

23 February 2026

Subject: Management Discussion and Analysis - For the year ended 31 December 2025

To: The President of Stock Exchange of Thailand

MFEC Public Company Limited (the “Company”) would like to inform the Company’s operating results for the year ended 31 December 2025, the Company reported total net profit – equity holders of the company of Baht 234.8 million, of which Baht 251.9 million was derived from normal operating activities. Net profit decreased by Baht 37.4 million, or 13.8%, compared to the previous year’s total net profit of Baht 272.3 million. The decrease in net profit was primarily attributable to a one-time profit from sales of investment in a subsidiary recognized in 2024. Excluding such one-off item, profit from normal operations increased by Baht 7.8 million, or 3.2%, despite domestic economic headwinds and continued political uncertainty.

In 2025, the Company sustained revenue growth and achieved an improvement in gross profit margins across its core businesses, supported by efficiency cost control and effective management of operating expenses.

Executive Summary

(Unit: Million Baht)	Quarter 4/2024	Quarter 4/2025	% Y-o-Y	For the year 2024	For the year 2025	% Y-o-Y
Revenue from sales and services	1,724.5	1,852.9	7.5%	6,739.3	6,882.0	2.1%
Cost of sales and services	1,449.3	1,508.6	4.1%	5,686.4	5,750.9	1.1%
Gross Profit	275.2	344.3	25.1%	1,052.9	1,131.1	7.4%
Profit from sales of investment in subsidiary and associate	-	-	-	42.1	3.3	(92.2)
Selling and Admin Expenses	214.4	237.7	10.9%	796.2	818.8	2.8%
Profit from operation	81.5	106.3	30.5%	374.1	342.8	(8.4%)
Net Profit	46.5	63.3	36.3%	272.3	234.8	(13.8%)
Net Profit from normal operations	49.7	79.3	59.6%	244.1	251.9	3.2%

(Unit: %)	Quarter 4/2024	Quarter 4/2025	% Y-o-Y	For the year 2024	For the year 2025	% Y-o-Y
Gross Profit Margin	15.96%	18.58%	2.62%	15.62%	16.44%	0.81%
SG&A as % to revenue	12.43%	12.83%	0.40%	11.81%	11.90%	0.08%
Profit from operations (%)	4.72%	5.74%	1.02%	5.55%	4.98%	-0.57%
Net Profit Margin	2.69%	3.42%	0.72%	4.04%	3.41%	-0.63%

Business Overview for Q4/2025 and for the Year Ended 31 December 2025

For the Q4/2025, the Company reported total revenue of Baht 1,852.9 million, representing a 7.5% increase from the same period last year. Gross profit amounted to Baht 344.3 million, equivalent to gross profit margin of 18.58%. The gross margin for Q4 improved significantly by 2.62% compared to last year. As a result, the Group reported operating profit of Baht 106.3 million, reflecting a substantial increase of 30.5% year-on-year. Net profit for Q4 totaled Baht 63.3 million, an increase of 36.3% compared to the same period last year.

For the year ended 31 December 2025, the Company reported total revenue of Baht 6,882 million and gross profit of Baht 1,131.1 million, representing a gross profit margin of 16.44%. Operating profit totaled Baht 342.8 million, while net profit amounted to Baht 234.8 million. Although reported net profit decreased compared to the previous year, net profit from normal operations amounted to Baht 251.9 million, increased by Baht 7.8 million or 3.2% year-on-year.

The improvement in gross profit margins in Q4 and for the year 2025 at 18.58% and 16.44%, respectively was driven by revenue recognition from medium-to large-scale projects received during 2025. Several key projects began phased delivery and revenue recognition in the second half of the year, particularly multiple System Integration (SI) projects delivered in the final quarter. These projects contributed to a higher proportion of revenue with relatively strong project-level margins.

The Company's revenue structure comprises project-based revenue and recurring revenue from Maintenance Agreements (MA). In 2025, MA revenue accounted for more than 50% of total revenue and is recognized over the contractual service period of each project. The Company's revenue structure is therefore supported by a significant portion of recurring and recurring income in nature. Despite the increase in Q4 revenue from multiple project deliveries, the Company maintained effective control over selling and administrative expenses. The SG&A-to-revenue ratio remained at a level comparable to the previous year, which are not exceeding 12% of revenue, reflecting disciplined effective cost management.

Overall, for the year 2025, the Company achieved higher profit from normal operations, primarily driven by improved gross margins resulting from strong revenue compositions particularly from the delivery of several medium-to large-scale SI projects in the final quarter, as well as maintained higher margin from several MA projects. This performance enabled the Company to sustain revenue growth and maintain profitability on a consistent basis.

Overall Operating results

Description	For the year 2025		For the year 2024		Change	
	MB	%	MB	%	MB	%
Revenue from sales and services	6,882.0	100.0%	6,739.3	100.0%	142.7	2.1%
Cost of sales and services	(5,750.9)	-83.6%	(5,686.4)	-84.4%	(64.5)	1.1%
Gross Profit	1,131.1	16.4%	1,052.9	15.6%	78.3	7.4%
Profit from sales of investment*	3.3	0.0%	42.1	0.6%	(38.8)	-92.2%
Other income	31.1	0.5%	72.9	1.1%	(41.8)	-57.4%
Gain (loss) on derivatives at fair value*	(3.9)	-0.1%	2.4	0.0%	(6.3)	259.9%
Selling and administrative expenses	(818.8)	-11.9%	(796.2)	-11.8%	(22.6)	2.8%
Operating Profit	342.8	5.0%	374.1	5.6%	(31.2)	-8.4%
Share of loss from associates and joint ventures*	(16.5)	-0.2%	(16.3)	-0.2%	(0.2)	1.3%
Financial income	11.7	0.2%	11.4	0.2%	0.2	2.2%
Financial costs	(17.8)	-0.3%	(34.4)	-0.5%	16.6	-48.3%
Profit before tax	320.2	4.7%	334.8	5.0%	(14.6)	-4.4%
Income Tax	(77.2)	-1.1%	(53.3)	-0.8%	(23.8)	44.7%
Net Profit	243.0	3.5%	281.5	4.2%	(38.5)	-13.7%
Profit attributed to non-controlling of interests in subsidiary	(8.2)	-0.1%	(9.3)	-0.1%	1.0	-10.9%
Net Profit for the year – Equity owner of the Company	234.8	3.4%	272.2	4.0%	(37.4)	-13.8%

Comprised of:						
*Profit (loss) from other activities:						
Profit from sales of investment	3.3	0.0%	42.1	0.6%	(38.8)	100.0%
Gain (loss) on derivatives at fair value	(3.9)	-0.1%	2.4	0.0%	(6.3)	-259.9%
Share of loss from associates and joint ventures	(16.5)	-0.2%	(16.3)	-0.2%	(0.2)	1.3%
Profit from normal activities	251.9	3.7%	244.1	3.6%	7.8	3.2%
Net Profit for the year – Equity owner of the Company	234.8	3.4%	272.2	4.0%	(37.4)	-13.8%

The Group's revenue increased by Baht 142.7 million, or 2.1%, compared to the previous year. Revenue from System Integration ("SI") grew significantly by 57.3%. The Group also achieved an improvement in gross profit margin, driven by higher profitability from new projects undertaken during the current year. As a result, the Group's profit derived from normal operations increased by 3.2% year-on-year.

As of 31 December 2025, the Group had outstanding projects under execution (backlog) totaling Baht 8,153 million, which are expected to generate revenue recognition over project durations of up to 6 years. Of the total backlog, 59% represents recurring income that can be recognized continuously over the respective project terms.

Management Discussion and Analysis

1. Revenue from sales and services increase from last year by Baht 142.6 million or 2.1% due following to:

Revenue from Business segment	For the year 2025		For the year 2024		Increase (decrease)	
	Million Baht	% total revenue	Million Baht	% total revenue	Million Baht	% Change
System Integration services	1,731.2		1,100.7			
System maintenance services	3,419.1	85.9%	3,677.3	83.9%	257.4	4.55
IT Professional services	760.2		875.2			
Cloud solution service	861.8	12.5%	969.3	14.4%	(107.6)	(11.1)
Other business	109.8	1.6%	116.8	1.7%	(7.0)	(6.0)
Total sales and services	6,882.0	100.0%	6,739.3	100.0%	142.6	2.1

In 2025, the improvement in operating performance was primarily driven by revenue from System Integration (SI) services. The Company secured several medium-to large-scale projects during the year and was able to progressively recognize revenue in line with project delivery schedules. As a result, revenue from the SI increased significantly compared to the previous year.

Projects recognized in the current year generated higher gross profit margins compared to the prior year, leading to a corresponding increase in gross profit from SI projects in line with revenue growth. This was a key driver contributing to the overall improvement in the Company's gross profit margin for the year. For Maintenance Agreement (MA), although revenue decreased slightly year-on-year, the Company effectively managed costs and MA contract renewals. Consequently, the gross profit margin of the MA improved significantly compared to the previous year, reflecting enhanced service quality and operational efficiency. MA remains one of the Company's core businesses, providing recurring revenue recognized over the contractual periods. The Company continues to deliver MA services across multiple systems for both public and private sector clients, supporting stable recurring income and reinforcing the sustainability of its overall revenue structure.

Regarding cloud services revenue, although it decreased compared to the prior year, this segment carries relatively lower margins compared to the Company's core businesses. Therefore, the 11% decline in cloud revenue did not have a material impact on the Company's overall gross profit margin.

2. Cost of sales and service increase by Baht 64.5 million, or 1.1% compared to last year
Gross Profit increase by Baht 78.2 million, or 7.4% compared to last year

Description	Year 2025	Year 2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from sales and services	6,882.0	6,739.3	142.7	2.1
Cost of sales and services	5,750.9	5,686.4	64.5	1.1
Gross Profit	1,131.1	1,052.9	78.2	7.4

Gross Profit (%)	16.44%	15.62%	+0.82%
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Cost of sales and services for the year 2025 amounted to Baht 5,750.9 million. The Group reported an overall gross profit margin of 16.44%, representing an improvement from the previous year. This reflects enhanced cost management efficiency and improved project execution quality, particularly the significant increase in gross profit derived from Maintenance Agreement (MA) contracts. The improvement was driven by effective control of project and service delivery costs, as well as disciplined project planning and timely execution. These measures helped mitigate the risk of cost overruns and unnecessary expenses.

At the same time, the Company's fixed cost structure particularly personnel expenses related to project management and delivery was able to support higher revenue levels without requiring proportional cost increases. This operational leverage contributed to stronger overall gross margin expansion from project-based activities. The improvement in gross profit for the year reflects the Company's ability to capture attractive margins from medium- to large-scale projects, supported by disciplined cost control and sustained operational efficiency.

3. Selling and Administrative expenses increase by Baht 22.6 million or 2.8% compared last year

Description	Year 2025	Year 2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Selling and distribution expenses	154.0	174.1	(20.1)	(11.5)
Administrative expenses	664.8	622.1	42.7	6.9
Total Selling and Administrative Expenses	818.8	796.2	22.6	2.8

Revenue from sales and services	6,882.0	6,739.3	142.7	2.1
% SG&A expenses to revenue	11.9%	11.8%	+0.1%	

For the year 2025, the Group recorded total selling and administrative expenses of Baht 818.8 million, representing a slightly increase by 2.8% from the previous year, in line with revenue growth. The SG&A-to-revenue ratio stood at 11.9%, remaining broadly consistent with the prior year. The Group maintained effective cost discipline, managing expenses at an appropriate level while striving to maximize operational efficiency.

Administrative expenses for the current year included non-recurring items related to accounting adjustments for investment valuation and goodwill. These items are not associated with the Group's core operations and no impact on operating cash flows.

4. Profit from other activities

For the year 2024 and 2025, the Group recognized profit from other activities, detail as follows:

For the year 2024

The Company recorded profit from disposal of subsidiary of Baht 42.1 million from the divestment of its subsidiary, Playtorium Solutions, which was reported as profit from other activities Baht 69.3 million. This transaction was completed on 30 September 2024, resulted in Playtorium ceasing to be a subsidiary on the same date.

For the year 2025

The Company recorded profit from disposal of associate - Promptnow, which was reported as profit from other activities Baht 3.3 million. This transaction was completed in the first quarter of 2025.

The analysis of Financial Positions of the Company

Assets Stated only for significant items:	31-Dec-2025	31-Dec-2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Assets				
Cash and cash equivalents	615.7	199.3	416.4	208.9
Trade and other receivables	1,616.5	1,946.1	(329.6)	(16.9)
Unbilled receivables	759.2	923.8	(164.6)	(17.8)
Prepayment for cost of services (included non-current items)	1,880.5	2,250.5	(370.0)	(16.4)
Investment in joint ventures and associates	441.7	400.9	40.8	10.2
Total Assets	6,644.6	6,940.6	(296.0)	(4.3)

Assets

As of 31 December 2025, the company had total assets of Baht 6,644.6 million, a decrease of Baht 296 million or 4.3% from the end of last year, can be summarized below.

- Cash and cash equivalents increased by Baht 416.4 million, driven by a significant improvement in operating cash flows from operations. This was primarily attributable to project deliveries and collections, particularly in the fourth quarter of the year, reflecting the Group's effective liquidity management. The improvement in operating cash flows and enhanced liquidity position enabled the Group to reduce finance costs by Baht 16.6 million, or 48%, which directly contributed to higher net profit.
- Trade and other receivables decreased by Baht 329.6 million, consistent with the improvement in operating cash flow. This reduction was the result of effective receivables management and collection efforts, particularly substantial collections from completed and billed projects toward the end of 2025.
- Unbilled receivables decreased by Baht 164.6 million due to efficient project delivery and timely billing. The reduction in unbilled revenue further strengthened the Group's liquidity position during the year.

- Prepayment costs of services (including non-current portions) decreased by Baht 370 million, primarily due to the progressive recognition of costs under maintenance service contracts during the year, largely relating to maintenance service expenses.
- Investments in joint ventures and associates increased by Baht 40.8 million, reflecting an investment made through Synergy Group Ventures. The Group acquired a 35% stake in Cleverse Corporation, a specialist in AI transformation development and services. The total investment amounted to Baht 85 million, with the transaction completed in December 2025.

Liabilities and shareholders' equity Stated only for significant items	31-Dec-2025	31-Dec-2024	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Liabilities				
Trade and other payables	70.9	296.3	(225.4)	(76.1)
Short-term loans from financial institutions	1,129.1	953.9	175.2	18.4
Deferred income	1,802.9	2,068.6	(265.7)	(12.8)

Total Liabilities	4,033.7	4,316.1	(282.4)	(6.5)
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Shareholders' Equity				
Retained earnings – Unappropriated	1,135.3	1,136.8	(1.5)	(0.1)

Total Shareholders' Equity	2,610.9	2,624.5	(13.6)	(0.5)
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Liabilities and Shareholders' Equity

As of 31 December 2025, the company had total liabilities of Baht 4,033.7 million, a decrease of Baht 282.4 million or 6.5% from the end of last year, can be summarized below.

- Short-term loans from financial institutions decreased by Baht 225.4 million, reflecting the Group's strengthened liquidity position. Operating cash flow for 2025 amounted to Baht 950 million, or 1.7 times higher than the previous year, enabling partial repayment of short-terms debt.
- Trade and other payables increased, primarily due to outstanding balances within agreed credit terms at year-end. Most of the reduced balances were settled toward the end of the year. The increase was also attributable to higher accrued expenses recorded at year-end compared to the prior year.
- Deferred income declined in line with the reduction in prepaid service costs, consistent with the recognition of revenue and costs from maintenance (MA) projects during the current year.

Shareholders' equity decreased by Baht 13.6 million, or 0.5%, due to the following reasons:

- Unappropriated retained earnings decreased by Baht 1.5 million, resulting from net profits attributable to shareholders of the company for the year Baht 234.8 million, less dividend payment for the current year Baht 220.7 million.

Capital Structures

As of 31 December 2025, the Company had interest-bearing debt totaling Baht 71 million (2024: Baht 296 million). These consisted primarily of short-term borrowings from financial institutions in the form of trust receipts and promissory notes with maturities of not more than 150 days, utilized to support ongoing project investments following new sales orders acquired during the year.

The Group's net interest-bearing debt-to-equity ratio stood at 0.03 times, a significant reduction from 0.11 times in the prior year. The Company continues to maintain prudent and disciplined liquidity management, with a strong focus on optimizing its capital structure to ensure flexibility amid volatile financial market conditions. Furthermore, finance costs are managed at an appropriate level to support sustainable business operations.

Key Developments and Sustainability Highlights of the Group

- The Company received a **“AAA”** SET ESG Rating for 2025 from the Stock Exchange of Thailand, for the 2nd consecutive year. MFEC was 1 of 7 listed companies in the Technology sector to attain the highest sustainability rating. This recognition reflects the Company's strong commitment to sustainable business practices, guided by ESG principles, transparent management, robust corporate governance, efficient resource utilization, and the creation of positive social and environment impact.
- The Company was awarded 5-Star in the rating of **“Excellence”** Corporate Governance Report of Thai Listed Companies (CGR 2025), for the 7th consecutive year by the Thai Institute of Directors. This distinction underscores the Company's high standards of corporate governance and its commitment to conducting business with due consideration for environmental, social, and governance responsibilities toward all stakeholders.

MFEC remains firmly committed to operating under ESG principles while pursuing sustainable growth and upholding strong corporate governance standards, thereby reinforcing long-term confidence among shareholders and stakeholders.

Please be informed in accordingly.

Your sincerely,

-Siriwat Vongjarukorn-

(Mr. Siriwat Vongjarukorn)

Chief Executive Officer