

No. PRINC-69-001

February 27, 2026

Subject: Management Discussion and Analysis of the Consolidated Financial Statements for the Fiscal Year Ending December 31, 2025 (Revised)

To: President  
The Stock Exchange of Thailand

Principal Capital Public Company Limited and its subsidiaries (“PRINC”) would like to clarify operating results ending December 31, 2025, compared with the same period of 2024 as explained below.

### Operation Results and Major Developments in Q4 of 2025

In 2025, PRINC’s consolidated revenues were THB 6,063.9 million, a 6.33% increase year-over-year resulting from the expansion of two additional hospitals in 2025 and disease outbreak in Q4 of 2025. Throughout the year 2025, PRINC kept developing the competence in medical treatments to strengthen our competitiveness and have implemented various changes to our cost structures and expense reduction programs in order to cope with financial slowdown. PRINC still continued our operations through four strategic pillars including; **1. business growth, 2. quality & efficiency of network, 3. medical service advancement, and 4. ESG development.** The highlight activities from October 1, 2025 to the date of this report are as follows.

#### **Business Growth**

On December 19, 2025, Principal Healthcare Co., Ltd. (“PRINH”) entered into an agreement to buy approximately 57% shares of N.D.S. 34 Co., Ltd. (“NDS34”) which operates two hospitals in Nakhon Ratchasima province, Por Phat 1 Hospital (“PPAT”) and Por Phat 2 Hospital (“PKRT”). Total transaction value is around THB 673.7 million. This investment is considered a strategic partnership with Sanguantrakul Family, the original shareholder group. Both hospitals are mid-sized private hospitals with a long establishment of over 73 years. This project helps strengthen PRINC’s footprint in respond to the growth of healthcare demands in the Northeastern of Thailand.

## **Quality & Efficiency of Network**

On December 15, 2025, PRINC launched Vyana Edge, a cutting-edge AI browser extension designed to integrate with Electronic Health Record (EHR) platforms. It leverages advanced speech recognition and AI technologies to securely record the conversations between doctors and patients in real time and automatically convert them into structured clinical documentation.

## **Medical Service Advancement**

On October 20, 2025, Princ Hospital Sisaket (“PSSK”) received the 2025 accreditation for advanced life support from the National Institute for Emergency Medicine (NIEM).

On October 27, 2025, Princ Hospital Ubonratchathani (“PUBN”) received accreditation for its hemodialysis treatment standards from The Nephrology Society of Thailand.

On October 31, 2025, PUBN achieved the silver level for participating in the Healthy, Safety and Happy Workplace Project from the Department of Disease Control, Ministry of Public Health.

On November 28, 2025, Princ Hospital Suvarnabhumi (“PSUV”) and Princ Hospital Paknampo (“PPNP”) were certified for quality standards in physical therapy services by the Physical Therapy Council.

On December 27, 2025, Pitsanuvej Hospital (“PSV”) received accreditation for its hemodialysis treatment standards from The Nephrology Society of Thailand.

On January 13, 2026, Virajsilp Hospital (“PCPN”) was certified the HA Level 2 certificate from The Healthcare Accreditation Institute (Public Organization).

## **ESG Development**

On October 1, 2025, PSV received the Challenge certificate of GREEN & CLEAN Hospital Challenge for Low Carbon and Climate Resilient Health Care from the Department of Health.

On October 1, 2025, Pitsanuvej Uttaradit Hospital (“PUTD”) received the Excellent certificate of GREEN & CLEAN Hospital Challenge from the Department of Health.

On November 26, 2025, PUBN received the Provincial Safety Award 2025 from Department of Labour Protection and Welfare (DLPW), Occupational Safety and Health Division. This marked the second year that PUBN received this award.

In Q4/2025, PSV was the second hospital in PRINC network to implement the project initiative for recycling used sterile PVC medical supplies. Through specialized processing and molding, these materials can be transformed into new products, such as bathroom curtains, rubber bed sheets, and bags.

On January 19, 2026, PPNP received the Standard certificate of GREEN & CLEAN Hospital Challenge from the Department of Health.

### Economic and industry conditions affecting operations, policies, strategies, and business decisions

On December 30, 2025, the Cabinet approved the monetary policy target for the year 2026, which was mutually agreed upon by The Monetary Policy Committee (“MPC”) and the Minister of Finance, to set the headline inflation target over the medium-term at 1% - 3%. The Ministry of Finance and the Bank of Thailand would coordinate to balance fiscal and monetary policies in order for sustainable growth to be in line with economic potential, and to facilitate the return of inflation to target. The 1% - 3% medium-term inflation target was deemed appropriate, as this target has effectively maintained price stability by anchoring medium-term inflation expectations. Additionally, this target range provides sufficient flexibility to accommodate inflation volatility from external and supply-side shocks.

On February 23, 2026, MPC announced the results that most committee members voted to cut the policy interest rate by 0.25% from 1.25% to 1.00%. MPC projected that downside risks to headline inflation increased relative to previous assessment due to energy price increase. Moreover, THB has appreciated against the U.S. dollar given the U.S. Federal Reserve’s policy interest rate outlook. The appreciation has tightened financial conditions for exporters, particularly for products facing intense price competition and low profit margins. The Committee expressed concern over signs of exchange rate misalignment from economic fundamentals. Most members deemed the policy rate cut would support the economic recovery and further alleviate debt burden as well as anchor medium-term inflation expectations.

Under these current uncertainties, PRINC continues to evaluate and mitigate various types of risks both from internal and external, in order to take proactive measures for all downside circumstances.

PRINC is continuously focusing on growth and expansions, with key strategies as follows:

1. Expanding hospital business to enhance our competitive networks that provide medical treatments and serve unmet demand in selected areas/provinces.

2. Investing in healthcare related businesses by selective strategies such as mergers & acquisitions or greenfield to upscale our hospital business and to incorporate advanced scopes of medical services.
3. Expanding to new market segments such as international customers.
4. Enhancing our capabilities of performing sophisticated healthcare services with more specialized treatments, advancing to higher level of care.
5. Focusing on improvement of work processes to enhance efficiency and foster stable and sustainable growth.

## Comparison the operating performance results between 2025 and 2024

Table 1

Consolidated Profit and Loss Unit: Million Baht	For the 12 months		Change (YoY)	
	2025	2024	Amount	%
Revenues from healthcare services	6,053.8	5,697.3	356.4	6.26
Revenues from sales and services	10.2	5.5	4.6	83.73
Costs of healthcare services	4,895.4	4,557.8	337.6	7.41
Costs of sales and services	8.0	4.4	3.6	82.18
<b>Gross profit (loss)</b>	<b>1,160.5</b>	<b>1,140.6</b>	<b>19.8</b>	<b>1.74</b>
Other income	65.5	84.7	(19.2)	-22.66
Selling and Administrative expenses	1,435.8	1,438.2	(2.4)	-0.17
Other expenses	20.9	31.1	(10.2)	-32.75
Gain on reversal (loss) on expected credit losses	8.9	19.1	(10.2)	-53.16
Share of profit (loss) from an associate and joint ventures using equity method	(25.3)	(46.9)	21.6	n.m.
Finance costs	164.7	207.2	(42.5)	-20.52
<b>Profit (loss) before income tax expense</b>	<b>(411.8)</b>	<b>(479.0)</b>	<b>67.2</b>	<b>n.m.</b>
Income tax (expense) income	(42.8)	(19.1)	(23.7)	n.m.
<b>Profit (Loss) for the period from continuing operations</b>	<b>(454.6)</b>	<b>(498.1)</b>	<b>43.5</b>	<b>n.m.</b>
Profit from discontinued operations:				
*Profit for the period from discontinued operations	-	123.8	(123.8)	-100.00
Gain on disposal of discontinued operations	-	700.8	(700.8)	-100.00
<b>Profit (loss) for the year</b>	<b>(454.6)</b>	<b>326.6</b>	<b>(781.1)</b>	<b>-239.20</b>
<b>**Earnings before interest, taxes, depreciation, and amortization from core operations (EBITDA)</b>	464.5	410.4	54.1	13.18
<b>Profit (loss) attributable to:</b>				
Profit (loss) attributable non-controlling interests	(48.5)	(24.9)	(23.6)	n.m.
Profit (loss) attributable to owner of the parent	(406.0)	351.4	(757.5)	-215.54

### Remarks

\*Profit for the period from discontinued operations: Property business's net value of revenues and expenses were reclassified into this item.

\*\*Earnings before interest, taxes, depreciation, and amortization (EBITDA): This calculation excluded (1) gain on reversal (loss) on expected credit losses, and (2) share of profit (loss) from an associate and joint ventures using equity method.

1. Revenues from healthcare services was THB 6,053.8 million, an increase by THB 356.4 million or 6.26%. This resulted from seasonal disease outbreak in Q4 (which usually occurred in Q3). Additional sources of revenues also came from two new hospitals in our network which are Princ Hospital Mukdahan (“PMDH”), commencing operation in December 2024, and Thanakan Hospital (“PKAN”) acquired in the second half of 2025.
2. Gross profit equaled THB 1,160.5 million, an increase by THB 19.8 million. However, gross profit margin slightly dropped from 20.0% to 19.14% which resulted mainly from an increase in doctor costs and other direct costs.
3. Net profit was deficit THB 454.6 million in 2025, a decrease by THB 781.1 million from 2024 due to property divestment in Q3 of 2024. In 2024, there were profit for the period from discontinued operations at THB 123.8 million and gain on disposal of discontinued at THB 700.8 million.
4. Comparing only profit (loss) for the period from continuing operations between 2024 and 2025, net loss for the period from continuing operations improved by a THB 43.5 million, from a deficit of THB 498.1 million in 2024 to a deficit of THB 454.6 million in 2025. This was attributable to an increase in revenues of hospitals and healthcare related businesses, and a decrease in selling and administrative expenses including finance costs.

### Revenue Breakdown by Key Payor Type

The key payor groups can be classified into five types of which four major types are self-pay or out-of-pocket, insurance, government, and contract. Revenue breakdown data were as follows:

Table 2

Payor	2025	2024
Self-pay	36.52%	37.33%
Insurance	33.52%	34.13%
Government	19.97%	19.01%
Contract	8.38%	8.34%
Others	1.60%	1.19%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Financial Positions

Table 3

Consolidated Balance Sheet Unit: Baht Million, except noted	Dec 31, 2025	Dec 31, 2024	Change (YoY)	
			Amount	%
Total Assets	15,269.2	15,024.6	244.7	1.63
Interest-Bearing Debts	4,220.6	3,673.1	547.5	14.91
Total Liabilities	5,787.9	5,146.2	641.7	12.47
Equity Attributable to the Parent Company	8,727.0	9,146.8	(419.8)	-4.59
Interest-Bearing Debts to Equity* (Unit: Time)	0.48	0.40	0.08	20.43
Debt to Equity* Ratio (Unit: Time)	0.66	0.56	0.10	17.88

\* Refer to: Equity Attributable to the Parent Company

Total assets as of December 31, 2025 were THB 15,269.2 million, an increase of THB 244.7 million or 1.63% from the end of 2024. This mainly resulted from converting such current assets as cash and cash equivalents, short-term financial investments and fixed deposits, into such fixed assets as property, plant and equipment, from both brownfield and greenfield projects

As of December 31, 2025, interest-bearing debts were THB 4,220.6 million, an increase of THB 547.5 million or 14.91% from the end of 2024. This was primarily from increase in short-term loans from financial institutions to support business liquidity and business expansions.

Therefore, interest-bearing debts to shareholders' equity of the parent company was increased by 20.43% or from 0.40x to 0.48x. And debt to equity ratio was 0.61x, a 0.09x or 17.18% increase from December 31, 2024.

## Financial Ratio Analysis

Table 4

Highlight Financial Ratio	Unit	Dec 31, 2025	Dec 31, 2024	Increase (Decrease)
<b>Liquidity Ratio</b>				
Current Ratio <sup>1</sup>	Time	0.56	1.24	-0.68
Quick Ratio <sup>1</sup>	Time	0.45	1.08	-0.63
* Account Receivable Turnover <sup>2</sup>	Time	10.36	9.71	+0.65
* Average Collection Period <sup>2</sup>	Day	35.2	37.6	-2.35
* Inventory Turnover <sup>2</sup>	Time	34.91	32.91	+2.00
* Average Sale (Inventory) Period <sup>2</sup>	Day	10.5	11.1	-0.63
* Account Payable Turnover <sup>2</sup>	Time	6.15	6.34	-0.19
* Average Payment Period <sup>2</sup>	Day	59.3	57.5	+1.80
* Cash Cycle <sup>2</sup>	Day	-13.7	-8.9	-4.78
<b>Efficiency Ratio</b>				
* Total Asset Turnover <sup>2</sup>	Time	0.40	0.35	+0.05
Fixed Asset Turnover <sup>2</sup>	Time	0.58	0.59	-0.01
<b>Leverage Ratio</b>				
Debt /Equity Ratio <sup>1</sup>	Time	0.66	0.56	+0.10
Interest Coverage Ratio <sup>2</sup>	Time	-1.50	-1.31	n.m.
<b>Profitability Ratio</b>				
Gross Profit Margin <sup>3</sup>	%	19.14	20.00	-0.86
* EBITDA Margin <sup>3</sup>	%	7.58	7.09	+0.49
* Net Profit Margin <sup>3</sup>	%	-7.42	-8.61	+1.19
* Return on Assets <sup>2</sup>	%	-1.63	-1.65	+0.02
Return on Equity <sup>2</sup>	%	-4.54	3.92	-8.46

Remark: (\*) denotes key financial ratios that performed better in 2025

1: Data as of Dec 31, 2025 or 2024

2: Data for the 4-quarter period ending Dec 31, 2025 or 2024

3: Data for the 12-month period ending Dec 31, 2025 or 2024

### **Analysis of Liquidity Ratios**

1. At the end of December 31, 2025, current ratio was 0.56x, a decrease from 1.24x. Quick ratio also decreased from 1.08x to 0.45x. These resulted from business expansion as current assets were converted into non-current assets, and short-term borrowings were increased to support liquidity in operations.
2. Cash cycle day for trailing-4-quarter period ending December 31, 2025 was reduced by 5 days. This improvement was attributable to the more efficient management of receivable collection and inventory turnover, as well as the longer payment period to suppliers.

### **Analysis of Efficiency Ratios**

1. Total asset turnover increased from 0.35x to 0.40x for the trailing-4-quarter period ending December 31, 2025. The increase was attributable to the divestment in the property business which had comparatively low asset turnover.
2. Fixed asset turnover slightly dropped from 0.59x to 0.58x. This was mainly due to active investments and expansions in hospitals and healthcare related businesses, leading to increase in fixed assets subsequently.

### **Analysis of Leverage Ratios**

1. Debt to equity ratio was 0.66x, a 0.10x increase from December 31, 2024 due to increase in loans from financial institutions to support business expansions as mentioned earlier.
2. Interest coverage ratio improved from the same period of previous year due to improvement in EBIT and reduction of finance costs.

### **Analysis of Profitability Ratios**

1. Although gross profit margin slightly dropped from 20.0% in 2024 to 19.1% in 2025, EBITDA margin increased from 7.09% in 2024 to 7.58% in 2025. Net profit margin from continuing operations also improved by 1.19%. These were attributable to growth of our core businesses as well as cost reduction management.



2. Return on assets improved from negative 1.65% to negative 1.63% for trailing-4-quarter period ending December 31, 2025 This was mainly due to active investments and expansions in hospitals and healthcare related businesses.
3. Return on equity for trailing-4-quarter period ending December 31, 2025 declined from 3.92% to negative 4.54% due to decrease in net profits. Such a decline was mainly from the fact that in Q3 of 2024, there was a huge gain on property divestment.

Over the past 9 years, we have successfully executed our strategic expansion. Nevertheless, current economic situation has signaled us to balance growth, profitability with disciplined cost management. We believe that this commitment can lead us through uncertain time.

For your kind acknowledgement.

Yours respectfully,

– Signature –

(Mr. Tharin Eampetcharapong)

Chief Financial Officer

Principal Capital Public Company Limited