13 August 2026

Subject: Management Discussion and Analysis Operating results for the six months, ending June 30, 2026.

Attention: The President
The Stock Exchange of Thailand

AIRA Factoring Public Company Limited ("the Company") would like to submit the Financial Statements ending June 30, 2026 which was reviewed by auditor and Management Discussion and Analysis Review to be compared operating results between the three-month period ended 30 June 2026 and 2025 together with the Company's financial status compared between ending First quarter as at June 30, 2026 and ending June 30, 2025 as follows:

Financial Performance Explanation and Analysis

- **Thai economy and operating effect**

During the second quarter of 2026, the Thai economy faced uncertainties arising from external factors, particularly the ongoing conflict in the Middle East and uncertainty surrounding international trade policies. These factors affected the tourism sector, private consumption, and operating costs of businesses. Meanwhile, merchandise exports and private investment remained important supporting factors for the Thai economy. However, overall financial conditions remained tight, while asset quality continued to require close monitoring, particularly among businesses and entrepreneurs that are sensitive to economic conditions and financing costs. The Bank of Thailand maintained the policy interest rate at 1.00% per annum at its April 2026 Monetary Policy Committee meeting in order to strike a balance between supporting economic activity and maintaining economic and financial stability.

Under these economic conditions, the Company continued to focus on quality growth alongside prudent risk management and maintaining the quality of its receivables portfolio. The Company emphasized prudent credit assessment, continuous monitoring of receivables quality, and the use of technology and data to enhance management efficiency. In addition, the Company continued to develop cooperation with business partners and expand its service channels to enhance customer accessibility and diversify its revenue sources, while operating within a framework of responsible and sustainable business practices.

The Company places importance on integrating Environmental, Social and Governance (ESG) principles into its business operations. The Company focuses on leveraging digital technology to enhance operational efficiency and reduce resource consumption, providing financial services responsibly, protecting customer data and rights, as well as maintaining appropriate corporate governance and risk management. These initiatives are intended to strengthen the Company's business resilience and support sustainable long-term growth.

Performance and Profitability

For the six-month period ended June 30, 2026, the Company recorded total revenue of Baht 115.77 million, representing a decrease of Baht 6.90 million or 5.6% compared with the same period of the previous year, when total revenue amounted to Baht 122.67 million. The Company's principal source of revenue remained interest income from factoring receivables, amounting to Baht 73.06 million, representing 63.1% of total revenue. This decreased by Baht 11.73 million or 13.8% compared with the same period of the previous year, in line with the management of the Company's factoring receivables portfolio amid economic conditions and uncertainties in the credit market.

Meanwhile, interest income from loans amounted to Baht 24.18 million, an increase of Baht 7.65 million or 46.2% compared with the same period of the previous year. Its proportion of total revenue increased from 13.5% to 20.9%, reflecting the expansion of revenue from other lending businesses and the Company's diversification of revenue sources. This helped reduce the Company's reliance on factoring business as its sole source of revenue. Fee and service income amounted to Baht 18.50 million, a decrease of Baht 1.70 million or 8.4%, while other income amounted to Baht 0.03 million, a decrease of Baht 1.12 million or 97.0%.

In terms of expenses, the Company recorded administrative expenses of Baht 61.89 million, an increase of Baht 4.14 million or 7.2% compared with the same period of the previous year. Finance costs amounted to Baht 38.37 million, an increase of Baht 0.86 million or 2.3%. The Company continued to focus on cost management and operational efficiency to align with business growth and the prevailing financial environment.

However, allowance for doubtful accounts and expected credit losses (ECL) amounted to Baht 3.55 million, representing a significant decrease of Baht 12.18 million or 77.4% compared with the same period of the previous year. This reflected the quality of the receivables portfolio and the effectiveness of the Company's credit risk management processes. The Company continued to conduct credit assessment and monitor credit quality on an ongoing basis under its established credit policies and appropriate risk management framework.

As a result, the Company recorded profit before income tax expense of Baht 11.96 million, an increase of Baht 0.29 million or 2.4% compared with the same period of the previous year. Net profit for the six-month period ended June 30, 2026 amounted to Baht 10.07 million, an increase of Baht 0.53 million or 5.6% compared with the same period of the previous year. Earnings per share increased from Baht 0.0060 per share to Baht 0.0063 per share.

Although the Company's total revenue decreased compared with the same period of the previous year, the significant reduction in allowance for doubtful accounts and expected credit losses helped mitigate the impact of lower revenue and higher administrative expenses, enabling the Company to maintain growth in net profit. Going forward, the Company will continue to focus on quality growth by emphasizing asset quality management, revenue diversification, cost management, and Responsible Lending practices to support sustainable long-term returns.

Financial Status as at 31 March 2026

As of June 30, 2026, the Company had total assets of Baht 2,660.07 million, an increase of Baht 244.64 million or 10.1% compared with June 30, 2025. The majority of the Company's assets were current assets, amounting to Baht 2,521.92 million, representing 94.8% of total assets and an increase of Baht 283.17 million or 12.6% compared with the same period of the previous year.

Key components of current assets included factoring receivables of Baht 1,713.81 million, representing 64.4% of total assets, a decrease of Baht 111.66 million or 6.1% compared with the same period of the previous year. This was in line with the decrease in customers' utilization of factoring facilities during the period. Meanwhile, loans receivable due within one year amounted to Baht 392.58 million, an increase of Baht 144.23 million or 58.1%, reflecting increased lending activities in other loan products and diversification of the Company's asset structure.

In addition, the Company had cash and cash equivalents of Baht 231.47 million, an increase of Baht 70.13 million or 43.5% compared with the same period of the previous year. The increase in cash strengthened the Company's flexibility in liquidity management and supported its funding requirements for business operations amid an uncertain economic environment.

Non-current assets amounted to Baht 138.15 million, representing 5.2% of total assets, a decrease of Baht 38.53 million or 21.8% compared with the same period of the previous year. The decrease was mainly attributable to a reduction in long-term loans receivable and the continued recognition of depreciation of assets.

As of June 30, 2026, the Company had total liabilities of Baht 2,119.47 million, an increase of Baht 230.77 million or 12.2% compared with the same period of the previous year. The majority of the Company's liabilities were current liabilities, amounting to Baht 2,047.26 million, representing 79.8% of total assets, primarily comprising short-term borrowings from financial institutions of Baht 1,817.00 million. Such borrowings increased by Baht 217.00 million or 13.6% compared with the same period of the previous year. The increase in borrowings was in line with the Company's capital structure management to support its business operations and the expansion of its lending activities.

Liquidity and Capital Adequacy

As of June 30, 2026, the Company's shareholders' equity amounted to Baht 540.60 million, an increase of Baht 13.87 million or 2.6% compared with the same period of the previous year. The increase was mainly attributable to higher retained earnings, reflecting the Company's ability to maintain a sound capital base and generate returns from its ongoing business operations.

The Company continued to place importance on maintaining an appropriate capital structure, liquidity position, and financial risk profile, taking into consideration the growth of its assets and its ability to generate cash flows. Disciplined capital and liquidity management, together with appropriate corporate governance and risk management, remain important factors supporting the Company's ability to maintain business continuity and achieve sustainable long-term growth.

Financial Ratios

As of June 30, 2026, the Company's current ratio was 1.23 times, indicating that the Company had sufficient current assets to support its short-term current liabilities. The Company continued to place importance on liquidity management and securing funding sources that are appropriately aligned with the nature and maturity of its assets and liabilities, in order to support business continuity.

The Company's net profit margin was 8.70% and gross profit margin was 13.37%, reflecting its ability to generate returns from its operations. The increase in net profit compared with the same period of the previous year was mainly attributable to cost management and the significant decrease in allowance for doubtful accounts and expected credit losses, despite a decrease in total revenue resulting from lower utilization of factoring facilities by customers.

In terms of financial structure, the Company's debt-to-asset ratio was 0.79 times and its debt-to-equity ratio was 3.92 times, which is consistent with the nature of the factoring and lending businesses, where funding from financial institutions represents an important source of financing. The Company therefore places importance on maintaining an appropriate capital structure and level of indebtedness, together with effective liquidity management and interest rate risk management.

The Company's return on equity (ROE) was 0.97% and return on assets (ROA) was 0.20%. The Company continued to focus on improving the efficiency of asset and capital utilization to generate appropriate returns for shareholders, while maintaining asset quality and managing credit risk prudently.

The Company's interest coverage ratio was 1.14 times. The Company recognizes the importance of managing financing costs and maintaining its ability to meet interest obligations. Accordingly, the Company closely manages its funding sources and liquidity, while continuously monitoring the appropriateness of financing costs and returns generated from income-producing assets.

Overall, the Company continued to focus on maintaining an appropriate balance between business growth, return generation, liquidity, and risk levels. These principles are consistent with the Company's sustainable business approach, which emphasizes effective risk management, disciplined use of capital, and the creation of long-term value for shareholders and stakeholders.

Commitments and Contingent Liabilities

The Company has commitments under office space lease agreements and service agreements, with a remaining contractual period of 36 months. The Company has total minimum future payments under non-cancellable operating lease agreements.

Sustainable Business Development

The Company believes that sustainable business development is an important factor in creating long-term value for shareholders. The Company has continuously integrated Environmental, Social and Governance (ESG) principles into its business operations and risk management practices.

On the environmental aspect, the Company focuses on promoting the use of digital technology to reduce resource consumption and improve operational efficiency.

On the social aspect, the Company places importance on responsible financial services, customer data protection, and employee capability development.

On the governance aspect, the Company adheres to good corporate governance principles, effective risk management, and robust internal control systems to build confidence among shareholders, investors, customers, and all stakeholders.

Factors which may adversely impact to the performance

- **Credit Risk**

Given the nature of factoring transactions, the Company may be exposed to credit risk similar to other types of lending businesses. However, factoring transactions involve the provision of financing after the delivery of goods and services to buyers. Through the purchase of trade receivables, the Company obtains legally enforceable rights to receive payments, which is a factor supporting credit risk management.

The Company has established comprehensive credit risk management policies and processes covering credit assessment (Credit Underwriting), credit quality monitoring (Credit Monitoring), and continuous review of credit limits and credit quality. The assessment takes into consideration information relating to both customers and trade debtors, as well as relevant business factors and economic conditions. The Company requires credit reviews of customers and trade debtors to be conducted at least annually and continuously improves its credit management processes to ensure that they remain appropriate for the changing business environment and risk profile.

In addition, the Company utilizes technology and databases to support risk analysis and monitoring processes, thereby enhancing the efficiency of credit quality assessment and loan portfolio management. For the six-month period ended June 30, 2026, allowance for doubtful accounts and expected credit losses decreased by 77.4% compared with the same period of the previous year, reflecting the effectiveness of the Company's ongoing credit quality management and credit risk controls.

The Company places importance on Responsible Lending by taking into consideration customers' repayment capacity, the quality and reliability of trade debtors, as well as compliance with applicable laws, regulations, and ethical business principles. This approach aims to achieve an appropriate balance between business expansion, asset quality, and prudent risk management, which forms an important foundation for the Company's sustainable growth.

- **Interest Rate Risk**

Fluctuations in interest rates may affect the Company's financing costs and interest spread, which could impact its operating results. The Company therefore places importance on interest rate risk management by managing its funding sources and borrowing structure in alignment with the nature of its assets and lending maturities, while continuously monitoring interest rate trends and financing costs.

For its factoring business, the Company determines lending returns based on the level of associated risks and financing costs. The Company also maintains flexibility in adjusting interest rates and financial terms to reflect changing market conditions and funding costs. This helps maintain an appropriate interest spread and mitigate the impact of interest rate volatility on operating performance.

In addition, the Company places importance on managing its capital structure and liquidity in parallel by considering the appropriate balance between funding costs, the income-generating capacity of its assets, and liquidity risk. This approach supports financial stability and quality growth over the long term.

- **Liquidity Risk**

Liquidity risk is the risk that the Company may be unable to convert assets into cash or obtain sufficient funding in a timely manner to meet its operational requirements and contractual obligations as they become due. The Company therefore places importance on liquidity management and continuous cash flow planning by monitoring cash inflows and outflows, as well as the funding requirements of the business, to ensure appropriate liquidity management.

As of June 30, 2026, the Company had cash and cash equivalents of Baht 231.47 million, an increase of Baht 70.13 million or 43.5% compared with the same period of the previous year. The Company's current ratio was 1.23 times, reflecting its ability to manage current assets to support short-term current liabilities.

In addition, the Company has maintained continuous access to funding from financial institutions and business partners. As of June 30, 2026, the Company had short-term borrowings from financial institutions of Baht 1,817.00 million, which represented a key source of funding supporting its business operations. The Company manages its capital structure and funding plans in alignment with the nature and maturity of its income-generating assets, while closely monitoring its liquidity position and ability to meet its financial obligations.

The Company continues to place importance on maintaining an appropriate level of liquidity by considering the adequacy of funding, financing costs, and returns generated from the use of capital. This enables the Company to respond to fluctuations in economic and financial market conditions while supporting its business operations and sustainable growth on an ongoing basis.

- **Risk of Thai economy**

The Thai economy in 2026 is expected to grow at a low and uneven pace. The Bank of Thailand estimates that the Thai economy will grow by approximately 2.3% in 2026, while overall credit growth remains subdued. The credit quality of vulnerable SME and household segments also requires close monitoring. In addition, uncertainties arising from global economic conditions and geopolitical factors, together with operating costs that remain elevated, continue to be factors that may affect the operations of private-sector businesses.

Under these conditions, businesses are likely to manage working capital and liquidity more cautiously, which may affect demand for credit facilities among certain customer segments. During the first six months of 2026, the utilization of factoring facilities by the Company's customers decreased, resulting in lower interest income from factoring receivables compared with the same period of the previous year. However, the Company adjusted its business approach by focusing on revenue diversification and expanding other lending activities under an appropriate risk management framework. This was reflected in interest income from loans, which increased by 46.2% compared with the same period of the previous year.

Key factors to be monitored going forward include domestic economic conditions and purchasing power, the recovery of businesses and their working capital requirements, global trade and economic developments, and the credit quality of the business sector, particularly SMEs. These factors may affect credit demand, asset quality, and the Company's financing costs.

The Company will continue to closely monitor and assess economic developments and adjust its business strategies and credit policies in response to changing conditions. The Company will focus on quality growth, Responsible Lending, and prudent risk management in order to strengthen its adaptability and support sustainable long-term growth.

Please be informed accordingly.

Yours faithfully,

=== Signed ===

(Mr. Akrawit Sooksai)

Director and Chief Executive Officer