

November 11, 2022

To Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis of the nine-months period ended on 30th September 2022

On behalf of Chiang Mai Ram Medical Business Public Company Limited (the Company), I would like to clarify the operation of the Company and its subsidiaries for the quarter ended on September 30, 2022 comparing to the same period in 2021.

1. Operating results

The quarter ended on 30th September 2022

(In Thousand)	September 30, 2022	September 30, 2021	Increase(decrease)
Revenue from medical treatment	1,284,488	1,021,574	262,914
Other income	36,784	25,919	10,865
Total Revenue	1,321,272	1,047,493	273,779
Share of profit of associates	13,862	7,371	6,491

1. Total revenue with the amount of 1,321.27 million baht is increased 273.78 million baht comparing to the same quarter in 2021 with the amount of 1,047.49 million baht. Due to the increase revenue to medical treatment of the Company and its subsidiaries 262.91 million baht or 25.74%.

2. The Other revenues increased 10.87 Million Baht.

3. The share of profit from investments in associated companies increased by 6.49 million baht, belonging to Khelang Nakorn Hospital Co., Ltd, an increase of 6.92 million baht, and by Pawo Hospital Co., Ltd., an increase of 1.00 million baht, Watcharasirivej Co., Ltd., decreased by 1.42 million baht.

(In Thousand)	September 30, 2022	September 30, 2021	Increase(decrease)
Cost of medical treatment	960,792	770,960	189,832
Administrative expenses	154,145	128,170	25,975
Financial cost	29,982	22,198	7,784
Total expenses	1,144,919	921,328	223,591

The total expenses increased by 223.59 million baht or 24.27% due to the increasing of medical treatment costs as 189.83 million baht or 24.62%, administrative expenses increased by 25.98 million baht or 20.27%, and financial cost increased by 7.79 million baht or 35.07%.

The Company and its subsidiaries had 153.36 million Baht of net income that increases 42.21 million baht comparing to the same period in 2021 with the net profit of 111.15 million baht, which is equivalent to 37.97%.

For the nine-month period ended 30th September 2022

(In Thousand)	September 30, 2022	September 30, 2021	Increase(decrease)
Revenue from medical treatment	4,056,012	2,836,082	1,219,930
Other income	104,655	83,248	21,407
Total Revenue	4,160,667	2,919,330	1,241,337
Share of profit of associates	17,152	14,064	3,088

1. Total Revenue in the amount of 4,160.67 million baht increased 1,241.34 million baht comparing to the same quarter in 2021 with the amount of 2,919.33 million baht. Due to the increase revenue to medical treatment of the Company and its subsidiaries 1,219.93 million baht or 43.01%.

2. The Other revenues increased by 21.41 million baht.

3. The Share of profit of associates increase 3.09 million baht belonging to Khelang Nakorn Hospital Co., Ltd. an increase of 7.01 million baht, and by Pawo Hospital Co., Ltd. an decrease of 2.09 million baht., Watcharasirivej Co., Ltd. decreased by 1.84 million baht.

(In Thousand)	September 30, 2022	September 30, 2021	Increase(decrease)
Cost of medical treatment	2,841,568	2,186,105	665,463
Administrative expenses	483,348	391,327	92,021
Financial cost	88,106	57,436	30,670
Total expenses	3,413,022	2,634,868	778,154

The total expenses increased by 778.15 million baht or 29.53%, due to the increasing of medical treatment costs as 665.46 million baht or 29.98% comparing to the same quarter in 2021.

The Company and its subsidiaries had net income of 620.01 million baht which increases 374.75 million baht comparing to the same period in 2021 with net profit of 245.26 million baht or equivalent to 152.80%.

2. Financial status as of 30th September 2022

(In Thousand)	September 30, 2022	December 31, 2021	Increase(decrease)
Total assets	14,240,277	12,832,481	1,407,796
Total liabilities	6,478,062	6,375,482	102,580
Total shareholder's equity	7,762,215	6,456,999	1,305,216

The Company and its subsidiaries had total assets of 14,240.28 million baht an increase from the amount at the end of 2021 of 1,407.80 million baht. The mainly due to the increase of Accrued revenues from hospital operations the amount of 175.39 million baht. Other non-current financial assets increased by 1,260.94 million baht. Investment in associates increased by 201.02 million baht, Cash and cash equivalents decreased by 104.41 million baht.

The Company and its subsidiaries had total liabilities of 6,478.06 million baht an increase of 102.58 million baht, due to Bank overdrafts and short-term loans from financial institutions increased by 144.84 million baht, Long-term loan from financial institutions decreased by 297.87 million baht.

Please contact me know if you need further information.

Sincerely yours,

(Dr. Dusit Srisakul)

Managing Director

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