MAHATHUEN LEASING PUBLIC COMPANY

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Management Discussion & Analysis (MD&A) for the Quarter III and 9 months of the year 2026

1. Executive Summary.

- Net profit for the Quarter III was LAK 1,786.2 million, decreased LAK 1,633.0 million or 47.8% while compared with same period of the previous year. And the Net profit for the 9 months was LAK 7,509.5 million, increased LAK 205.7 million or 2.8% while compared with same period of the previous year.
- New leasing originations in 9 months were LAK 62,119.9 million decreased 23.3% and in term of number of contracts, the new contract were 2,072 contracts, decreased 29.7% while compared with same period of the previous year.
- Total assets were LAK 116,531.1 million on 30 September 2026, compared with LAK 109,426.9 million on 31 December 2025, increased LAK 7,104.2 million.

2. Business Performance

2.1 Marketing Performance

In the nine – months of 2026 and 2025, The company has several new loans in the leasing business that were equal to 2,072 Contracts and 2,948 contracts respectively, decreasing 876 contacts or about 29.7 percent. In terms of value, the new loan of the leasing business equals LAK 62,119.9 million, and LAK 80,982.8 million respectively, decreasing LAK 18,862.9 million by about 23.3 percent. Because the company limited the new customer's loan to avoid the quality of customers due to the uncertainty of economic during Iran and US war, which shortage and high price of oil. It may impact to living costs and capacity to pay their debt to the customers. Therefore, the company decided to diversify the business to provide the financial services to variable groups of customers such as Electric bike, Used car, SME leasing loan.

Table: New loan of lease business

The new loan of leasing business for the Nine – month report of 2025 and 2026 comparison				
	for Nine – month report 2026	for Nine – month report 2025	Change	percent
Number of contract (unit)	2,072	2,948	-876	-29.7
Loan Amount (Million Kip)	62,119.9	80,982.8	-18,862.9	-23.3

3. Financial Analysis

3.1 Revenues

In the third Quarter of 2026 and 2025, the Company had total revenues of LAK 10,552.8 million, and LAK 10,880.2 million respectively, had decreased LAK 327.4 million or about 3.0 percent while compared with previous year. The

main portion of revenue had been the Interest Revenues of LAK 10,319.6 million in 2026 while compared with 2025 was equal LAK 10,602.2 million, had decreased LAK 282.6 million or 2.7 percent. The others income of LAK 233.2 million in 2026 while compared with 2025 was equal LAK 278.0 million, has decreased LAK 44.8 million.

Table: Revenues for the Third Quarter

REVENUES	The third quarter of 2026		The third quarter of 2025		Change	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Interest income	10,319.6	97.8	10,602.2	97.4	-282.6	-2.7
Other incomes	233.2	2.2	278.0	2.6	-44.8	-16.1
Total Revenues	**10,552.8**	**100.0**	**10,880.2**	**100.0**	**-327.4**	**-3.0**

In the Nine - month of 2026 and 2025 the Company had total revenues of LAK 32,947.8 million, and LAK 30,151.1 million respectively, increased LAK 2,796.7 million or about 9.3 percent.

Table: Revenues for The Nine Months

REVENUES	Nine - months of 2026		Nine - months of 2025		Change	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Interest income	32,043.0	97.3	29,069.9	96.4	+2,973.1	+10.2
Other incomes	904.8	2.7	1,081.2	3.6	-176.4	-16.3
Total Revenues	**32,947.8**	**100.0**	**30,151.1**	**100.0**	**+2,796.7**	**+9.3**

3.2 Expenses

The third quarter of 2026 and 2025 the Company had total expenses include financial expense of LAK 8,152.9 million and LAK 6,603.2 million Respectively, increased LAK 1,549.7 million or about 23.5 percent.

Table: Expenses for The Third quarter

Expanses	The third quarter of 2026		The third quarter of 2025		Changed	
	LAK:million	%	LAK:million	%	LAK:million	%
Administrative expense	6,660.9	81.7	5,539.5	83.9	+1,121.4	+20.2
Doubtful account expense	211.4	2.6	621.9	9.4	-410.5	-66.0

Net loss on Exchange rate	9.9	0.1	26.7	0.4	-16.8	-62.9
Finance cost	1,270.7	15.6	415.1	6.3	+855.6	+206.1
Total Expenses	**8,152.9**	**100.0**	**6,603.2**	**100.0**	**+1,549.7**	**+23.5**

In the Nine - month of 2026 and 2025 the Company had total expenses include financial expense of LAK 23,391.1 million and LAK 21,026.2 million Respectively, increased LAK 2,364.9 million or about 11.2 percent. The increasing came from Finance cost, which increased LAK 2,455.9 million due to the interest paid and financial cost were increasing.

Table: Expenses for the Nine months

Expanses	Nine - months of 2026		Nine - months of 2025		Changed	
	LAK:million	%	LAK:million	%	LAK:million	%
Administrative expense	18,126.5	77.5	18,032.1	85.8	+94.4	+0.5
Doubtful account expense	2,021.1	8.6	2,301.3	10.9	-280.2	-12.1
Net loss on Exchange rate	39.6	0.2	-55.2	-0.3	+94.8	+171.7
Finance cost	3,203.9	13.7	748.0	3.6	+2,455.9	+328.3
Total Expenses	**23,391.1**	**100.0**	**21,026.2**	**100.0**	**+2,364.9**	**+11.2**

3.3 Net profit

In the Nine - month of 2026 the company had a net profit of LAK 7,509.5 million, while in the Nine - month of 2025 the company has total net profit is equal to LAK 7,303.8 million, the net profit, increasing by LAK 205.7 million or about 2.8 percent.

Table: The net profit of Nine months

NET PROFIT	Nine Months of 2026	Nine Months of 2025	Change	
	LAK: Million	LAK: Million	LAK: Million	%
Net Profit after Taxable	7,509.5	7,303.8	+205.7	+2.8
Earnings per share	18.77	18.26	+0.51	+2.8

3.4 Total Assets

In the nine – month of 2026 and December 31,2025 the Company had Total Assets equal to LAK 116,531.1 million and LAK 109,426.9 million respectively, increasing LAK 7,104.2 million or about 6.5 percent.

Table: Assets

ASSETS	September 30, 2026		December 31, 2025	
	LAK: million	%	LAK: million	%
Current assets				
Cash and cash equivalents	1,666.6	1.4	598.5	0.5
Current portion of finance lease receivable and installment loan receivables	60,310.1	51.8	56,789.2	51.9
Asset hold for sales, net	3,570.9	3.1	1,929.2	1.8
Other current assets	1,550.7	1.3	1,312.9	1.2
Total current assets	**67,098.3**	**57.6**	**60,629.8**	**55.4**
Non- current assets				
Cash deposit at Bank of Lao PDR.	2,000.0	1.7	2,000.0	1.8
Finance lease receivables and installment loan receivables	46,250.9	39.7	46,153.9	42.2
Property and equipment, net	1,036.4	0.9	633.2	0.6
Intangible assets, net	51.6	0.0	0.0	0.0
Other non-current assets	93.9	0.1	10.0	0.0
Total non-current assets	**49,432.8**	**42.4**	**48,797.1**	**44.6**
Total assets	**116,531.1**	**100.0**	**109,426.9**	**100.0**

3.4.1 Current Assets

In the nine – month of 2026 and December 31, 2025, the Company had current assets equal to LAK 67,098.3 million and LAK 60,629.8 million or about 57.6 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 60,310.1 million and LAK 56,789.2 million or about 51.8 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 1,666.6 million and LAK 598.5 million or about 1.4 percent and 0.5 percent of total assets respectively. Asset hold for sale - net was

equal to LAK 3,570.9 million and LAK 1,929.2 million or about 3.1 percent and 1.8 percent of total assets. Other current assets equal to LAK 1,550.7 million and LAK 1,312.9 million, or about 1.3 percent and 1.2 percent of total assets.

3.4.2 Non-current Assets

In the nine – month of 2026 and December 31, 2025, the Company had non-current assets equal to LAK 49,432.8 million and LAK 48,797.1 million or about 42.4 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 46,250.9 million and LAK 46,153.9 million or about 39.7 and 42.2 percent of total Assets respectively.

Beside non-current assets mention above, there's Cash Deposit in Bank of Lao PDR equal to LAK 2,000.0 million and LAK 2,000.0 million or about 1.7 percent and 1.8 percent of total Assets respectively. Property and equipment, net equal LAK 1,036.4 million and LAK 633.2 million or about 0.9 percent and 0.6 percent of total Assets respectively. Intangible assets, net equal LAK 51.6 million and LAK 0.0 million or about 0.0 percent and 0.0 percent of total Assets respectively. Other non-current assets equal to LAK 93.9 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 nine – month of 2026 and December 31, 2025, the Company has total liabilities of LAK 24,170.2 million and LAK 18,175.5 million or about 20.7 percent and 16.6 percent of total assets respectively.

Table: Liabilities

Liabilities	September 30, 2026		December 31, 2025	
	LAK: million	%	LAK:million	%
Liabilities				
Current liabilities				
Trade and other payables	4,221.3	17.5	4,431.6	24.4
Income tax payables	1,847.2	7.6	2,506.4	13.8
Short-term borrowings	13,859.5	57.3	7,000.0	38.5
Other - current liabilities	63.2	0.3	50.0	0.3
Total current liabilities	**19,991.2**	**82.7**	**13,988.0**	**77.0**
Non - current liabilities				
Long - term borrowings	4,000.0	16.5	4,000.0	22.0
Other non-current liabilities	178.9	0.7	187.5	1.0
Total non - current liabilities	**4,178.9**	**17.3**	**4,187.5**	**23.0**
Total liabilities	**24,170.2**	**100.0**	**18,175.5**	**100.0**

3.5.1 Current Liabilities

In the nine – month of 2026 and December 31, 2025, the Company had current liabilities equal to LAK 19,991.2 million and LAK 13,988.0 million or 82.7 percent and 77.0 percent of total liabilities respectively. The main current Liabilities were Short-term borrowings, equal LAK 13,859.5 million and LAK 7,000.0 million or about 57.3 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 4,221.3 million and LAK 4,431.6 million or 17.5 percent and 24.4 percent of the total liabilities respectively. Income Tax payable equal to LAK 1,847.2 million and LAK 2,506.4 million or 7.6 percent and 13.8 percent of the total liabilities respectively

3.5.2 Non - Current Liabilities

In the nine – month of 2026 and December 31, 2025, the Company had non-current liabilities equals to LAK 4,178.9 million and LAK 4,187.5 million or 17.3 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 16.5 percent and 22.0 percent of the total liabilities respectively. Other non-current liabilities equal to LAK 178.9 million, and LAK 187.5 million or 0.7 percent and 1.0 percent of the total liabilities respectively.

4. Cashflow Analysis.

In the nine months of 2026, the Company had the beginning balance of cash and cash equivalents was LAK 598.5 million and the ending balance of LAK 1,666.6 million on 30 September 2026, increasing LAK 1,068.1 million. This increasing came from the following activities and exchange rate fluctuation:

Operating activities: the Net cash-in from operating activities was LAK 1,275.9 million, indicating that cash inflows from business operations exceeded cash outflows. During the period, cash outflows were use to new customer's loan and the assets held for sale, together with payments to creditors, operating expenses, commissions, interest and income tax. After these payments, operating activities generated the net cash inflow stated above.

Investing activities: Net cash outflows for investing activities was LAK 669.4 million, comprising purchases both property and equipment, which were LAK 617.4 million and the intangible assets, which were LAK 52.0 million.

Financing activities: Net cash outflows from financing activities were LAK 459.5 million, comprising withdrawal borrowing of LAK 34,000.0 million, the loan repayments of LAK 27,140.5 million and dividend payments of LAK 6,400.0 million.

Effect of exchange rate changes: Exchange rate changes increased the cash and cash equivalents of LAK 2.1 million.

5. Key Financial Ratio Analysis.

Financial ratio	Unit	30 September 2026	30 September 2025	Change + / -
Current Ratio	**Times**	3.36	4.84	-1.12
Return On Assets (ROA) – 9 months	**%**	6.44	6.97	-0.53
Return On Equities (ROE) – 9 months	**%**	8.13	8.28	-0.15
Debt to Equity (D/E ratio)	**Times**	0.26	0.19	+0.07
Net Profit Margin	**%**	22.79	24.22	-1.43
Earnings per Share (EPS) – 9 months	**LAK/Shar**	18.77	18.26	+0.51

Note: The financial ratios are calculated using figures from the statements of financial position as of 30 September 2026 and the statements of income for the nine-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 organized community activities as below.

1. **Blood donation activities held on 9 September 2026 at Mahathuen Leasing's Office.**





2. **School painting and cleaning held on October 17, 2026 at Simmano Primary School, Hatxayfong District, Vientiane Capital**





7. Investor Relations Contact Information.

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