

19 February 2026

Subject: Management Discussion and Analysis Operating results for the year 2025.

Attention: The President
The Stock Exchange of Thailand

AIRA Factoring Public Company Limited (“the Company”) would like to submit the Financial Statements ending December 31, 2025 which was reviewed by auditor and Management Discussion and Analysis Review to be compared operating results between the year of 2025 and 2024 together with the Company’s financial status compared between ending December 31, 2025 and ending December 31, 2024 as follows:

Financial Performance Explanation and Analysis

- **Thai economy and operating effect**

The Thai economy during 2025–2027 is expected to experience a moderation in growth from the first half of 2025, primarily driven by a slowdown in private consumption in line with income trends and the impact of U.S. tariff measures on exports, while the tourism sector is gradually recovering. Headline inflation remains at a low level, supported by declining energy prices and government subsidy measures. Overall credit continues to contract. In this regard, close monitoring is warranted for risks arising from additional U.S. tariff measures, potential delays in the budgetary process, and the adjustment of the business sector particularly SMEs, which continue to face challenges in competitiveness and access to financing.

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 to 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

During the year of 2025 and 2024, interest income from factoring were 169.68 million Baht and 175.85 million Baht or equivalent to 68.1% and 68.9% of total revenues respectively. Fees and services income were 42.47 million Baht and 46.07 million Baht or 17.0% and 18.1% respectively. Interest received from other loans amounted to 35.75 million Baht and 32.92 million Baht or 14.3% and 12.9% respectively. Total revenues were 249.13 million Baht and 255.21 million Baht respectively. Finance costs were 74.04 million Baht and 79.93 million Baht or 29.7% and 31.3% respectively. The Company's gross profits were 173.86 million Baht and 174.91 million Baht or 70.1% and 68.6% respectively. In summary, 2025 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 it revenue streams. The Company plans to focus on enhancing the efficiency of receivables portfolio management with prudence and discipline, while expanding it lending business under an appropriate risk management framework to ensure sustainable growth.

During the year of 2025 and 2024, the Company's administrative expenses were 118.22 million Baht and 118.85 million Baht or 47.5% and 46.6% of total revenues. Provision for doubtful account was 36.01 million Baht and 33.39 million Baht respectively or 14.5% and 13.1% of total revenues and Finance costs were 75.21 million Baht and 82.10 million Baht or 30.2% and 32.2% respectively. That the cost to income ratio decrease as a result of the bank's policy interest rate reduction. However the Company have increased of Provision for doubtful account to reflect the true risk in overall loan market. Resulted to the Net profit for the year of 2025 and 2024 were 14.83 million Baht and 16.74 million Baht respectively.

Financial Status as at 31 December 2025

The Company's total assets as at December 31, 2025 were 2,761.18 million Baht which increased by 355.18 million Baht or 14.8% compared to as at December 31, 2024.

Current assets as at December 31, 2025 were 2,590.43 million Baht which increased by 386.06 million Baht or 17.5% compared to as at December 31, 2024. Largest proportion was Factoring Receivables as at December 31, 2025 were 1,880.59 million Baht or equivalent to 68.1% of total assets. Including short term loan increased from the last year.

Non-current assets as at December 31, 2025 were 170.75 million Baht or equivalent to 6.2% of total assets which decreased 30.88 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 December 31, 2025 were 2,230.66 million Baht or equivalent to 80.8% of total liabilities and shareholders' equity which increased 13.34 million Baht or 2.6% compared to as at December 31, 2024 as a result increased of loan from financial institutions and slightly decreased from lease liabilities.

Liquidity and Capital Adequacy

As at December 31, 2025, shareholder s' equity was 530.52 million Baht or equivalent to 19.2% of total liabilities which increased by 13.34 million Baht or equivalent to 2.6% from the same period last year.

As at December 31, 2025, the Company had current ratio 1.19 and debt to equity 4.20 with an available credit facilities which had not yet been drawn down amounted to 460 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 5.95%, Return on equity 2.80% and debt to equity 4.20.

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 3 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,

==signed==

(Mr. Akrawit Sooksai)

Director and Chief Executive Officer