

14 May 2025

Subject: Management Discussion and Analysis Operating results for the three month, ending March 31, 2025.

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, 2025 which was reviewed by auditor and Management Discussion and Analysis Review to be compared operating results between the three-month period ended 31 March 2025 and 2024 together with the Company’s financial status compared between ending First quarter as at March 31, 2025 and ending March 31, 2024 as follows:

#### **Financial Performance Explanation and Analysis**

- **Thai economy and operating effect**

In quarter 1 ,2025 The Thai economy is expected to expand slower and increased risks from global trade policy and decline the number of foreign tourists. Trade policies will start to have a greater impact from the second half of 2025, but uncertainty remains high. While the inflation rate will gradually decreased to the target and the policy interest rate decreased to align with economic trends and accommodate increased risks. Including the political situation that still higher uncertain.

The company has adjusted its operating strategy, which is a service upgrade in line with the sustainable development framework and focus on Environment, Social and Governance (ESG), this will allow for more efficient control over operations.

#### **Performance and Profitability**

The three-month period ended 31 March 2025 and 2024, interest income from factoring were 41.50 million Baht and 44.24 million Baht or equivalent to 67.8% and 70.3% of total revenues respectively. Fees and services income were 10.06 million Baht and 11.02 million or 16.4% and 17.5% respectively. Interest received from other loans amounted to 8.49 million Baht and 7.29 million Baht or 13.9% and 11.6% respectively. Total revenues were 61.19 million Baht and 62.90 million Baht respectively. Finance costs were 18.85 million Baht and 20.33 million Baht or 30.8% and 32.3% respectively. The Company’s gross profits were 41.52 million Baht and 43.31 million Baht or 69.14% and 69.25% respectively.



The three-month period ended 31 March 2025 and 2024, the Company's administrative expenses were 28.25 million Baht and 29.18 million Baht or 46.2% and 46.4% of total revenues. Provision for doubtful account was 9.02 million Baht and (1.78) million Baht respectively or 14.7% and (2.8)% of total revenues. The Company have increased of Provision for doubtful account and finance cost decreased because the policy interest rate of banks decreased from the same period last year. Resulted to the Net profit for the period of three-month of 2025 and 2024 were 4.03 million Baht and 12.45 million Baht respectively.

#### **Financial Status as at 31 March 2025**

The Company's total assets as at March 31, 2025 were 2,511.15 million Baht which increased by 111.71 million Baht or 4.7% compared to as at March 31, 2024.

Current assets as at March 31, 2025 were 2,309.16 million Baht which increased by 51.09 million Baht or 2.3% compared to as at March 31, 2024. Largest proportion was Factoring Receivables as at March 31, 2025 were 1,833.59 million Baht or equivalent to 73.0% of total assets.

Non-current assets as at March 31, 2025 were 201.99 million Baht or equivalent to 8.0% of total assets which increased 60.62 million Baht.

Total liabilities as at March 31, 2025 were 1,989.94 million Baht or equivalent to 79.2% of total liabilities and shareholders' equity which increased 135.34 million Baht or 7.3% compared to as at March 31, 2024 as a result increased of loan from financial institutions.

#### **Liquidity and Capital Adequacy**

As at March 31, 2025, shareholder s' equity was 521.21 million Baht or equivalent to 20.8% of total liabilities which decreased by 23.68 million Baht or equivalent to (4.3%) from the same period last year.

As at March 31, 2025, the Company had current ratio 1.19 and debt to equity 3.82 with an available credit facilities which had not yet been drawn down amounted to 780 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 1.19 reflecting good liquidity, Also net profit margin of 6.58%, Return on equity 0.77% and debt to equity 3.82.

#### **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 1 years.

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**

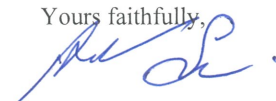
The Company's exposure to interest rate risk relates primarily to its cash at banks, factoring receivables, loans receivable, other receivables, bank overdrafts and short-term loans from financial institutions. The Company mitigates this risk by matching the sources of borrowings with factoring receivables 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.

Please be informed accordingly.

Yours faithfully,



(Mr. Akrawit Sooksai)

Director and Chief Executive Officer