MAHATHUEN LEASING PUBLIC COMPANY

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Management Discussion & Analysis (MD&A) The first Quarter of the year 2026

1. Executive Summary.

- Net profit was LAK 2,862.4 million, increased LAK 710.1 million or 33.0% while compared with the first quarter of 2025.
- New leasing originations reached LAK 25,306.5 million increased 159.6 percent, and in term of number of contract there was 773 contracts increased 42.4 percent while compared with the first quarter of 2025.
- Total assets were LAK 114,833.6 million on 31 March 2026, compared with LAK 109,426.9 million on 31 December 2025 increased a litter bit.
- During the first quarter of 2026, the Company expanded business to reach to customer's need and also the company was increased the portfolio's size, which contributed to higher interest income, then total revenues grew more than total expenses, therefore the net profit of the first quarter of the year 2026 was LAK 2,862.4 million, increased LAK 710.1 million or 33.0 percent while compared with the same period of the previous year.

2. Business Performance of the First Quarter of the year 2026.

Warning: The Business Performance has been analysis based on the first 3 months of Financial Statement Report of the company, which complied with Lao GAAP. The company is in the process of preparing the Financial Statement based on IFRS. The company will inform the progress further.

2.1 Marketing Performance

In first 3 months of 2026 compared with the first 3 months of 2025, company has the number of new loans of leasing business was equal to 773 Contracts, which increased 230 Contracts or about 42.4 percent, while in term of value the new loan of leasing business was equal LAK 25,306.5 million, which increased LAK 15,559.1 million or about 159.6 percent because the company's expansion by reach to new loan facility.

Table: New loan of lease business

The new leasing business loan for the first 3 months of 2025 and 2026 comparison				
	The first 3 months of 2025	The first 3 months of 2026	Change	percent
Number of contract (unit)	543	773	+230	+42.4
Loan Amount (Million Kip)	9,747.4	25,306.5	+15,559.1	+159.6

3. Financial Analysis

3.1 Revenues

In first 3 months of 2026 compared with the first 3 months of 2025, the Company had total revenues of LAK 11,369.6 million, and LAK 9,222.0 million respectively, increased LAK 2,147.6 million or about 23.3 percent. The main portion of revenue had been the Interest Revenues of LAK 11,041.8 million in 2026 while compared with 2025 was equal LAK 8,803.4 million, had increased LAK 2,238.4 million or 25.4 percent.

Table: Revenues

REVENUES	The first 3 months of 2025		The first 3 months of 2026		Change	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Interest income	8,803.4	95.5	11,041.8	97.1	+2,238.4	+25.4
Other incomes	418.6	4.5	327.7	2.9	-90.9	-21.7
Total Revenues	**9,222.0**	**100.0**	**11,369.6**	**100.0**	**+2,147.6**	**+23.3**

3.2 Expanses

In first 3 months of 2026 compared with the first 3 months of 2025, the Company had total expenses include financial expense of LAK 7,793.1 million and LAK 6,525.5 million Respectively, which increased LAK 1,267.6 million or about 19.4 percent. The mainly increasing expenses came from the financial cost in 2026 was equal LAK 599.6 million while compared with 2025 was equal LAK 31.1 million which increased LAK 568.5 million or about 1,828.0 percent because of borrow increasing.

Table: Expenses

Expanses	The first 3 months of 2025		The first 3 months of 2026		Changed	
	LAK:million	%	LAK:million	%	LAK:million	%
Administrative expense	5,583.8	85.6	6,064.0	77.8	+480.2	+8.6
Doubtful account expense	892.0	13.7	1,127.0	14.5	+235.0	+26.3
Net loss on exchange rate (Gain)	18.6	0.2	2.5	0.0	-16.1	-86.6
Finance cost	31.1	0.5	599.6	7.7	+568.5	+1,828.0
Total Expenses	**6,525.5**	**100.0**	**7,793.1**	**100.0**	**+1,267.6**	**+19.4**

In first 3 months of 2026 compared with the first 3 months of 2025, the total expenses of the company divided into administrative expense was equal LAK 6,064.0 million and LAK 5,583.8 million and Doubtful account expense was equal LAK 1,127.0 million and LAK 892.0 million and Net loss on exchange rate was LAK 2.5 million and Net loss LAK 18.6 million and financial cost was LAK 599.6 million and LAK 31.1 million Respectively.

The Administrative expenses included the employee expenses, remunerative expenses of management, Infrastructure expenses, Marketing Expenses, loss of repossesses selling, Staff's, incentive expenses, Depreciation and Other expenses. In first 3 months of 2026 the Total expense increased 19.4 percent while the Total Revenue increased 23.3 percent, which mean that the company had the good performance.

3.3 Net profit.

In first 3 months of 2026 compared with the first 3 months of 2025, the company had a net profit of LAK 2,862.4 million or about 25.2 percent while compared with the Total revenue and LAK 2,152.3 million or about 23.3 percent Respectively, the net profit increased by LAK 710.1 million or about 33.0 percent.

3.4 Total Assets

On 31st March 2026 and 31st December 2025, the Company had Total Assets equal to LAK 114,833.6 million and LAK 109,426.9 million respectively. The main asset was Current portion of finance lease receivable and installment loan receivables equal to LAK 58,825.4 million in 2026 and LAK 56,789.2 million in 2025, which about 51.2 percent and 51.9 percent comparing to total assets respectively.

Table: Assets

ASSETS	31 Dec. 2025		31 Mar. 2026	
	LAK: million	%	LAK: million	%
Current assets				
Cash and cash equivalents	598.4	0.5	433.9	0.4
Current portion of finance lease receivable and installment loan receivables	56,789.2	51.9	58,825.4	51.2
Properties foreclosed	1,929.2	1.8	1,682.6	1.5
Other current assets	1,312.9	1.2	1,187.8	1.0
Total current assets	**60,629.8**	**55.4**	**62,129.7**	**54.1**
Non- current assets				

Cash deposit for Loan	0.0	0.0	0.0	0.0
Cash deposit at bank of Lao PDR	2,000.0	1.8	2,000.0	1.7
Finance lease receivables and installment loan receivables	46,153.8	42.2	50,045.0	43.6
Leasehold improvement and equipment	633.2	0.6	653.9	0.6
Intangible asset	0	0	0	0
Other non-current assets	10.0	0.0	5.0	0.0
Total non-current assets	**48,797.1**	**44.6**	**52,703.9**	**45.9**
Total assets	**109,426.9**	**100.0**	**114,833.6**	**100.0**

3.4.1 Current Assets

On 31st March 2026 and 31st December 2025, the Company had current assets equal to LAK 62,129.7 million and LAK 60,629.8 million respectively or about 54.1 percent and 55.4 percent of total assets respectively.

Beside current assets mentioned above, there are also Cash and cash equivalents equal to LAK 433.9 million and LAK 598.4 million respectively or about 0.4 percent and 0.5 percent of total assets respectively. Properties foreclosed was equal to LAK 1,682.6 million and LAK 1,929.2 million or about 1.5 percent and 1.8 percent of total assets. Other current assets equal to LAK 1,187.8 million and LAK 1,312.9 million, or about 1.0 percent and 1.2 percent of total assets respectively.

3.4.2 Non-current Assets

On 31st March 2026 and 31st December 2025, the Company had non-current assets equal to LAK 52,703.9 million and LAK 48,797.1 million respectively or about 45.9 percent and 44.6 percent of total assets respectively. The main asset was Finance lease receivables and installment loan receivables equal to LAK 50,045.0 million in 2026, and LAK 46,153.8 million in 2025 increased LAK 3,891.2 million, which about 8.4 percent because the company expand the business by the new customer increasing.

Beside non-current assets mention above, there's cash deposit at the bank of Lao PDR equal to LAK 2,000.0 million and LAK 2,000.0 million respectively or about 1.7 percent and 1.8 percent of total assets respectively. Leasehold improvement and equipment were equal to LAK 653.9 million and LAK 633.2 million respectively or about 0.6 percent and 0.6 percent of total assets respectively.

3.5 Total Liabilities

On 31st March 2026 and 31st December 2025, the Company has total liabilities of LAK 20,719.7 million and LAK 18,175.4 million respectively. In the first 3 months of 2026, The company reach to new loan facility equal LAK 5,000 million of long-term borrowing.

Table: Liabilities

Liabilities	31 Dec. 2025		31 Mar. 2026	
	LAK: million	%	LAK:million	%
Liabilities				
Current liabilities				
Trade and other payables	4,431.6	24.4	3,364.0	16.2
Income tax payables	2,506.3	13.8	1,700.5	8.2
Short-term and current portion of long-term borrowing	7,000.0	38.5	6,428.2	31.0
Other current liabilities	49.9	0.3	42.6	0.2
Total current liabilities	**13,987.9**	**77.0**	**11,535.3**	**55.7**
Non - current liabilities				
Long-term borrowing	4,000.0	22.0	9,000.0	43.4
Other non-current liabilities	187.5	1.0	184.4	0.9
Total non-current liabilities	**4,187.5**	**23.0**	**9,184.4**	**44.3**
Total liabilities	**18,175.4**	**100.0**	**20,719.7**	**100.0**

3.5.1 Current Liabilities

On 31st March 2026 and 31st December 2025, the Company had current liabilities equal to LAK 11,535.3 million and LAK 13,987.9 million respectively or 55.7 percent and 77.0 percent of total liabilities respectively.

Beside current liabilities mentioned above, trade and other payables are also included which equal to LAK 3,364.0 million and LAK 4,431.6 million respectively or 16.2 percent and 24.4 percent respectively.

3.5.2 Non-current Liabilities

On 31st March 2026 and 31st December 2025, the Company has non-current liabilities equal to LAK 9,184.4 million and LAK 4,187.5 million respectively or about 44.3 percent and 23.0 percent of total liabilities respectively.

Warning: The Financial Position of the Company has been analysis based on the first 3 months of Financial Statement Report of the company, which complied with Lao GAAP. The company is in the process of preparing the Financial Statement based on IFRS.

4. Cashflow Analysis.

In the first quarter of 2026, the Company had the beginning balance of cash and cash equivalents equaled LAK 598.5 million and ending balance equaled LAK 433.9 million as of 31 March 2026, decreased LAK 164.6 million. This decrease came from the following activities:

Operating activities: Net cash outflow equaled LAK 4,510.4 million, mainly came from the company increase the new loan origination.

Investing activities: Net cash outflow equal LAK 81.0 million, mainly came from the company purchased the fixed assets.

Financing activities: Net cash inflow equaled LAK 4,428.2 million, which came from the company borrowed the new loan of LAK 12,000.0 million and repaid the existing loan equal LAK 7,571.8 million.

Effect of exchange rate changes: Exchange rate changes reduced cash and cash equivalents by LAK 1.4 million.

5. Key Financial Ratio Analysis.

Financial ratio	Unit	31 Mar 2025	31 Mar 2026	Change + / -
Current Ratio	**Times**	9.94	5.39	-4.55
Return On Assets (ROA) – 3 months	**%**	2.30	2.49	+0.19
Return On Equities (ROE) – 3 months	**%**	2.59	3.04	+0.45
Debt to Equity (D/E ratio)	**Times**	0.13	0.22	+0.09
Net Profit Margin	**%**	23.34	25.18	+1.84
Earnings per Share (EPS) – 3 months	**LAK/Share**	5.38	7.16	+1.78

Note: Current ratio and debt to equity compared with the ending period of December 2025 and March 2026. Net profit margin and earnings per share compared with the first three months of 31 March 2026 and the same as previous one of 2025.

6. Directions and Future Plan (Abbreviation)

6.1 Business and Operation. (Business Plan for the year 2026)

The Company will continue the 2026 plan to expand motorcycle and gold financing, using online and offline marketing while balancing new loan growth with available funding and cash flow. In the first quarter, new loan originations reach to LAK 25,306.5 million compared with LAK 9,747.4 million on previous year.

- **Borrowing and Re-payment.**

The business plan of 2026 the company plan to reach the new loan facilities equal to LAK 49,000 million. On 31 March 2026, the Board of Directors of the company already approved the new loan facilities of LAK 34,000 million from BCEL on May 12th, 2026. Therefore, the Company has enough the loan facilities to expand the business based on The business plan of 2026.

6.2 ESG and CSR.

As part of its 15th anniversary activities in 2026, the Company plans to organize community initiatives, including blood donation drives and public cleaning activities. The activities will be carried out according to the Company's approved plan and available resources. On May 12th, 2026, the Board of Directors of the company already approved a LAK 350 million budget for the Company's 15th anniversary activities, which will arrange from September 2026 onward.

7. Investor Relations Contact Information.

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