

No. WPH – SET 007/2022

13 May 2022

Subject : Management Discussion and Analysis for the Quarter 1 of 2022 ending on 31 March 2022.

To : Directors and Manager

The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.2/2022 of WattanaPAT Hospital Trang Public Company Limited (“the Company”) held on 12 May 2022, approving the audited consolidated financial statements for the fiscal year ended on 31 March 2022. The Company would like to report factors that affect the financial performance of the Company and its subsidiary for the fiscal year ended on 31 March 2022 as follows;

Summary of Consolidated Financial Statements

<i>Unit : Thousand Baht</i>	1Q22	1Q21	In(De)Crease	% In(De)crease
Total revenues	328,660	166,893	161,767	96.9%
Revenues from medical treatment	326,454	165,576	160,878	97.2%
Cost of medical treatment	217,130	147,253	69,877	47.5%
Gross Profit	109,324	18,323	91,001	496.6%
Gross Profit Margin	33.5%	11.1%		22.4%
Selling and Administrative expenses	38,535	31,426	7,109	22.6%
Profit from operating activities	70,789	(13,103)	83,892	-640.3%
Other incomes	2,206	1,317	889	67.5%
Financial costs	3,359	2,992	367	12.3%
Profit (loss) before (income) tax expense	69,636	(14,778)	84,414	-571.2%
(Income) tax expenses	13,000	(97)	13,097	-13502.1%
Net Profit	56,636	(14,681)	71,317	-485.8%
Net Profit Margin	17.2%	-8.8%		26.0%
EBITDA	91,814	5,202	86,612	1665.0%
% EBITDA	28.1%	3.1%		25.0%

Statements of Comprehensive Income
Revenue from medical treatment

The Company generated the revenue from medical treatment for the 1st quarter of Year 2022 and 2021 were in amounts of Baht 326.45 million and Baht 165.58 million, respectively, which increased by Baht 160.88 million or 97.2%. This was caused by an increase in revenue from hospital operation, for instance, a COVID-19 testing and treatment, opening several of hospital treatment and opening of Home Isolation treatments together with an increasing in

a number of non COVID-19 patients mainly from specialized medical clinic as well as Wellness Center. Wellness Center really lives up to its expectations. Besides, revenue from hospital operations especially international patients were slightly increased, since Thai Government adopting a relaxation policy on COVID-19, also, its subsidiaries was located in the vibrant tourist centre in Krabi.

By the way, revenue from both Out-patients department and In-Patients department were inclined by 74.3% and 112.9% respectively. The revenue from medical treatment for the 1st quarter of Year 2022 revealed that the number of patient both Thai and foreigners were inclined by 82.0% and 2,555.9% respectively. This indicates that the foreigner slightly increase continuously.

Cost of medical treatments

The cost of medical treatments for the 1st quarter of Year 2022 and 2021 were in amounts of Baht 217.13 millions and Baht 147.25 million, respectively, which increased by 47.5%. By the way, cost of medical treatments compared to total revenue from medical treatment for the 1st quarter of Year 2022 and 2021 equaled to 66.5% and 88.9% respectively. The proportion of cost of medical treatments and cost of goods sold were declined since the Company generated higher revenue from medical treatment and also deliberately implemented cost saving measures such as decreasing staff expenses, minimum doctor fee reduction, energy saving measure (Solar Roof Top) and opening or closing hour management of the special clinic to be in the line with actual traffic while maintaining standard of care. In summary, these increasing in cost of medical treatment was in the lower rate comparing to increasing in the revenue from medical treatments.

Selling Expenses

The selling expenses for the 1st quarter of Year 2022 and 2021 were in amounts of Baht 4.16 million and Baht 2.94 million, increasing by 41.4% which mainly caused by the promotional costs. The proportion of selling expenses incurred compared to total revenues for the 1st quarter of Year 2022 and 2021 were 1.3% and 1.8%, which did not likely to fluctuate greatly in amount.

Administrative Expenses

The administrative expenses for the 1st quarter of Year 2022 and 2021 were in amounts of Baht 34.38 million and 28.49 million, increasing by 20.7%. By the way the proportion of administrative expenses incurred compared to total revenues for the 1st quarter of Year 2022 and 2021 were 10.5% and 17.2%, respectively. This assumed that the Company could handle more effective at controlling employee's remuneration, traveling expenses, and infrastructure expenses.

Financing Costs

The financing costs from financial institutions for the 1st quarter of Year 2022 and 2021 were in amounts of 3.36 million and 2.99 million respectively, increasing by 12.3%. The proportion of financing costs incurred compared to the 1st quarter of Year 2022 and 2021 were 1.0% and 1.8% respectively. The main reasons were interest expenses from financial institution which was utilized for the construction financing especially from WattanaPAT Aonang Hospital (its' subsidiaries) which was officially operational since 2019.

Tax Expense (Revenue)

For the 1st quarter of Year 2022, tax expense was in amounts of Baht 13.00 million and tax revenue the 1st quarter of Year 2021 was in amount of 0.10 million, increasing by Baht 13.1 million. The variance was mostly due to the increase in taxable operating profit.

Net Profit

For the 1st quarter of Year 2022 and 2021, the net profit was in amounts of Baht 56.64 million and net loss Baht 14.68 million, respectively or increased for Baht 71.32 million or 485.8%. The proportion of net profit(loss) incurred compared to the total revenue for the 1st quarter of Year 2022 and 2021 were 17.2% and (8.8%), respectively.

Please be informed accordingly.

Yours Sincerely,

(Mr.Chane Laosonthorn)

Director