

11 November 2025

Subject: Management Discussion and Analysis Operating results for the nine month, ending September 30, 2025.

Attention: The President  
The Stock Exchange of Thailand

AIRA Factoring Public Company Limited (“the Company”) would like to submit the Financial Statements ending September 30, 2025 which was reviewed by auditor and Management Discussion and Analysis Review to be compared operating results between the nine-month period ended 30 September 2025 and 2024 together with the Company’s financial status compared between ending Third quarter as at September 30, 2025 and ending September 30, 2024 as follows:

**Financial Performance Explanation and Analysis**

● **Thai economy and operating effect**

In quarter 3 ,2025 The Thai economy expanded well in the first half year 2025 by manufacturing and export. However, Thai economy is likely to slow in the second half year 2025 due to the impacted by United states tax, While the tourism sector is gradually recovering and private consumption is expanding to some extent. Therefore, it is advisable to monitor the clear impact of US tariffs, the continuity of government spending, and the adjustments of SMEs that continue to face challenges related to competition, access to credit, and financial costs.

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 nine-month period ended 30 September 2025 and 2024, interest income from factoring were 128.63 million Baht and 132.15 million Baht or equivalent to 69.3% and 68.8% of total revenues respectively. Fees and services income were 30.61 million Baht and 35.10 million Baht or 16.5% and 18.3% respectively. Interest received from other loans amounted to 25.10 million Baht and 24.38 million Baht or 13.5% and 12.7% respectively. Total revenues were 185.49 million Baht and 192.00 million Baht respectively. Finance costs were 55.58 million Baht and 61.68 million Baht or 30.0% and 32.1% respectively. The Company’s gross profits were 129.68 million Baht and 131.78 million Baht or 70.35% and 68.77% respectively.

The nine-month period ended 30 September 2025 and 2024, the Company's administrative expenses were 87.50 million Baht and 87.26 million Baht or 47.2% and 45.4% of total revenues. Provision for doubtful account was 33.48 million Baht and 24.62 million Baht respectively or 18.0% and 12.8% of total revenues and finance cost decreased because the policy interest rate of banks decreased from the same period last year. 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 period of nine-month of 2025 and 2024 were 7.41 million Baht and 15.16 million Baht respectively.

#### **Financial Status as at 30 September 2025**

The Company's total assets as at September 30, 2025 were 2,444.23 million Baht which decreased by 51.90 million Baht or (2.1%) compared to as at September 30, 2024.

Current assets as at September 30, 2025 were 2,280.11 million Baht which decreased by 43.12 million Baht or (1.9%) compared to as at September 30, 2024. Largest proportion was Factoring Receivables as at September 30, 2025 were 1,826.09 million Baht or equivalent to 74.7% of total assets.

Non-current assets as at September 30, 2025 were 164.13 million Baht or equivalent to 6.7% of total assets which decreased 8.78 million Baht.

Total liabilities as at September 30, 2025 were 1,919.64 million Baht or equivalent to 78.5% of total liabilities and shareholders' equity which decreased 60.89 million Baht or (3.1%) compared to as at September 30, 2024 as a result decreased of loan from financial institutions and excess receipt awaiting to repay. Including lease liabilities.

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

As at September 30, 2025, shareholder s' equity was 524.59 million Baht or equivalent to 21.5% of total liabilities which increased by 8.99 million Baht or equivalent to 1.7% from the same period last year.

As at September 30, 2025, the Company had current ratio 1.22 and debt to equity 3.66 with an available credit facilities which had not yet been drawn down amounted to 718 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 3.99%, Return on equity 1.41% and debt to equity 3.66.

#### **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 6 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,

=== Signature ===

(Mr. Akrawit Sooksai)

Director and Chief Executive Officer