, cloud solutions for business, and AI adoption within organizations, which have started to involve a significant role in business operations. Such a trend of IT demand has directly benefited the Company’s operations,

enabling the Company to continuously grow in revenue. The Company recorded total revenue of Baht 1,766 million, an increase of 12% from the same period of the previous year. The revenue growth in this quarter mainly resulted from the System Integration (SI) business, which achieved a 121% increase year-on-year from the delivery of several large-scale projects, most of which were awarded since the previous year. Furthermore, effective cost management resulted in an improvement in the gross profit margin, with gross profit increasing to Baht 288.6 million, GP increase by 17.9% from the same period of the previous year, reflecting the Company's efficient cost management and profitability improvement.

As of the end of the third quarter of the current year, the Group had ongoing projects not yet delivered to customers (backlog) amounting to Baht 7,280 million, which will be recognized as revenue continuously throughout the contract periods of up to 5 years. Of this backlog amount, 57% represented recurring income, which indicates a strong and stable source of long-term revenue for the Group.

1. Revenue from sales and services increase from the same period of last year by Baht 189.6 million or 12% due following to:

Revenue from Business segment	Q3-2025		Q3-2024		Increase (decrease)	
	Million Baht	% total revenue	Million Baht	% total revenue	Million Baht	% Change
System Integration services	487		220			
System maintenance services	858	85.0	941	86.9	131	9.6
IT Professional services	157		210			
Cloud solution service	237	13.4	177	11.2	60	33.9
Other business	28	1.6	29	1.8	(1)	(3.4)
Total sales and services	1,767	100.0	1,577	100.0	190	12.0

Revenue from the core business segment increased by Baht 131 million or 9.6% compared to the same period of the previous year. This growth was primarily driven by the expansion of the System Integration (SI) segment, which recorded a significant increase of 121%. Although revenue from IT Professional Services (PS) decreased year-on-year due to the divestment of the subsidiary Playtorium Solutions effective on 30 September 2024, resulting in Playtorium's revenue excluded from the consolidated financial statements for the current period, As a result, the proportion of IT Professional Service (PS) revenue included in the Group's core business revenue composition decreased slightly from 86.9% to 85% of total revenue.

Cloud Service revenue increased by Baht 60 million or 33.9% compared to the same period of the previous year. This growth resulted from the Company's expansion of its cloud service offerings by introducing cloud solutions from Chinese providers, which offer lower service costs and enable clients to significantly reduce IT expenditures and manage cost structures more efficiently. Since the second half of 2024, the Company has commenced several projects deploying Chinese cloud technologies for large private-sector enterprises and expects continued expansion into new customer segments that are increasingly receptive to Chinese cloud services.

2. Cost of sales and service increase by Baht 145.8 million or 10.9% compared to the same period of last year.

Description	Q3-2025	Q3-2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from sales and services	1,766.6	1,577.0	189.6	12.0
Cost of sales and services	1,478.0	1,332.2	145.8	10.9
Gross Profit	288.6	244.8	43.8	17.9

Gross Profit (%)	16.3%	15.5%	+0.8%
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Cost of sales and services for the third quarter of the current year amounted to Baht 1,478 million. Although the change in revenue composition, notably the decrease in PS revenue following the divestment of Playtorium Solutions in the third quarter of the previous year, led to lower gross profit from PS, the Group was able to maintain an overall higher gross margin, increasing by 0.8% compared to the same period last year. The reduction in cost of sales resulted from effective cost management in SI project execution and maintenance service (MA) operations, contributing to an overall gross profit improvement by 17.9% year-on-year.

3. Selling and Administrative expenses increase by Baht 28.9 million or 17.5% compared to the same period of last year.

Description	Q3-2025	Q3-2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Selling and distribution expenses	35.4	44.4	(9.0)	(20.3)
Administrative expenses	151.6	145.4	6.2	4.3
Unrealized (profit) loss from exchange rates	0.4	(24.9)	25.3	101.6
Loss from investment impairment	6.4	-	6.4	100.0
Total Selling and Administrative Expenses	193.8	164.9	28.9	17.5

Revenue from sales and services	1,766.6	1,577.0	189.6	12.0
% SG&A to revenue	11.0%	12.0%	-1.0%	
% SG&A to revenue – normal operations	10.6%	12.0%	-0.4%	

Selling and administrative expenses as a percentage of total revenue stood at 11.0% for the current period, remaining comparable to the same period last year. However, when excluding non-recurring items, the normalized SG&A ratio presented at 10.6%, showing a continuous decrease since 2023–2024, compared to 12.0% in the prior year. This improvement was attributable to efficient personnel cost management and stringent control over other operating expenses.

Financial positions of the Company

Assets	30-Sep-2025	31-Dec-2024	Increase (decrease)	
Stated only for significant items	Million Baht	Million Baht	Million Baht	%
Assets				
Trade and other receivables	1,695.4	1,946.1	(250.7)	(12.9)
Cost of work in progress	329.0	167.4	161.6	96.5
Investment in associate held for sales	-	37.6	37.6	100.0
Prepayment for cost of services (included non-current items)	1,641.7	2,250.5	(608.8)	(27.1)
Total Assets	6,149.7	6,940.6	(790.9)	(11.4)

Assets

As of 30 September 2025, the Company had total assets of Baht 6,149.7 million, representing a decrease of Baht 790.9 million or 11.4% from the year-end balance. The key contributing factors were as follows:

- Trade and other receivables decreased by Baht 250.7 million due to collections of significant outstanding project billings delivered toward the end of 2024.
- Cost of work in progress increased by Baht 161.6 million, as the Company recognized costs based on the percentage of completion of ongoing projects. The increase reflects a higher proportion of large-scale SI projects compared to the previous year-end.
- Investments in associate held for sales decreased by Baht 37.6 million due to the disposal of the investment in PromptNow, which was completed in January 2025. The Group recognized profit from sales of investment Baht 3.3 million in Q1/2025.
- Prepayment for cost of services decreased by Baht 608.8 million, following the gradual recognition of costs from maintenance service contracts during the current period.

Liabilities and shareholders' equity Stated only for significant items	30-Sep-2025	31-Dec-2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Liabilities				
Loans from financial institutions	468.2	296.3	171.9	58.0
Trade and other payables	867.1	953.9	(86.8)	(9.1)
Deferred income	1,349.3	2,068.6	(719.3)	(34.8)
Total Liabilities	3,582.2	4,316.1	(733.9)	(17.0)

Shareholders' Equity				
Retained earnings – Unappropriated	1,090.4	1,136.8	(46.4)	(4.1)
Other components of shareholders' equity	(19.7)	(4.5)	(15.2)	(339.4)
Total Shareholders' Equity	2,567.4	2,624.5	(57.0)	(2.2)

Liabilities and Shareholders' Equity

As of 30 September 2025, the Company had total liabilities of Baht 3,582.2 million, representing a decrease of Baht 733.9 million or 17% from the year-end balance. The main reasons were as follows:

- Loans from financial institutions increased by Baht 171.9 million to support working capital needs arising from a higher proportion of large-scale projects during the current period.
- Trade and other payables decreased as outstanding amounts from the prior year-end credit terms were settled during the current period.
- Deferred revenue decreased in line with the reduction in prepaid service costs, reflecting revenue and cost recognition from maintenance (MA) contracts during the current quarter.

Shareholders' equity decreased by Baht 57 million or 2.2%, mainly due to:

- Unappropriated retained earnings decreased by Baht 46.4 million, resulting from the net profit attributable to the Company's shareholders for the nine-month period of Baht 171.4 million, offset by dividend payments of Baht 220.7 million made during the current period.

Please be informed in accordingly.

Your sincerely,

(Mr. Siriwat Vongjarukorn)

Chief Executive Officer