

11 May 2026

Subject: Management Discussion and Analysis - For the 1<sup>st</sup> Quarter period ended 31 March 2026

To: The President of Stock Exchange of Thailand

MFEC Public Company Limited (the “Company”) would like to report its operating results for the first quarter ended 31 March 2026. The Company recorded net profit attributable to equity holders of the Company of Baht 73.4 million, representing an increase of Baht 13.1 million or 21.7% compared to net profit of Baht 60.3 million reported in the same period of the previous year. The increase in net profit was attributable to the Company’s ability to maintain continuous revenue growth and gross profit margins from its core businesses. Revenue for Q1/2026 increased by 5.3% year-on-year, supported by the progressive delivery of medium-sized and large-scale projects secured during the latter part of the previous year. Despite ongoing uncertainties in the domestic economic and political environment, as well as international geopolitical conditions, which have caused organizations to adopt more cautious budget management and delay certain information technology investments, the Group continues to benefit from the trust and confidence of its diversified customer base across both public and private sectors. In addition, the Group remains capable of delivering flexible technology solutions and service models tailored to customers budget requirements. As a result, the Group’s operating results for the first quarter continue to support its growth trajectory and operating targets for 2026.

**Executive Summary**

(Unit: Million Baht)	Quarter 4/2025	Quarter 1/2026	% Q-o-Q	Quarter 1/2025	Quarter 1/2026	% Y-o-Y
Revenue from sales and services	1,852.9	1,646.2	-11.2%	1,563.9	1,646.2	5.3%
Cost of sales and services	1,508.6	1,367.5	-9.4%	1,298.7	1,367.5	5.3%
Gross Profit	344.3	278.7	-19.0%	265.3	278.7	5.1%
Profit from sales of investment in associate	-	-	-	3.3	-	-100.0%
Selling and Admin Expenses	237.7	215.6	-9.3%	198.9	215.6	8.4%
Profit from operation	106.3	96.4	-9.3%	90.0	96.4	7.2%
<b>Net Profit</b>	<b>63.3</b>	<b>73.4</b>	<b>15.9%</b>	<b>60.3</b>	<b>73.4</b>	<b>21.7%</b>

(Unit: %)	Quarter 4/2025	Quarter 1/2026	% Q-o-Q	Quarter 1/2025	Quarter 1/2026	% Y-o-Y
Gross Profit Margin	18.6%	16.9%	-1.7%	17.0%	16.9%	-0.1%
SG&A as % to revenue	12.8%	13.1%	+0.3%	12.7%	13.1%	+0.4%
Profit from operations (%)	5.7%	5.9%	+0.2%	5.8%	5.9%	+0.1%
Net Profit Margin	3.4%	4.5%	+1.1%	3.9%	4.7%	+0.6%

## Business Overview for Q1/2026

For the first quarter of 2026, the Company reported total revenue of Baht 1,646.2 million, increasing by 5.3% from the same period of the previous year. Gross profit amounted to Baht 278.7 million, representing a gross profit margin of 16.9%, which remained at a level close to that of the same period last year, despite a decline compared to Q4/2025, which was the high delivery period for several large-scale projects. As a result, earnings before interest and income tax (EBIT) increased by 7.2% to Baht 96.4 million, while net profit attributable to equity holders of the Company increased by 21.7% to Baht 73.4 million compared to the same period last year. In addition, the Group's net profit margin improved compared to the previous quarter (Q-o-Q), increasing to 4.5% in Q1/2026 from 3.4% in Q4/2025. Revenue and operating performance in Q1/2026 continued to be supported by the progressive revenue recognition of projects secured during Q4/2025, particularly System Integration (SI) projects and IT-related services that were delivered according to schedule. This enabled the Group to maintain its gross profit margin at a level comparable to the same period of the previous year.

In addition, the Group continued to manage operating costs and expenses efficiently, despite increases in selling and administrative expenses resulting from higher personnel costs and recurring operating expenses to support long-term business expansion. Nevertheless, the Group was able to further improve profitability through effective cost control and project delivery management.

### Overall Operating results

Description	Quarter 1/2026		Quarter 1/2025		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services	1,646.2	100.0%	1,563.9	100.0%	82.3	5.3%
Cost of sales and services	(1,367.5)	-83.1%	(1,298.7)	-83.0%	(68.9)	5.3%
<b>Gross Profit before operating expenses</b>	<b>278.7</b>	<b>16.9%</b>	<b>265.3</b>	<b>17.0%</b>	<b>13.4</b>	<b>5.1%</b>
Profit from sales of investment*	-	0.0%	3.3	0.2%	(3.3)	-100.0%
Other income	11.6	0.7%	22.7	1.5%	(11.2)	-49.2%
Gain (loss) on derivatives at fair value*	21.8	1.3%	(2.4)	-0.2%	24.2	-1004.6%
Selling and administrative expenses	(215.6)	-13.1%	(198.9)	-12.7%	(16.7)	8.4%
Operating Profit before interest and tax	96.4	5.9%	90.0	5.8%	6.4	7.2%
Share of loss from associates and joint ventures*	0.3	0.0%	(2.4)	-0.2%	2.7	-112.6%
Financial income	1.3	0.1%	2.2	0.1%	(0.9)	-40.5%
Financial costs	(2.5)	-0.1%	(4.6)	-0.3%	2.2	-47.0%
Profit before tax	95.6	5.8%	85.1	5.4%	10.4	12.2%
Income Tax	(20.0)	-1.2%	(24.5)	-1.6%	4.5	-18.3%
<b>Net Profit</b>	<b>75.6</b>	<b>4.6%</b>	<b>60.7</b>	<b>3.9%</b>	<b>14.9</b>	<b>24.6%</b>
Profit attributed to non-controlling of interests in subsidiary	(2.2)	-0.1%	(0.4)	0.0%	(1.8)	442.2%
<b>Net Profit for the year – Equity owner of the Company</b>	<b>73.4</b>	<b>4.5%</b>	<b>60.3</b>	<b>3.9%</b>	<b>13.1</b>	<b>21.7%</b>

Comprised of:						
<b>*Profit (loss) from other activities:</b>						
Profit from sales of investment in associates	-	0.0%	3.3	0.2%	(3.3)	100.0%
Gain (loss) on derivatives at fair value	21.8	1.3%	(2.4)	-0.2%	24.2	-1004.6%
Share of loss from associates and joint ventures	0.3	0.0%	(2.4)	-0.2%	2.7	-112.6%
<b>Profit from normal activities</b>	<b>51.3</b>	<b>3.1%</b>	<b>61.8</b>	<b>4.0%</b>	<b>(10.5)</b>	<b>-17.0%</b>
<b>Net Profit for the year – Equity owner of the Company</b>	<b>73.4</b>	<b>4.5%</b>	<b>60.3</b>	<b>3.9%</b>	<b>13.1</b>	<b>21.7%</b>

During Q1/2026, the Company recognized gain on fair value measurement of derivative instruments amounting to Baht 21.8 million, which increased significantly from the same period last year. Such gain resulted from the fair value adjustment of derivative instruments used to hedge cash flow and foreign exchange risks arising from fluctuations in exchange rates, as a significant portion of the Company’s cost of goods sold relates to imported products. The related gains or losses from such derivative instruments will subsequently be recognized through profit or loss in accordance with the actual settlement timing of the related purchase transactions.

As of the end of Q1/2026, the Group had project backlog with remaining unrecognized revenue amounting to Baht 8,198 million, which can be recognized over project periods extending up to 6 years. Recurring income accounted for 61% of total backlog value, slightly increasing from 59% at the end of 2025, reflecting the proportion of recurring projects secured during the current quarter.

### Management Discussion and Analysis

1. Revenue from sales and services increased by Baht 82.3 million, or 5.3%, compared to the same period last year.

Revenue from Business segment	Quarter 1/2026		Quarter 1/2025		Increase (decrease)	
	Million Baht	% total revenue	Million Baht	% total revenue	Million Baht	%
System Integration services	450.7		341.2			
System maintenance services	766.3	84.1%	883.3	87.4%	17.8	1.3%
IT Professional services	167.1		141.8			
Cloud solution service	225.9	13.7%	178.4	11.4%	47.5	26.6%
Other business	36.2	2.2%	19.2	1.2%	17.0	88.5%
<b>Total sales and services</b>	<b>1,646.2</b>	<b>100.0%</b>	<b>1,563.9</b>	<b>100.0%</b>	<b>82.3</b>	<b>5.3%</b>

The revenue increase was mainly driven by higher revenue from System Integration (SI) projects and cloud services, supported by the progressive delivery of projects secured during late 2025 and delivered according to schedule during the current quarter. The Group continued to recognize revenue from several medium-sized and large-scale SI projects, resulting in growth in this business segment compared to the previous year. Projects recognized during the quarter continued to deliver healthy gross profit margins in line with the Group’s targets.

Revenue from Maintenance Agreement (MA) services slightly declined compared to the previous year. However, the Group continued to maintain stable profitability from this business segment through effective cost management and operational efficiency.

Revenue from cloud services and other businesses increased compared to the same period last year. Cloud business revenue was supported by the continued expansion of China-based cloud technology solutions to several enterprise customers since the previous year. This contributed to improved cloud service margins and supported the overall improvement in the Company's gross profit margin. Meanwhile, revenue from other businesses grew from the expansion of the Payment Gateway business operated by the subsidiaries and related services during the current quarter.

2. Cost of sales and service increase by Baht 68.9 million, or 5.3% compared to the same period of last year  
Gross Profit increase by Baht 13.4 million, or 5.1% compared to the same period of last year.

Description	Quarter 1/2026	Quarter 1/2025	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from sales and services	1,646.2	1,563.9	82.3	5.3%
Cost of sales and services	1,367.5	1,298.7	68.9	5.3%
Gross Profit	278.7	265.3	13.4	5.1%

Gross Profit (%)	16.9%	17.0%	-0.1%
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Cost of sales and services increased by Baht 68.9 million, or 5.3%, in line with the increase in revenue from sales and services. Nevertheless, the Group maintained its overall gross profit margin at 16.9%, close to the level reported in the same period last year.

The Group continued to maintain profitability from its core businesses, particularly from the significant improvement in gross profit generated from Maintenance Agreement (MA) contracts. Such improvement was attributable to effective project cost management and service cost control, as well as efficient project planning and timely project delivery, which helped reduce the risk of cost overruns and unnecessary expenses. In addition, the Group continued to maintain project quality and personnel cost management in line with its operating plans.

3. Selling and Administrative expenses increase by Baht 16.7 million or 8.4% compared to the same period of last year.

Description	Quarter 1/2026	Quarter 1/2025	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Selling and distribution expenses	48.1	41.7	6.4	15.3%
Administrative expenses	165.4	155.6	9.8	6.3%
Loss from exchange rate	2.1	1.6	0.5	31.3%
<b>Total Selling and Administrative Expenses</b>	<b>215.6</b>	<b>198.9</b>	<b>16.7</b>	<b>8.4%</b>

Revenue from sales and services	1,646.2	1,563.9	82.3	5.3%
% SG&A expenses to revenue	13.1%	12.7%	0.4%	

Selling and administrative expenses increased by Baht 16.7 million, or 8.4%, compared to the same period last year, mainly due to higher personnel expenses and recurring operating costs to support business expansion and strengthen the Group's operational capabilities for long-term growth.

In addition, selling expenses increased significantly as a result of the expansion of the Group's Payment Gateway business and related services, which led to higher customer acquisition and service support costs in line with business growth's transaction volumes.

Nevertheless, despite the increase in operating expenses, the Group continued to maintain profitability growth through revenue expansion and efficient project cost management.

#### **The analysis of Financial Positions of the Company**

Stated only for significant items:	31 March 2026	31 December 2025	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
<b>Assets</b>				
Cash and cash equivalents	267.6	615.7	(348.1)	(56.5)
Trade and other receivables	1,629.3	1,616.5	12.8	0.8
Unbilled receivables	712.8	759.2	(46.4)	(6.1)
Prepayment for cost of services (included non-current items)	1,828.5	1,880.5	(52.0)	(2.8)
<b>Total Assets</b>	<b>6,253.2</b>	<b>6,644.6</b>	<b>(391.4)</b>	<b>(5.9)</b>

## Assets

As of 31 March 2026, the Company's total assets amounted to Baht 6,253.2 million, representing a decrease of Baht 391.4 million, or 5.9%, from the end of 2025. The key changes were as follows:

- Cash and cash equivalents decreased by Baht 348.1 million, or 56.5%, mainly due to payments made to settle trade payables upon maturity and the full repayment of short-term borrowings from financial institutions. In addition, the Company allocated a portion of its excess liquidity to low-risk short-term fixed income funds in order to enhance returns on excess cash balances.
- Trade and other receivables increased by Baht 12.8 million, or 0.8%. Although the Group collected a substantial amount of receivables during the current quarter, the Group completed project deliveries and issued a significant amount of invoices to customers near the end of the quarter. As a result, trade receivables slightly increased compared to the balance as of year-end 2025.
- Unbilled receivables decreased by Baht 46.4 million, or 6.1%, while prepaid service costs decreased by Baht 52.0 million, or 2.8%, in line with the normal revenue and cost recognition cycle of the Group's operations. Such changes were primarily attributable to the progressive recognition of revenue and costs related to Maintenance Service Agreement ("MA") contracts during the current quarter.

Liabilities and shareholders' equity Stated only for significant items	31 March 2026	31 December 2025	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	Million Baht
<b>Liabilities</b>				
Short-term loans from financial institutions	-	70.9	(70.9)	(100.0)
Trade and other payables	961.8	1,129.1	(167.3)	(14.8)
Accrued expenses	115.8	266.6	(150.8)	(56.6)
Deferred income	1,725.1	1,802.9	(77.8)	(4.3)
<b>Total Liabilities</b>	<b>3,538.0</b>	<b>4,033.7</b>	<b>(495.7)</b>	<b>(12.3)</b>

<b>Shareholders' Equity</b>				
Retained earnings – Unappropriated	1,208.6	1,135.3	73.3	6.5
Other component of shareholders' equity	7.7	(22.5)	30.2	134.2
<b>Total Shareholders' Equity</b>	<b>2,715.2</b>	<b>2,610.9</b>	<b>104.3</b>	<b>3.9</b>

## Liabilities and shareholders' equity

As of 31 March 2026, the Company's total liabilities amounted to Baht 3,538.0 million, representing a decrease of Baht 495.7 million, or 12.3%, from the end of 2025. The key changes were as follows:

- Short-term borrowings from financial institutions decreased by Baht 70.9 million, or 100%, due to the full repayment of all outstanding short-term loans. As a result, the Group had no outstanding short-term borrowings from financial institutions as of the end of the quarter, reflecting the Group's strong liquidity position and effective cash flow management.
- Trade and other payables decreased by Baht 167.3 million, or 14.8%, mainly due to payments made to settle trade payables in the ordinary course of business operations.
- Accrued expenses decreased by Baht 150.8 million, or 56.6%, primarily due to the payment of annual staff's bonuses and accrued expenses related to the Group's 2025 operating performance following the year-end period.
- Deferred income decreased by Baht 77.8 million, or 4.3%, in line with the progressive recognition of revenue from projects and service contracts according to the Group's normal operating cycle.

Shareholders' equity increased by Baht 104.3 million, or 3.9%

- Shareholders' equity decreased mainly due to the increase in retained earnings from the Group's operating results for Q1/2026, while other components of shareholders' equity increased from changes in cash flow hedge reserves resulting from the fair value adjustment of derivative financial instruments in accordance with Financial Reporting Standards.

Please be informed in accordingly.

Your sincerely,

*-Siriwat Vongjarukorn-*

(Mr. Siriwat Vongjarukorn)

Chief Executive Officer