



network services

MD&A Q1/2026

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14 May 2026

Subject Management Discussion and Analysis of Operating Results for Q1/2026

To The President
The Stock Exchange of Thailand

Pursuant to the resolution of the Board of Directors' Meeting No. 2/2026 of JMT Network Services Public Company Limited (the "Company") held on 14 May 2026, the Board approved and ratified the financial statements and operating results of the Company and its subsidiaries for Q1/2026 ended 31 March 2026, which have been reviewed by the Company's auditors. The key events and summary of operating results are as follows:

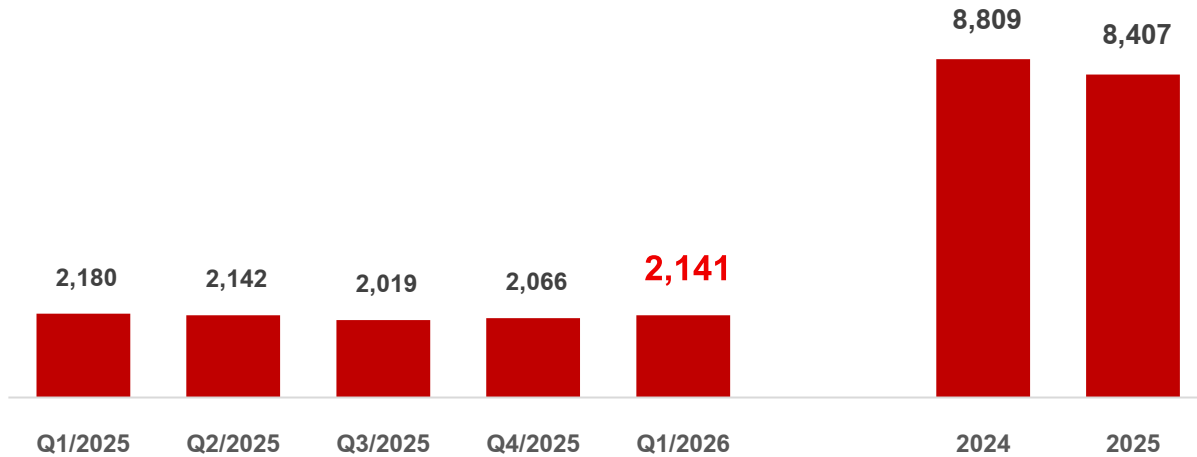
1. Overview

Summary of Key Operating Results for Q1/2026

- The Company recorded total revenue of THB 1,115.9 million in Q1/2026, a decrease of THB 150.3 million or 11.9%, primarily resulting from lower cash collection from non-performing loans (NPL) attributable to the Company. Revenue from the NPL management business represented the principal component of total revenue, accounting for approximately 89% of total revenue.
- In Q1/2026, the Company recorded total cash collections, including contributions from JK Asset Management Company Limited ("JK"), amounting to THB 2,141 million, representing an increase of 3.6% quarter-on-quarter (QoQ). This reflects the Company's continued efficiency in cash collection management and recovery operations.
- Compared to the same period last year (YoY), total cash collections declined slightly by 1.8%. Of the total amount, the Company's standalone cash collections were THB 1,184 million, decreasing by 12.0% YoY, while cash collections from the joint venture, JK Asset Management Company Limited, amounted to THB 957 million, increasing by 14.6% YoY, reflecting the continued growth and improving performance of the joint venture business.
- The Company recorded an Expected Credit Loss (ECL) provision of THB 331.1 million, which is classified as a non-cash item. The increase from Q4/2025 was primarily attributable to lower-than-expected cash collection performance from certain non-performing loan (NPL) portfolios compared to the Company's initial estimates. In addition, the Company continues to adopt prudent and conservative assumptions in its assessment process to ensure that the provision level appropriately reflects underlying credit risks and remains aligned with the current operating environment.
- In Q1/2026, the Company invested THB 1,103 million in NPL portfolios, comprising both secured and unsecured NPLs.
- Net profit attributable to shareholders for Q1/2026 was THB 252.2 million, a decrease of 23.6% YoY.

Cash Collection Overview for Q1/2026 (including JK Joint Venture)

Unit: Million Baht



Economic and Industry Overview

In Q1/2026, the Thai economy continued to expand on the momentum from Q4/2025, which grew by 2.5% YoY, accelerating from 1.2% YoY in Q3/2025, bringing full-year 2025 GDP growth to 2.4%. However, following the outbreak of conflict in the Middle East, the Monetary Policy Committee (MPC) revised down its GDP forecast for 2026 to 1.5% and for 2027 to 2.0%, as private consumption was pressured by rising living costs and a softening income outlook.

Headline inflation in Q1/2026 stood at -0.5% YoY, and is expected to rise to an average of 2.9% in 2026 in line with global energy prices and cost pass-through, before easing to an average of 1.5% in 2027 as supply-side factors gradually subside. Core inflation is projected at 1.6% in 2026 and 1.5% in 2027.

On the policy rate front, the MPC cut the policy rate by 0.25 percentage points from 1.25% to 1.00% at its first meeting of 2026 on 25 February 2026, and resolved to maintain the rate unchanged at its second meeting on 29 April 2026. The low policy rate environment helps reduce the Company's financing costs on borrowings from financial institutions — a key positive factor for the cost structure of the NPL management business.

NPL Management Industry in Q1/2026

In terms of asset quality in the commercial banking system, non-performing loans (NPLs) remained elevated, particularly in retail lending, auto hire-purchase, and household-related credit, while the inflow rate of new NPLs continued to run high amid weak purchasing power. Nevertheless, under financial institutions' strategies to maintain balance sheet stability and capital management, the supply of NPL portfolios brought to market is expected to require the Company to compete on the basis of more precise portfolio valuation than in the past.

At the same time, system-wide cash collection capability continued to face pressure from weak purchasing power, particularly among retail borrowers and SMEs, who are facing household debt that remains at approximately 87% of GDP, a higher cost of living driven by energy prices, and income vulnerability across certain occupational groups. The government's retail debt relief measure for unsecured borrowers with debt not exceeding THB 100,000 per account, implemented through the Asset Management Company (AMC) mechanism, remains a structural factor shaping the industry — both by reducing the supply of retail NPLs below THB 100,000 per account brought to market, and by opening opportunities for specialized private AMCs to participate in debt management under the government framework for retail debt above THB 100,000 per account, which remains the principal segment by total NPL value in the country's banking system.

Action Plan to Achieve Performance Targets (Improvement Plan)

Given the operating performance in Q1/2026, which declined compared to the same period last year, and in order to drive proactive management and enhance operational efficiency, the Company has implemented the following key measures:

1) Revenue and Portfolio Quality Measures (Revenue & ECL Management)

In the prevailing economic slowdown, which has weighed on borrowers' debt servicing capacity, the Company is focused on quality portfolio management, coupled with keeping Expected Credit Loss (ECL) at a level appropriate to the current economic environment, through borrower relief measures targeted at debtors with both the willingness and capacity to repay — including debt restructuring aligned with current income, extended repayment tenors, reduced instalments, and temporary partial payment holidays.

At the same time, the Company has stepped up promotion of account closure via Settlement Discounts to accelerate cash recognition and reduce long-term credit risk.

2) Cost and Operational Efficiency Measures (Cost & Productivity)

The Company is advancing cost structure optimization without compromising business capability, with a focus on applying AI technology in debt collection processes and work quality control, alongside right-sizing the workforce in line with the long-term plan. AI initiatives are already in use in selected key projects — including OCR and an AI-based Quality Monitoring System — delivering tangible efficiency gains and unit cost reductions.

2. Operating Results and Profitability

Overview of Operating Results for Q1/2026

For the operating results of the Company and its subsidiaries for Q1/2026, the consolidated financial statements recorded net profit attributable to shareholders of THB 252.2 million, a decrease of THB 77.8 million or 23.6% YoY. Details of the Group's operating results are set out below.

Summary of Operating Results (Condensed)

Consolidated	Q1/2025		Q1/2026		Change	
	MB	%	MB	%	MB	%
Revenue from contracts with customers	69.7	5.5%	43.2	3.9%	(26.5)	-38.0%
Interest income and dividends	955.7	75.5%	881.1	79.0%	(74.6)	-7.8%
Gain from loans from purchased receivables	147.7	11.7%	119.6	10.7%	(28.1)	-19.0%
Insurance underwriting revenue	93.1	7.4%	72.1	6.5%	(21.0)	-22.6%
Total revenue	1,266.2	100.0%	1,115.9	100.0%	(150.3)	-11.9%
Cost of services	411.8	32.5%	330.2	29.6%	(81.6)	-19.8%
Insurance underwriting expenses	86.5	6.8%	60.3	5.4%	(26.2)	-30.3%
Gross profit	767.8	60.6%	725.3	65.0%	(42.5)	-5.5%
Other income	23.3	1.8%	30.1	2.7%	6.8	29.2%
Administrative expenses	(178.8)	-14.1%	(187.9)	-16.8%	(9.1)	5.1%
Expected credit loss (ECL)	(175.6)	-13.9%	(331.1)	-29.7%	(155.5)	88.6%
Operating profit	469.4	37.1%	249.5	22.4%	(219.9)	-46.8%
Finance costs	(134.9)	-10.7%	(113.5)	-10.2%	21.4	-15.9%
Share of profit from joint venture	77.3	6.1%	115.3	10.3%	38.0	49.2%
Income tax expense	(78.5)	-6.2%	9.3	0.8%	87.8	-111.8%
Net profit for the period	333.3	26.3%	260.5	23.3%	(72.8)	-21.8%
Net profit attributable to shareholders	330.0	26.1%	252.2	22.6%	(77.8)	-23.6%

Total Revenue

The Company recorded total revenue of THB 1,115.9 million in Q1/2026, a decrease of THB 150.3 million or 11.9% from the prior year. Details of the changes in revenue are as follows:

1. Revenue from contracts with customers in Q1/2026 was THB 43.2 million, a decrease of THB 26.5 million or 38.0% YoY. The decline was primarily due to financial institutions increasingly prioritizing in-house debt restructuring before outsourcing, resulting in a lower volume of debt collection service engagements. Revenue from the debt collection services business currently represents only 3.9% of total revenue.
2. Interest and dividend income, together with gain from loans from purchased receivables, totalled THB 1,000.7 million in Q1/2026, a decrease of THB 102.7 million or 9.3% YoY. The decline reflected lower cash collection from the NPL portfolio, driven primarily by the continued slowdown in the domestic economy and elevated household debt levels.
3. Insurance underwriting revenue in Q1/2026 was THB 72.1 million, a decrease of THB 21.0 million or 22.6% YoY, as the Company has focused on underwriting in insurance segments with lower loss ratios, selectively writing business to control risk. The repositioning of the insurance portfolio toward

a lower loss ratio enabled the subsidiary to record a net profit in Q1/2026.

Cost of Services

Cost of services in Q1/2026 was THB 330.2 million, a decrease of THB 81.6 million or 19.8% YoY. The decline was primarily driven by lower legal proceedings expenses, as the Company shifted its collection strategy to focus litigation on debtors with underlying assets — enhancing enforcement efficiency and maximizing the value of expenses incurred.

Insurance Underwriting Expenses

Insurance underwriting expenses in Q1/2026 were THB 60.3 million, a decrease of THB 26.2 million or 30.3% YoY, broadly in line with the decline in insurance underwriting revenue.

Gross Profit

Consolidated gross profit in Q1/2026 was THB 725.3 million, a decrease of THB 42.5 million or 5.5% YoY, primarily reflecting lower total revenue amid the economic slowdown. Nevertheless, the Company sustained meaningful profitability efficiency, with the gross profit margin rising to 65.0% from 60.1% in the prior-year period — reflecting effective management of cost of services and insurance underwriting expenses through the revised debt collection strategy and selective underwriting of insurance portfolios with lower loss ratios.

Administrative Expenses

Administrative expenses in Q1/2026 were THB 187.9 million, an increase of THB 9.1 million or 5.1% YoY. The change reflects the Company's tighter and more efficient expense controls aligned as closely as possible with the current revenue level, with disciplined management across all expense lines —

including marketing, personnel, and other administrative costs.

Expected Credit Loss (ECL)

The Company recognized Expected Credit Loss (ECL) of THB 331.1 million in Q1/2026, an increase of THB 155.5 million or 88.6% YoY. The increase was driven primarily by cash collection performance on certain NPL portfolios falling short of the Company's projections, under conditions of a continued economic slowdown, persistently fragile retail borrower purchasing power, and elevated household debt. The Company therefore recognized additional ECL provisions under a Conservative Approach so that provisioning levels align with the actual credit risk of the portfolio. The Company continues to apply a conservative assumption framework to ensure that provisioning reflects the true underlying credit risk and is appropriate to the current environment. ECL is a non-cash item, and the Company believes that as the economy normalizes, credit loss provisioning will decline. The Company expects the ECL trajectory to improve in the second half of 2026.

Finance Costs

Finance costs in Q1/2026 were THB 113.5 million, a decrease of THB 21.4 million or 16% YoY, as the Company redeemed debentures that matured during 2025 totalling THB 6,375 million.

Share of Profit from Joint Venture

Share of profit from joint venture in Q1/2026 was THB 115.3 million, an increase of THB 38.0 million or 49.2% YoY, driven by improved cash collection at JK.

Net Profit Attributable to Shareholders

Net profit attributable to shareholders for Q1/2026 was THB 252.2 million, a decrease of THB 77.8 million or

23.6% YoY, driven by lower total revenue together with the increase in ECL discussed above.

Key Financial Ratios

Financial Ratio	Q1/2025	Q1/2026
Current ratio (times)	1.00	0.73
Gross profit margin (%)	60.64	65.00
Operating profit margin (%)	37.07	22.35
Net profit margin (%)	26.32	23.34
Return on equity (ROE)* (%)	6.75	3.56
Return on assets (ROA)** (%)	4.57	2.61
Debt to equity (D/E) ratio (times)	0.49	0.37
Interest-bearing debt to equity (IBD/E) ratio (times)	0.46	0.32

Financial ratios are calculated in accordance with the Capital Market Supervisory Board Notification No. Tor Jor. 14/2024 (Issue 27).

* ROE = Earnings before interest and tax × 100 / Total shareholders' equity (average)

** ROA = Earnings before interest and tax × 100 / Total assets (average)

3. Asset Management Capability

Assets

As at 31 March 2026, the Company recorded total assets of THB 38,479.0 million, an increase of THB 565.8 million or 1.5% from year-end 2025, primarily driven by the increase in loans from purchased receivables.

Key Components of Assets

1. Loans from purchased receivables of THB 20,338.1 million, representing 52.9% of total assets, an increase of THB 517.7 million or 2.6% from year-end 2025. The increase was primarily due to additional investment in NPL portfolios during the period, net of ECL provisioning, and the conversion of certain receivables to non-performing assets (NPA).

2. Investment in joint venture of THB 6,975.2 million, representing 18.1% of total assets, an increase of THB 115.3 million or 1.7% from year-end 2025. The increase reflects recognition of cumulative share of profit of approximately THB 115.3 million in JK Asset Management Company Limited.

3. Long-term loans to related companies of THB 3,468.3 million, representing 9% of total assets, a decrease of THB 23.8 million or 0.7% from year-end 2025, primarily due to partial repayment of loans to related parties during the period.

4. Non-performing assets of THB 3,043.9 million, representing 7.9% of total assets, a slight increase of 0.3% from year-end 2025.

Liabilities and Shareholders' Equity

As at 31 March 2026, on a consolidated basis, the Company recorded total liabilities of THB 10,301.1 million, an increase of THB 304.6 million or 3.0% from year-end 2025. The increase was primarily driven by higher trade payables arising from the Q1/2026 auction purchases of NPL portfolios from financial institutions, which were not yet due for payment as at end of March 2026.

Total shareholders' equity as at 31 March 2026 was THB 28,177.9 million, a slight increase of 0.9% from year-end 2025.

4. Liquidity and Capital Adequacy

Debt Servicing Capability and Compliance with Borrowing Covenants

As at 31 March 2026, the Company had debentures maturing within 2026 with an aggregate value of THB 2,413.6 million. The Company has prepared its liquidity and capital structure management plan prudently to meet these obligations through both operating cash flow and appropriately-priced funding sources.

The Company maintains a strong financial position and has consistently complied with the financial ratios required under the terms of its debentures.

Liquidity and Cash Flow Analysis

For Q1/2026, the Company recorded a net decrease in cash and cash equivalents of THB 269.6 million. Details of cash flows by activity are as follows:

Unit: THB million	Q1/2025	Q1/2026
Cash flows from (used in) operating activities	(688.6)	2.2
Cash flows from (used in) investing activities	(59.6)	(14.2)
Cash flows from (used in) financing activities	1,056.4	(257.8)
Net increase (decrease) in cash and cash equivalents	308.1	(269.6)

Net cash flows from operating activities in Q1/2026 were THB 2.2 million, a significant improvement from THB 688.6 million used in Q1/2025. The improvement was primarily due to the purchase of NPL portfolios during the period for which cash payment was not yet due within the quarter, temporarily lifting operating cash flow, together with the higher recognition of ECL — a non-cash item. Cash receipts from interest and debt collection remained robust, reflecting the Company's continued ability to generate cash from its core business.

Net cash used in investing activities in Q1/2026 was THB 14.2 million, a decrease of THB 45.4 million compared with THB 59.6 million in Q1/2025. The decline was primarily driven by slower investment in computer equipment and

software under a prudent capital expenditure plan, together with repayment of THB 25 million in loans from related parties during the period.

Net cash used in financing activities in Q1/2026 was THB 257.8 million, compared with net cash received of THB 1,056.4 million in Q1/2025. The change was primarily because the Company issued a new debenture tranche in Q1/2025 but did not issue any new debentures in Q1/2026, together with net loan repayments of THB 243 million — reflecting the Company's prudent management of its capital structure and debt obligations while maintaining adequate liquidity.

5. Debt Commitments and Off-Balance-Sheet Management

Operating lease and service agreement commitments: As at 31 March 2026, the Group had minimum future payment obligations under short-term lease agreements, leases of low-value underlying assets, and service agreements totalling THB 11 million.

Capital expenditure commitments: As at 31 March 2026, the Company had capital expenditure commitments under construction supervision and design agreements and computer system installation agreements totalling THB 4 million.

6. Forward-Looking Factors Affecting Future Operating Results

6.1 Monetary Policy Direction and Financing Costs

The policy rate, currently at a low level of 1%, is expected to remain stable in line with the MPC's view that the current level is appropriate to support the slowing economy. This is positive for the Company's financing cost structure, particularly funding raised from financial institutions for investment in new NPL portfolios. Nevertheless, the Company remains watchful of inflation risk that could pressure operating costs and borrowers' purchasing power going forward.

6.2 Supply of NPL Portfolios in the Market

Although NPL inflows in the system remain elevated, write-offs from commercial banks' balance sheets are being executed cautiously. The Company expects the supply of NPL portfolios brought to market to increase gradually in the next phase, in line with government policy aimed at reducing financial institutions' balance-sheet risk. The Company is therefore positioning itself across funding, capital structure, and personnel to capture investment opportunities in portfolios with strong potential at appropriate pricing.

6.3 Cash Collection Challenges

With retail borrower purchasing power still fragile and the cost of living rising due to the Middle East conflict, the Company expects cash collection pace to remain challenging in the short term. Management is responding by (1) recognizing ECL provisions at appropriate levels under a Conservative Approach, (2) enhancing collection efficiency through technology and data analytics, and (3) offering debt restructuring aligned with each borrower's repayment capacity to lift the cure rate.

6.4 Government Measures and the Company's Role

The government's retail debt relief measure for borrowers with debt not exceeding THB 100,000 per account, implemented through the AMC mechanism, is a short-term social measure. However, Bank of Thailand data indicate

that the bulk of NPLs in the system carry values above this threshold — a segment in which the Company has deep expertise. The Company is therefore confident that it can effectively partner with the government and financial institutions in managing large and structurally complex NPLs.

7. Sustainability Performance for Q1/2026

In Q1/2026, the Company continued to advance its Environmental, Social, and Governance (ESG) initiatives, with an emphasis on efficient internal resource management — monitoring electricity and water consumption against the base year, alongside developing waste-sorting systems to increase the share of waste channelled to recycling and reuse, helping reduce the organization's greenhouse gas emissions. The Company also fostered employee participation through the "Waste-for-J-Point Program" to instill environmental awareness in line with the Circular Economy concept. On the social front, the Company supported household debt resolution by encouraging stakeholders to participate in the Household Debt Resolution Fair and Justice for the People event, which during this quarter provided in-area debt mediation opportunities, with planned activities throughout 2026 — reflecting the Company's commitment to expanding access to fair debt mediation processes for borrowers in all regions, alongside developing sustainable debt management approaches through the "Debt Mediation by Jai" project, which offers flexible debt restructuring to help borrowers return to the financial system and rebuild their economic potential sustainably. At the same time, the Company places strong emphasis on workforce development, conducting the "Effective Debt Management Skills" training course to develop service skills grounded in professional ethics, while strengthening organizational culture and employee engagement through regular internal activities throughout the quarter. On governance and innovation, the Company strictly complies with applicable regulatory requirements, alongside developing digital channels and information technology systems — including the application of Artificial Intelligence (AI) — to enhance operational efficiency, reduce resource use, and strengthen customer data security, which form the foundation for building stakeholder trust and the Company's long-term growth.

Please be informed accordingly.

Yours sincerely,

- Signed -

(Mr. Wongsakorn Kittittrakulkan)

Company Secretary

Mr. Panya Chutisiriwong

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Channels for Q1/2026 Operating Results Updates for Investors

To foster understanding, equal access, and transparency in communication with investors, Jaymart Group cordially invites all investors and interested parties to attend the Earnings Call (Opportunity Day) hosted by the Stock Exchange of Thailand for the Q1/2026 operating results.

Date: Tuesday, 19 May 2026 (Conducted in Thai)

Time: 09:15 – 12:00

Viewing channel: Live broadcast via the Stock Exchange of Thailand's channels

The Company sincerely hopes that this session will be beneficial to investors in monitoring the Company's operating results, business outlook, and key strategies going forward.