MAHATHUEN LEASING PUBLIC COMPANY

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Management Discussion & Analysis (MD&A) for the First Six-months of the year 2026

1. Executive Summary.

- Net profit for the first six months was LAK 5,723.2 million, increased LAK 1,838.6 million or 47.3% while compared with same period of the previous year.
- Paid the dividends payment whole LAK 6,400.0 million or about LAK 16 per a share from the performance of 2025 on May 15th, 2026.
- New leasing originations were LAK 36,581.9 million decreased 36.6% and in term of number of contracts, the new contract were 1,191 contracts, decreased 44.8% while compared with same period of the previous year. Because of the company limited and restricted the new leasing loan to avoid the concurrently from Iran & USA's war with shortage and high price of gasoline, which maybe impact to high living cost of the customers and the quality of the company portfolio.
- Total assets were LAK 108,939.2 million on 30 June 2026, compared with LAK 109,426.9 million on 31 December 2025, which same positioning.
- Due to Iran & USA's war, which maybe impact to the company's existing group of customers, the company diversified some of company's business thru the new customer's group such as an Electric motorcycle, an Used cars, and the small and medium-sized enterprises (SMEs). This strategy aims to create opportunities for lending growth in the second half of the year across both existing and new target customer groups.

2. Business Performance

2.1 Marketing Performance

In the first 6 months of 2026 and 2025, The company has the number of new loans in the leasing business that were equal to 1,191 Contracts and 2,156 contracts respectively, which decreased 965 contacts by about 44.8 percent and in terms of value the new loan of the leasing business equals LAK 36,581.9 million, and LAK 57,740.7 million respectively, Decreasing LAK 21,158.8 million by about 36.6 percent compared with the first 6 months of 2025.

Table: New loan of lease business

The new loan of lease for the first 6 months of 2025 and 2026 comparison				
	First 6 months of 2025	First 6 months of 2026	Change	percent
Number of contracts	2,156	1,191	-965	-44.8
Loan Amount (Million Kip)	57,740.7	36,581.9	-21,158.8	-36.6

On February 28, 2026 US-Israel attack Iran, which impact to the lack of oils and Oil's price were increased, which will directly impact to the customers of the company, therefore the company decided to limit the new loan amount for the company's customers during April - May and on June 2026 the company revised the company direction to provide financial services to cover more variable by diversifying the company financial services to the new group of customers such as Electric Bike, Used Cars leasing and leasing service for Small and Medium Enterprise (SME). The company expected to increase the new loan amount target during second half year of 2026 through both the current and new target group of customers.

2.1.1 The new loan of vehicle leasing business.

In the first 6 months of 2026 and 2025, The Company had the number of new motorcycle and car loans of leasing business equal to 850 contracts and 1,209 contracts respectively, which decreased 359 contracts or about 29.7 percent. While in term of new loan amount equal to LAK 30,147.8 million and LAK 40,861.8 million respectively, which decreased LAK 10,714.0 million or about 26.2 percent.

Table: New loan of motorcycle lease

The new loan of motorcycle lease for the first 6 months of 2024 and 2025 comparison				
	First 6 months of 2025	First 6 months of 2026	Change	percent
Number of contract (Units)	1,209	850	-359	-29.7
Loan Amount (Million Kip)	40,861.8	30,147.8	-10,714.0	-26.2

2.1.2 The new loans of gold leasing business.

In the first 6 months of 2026 and 2025, The Company had the number of gold loans of leasing business equal to 341 contracts and 947 contracts respectively, which decreased 606 contracts or about 64.0 percent. There is a new loan equals LAK 6,434.0 million and LAK 16,878.9 million respectively, which decreased LAK 10,444.9 million or about 61.9 percent.

Table: New loan of gold lease

The new loan of gold lease for the first 6 months of 2024 and 2025 comparison				
	First 6 months of 2025	First 6 months of 2026	Change	percent
Number of contract (Units)	947	341	-606	-64.0
Loan Amount (Million Kip)	16,878.9	6,434.0	-10,444.9	-61.9

3. Financial Analysis

3.1 Revenues

In the first 6 months of 2026 and 2025, the Company had total revenues of LAK 22,395.0 million, and LAK 19,270.9 million respectively, which increased LAK 3,124.1 million or about 16.2 percent while compared with previous year. The increasing came from Interest incomes, which increased LAK 3,255.8 million or 17.6 percent due to the company increase both of Current portion of finance lease receivable and installment loan receivables and Finance lease receivables and installment loan receivables. The main portion of revenue had been the Interest from finance lease and installment loan of LAK 21,723.5 million in 2026 while compared with 2025 was equal LAK 18,467.7 million.

Table: Revenues

REVENUES	First 6 months of 2025		First 6 months of 2026		Change	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Interest income	18,467.7	95.8	21,723.5	97.0	+3,255.8	+17.6
Other incomes	803.2	4.2	671.5	3.0	-131.7	-16.4
Total Revenues	**19,270.9**	**100.0**	**22,395.0**	**100.0**	**+3,124.1**	**+16.2**

3.2 Expenses

In the first 6 months of 2026 and 2025, the Company had total expenses LAK 15,238.2 million and LAK 14,422.9 million Respectively, which increased LAK 815.3 million or about 5.7 percent. The increasing came from Finance cost, which increased LAK 1,600.3 million or about 480.7 percent, due to the company expand the company's portfolio by increased the company's loan.

Table: Expenses

Expanses	First 6 months of 2025		First 6 months of 2026		Changed	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Administrative expense	12,492.6	86.6	11,465.6	75.2	-1,027.0	-8.2
Doubtful account expense	1,679.3	11.6	1,809.7	11.9	+130.4	+7.8
Net loss on exchange rate (Gain)	-81.9	-0.5	29.7	0.2	+111.60	+136.3
Finance cost	332.9	2.3	1,933.2	12.7	+1,600.3	+480.7
Total Expenses	**14,422.9**	**100.0**	**15,238.2**	**100.0**	**+815.3**	**+5.7**

In the first 6 months of 2026 and 2025, the total expense consisted administrative expense equal to LAK 11,465.6 million and LAK 12,492.6 million or about 75.2 percent and 86.6 percent of total expenses respectively. Doubtful account expense was equal to LAK 1,809.7 million and LAK 1,679.3 million, Net loss of exchange rate was equal to LAK 29.7 million and Net gain of exchange rate LAK 81.9 million, and Finance cost was equal to LAK 1,933.2 million and LAK 332.9 million of total expenses respectively.

The administrative expense consisted of employee' s expense and benefits, Infrastructure expenses, Marketing expense, loss of repossessed asset, staff' s incentive, Depreciation and Other expenses. In the first 6 months of 2026 the total expenses increased about 5.7 percent, while the total revenues increased by 16.2 percent, that means the company's performance had been increased.

3.3 Net profit

In the first 6 months of 2026, the company had a net profit of LAK 5,723.2 million while in the first 6 months of 2025, the company had a net profit of LAK 3,884.6 million, the net profit increased by LAK 1,838.6 million or about 47.3 percent.

3.4 Total Assets

In the first 6 months of 2026 and December 31, 2025, the Company had Total Assets equal to LAK 108,939.2 million and LAK 109,426.9 million respectively, decreasing LAK 487.7 million or about 0.4 percent.

Table: Assets

ASSETS	31 Dec. 2025		30 Jun. 2026	
	LAK: million	%	LAK: million	%
Current assets				
Cash and cash equivalents	598.4	0.5	837.7	0.8
Current portion of finance lease receivable and installment loan receivables	56,789.2	51.9	56,654.7	52.0
Asset holds for sale. net	1,929.2	1.8	2,427.9	2.2
Other current assets	1,312.9	1.2	1,654.9	1.5
Total current assets	**60,629.8**	**55.4**	**61,575.2**	**56.5**
Non- current assets				
Cash deposit at bank of Lao PDR	2,000.0	1.8	2,000.0	1.8
Finance lease receivables and installment loan receivables	46,153.8	42.2	44,215.0	40.6
Property and equipment. Net	633.2	0.6	1,021.7	0.9

Intangible asset	0	0	0	0
Other non-current assets	10.0	0.0	127.3	0.1
Total non-current assets	**48,797.1**	**44.6**	**47,364.0**	**43.5**
Total assets	**109,426.9**	**100.0**	**108,939.2**	**100.0**

3.4.1 Current Assets

In the first 6 months of 2026 and December 31, 2025, the Company had current assets equal to LAK 61,575.2 million and LAK 60,629.8 million or about 56.5 percent and 55.4 percent of total assets respectively, which the main asset is the Current portion of finance lease receivables and installment loan receivables, which was equal to LAK 56,654.7 million and LAK 56,789.2 million or about 52.0 percent and 51.9 percent of total assets respectively.

Beside current assets mentioned above that there are also Cash and cash equivalents, which equal to LAK 837.7 million and LAK 598.4 million or about 0.8 percent and 0.5 percent of total assets respectively. Asset hold for sale - net was equal to LAK 2,427.9 million and LAK 1,929.2 million or about 2.2 percent and 1.8 percent of total assets. Other current assets equal to LAK 1,654.9 million and LAK 1,312.9 million, or about 1.5 percent and 1.2 percent of total assets.

3.4.2 Non-current Assets

In the first 6 months of 2026 and December 31, 2025, the Company had non-current assets equal to LAK 47,364.0 million and LAK 48,797.1 million or about 43.5 percent and 44.6 percent of total assets respectively. The main non-current assets were the Finance lease receivables and installment loan receivables-net, which were equal to LAK 44,215.0 million and LAK 46,153.8 million or about 40.6 and 42.2 percent of total assets respectively.

Beside non-current assets mention above that there's Cash Deposit at Bank of Lao PDR. Is equal to LAK 2,000.0 million and LAK 2,000.0 million or about 1.8 percent and 1.8 percent of total assets respectively. Property and equipment, net equal LAK 1,021.7 million and LAK 633.2 million or about 0.9 percent and 0.6 percent of total assets respectively. Other non-current assets equal to LAK 127.3 million and LAK 10.0 million or about 0.1 percent and 0.0 percent of total assets respectively.

3.5 Total Liabilities

In the first 6 months of 2026 and December 31, 2025, the Company has total liabilities of LAK 18,364.5 million and LAK 18,175.4 million or about 22.7 percent and 23.0 percent of total assets respectively.

Table: Liabilities

Liabilities	31 Dec. 2025		30 Jun. 2026	
	LAK: million	%	LAK:million	%
Liabilities				
Current liabilities				
Trade and other payables	4,431.6	24.4	2,569.6	14.0

Income tax payables	2,506.3	13.8	1,433.6	7.8
Short-term and current portion of long-term borrowing	7,000.0	38.5	10,093.9	55.0
Other current liabilities	49.9	0.3	92.5	0.5
Total current liabilities	**13,987.9**	**77.0**	**14,189.6**	**77.3**
Non - current liabilities				
Long-term borrowing	4,000.0	22.0	4,000.0	21.7
Other non-current liabilities	187.5	1.0	174.9	1.0
Total non-current liabilities	**4,187.5**	**23.0**	**4,174.9**	**22.7**
Total liabilities	**18,175.4**	**100.0**	**18,364.5**	**100.0**

3.5.1 Current Liabilities

In the first 6 months of 2026 and December 31, 2025, the Company had current liabilities equal to LAK 14,189.6 million and LAK 13,987.9 million or 77.3 percent and 77.0 percent of total liabilities respectively. The main current Liabilities were Short-term and Long –term borrowings - current portion, equal LAK 10,093.9 million and LAK 7,000.0 million or about 55.0 percent and 38.5 percent of total Liabilities respectively.

Beside current liabilities mentioned above, trade and other payables are also included which equal to LAK 2,569.6 million and LAK 4,431.6 million or 14.0 percent and 24.4 percent of the total liabilities respectively. Income Tax payable equal to LAK 1,433.6 million and LAK 2,506.3 million or 7.8 percent and 13.3 percent of the total liabilities respectively.

3.5.2 Non - Current Liabilities

In the first 6 months of 2026 and December 31, 2025, the Company had non-current liabilities equals to LAK 4,174.9 million and LAK 4,187.5 million or 22.7 percent and 23.0 percent of total liabilities respectively. Long-term borrowings were equal to LAK 4,000.0 million and LAK 4,000.0 million or 21.7 percent and 22.0 percent of the total liabilities respectively. Other non-current liabilities equal to LAK 174.9 million, and LAK 187.5 million or 1.0 percent and 1.0 percent of the total liabilities respectively.

4. Cashflow Analysis.

In the first six months of 2026, the Company had the beginning balance of cash and cash equivalents were LAK 598.5 million and the ending balance were LAK 837.7 million on 30 June 2026, increased LAK 239.2 million. This increase came from net cash inflows and exchange rate fluctuation:

Operating activities: Net cash-in from operating activities was LAK 4,058.4 million, mainly net cash inflow came from the company decreased the new loan origination,

Investing activities: Net cash outflow was LAK 514.4 million, mainly from the company purchased the fixed assets.

Financing activities: Net cash outflow were LAK 3,306.1 million, the company borrowed the new loan equal LAK 24,000.0 million and repay the existing loan were LAK 20,906.1 million and paid the dividend payments of LAK 6,400.0 million.

Effect of exchange rate changes: Exchange rate changes increased cash and cash equivalents by LAK 1.3 million.

5. Key Financial Ratio Analysis.

Financial ratio	Unit	30 Jun 2025	30 Jun 2026	Change + / -
Current Ratio	**Times**	4.77	4.34	-0.43
Return On Assets (ROA) – 6 months	**%**	3.81	5.25	+1.44
Return On Equities (ROE) – 6 months	**%**	4.58	6.32	+1.74
Debt to Equity (D/E ratio)	**Times**	0.20	0.20	0.00
Net Profit Margin	**%**	20.16	25.56	+5.40
Earnings per Share (EPS) – 6 months	**LAK/Shar**	9.71	14.31	+4.60

Note: The financial ratios are calculated using figures from the statements of financial position as of 30 June 2026 and the statements of income for the six-month periods ended on that date in 2025 and 2026, respectively.

6. Directions and Future Plan (Abbreviation)

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

The company revised the company direction to provide financial services to cover more variable by diversifying the company financial services to the new group of customers such as Electric Bike, Used Cars leasing and leasing service for Small and Medium Enterprise (SME). The company expected to increase the new loan amount target during second half year of 2026 through both the current and new target group of customers.

6.2 ESG and CSR.

As part of its 15th anniversary activities in 2026, the Company plans to organize community initiatives, including blood donation and public cleaning. 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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