AMATA
HOLDING
PUBLIC CO., LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") discusses the financial position and result of Amata Holding Public Company Limited (the "Company" and with its subsidiaries, the "Group") for the financial year ended 31 March 2026, in comparison with the corresponding financial year ended 31 March 2025.

This MD&A is based on the Company's consolidated audited financial statements for the financial year ended 31 March 2026 ("FY2025-2026") and should be read in conjunction with those financial statements and related notes thereto. All monetary amounts are expressed in Myanmar Kyat (MMK) unless otherwise specified in a different currency.

1. Operating Results

The operating results of our Group for the financial year ended 31 March 2026, as compared with the corresponding financial year ended 31 March 2025, are set out below.

(MMK'000)	**01-Apr-25 to 31-Mar-26**	**01-Apr-24 to 31-Mar-25**	**% Change**
Operating Revenue			
Room Sales	238,823	272,184	**-12%**
Passenger Income (Balloon)	252,930		**100%**
Food and Beverage	138,830	138,155	**0%**
Other operating	24,923	28,095	**-11%**
Total	**655,506**	**438,434**	**50%**
Cost of Sales			
Room and Balloon	440,162	213,034	**107%**
Food and Beverage	150,313	143,179	**5%**
Other operating	14,567	12,664	**15%**
Total	605,042	368,877	**64%**
Gross Profit	50,464	69,557	**-27%**

Other Income	4,005,662	1,601	**250098%**
Other Expense	(1,253,756)	(1,347,741)	**-7%**
Exchange Rate Adjustment	(85,992)	14,254	**-703%**
Impairment Loss	(83,263)	(1,338,923)	**-94%**
EBITDA	2,633,115	(2,601,252)	**-201%**
(Loss) / Profit before Tax	**(1,668,078)**	**(6,817,699)**	**-76%**
Total Comprehensive Income	**(1,663,068)**	**(6,805,810)**	**-76%**

During the financial year 2025–2026, the Group generated total revenue of MMK 655.50 million, representing a 50% increase compared with MMK 438.43 million recorded in the previous financial year. The primary driver of this revenue growth was the resumption of commercial hot air balloon operations in the 2025–2026 financial year, which had been temporarily suspended in prior financial years. This business segment contributed MMK 252.93 million to the total revenue.

Revenue generated from hotel room rentals amounted to MMK 238.82 million, representing a 12% decline compared to the previous financial year. This was mainly attributable to the fact that, despite the continued recovery of the tourism industry, the Group's hotel operations have yet to fully return to normal operating levels due to the prevailing conditions in the areas in which the hotels operate. Revenue from food and beverage sales remained at a level similar to that of the previous financial year.

The cost of sales for hotel room rentals and commercial hot air balloon operations increased by 107% compared to the previous financial year, primarily due to the costs incurred in connection with the resumption of the Group's hot air balloon service during the current financial year. However, due to the decline in revenue from the Group's hotel operations and the increase in operating costs, including staff salaries, the Group's gross profit for the current financial year amounted to MMK 50.46 million, representing a 27% decrease from MMK 69.56 million recorded in the previous financial year.

The increase in Other Income during the current financial year was primarily attributable to the waiver by a director of MMK 4.0 billion of the amount payable by the Company's subsidiary to that director. In accordance with the applicable accounting standards, the waived amount was recognised as Other Income in the financial statements.

In evaluating potential asset impairments, the Company recorded an impairment loss of MMK 83.26 million during the current financial year in respect of the Amata Resort & Spa (Ngapali), which is operated by its subsidiary (UIG). This compares with an impairment loss of MMK 1,338.92 million recognised in the previous financial year.

Foreign Currency Exchange Gain/Loss

In preparing the current financial statements, the Group translated receivables and payables denominated in foreign currencies into Myanmar Kyat (the functional currency) at the rates prescribed by the Central Bank of Myanmar. The resulting foreign currency exchange differences are presented in the table below.

(MMK'000) **Exchange Rate Differential**	**Financial year ended 31 March 2026**	**Financial year ended 31 March 2025**	**% Change**
Ex rate differential - realized	**84,479**	**(11,512)**	**-833.8%**
Ex rate differential - unrealized	**1,513**	**(2,742)**	**155.2%**
Total	**85,992**	**(14,254)**	**-703.3%**

2. Financial Condition

The following is the management's review of the summary of the Group's consolidated statement of financial position as at 31 March 2026, compared to that of the previous financial year.

Non-Current Assets

Our Group's non-current assets primarily consist of property, plant and equipment used in the hotel and hot air balloon service businesses.

As at 31 March 2026, the Group's non-current assets decreased by 2.7% compared with the previous financial year. The decrease was primarily attributable to the recognition of annual depreciation and amortisation expenses for property, plant and equipment and intangible assets used in the Group's hotel and hot air balloon service businesses.

(MMK'000)	**Financial year ended 31 March 2026**	**Financial year ended 31 March 2025**	**% Change**
Non-current Assets	**45,492,772**	**46,735,273**	**-2.7%**

Current Assets

Our Group's current assets comprise of inventory, account receivables, prepayments and advances, prepaid taxes, and cash and cash equivalents.

Current assets as at 31 March 2026 decreased by 9.3% compared with the previous financial year. This decrease was primarily due to a reduction in receivables resulting from collections from related parties, as well as a decline in prepayments. However, this reduction in current assets was partially offset by an increase in cash and cash equivalents, as well as prepaid tax.

(MMK’000)	**Financial year ended 31 March 2026**	**Financial year ended 31 March 2025**	**% Change**
Current Assets	**180,698**	**199,192**	**-9.3%**

Current Liabilities

The Group's current liabilities comprise trade payables, tax liabilities, accrued expenses, advances received, amounts due to related parties, the current portion of long-term borrowings, and other payables.

Current liabilities as at 31 March 2026 increased by 21.4% compared with the previous financial year. The increase was mainly attributable to the reclassification of the loan payable to the International Finance Corporation (IFC) from non-current liabilities to current liabilities, in accordance with the applicable accounting standards and presentation requirements, following its classification as an obligation due within one year.

In addition, a portion of the total liability owed by the Group to a director was waived. This action has enhanced the Group's financial position and supported its ability to continue as a going concern.

(MMK’000)	**Financial year ended 31 March 2026**	**Financial year ended 31 March 2025**	**% Change**
Current Liabilities	**40,532,526**	**33,401,155**	**21.4%**

Non-Current Liabilities

The Group's non-current liabilities primarily comprise long-term borrowings and finance lease obligations arising from long-term land leases.

Non-current liabilities as at 31 March 2026 decreased by MMK 7,027.43 million compared with the previous financial year. This reduction was primarily due to the reclassification of the loan payable to the International Finance Corporation (IFC) from non-current liabilities to current liabilities, in accordance with the applicable accounting standards and presentation requirements, following its classification as an obligation due within one year, thereby reducing long-term borrowings. Additionally, finance lease obligations decreased as a result of regular payments made in accordance with the established repayment schedule.

(MMK'000)	**Financial year ended 31 March 2026**	**Financial year ended 31 March 2025**	**% Change**
Non-current Liabilities	**1,177,257**	**8,204,685**	**-85.7%**

Total Equity

Total equity consists of share capital, retained earnings and non-controlling interests (NCI).

The Group's total equity amounted to MMK 3,963.69 million as at 31 March 2026, representing a decrease of 25.6% compared with MMK 5,328.63 million at the end of the previous financial year.

The decrease was primarily attributable to the net loss incurred during the current financial year. However, compared with the previous financial year, the net loss decreased significantly, and the impact on shareholders' equity was partially mitigated by the financial management measures implemented by the Board of Directors to improve the Group's financial position.

(MMK'000)	**Financial year ended 31 March 2026**	**Financial year ended 31 March 2025**	**% Change**
Total Equity	**3,963,687**	**5,328,625**	**-25.6%**

Significant Events during the Year

(1) Resumption of Hot Air Balloon Service Operations

During the 2025–2026 financial year, Myanmar Ballooning Co., Ltd. successfully resumed its hot air balloon service operations, which had been suspended in previous financial years. The resumption of this business contributed to the increase in the Group's total revenue and supported the potential recovery and further development of the tourism industry.

(2) Settlement Agreement on IFC Loan

The Group engaged in discussions with its lender, the International Finance Corporation (IFC), regarding liabilities under a loan facility utilized to expand hotel operations in the Bagan and Inle Lake regions. Following negotiations, an agreement was reached whereby the Group will fully and finally settle its total outstanding obligations, comprising principal, interest, and other related fees amounting to USD 17,581,810.76, by making a settlement payment of MMK 30 billion.

(3) Waiver of a Portion of Amounts Payable to a Director

A portion of the amount payable by the Group to the director was waived. This waiver strengthened the Group's financial position and supported the Group's ability to continue as a going concern.

Review and Future Outlook

During the 2025–2026 financial year, the Group maintained the continuity of its operations despite a challenging operating environment and achieved revenue growth through the successful resumption of hot air balloon service operations. In addition, the management team is actively executing financial and operational initiatives to strengthen the Group's overall financial standing.

Furthermore, during the current financial year, the Group successfully negotiated and entered into a Loan Resolution Agreement with the International Finance Corporation (IFC). This agreement is intended to support the Group's current and future financial position as well as its cash flow management.

Looking ahead to the next financial year, the Group remains committed to driving revenue growth across its hotel businesses in the Bagan and Inle regions, as well as its hot air balloon service operations. Additionally, the Group will closely monitor and manage its cash flows, while continuing to implement necessary management measures to ensure sufficient working capital and enhance overall financial stability.

On Behalf of the Board of Directors,

U Win Aung

Chairman

Amata Holding Public Co., Ltd.