

13 May 2026

Subject: Management Discussion and Analysis Operating results for the three month, ending March 31, 2026.

Attention: The President  
The Stock Exchange of Thailand

AIRA Factoring Public Company Limited (“the Company”) would like to submit the Financial Statements ending March 31, 2026 which was reviewed by auditor and Management Discussion and Analysis Review to be compared operating results between the three-month period ended 31 March 2026 and 2025 together with the Company’s financial status compared between ending First quarter as at March 31, 2026 and ending March 31, 2025 as follows:

**Financial Performance Explanation and Analysis**

● **Thai economy and operating effect**

Thailand’s economy in 2026 is expected to grow at a slower pace, reflecting uncertainties in the global economy and the impact of international trade policies, which have weighed on exports and manufacturing. Nevertheless, economic activity continues to be supported by private consumption, the tourism sector, and government spending. Headline inflation remains low, and the Bank of Thailand has reduced the policy interest rate to support the economic recovery. This is occurring amid still-tight financial conditions and rising concerns over credit quality, which warrant close monitoring.

The company has adjusted its operating strategy, which is a service upgrade in line with the sustainable development framework. The company has increased integrated technology into service process and management system to enhance operation efficiency. In addition, strategic partnerships have been established to expand network and create new customer segment. The company has initiated green project to align with Environment, Social and Governance (ESG). The integration of these strategies is expected to strengthen operational effectiveness and support the company’s sustainable growth going forward.

**Performance and Profitability**

The three-month period ended 31 March 2025 and 2024, interest income from factoring were 35.67 million Baht and 41.50 million Baht or equivalent to 62.5% and 67.8% of total revenues respectively. Fees and services income were 9.00 million Baht and 10.06 million Baht or 15.8% and 16.4% respectively. Interest received from other loans amounted to 12.37 million Baht and 8.49 million Baht or 21.7% and 13.9% respectively. Total revenues were 57.04 million Baht and 61.19 million Baht respectively. Finance costs were 19.39 million Baht and 18.85 million Baht or 34.0% and 30.8% respectively. The Company’s gross profits were 37.89 million Baht and 41.52 million Baht or 66.4% and 69.1% respectively. In summary, for the first quarter of 2026, the company reported a slight decrease in total revenue by

interest income from factoring and fee and service income. Meanwhile, interest income from loans showed an increasing trend, reflecting the company's strategic direction to further diversify its revenue streams. The Company plans to focus on enhancing the efficiency of receivables portfolio management with prudence and discipline, while expanding its lending business under an appropriate risk management framework to ensure sustainable growth.

The three-month period ended 31 March 2026 and 2025, the Company's administrative expenses were 30.27 million Baht and 28.25 million Baht or 53.1% and 46.2% of total revenues. Provision for doubtful account was 1.37 million Baht and 9.02 million Baht respectively or 2.4% and 14.7% of total revenues and Finance costs were 19.39 million Baht and 18.85 million Baht or 34.0% and 30.8% respectively. That the increased in financial cost and administrative expenses have reduced profitability. However a significant decline in the allowance for doubtful accounts and expected credit losses helped mitigate such impact. Resulted to the Net profit for the three-month period ended 31 March 2026 and 2025 were 5.21 million Baht and 4.03 million Baht respectively.

### **Financial Status as at 31 March 2026**

The Company's total assets as at March 31, 2026 were 2,564.94 million Baht which increased by 53.79 million Baht or 2.1% compared to as at March 31, 2025.

Current assets as at March 31, 2026 were 2,421.94 million Baht which increased by 112.78 million Baht or 4.9% compared to as at March 31, 2025. Largest proportion was Factoring Receivables as at March 31, 2026 were 1,681.15 million Baht or equivalent to 65.5% of total assets. Including short term loan increased from the last year.

Non-current assets as at March 31, 2026 were 143.00 million Baht or equivalent to 5.6% of total assets which decreased 58.99 million Baht. The decline was primarily attributable to a reduction in long-term loans, include with the continued recognition of depreciation on assets.

Total liabilities as at March 31, 2026 were 2,029.20 million Baht or equivalent to 79.1% of total liabilities and shareholders' equity which increased 39.27 million Baht or 2.0% compared to as at March 31, 2025 as a result increased of loan from financial institutions and slightly decreased from lease liabilities.

### **Liquidity and Capital Adequacy**

As at March 31, 2026, shareholder s' equity was 535.74 million Baht or equivalent to 20.9% of total liabilities and shareholders' equity which increased by 14.53 million Baht or equivalent to 2.8% from the same period last year.

As at March 31, 2026, the Company had current ratio 1.22 and debt to equity 3.79 with an available credit facilities which had not yet been drawn down amounted to 625 million Baht. Indicating the Company has capital and adequacy funding sources, suitable financial structure and liquidity for carry on business operations.



### **Financial Ratios**

The financial ratios were on good ratios. The Company had current ratio 1.22 reflecting good liquidity, Also net profit margin of 9.13%, Return on equity 0.97% and debt to equity 3.79.

### **Commitments and Contingent Liabilities**

The Company has entered into lease agreements in respect of the lease of office building space and service agreements. The terms of the agreements are generally 36 month.

Future minimum lease payments required under these non-cancellable operating leases.

### **Factors which may adversely impact to the performance**

- **Credit Risk**

With the nature of factoring credit transactions, this may face the same credit risk as other types of loans. But the factoring transaction is a credit after the delivery of goods and services to the buyer and due to the purchase and reduction of trade receivables, resulting in the right to claim under the law, together with the company has a strict policy and credit control procedures. With a credit consideration process (Underwriting) and monitoring (credit quality) from various data analysis, both for customers and trade receivables, before and after loan approval as well as establishing credit policies as a standard for assessing credit risk. Require credit review for customer and debtors at least once a year, as well as monitoring and improving the credit process all the time to adjust the process to be efficient and suitable for the economic conditions in each period by using technology and database for risk management. Therefore, the quality of credit management is at a good level in the past.

- **Interest Rate Risk**

The Company's exposure to interest rate risk relates primarily to its cash at banks, factoring receivables, loans receivable, other receivables, bank overdrafts and short-term loans from financial institutions. The Company mitigates this risk by matching the sources of borrowings with factoring receivables to ensure that the Company maintains an accumulated average spread of interest under the Company's policy. Moreover, the Company analyses the term of interest rate movement of factoring receivables, borrowings and the Company adjusts the interest rate charge to receivables when the interest rate changes. Thus, the Company is flexible in its response to interest rate fluctuations. In addition, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

- **Liquidity Risk**

Liquidity risk is the risk due to the company cannot change assets to cash or unable to provide sufficient funds as needed in a timely manner. However, in the past, the company having liquidity management and receiving sufficient and continuous financial support from financial institutions and business partners. Makes it able to support business operations and expand business in the future effectively as well as having a suitable liquidity management between costs and returns Bring continuous good results.

- **Risk of Thai economy**

The Thai economy slowed down from the previous month, with merchandise export being more affected by trade policies. For the tourism sector decreased in line with the number and income of foreign tourists. Overall credit contracted due to decreased demand for in some business sectors and increased debt repayment, while SMEs and retail loans continued to high credit risk. Issued that need to be monitoring include 1) trade negotiations between Thailand and other countries with the United States, 2) Thai – Cambodian situation, and 3) the impact of flooding situation in the north.

Please be informed accordingly.

Yours faithfully,



(Mr. Akrawit Sooksai)

Director and Chief Executive Officer