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NAKORNTHON
HOSPITAL

Management Discussion and Analysis 2Q2026

Investor Relations Contact

Nakhonthon Hospital Public Company Limited

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Executive Summary

In 2026, the Ministry of Finance forecasts that the Thai economy will expand by 2.5%[1], while the Bank of Thailand projects growth at 2.3%[2], down from 2.4% in the previous year. However, volatility surrounding the Middle East conflict has directly impacted patient behavior, leading to a shift toward utilizing social welfare benefits and a reduction in unnecessary inpatient stays. Patients were also influenced by concerns regarding the Co-payment policy and the potential cancellation of lump-sum health insurance plans by insurance companies. Nevertheless, Nakornthon Hospital Public Company Limited ("the Company") maintained its strategic management focus to strengthen resilience and effectively mitigate the impact of these external headwinds.

To build a foundation for long-term growth, the Company fully commenced operations of "Nakornthon 2 Hospital" in December 2025, increasing the total number of available beds to 252 to accommodate future customer base expansion. Although Nakornthon 2 Hospital is currently in its ramp-up phase with low initial utilization, this network expansion serves as a key strategy to enhance competitive advantage and sustainably broaden the Company's revenue base.

For the first six months of 2026 ("6M2026"), the Company reported total revenue of THB 993.1 million, a slight increase of 0.1% year-on-year ("YoY"). Hospital operations revenue grew by 0.5% to THB 979.6 million. This comprised outpatient revenue of THB 630.5 million, up 1% YoY driven by marketing campaigns that stimulated visitations, and inpatient revenue of THB 349.1 million, a 1% YoY decrease in line with total inpatient days declining by 12% to 14,772 days. Nevertheless, the Company successfully offset the decline in volume by increasing the proportion of complex medical care services, resulting in strong growth in average revenue per unit. Average revenue per outpatient visit increased by 2% to THB 3,128.6, while average revenue per inpatient day rose by 12% to THB 23,631.6. Meanwhile, the overall bed occupancy rate declined to 32.4% due to the additional capacity from Nakornthon 2 Hospital, which is currently in its ramp-up phase amidst market slowdown, compared to a bed occupancy rate of 53.1% for Nakornthon Hospital alone over the same period last year.

On the expense side, total expenses rose by 9% YoY to THB 942.2 million, primarily driven by the opening of Nakornthon 2 Hospital. This resulted in an 8% increase in hospital operating costs to THB 752.9 million, following the recognition of personnel costs, doctor fee expenses, and depreciation of buildings and medical equipment. Additionally, administrative expenses increased by 15% to THB 162.2 million, while selling and

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[1] Ministry of Finance News, 24 July 2026

[2] Summary of Economic and Inflation Forecasts, 24 June 2026

distribution expenses rose by 6% to THB 27.1 million due to proactive marketing strategies and major promotional events aimed at driving brand awareness and expanding the user base. The recognition of initial costs and expenses associated with the new hospital opening led to a decrease in EBIT to THB 50.9 million, with net profit standing at THB 19.2 million.

Regarding key financial ratios, despite significant volatility in the Thai economy during the second quarter of 2026 driven by economic slowdown and geopolitical concerns in the Middle East, the Company maintained a prudent and efficient operational approach. This resilience is reflected in its P/E and P/BV ratios, which remain below the healthcare sector average at 13.47x and 0.98x (compared to the industry averages of 17.22x and 2.32x, respectively[3]). Furthermore, the Company remains committed to a consistent dividend policy, aligned with its financial performance and a foundation of strong, transparent corporate governance. The Company remain confident in its ability to capitalize on long-term growth opportunities and achieve sustainable expansion as the economy and market conditions normalize.

Key Milestones and Developments 2Q2026

Nakornthon 2 Hospital Is Now in Full Operation

Nakornthon 2 Hospital is now fully operational to meet the growing demand for healthcare services in Western Bangkok and its vicinity. The hospital is strategically positioned as a private medical facility catering to general patients, health insurance holders, and corporate clients.

Currently, **the hospital is operating at approximately 67.5%** of its total capacity, with **102** beds officially registered for the initial phase out of 151 beds in total capacity. The hospital plans to gradually increase bed capacity in alignment with patient volume and staffing readiness. Its facility is staffed by specialized medical teams across various fields, including Internal Medicine, Surgery, Orthopedics, Obstetrics & Gynecology, and Pediatrics, alongside experienced nursing and clinical personnel, ensuring a continuous elevation of patient care quality.

In terms of **medical technology**, the hospital has invested in state-of-the-art equipment, including C-arm machines, CT scans, high-standard operating rooms, and highly efficient diagnostic support systems. These investments are aimed at enhancing treatment precision and capacity to meet the needs of patients seeking fast and comprehensive medical services.

[3] SETSMART, data as of 27 July 2026

In terms of **target segments**, the hospital focuses on building a robust revenue base from self-pay individuals, health insurance holders, and corporate contract clients. This is complemented by the expansion of strategic partnerships with insurance providers, employers, and local business allies within the region.

Over the next 1–3 years, the hospital plans to gradually increase its bed occupancy. The hospital aims to drive the utilization rate by expanding specialized services, increasing medical staff, and implementing proactive marketing strategies targeting health insurance and corporate segments.

In addition, **the hospital plans to establish further Centers of Excellence**, such as Orthopedic, Women's Health, Check-up, and Rehabilitation centers, to differentiate itself from competitors and enhance its capacity for specialized care. Simultaneously, the hospital is developing integrated referral systems in collaboration with clinics, partner hospitals, and medical networks to strengthen its long-term patient base.

Project Implementation Progress & Other Key Highlights

Significant Events / Developments	Detail
 *As of 29 June 2026*	**VIP Ward 12th Floor Renovation Project** The project is currently behind schedule due to contractor labor constraints and operational inefficiencies. Currently, the project is in the stage of rectifying architectural and interior finishing defects. The overall project completion rate stands at 98%
 *As of 29 June 2026*	**Nakornthon Long Life Center (NLLC)** Construction works have been fully completed. Currently, the project is in the process of rectifying architectural and interior finishing defects, as well as executing final touch-ups and building systems testing. The Building Use Permit (Aor.5) has been officially granted, and the application for the Operating License is currently under review. The overall project completion rate stands at 99%

Key Operating Statistics

Nakornthon Hospital Public Company Limited	For the six-month period ended 30 June		Change
	2026	2025	
Number of outpatient visits (times)	201,537	202,431	-0.4%
Number of inpatient admissions (times)	6,309	7,255	-13%
Number of available beds	252	150	68%
Bed occupancy rate (%)	32.4%	61.6%	-29.2 ppts
Number of inpatient days (per year/per period)	14,772	16,736	-12%
Average revenue per outpatient visit (THB per visit)	3,128.6	3,074.5	2%
Average revenue per inpatient visit (THB per visit)	23,631.6	21,066.9	12%

Summary of Changes in Key Operating Statistics

In 6M2026, the Company recorded a total of 201,537 **outpatient visits**, a slight decrease of 0.4% YoY. Meanwhile, **inpatient admissions** stood at 6,309, representing a 13% decline, with total **inpatient days** reaching 14,772 days, down 12% YoY. Consequently, the **bed occupancy rate** dropped to 32.4% from 61.6% in the same period last year, partly driven by the increase in available beds following the opening of Nakornthon 2 Hospital in December 2025. The decline in patient volume was primarily driven by the conflict in the Middle East and the economic slowdown, which prompted patients to shift toward utilizing existing social welfare benefits and avoiding overnight hospital stays unless necessary. Furthermore, performance was impacted by concerns regarding the Co-payment policy and the potential cancellation of lump-sum health insurance plans by insurance companies. Additionally, Nakornthon 2 Hospital is currently in its initial phase with a developing utilization rate, which served as another key factor impacting overall service volume statistics for the period.

Nevertheless, average revenue per patient continued to grow. **Average revenue per outpatient visit** increased by 2% to THB 3,128.6, while **average revenue per inpatient day** rose by 12% to THB 23,631.6. This growth was primarily driven by the strategic shift toward a higher proportion of complex medical treatments. Additionally, the hospital's **number of available beds** has increased to 252 beds following the opening of Nakornthon 2 Hospital, aiming to support future customer base expansion.

Financial Summary 2Q2026

The financial performance of Nakhonthon Hospital Public Company Limited for the six-month period ended 30 June 2026 and 2025 is as follows:

Statement of Comprehensive Income

Nakhonthon Hospital Public Company Limited Unit: THB million	Consolidated for the six-month period ended 30 June		Change
	2026	2025	
Total revenue	993.1	992.2	0.1%
Revenue from hospital operations	979.6	974.9	0.5%
Revenue from outpatients (OPD)	*630.5*	*622.3*	*1%*
Revenue from inpatients (IPD)	*349.1*	*352.6*	*-1%*
Other income	13.5	17.3	-22%
Total expenses	942.2	860.7	9%
Cost of hospital operations	752.9	694.4	8%
Selling and service expenses	27.1	25.5	6%
Administrative expenses	162.2	140.8	15%
Earnings before interest and taxes (EBIT)	50.9	131.5	-61%
Profit for the period	19.2	98.2	-80%

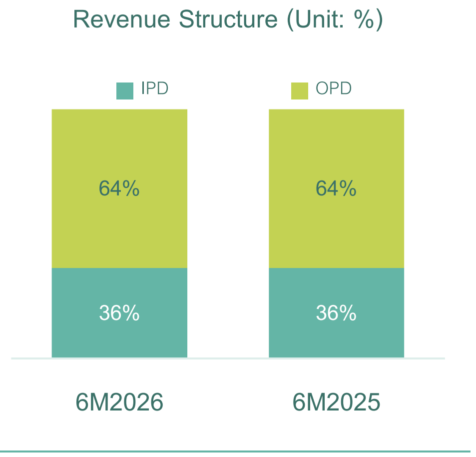
Summary of Nakornthon Hospital Public Company Limited's financial performance for the six-month periods ended 30 June 2026 and 2025:

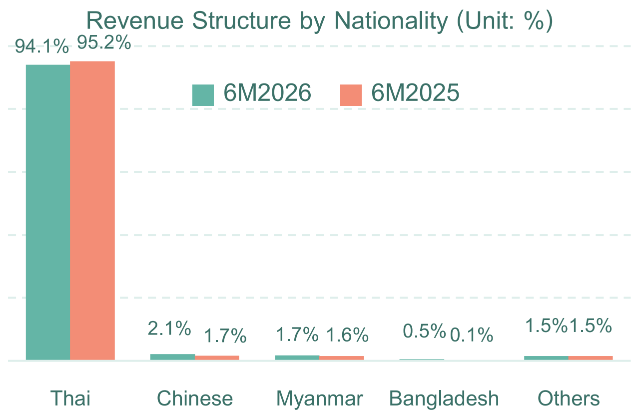
Revenue

In 6M2026, the Company recorded **total revenue** of THB 993.1 million, a slight increase of 0.1% YoY.

- **Revenue from hospital operations** amounted to THB 979.6 million, a slight increase of 0.5% YoY.
  - **Revenue from outpatients (OPD)** amounted to THB 630.5 million, a 1% increase YoY. This was primarily driven by marketing campaigns that stimulated demand and patient volume within the hospital.
  - **Revenue from inpatients (IPD)** amounted to THB 349.1 million, a 1% decrease YoY. This was due to a decline in inpatient volume compared to 6M2025, with key pressure factors stemming from the Middle East conflict, the economic slowdown which led patients to shift toward utilizing their eligible welfare benefits, as well as concerns regarding the Co-payment policy trend and the cancellation of lump-sum health insurance plans by insurance companies.
- **Other income** amounted to THB 13.5 million, a 22% decrease YoY, primarily due to a decline in interest income.

Revenue Breakdown of Hospital Operations by Category





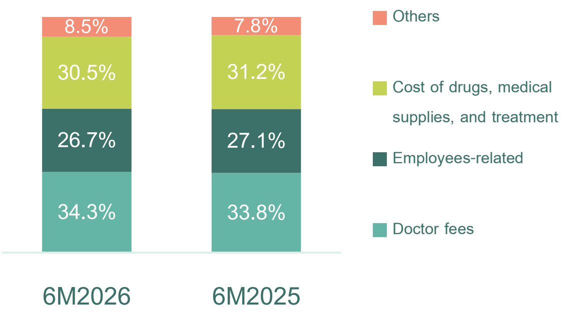
Cost and Expense

In 6M2026, the Company's **total expenses** amounted to THB 942.2 million, a 9% increase YoY.

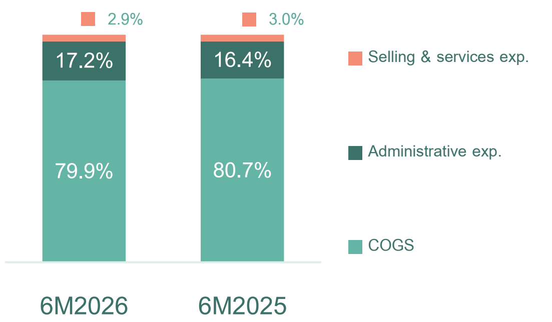
- **Cost of hospital operations** amounted to THB 752.9 million, an 8% increase YoY. This was primarily driven by the commencement of Nakornthon 2 Hospital's operations in December 2025, which led to higher personnel expenses and medical fees due to the expansion of the medical staff to support services. Additionally, the increase was attributed to the recognition of higher depreciation for the building and medical equipment following the opening of the new branch.
- **Selling and service expenses** amounted to THB 27.1 million, a 6% increase YoY. This was primarily due to increased marketing budgets to continuously drive sales through expanded online channels, as well as major promotional events (Big Events), such as the Nakornthon Hospital 29th Anniversary celebration and the product launch event for pediatric specialists, aimed at driving brand awareness and expanding the user base.
- **Administrative expenses** amounted to THB 162.2 million, a 15% increase YoY. This was primarily driven by the commencement of Nakornthon 2 Hospital's operations, which resulted in higher recognition of depreciation and various administrative costs compared to 2025.

Cost Breakdown of Hospital Operations by Category

Cost Structure



Cost Structure and Expenses



Net Profit

In 6M2026, the Company's **Earnings Before Interest and Taxes (EBIT)** stood at THB 50.9 million, representing an EBIT margin of 5%, a decrease from 13% in the same period last year due to higher expenses. **Net profit** amounted to THB 19.2 million, with a net profit margin of 2%, down from 10% YoY.

Statement of Financial Position

Nakhonthon Hospital Public Company Limited Unit: THB million	Consolidated		Change
	As of 30 June 2026	As of 31 December 2025	
Total assets	**2,790.4**	**2,607.0**	**7%**
Total current assets	433.9	457.3	-5%
Total non-current assets	2,356.5	2,149.7	10%
Total liabilities	**848.4**	**587.9**	**44%**
Total current liabilities	296.8	383.7	-23%
Total non-current liabilities	551.6	204.2	170%
Total shareholders' equity	**1,942.0**	**2,019.1**	**-4%**

Assets

As of 30 June 2026, the Company's **total assets** amounted to THB 2,790.4 million, a 7% increase from the end of 2025.

- **Current assets** amounted to THB 433.9 million, a 5% decrease from the end of 2025. This was primarily driven by cash payments for the purchase of pharmaceuticals and medical supplies to increase inventory reserves since late 1Q2026. This increase in inventory reserves aimed to mitigate risks from medicine shortages and supply chain disruptions resulting from the Middle East conflict and rising transportation costs. Additionally, distributors raised their minimum order quantities to manage freight costs, requiring the Company to increase its order volumes during the period.
- **Non-current assets** amounted to THB 2,356.5 million, a 10% increase from the end of 2025. This was primarily driven by the recognition of work-in-progress for the Nakornthon Long Life Center project and the Data Center construction, as well as investments in fixed assets for Nakornthon 2 Hospital. These investments included the procurement of advanced medical equipment, such as Mammogram, C-arm, Echo, and Ultrasound machines, as well as the installation of electrical control panels and office furniture to ensure operational readiness.

Liabilities

As of 30 June 2026, the Company's **total liabilities** amounted to THB 848.4 million, a 44% increase from the end of 2025.

- **Current liabilities** amounted to THB 296.8 million, a 23% decrease from the end of 2025. This was primarily due to gradual payments for the construction of Nakornthon 2 Hospital following the commencement of its operations, alongside the payment of corporate income tax for the fiscal year 2025. However, trade payables increased slightly as a result of purchasing additional medicines and medical supplies to stockpile and mitigate risks from the Middle East conflict and supply chain transportation constraints.
- **Non-current liabilities** amounted to THB 551.6 million, a 170% increase from the end of 2025. This was primarily driven by retention payables from construction and loans from financial institutions.

Shareholders' equity

As of 30 June 2026, the Company's **shareholders' equity** amounted to THB 1,942.0 million, a 4% decrease from the end of 2025.

Cash Flow Statement

Nakhonthon Hospital Public Company Limited Unit: THB million	Consolidated for the six-month period ended 30 June	
	2026	2025
Net cash generated from (used in) operating activities	151.0	169.5
Net cash generated from (used in) investing activities	(424.9)	(344.5)
Net cash generated from (used in) financing activities	253.2	(246.5)
Net increase (decrease) in cash and cash equivalents	**(20.7)**	**(421.5)**
Cash and cash equivalents at the beginning of the period	299.1	1,094.9
Cash and cash equivalents at the end of the period	**278.4**	**673.4**

The Company generated **net cash from operating activities** amounting to THB 151.0 million. **Net cash used in investing activities** totaled THB 424.9 million, primarily driven by service efficiency enhancements, which included construction payments for the Nakornthon Long Life Center project and Nakornthon 2 Hospital, VIP ward renovations at Nakornthon Hospital, as well as payments for medical tools and equipment. Additionally, there were payments for financial liabilities arising from the purchase of shares from existing shareholders during the period. Meanwhile, **net cash from financing activities** was THB 253.2 million, sourced from long-term loans from financial institutions. As a result, the Company's **cash and cash equivalents** decreased by THB 20.7 million, ending at THB 278.4 million as of the end of the period.

Key Financial Ratio

Nakhonthon Hospital Public Company Limited	For the six-month period ended 30 June	
	2026	2025
Current ratio (Time)	1.5	2.4
Gross profit margin (%)	23.1	28.8
EBITDA margin (%)	14.3	19.8
Net profit margin (%)	1.9	9.9
Return on assets (%)	6.8	14.4
Return on equity (%)	6.0	17.4
Debt-to-equity ratio (Time)	0.4	0.3

Remarks:

(1) Current Ratio = Current Assets / Current Liabilities

(2) Gross Profit Margin = (Revenue from Hospital Operations - Cost of Hospital Operations) / Revenue from Hospital Operations

(3) Earnings before interest, taxes, depreciation and amortization = (Earnings before interest, taxes, depreciation and amortization) / Total Revenue

(4) Net Profit Margin = Net Profit / Total Revenue

(5) Return on Assets = Operating Profit / Average Total Assets

(6) Return on Equity = Net Profit / Average Total Shareholders' Equity

(7) Debt-to-Equity = Total Liabilities / Total Shareholders' Equity

Business Outlook

In the second half of 2026, Nakornthon 2 Hospital will focus on accelerating service capacity and continuously expanding its patient base. The hospital plans to gradually increase the number of available beds from current levels in alignment with actual patient volume (Demand-driven capacity expansion) and the availability of medical personnel, aiming to maximize resource utilization and operational efficiency. Furthermore, the hospital industry in the second half of the year is expected to benefit from a recovery in demand for medical treatments, following a temporary slowdown in the First half of the year due to economic conditions and the Middle East conflict. This growth will also be supported by seasonal factors, as illness rates typically rise during the rainy season.

In terms of service development, the hospital aims to strengthen its medical services in high-demand segments within the area, specifically Orthopedics, Geriatric Care, and Preventive Health Check-ups. This includes integrating comprehensive diagnostic and treatment services to enhance care capabilities for both general and chronic disease patients, thereby supporting a continuous care model and driving an increase in average revenue per case.

In terms of marketing strategy, the hospital will focus on penetrating new customer segments in Western Bangkok and neighboring provinces, including self-pay individuals, health insurance holders, and corporate clients. This will be achieved through strategic partnerships and affordable check-up and treatment packages, which serve as key drivers in boosting utilization rates at Nakornthon 2 Hospital, as well as local promotional activities and the expansion of digital communication channels to enhance brand awareness and drive service utilization.

Regarding financial performance, the Company expects the hospital to see a gradual increase in revenue in line with rising utilization rates and the continuous addition of available beds. This growth will be supported by an improved Bed Occupancy Rate, the development of services catering to general patients, chronic disease patients, complex care, and specialized services, as well as an increased proportion of high-purchasing-power clients. Furthermore, the hospital remains committed to stringent cost control and operational efficiency management to support sustainable long-term growth.

Sustainability Initiatives 2Q2026

Environmental

20 April 2026

11 May 2026

and 15 June 2026

52^{nd} – 54^{th} Mobile Orphan Waste Project

In 2Q2026, Nakornthon Hospital organized the 52^{nd} – 54^{th} Mobile Orphan Waste Project events in collaboration with the Somboon Say Green page to promote sustainable waste management. The initiative successfully collected a total of 33,320 kilograms of non-recyclable waste, which was processed into refuse-derived fuel to replace coal in cement kilns. This effort significantly reduced the volume of waste sent to landfills and reinforced the hospital's commitment to long-term environmental sustainability.

Social

8 April 2026

Nakornthon Hospital Won the First Prize Award for Health Innovation Media Contest on 7 NCDs Risk Reduction Themes: Enhancing Driving Efficiency and Reducing Road Accidents

Nakornthon Hospital Public Company Limited received the First Prize Shield in the Health Innovation Media Contest under the 7 NCDs Risk Reduction Themes (Category: Enhancing Driving Efficiency and Reducing Road Accidents), organized by the Corporate Health Creator Association in collaboration with the Thai Health Promotion Foundation (ThaiHealth). The award was presented at the Health Learning Exchange and Corporate Honor Conference held at The Royal Gems Golf Resort, reflecting the hospital's commitment to improving employees' quality of life under the "Happy Workplace" concept.

18 May 2026

2^{nd} "SMART MOM Smart Life: Smart Care for Modern Moms" Event

Nakornthon Hospital hosted the 2^{nd} "SMART MOM Smart Life" event under the theme "Smart Body & Mind: Balancing Physical and Mental Well-being for Mothers." The event featured an informative panel discussion on physical and mental healthcare for a healthy pregnancy led by medical specialists, alongside a DIY Scrapbook workshop and a music therapy session to promote emotional healing and fetal development conducted by a professional music therapist. Additionally, gift sets and lucky draw prizes were presented to participants.