

May 12, 2026

Subject: Management's Explanation and Analysis for the 12 months ended December 31, 2025

Attention: President

The Stock Exchange of Thailand

LDC Dental Public Company Limited ("the Company") hereby reports the operating results for the first quarter of 2026, ending March 31, 2026, as follows:

The operating results for Q1/2026 demonstrate the strength of the business model during the transition of LDC Dental's brand repositioning as a "Premium Dental service at an accessible price." Although the accounting records report a net loss of 4.49 million Baht, a deeper analysis reveals clear signs of a performance turnaround. The net loss has decreased significantly compared to Q4/2025, which reported a loss of 8.17 million Baht. Management believes the Company is entering a phase of stable growth.

Key Performance Indicators:

- **Quality of Earnings:** Despite negative accounting figures, the Company generated a positive operating cash flow of 7.73 million Baht, reflecting actual cash operational efficiency before non-cash accounting deductions.
- **Cost Management Efficiency:** Internal restructuring aimed at downsizing central units while increasing efficiency and dissolving non-profitable units has enhanced agility. Consequently, administrative expenses decreased significantly by 25.54% compared to the same period last year and by 11.38% compared to the previous quarter.
- **Space Optimization:** The Company has begun recognizing revenue from new businesses that maximize existing space utility, including:
 - **Cafe Amazon, Srinakarin Branch:** Opened on February 1, 2026, generating consistent revenue from clinic patients and local residents.
 - **Room Rental Services, Surat Thani Branch:** Opened on March 21, 2026, representing a new business line with future expansion potential.

In summary, the 1.80% revenue recovery from the previous quarter indicates that the brand repositioning—targeting the economy-conscious segment with accessible and appropriate pricing successfully attracted clients. This forms a critical foundation for a stable and sustainable revenue structure in the future.

Operating Results Summary

Unit: Million Baht

Items	Q1/2026	Q4/2025	Change (Amount)	Change (%)	Q1/2026	Q1/2025	Change (Amount)	Change (%)
Total Service Revenue	77.68	76.30	1.37	1.80	77.68	82.09	(4.41)	(5.37)
Gross Profit	10.28	10.01	0.27	2.68	10.28	16.74	(6.46)	(38.59)
Net Profit (Loss)	(4.49)	(8.17)	(3.68)	(45.05)	(4.49)	(1.15)	3.24	230.43

In Q1/2026, the Company recorded service revenue of 77.68 million Baht, a 5.37% decrease year-on-year (YoY) but a 1.80% increase quarter-on-quarter (QoQ). Gross profit stood at 10.28 million Baht, down 38.59% YoY but up 2.68% QoQ. The net loss of 4.49 million Baht was primarily driven by a slowdown in dental service revenue.

The pricing restructure and the launch of new ventures, including Cafe Amazon and room rentals, are intended to diversify revenue and reduce exposure to fluctuations in dental service income.

Operating Revenue

Unit: Million Baht

Items	Q1/2026	Q4/2025	Change (%)	Q1/2026	Q1/2025	Change (%)
Total Service Revenue	77.68	76.30	1.80	77.68	82.09	(5.37)
Other Income	1.69	1.93	(12.64)	1.69	1.80	(6.61)
Total Operating Revenue	79.36	78.23	1.45	79.36	83.89	(5.40)

Service revenue reached 77.68 million Baht, representing a YoY decrease of 5.37% and a QoQ increase of 1.80%. Revenue by business type is as follows:

- **Dental Revenue:** 74.16 million Baht, down 6.47% YoY due to the pricing restructure initiated in Q2/2025 for brand repositioning, but up 1.80% QoQ.
- **Product Revenue:** 2.58 million Baht, down 8.07% YoY but up 0.23% QoQ.
- **Cafe Amazon Revenue:** 0.94 million Baht, a 100% increase YoY (as services began in Q4/2025) and up 1.67% QoQ due to the opening of a second branch on February 1, 2026.
- **Other Income:** 1.69 million Baht, down 6.61% YoY and 12.64% QoQ. This was due to the termination of space lease agreements at two branches and lower interest income following the Bank of Thailand's policy rate reductions.

Total operating revenue was 79.36 million Baht; a 5.40% YoY decrease and a 1.45% QoQ increase.

Operating Expenses and Financial Costs

Unit: Million Baht

Items	Q1/2026	Q4/2025	Change (%)	Q1/2026	Q1/2025	Change (%)
Service Costs	67.39	66.29	1.67	67.39	65.34	3.14
Distribution Costs	3.62	3.05	18.91	3.62	3.78	(4.19)
Administrative Expenses	8.97	10.13	(11.38)	8.97	12.05	(25.54)
Financial Costs	4.02	3.99	0.81	4.02	4.12	(2.51)

- **Service Costs:** 67.39 million Baht, up 3.14% YoY and 1.67% QoQ. This was primarily due to the Surat Thani branch (opened November 2025), encompassing dentist fees, materials, and staff costs, as well as the operation of two Cafe Amazon branches and full material write-offs for the room rental business.
- **Distribution Costs:** 3.62 million Baht (reported as 3.92 million in text summary), a decrease of 4.19% YoY.
- **Administrative Expenses:** 8.97 million Baht, down 25.54% YoY due to administrative restructuring to improve agility and reduce costs.
- **Financial Costs:** 4.02 million Baht, down 2.51% YoY.

Financial Position Summary

Unit: Million Baht

Items	Mar 31, 2026	Dec 31, 2025	Change (Amount)	Change (%)
Total Assets	489.94	490.57	(0.63)	(0.13)
Total Liabilities	264.93	261.07	3.86	1.48
Total Shareholders' Equity	225.01	229.50	(4.49)	(1.96)

- **Total Assets:** 489.94 million Baht, a 0.13% decrease from the end of 2025. Notable changes include a 53.44% increase in cash and cash equivalents from normal operations and a 5.84% decrease in other current financial assets following the finalized acquisition of the Cafe Amazon business.
- **Total Liabilities:** 264.93 million Baht, up 3.86%. This includes an 8.22 million Baht increase in bank overdrafts (OD) and trade accounts payable for liquidity, offset by a 5.51 million Baht reduction in long-term debt and lease liabilities through scheduled repayments.
- **Shareholders' Equity:** 225.01 million Baht, down 1.96%, primarily due to the net loss in this quarter.

Future Growth Outlook

The Company is focusing on asset and commercial space optimization to generate recurring income and increase long-term investment returns. Future plans include:

- Q2/2026: Expanding into the southern market with the opening of LDC Dental, Chumphon branch.
- Q3/2026: Prepare to realize immediate revenue from the launch of the accommodation business, Phuket branch, and Chaengwattana branch, which is a new business model that will enhance asset value creation to the fullest extent.

Please be informed accordingly.

Sincerely yours,

(Dr. Wattana Chaiwat)

Chief Executive Officer