No. PRINC-69-012

November 13, 2026

Subject: Management Discussion and Analysis of the Consolidated Financial Statements for the Third Quarter and the Nine-Month Period Ending September 30, 2026

To: President
The Stock Exchange of Thailand

Principal Capital Public Company Limited and its subsidiaries ("PRINC") would like to clarify operating results for the third quarter and the nine-month period ending September 30, 2026, as follows.

1. **Economic and industry conditions affecting operations, policies, strategies, and business decisions, including business operation results in the third quarter of 2026.**

In Q3/2026, PRINC reported the consolidated revenues from healthcare services of THB 1,829.8 million, a 14.97% increase year-over-year (YoY), while for the first nine months of 2026, the consolidated revenues were THB 4,931.5 million or an 10.63% increase YoY. The continuous YoY growth in revenue throughout 2026 resulted mainly from business acquisitions and expansions, and higher number of treatments for seasonal outbreak. Moreover, revenue growth was reinforced by the impacts from operational efficiencies and financial discipline, hence resulting in bottom-line growth. In Q3/2026, PRINC could achieve EBITDA of THB 293.6 million, a 95.15% increase YoY, while in 9M/2026, EBITDA were THB 525.6 million, a THB 192.2 million or 57.65% increase YoY.

During the first nine months, there were continuous uncertain circumstances that affected our patients' healthcare spending behavior and our operating costs as follows;

- In the third quarter, the conflict in the Middle East and between Ukraine & Russia have escalated many attacks on energy infrastructure, hence threatening energy costs, and global economy, as well as Thai economy. Subsequently, many patients decided to defer or skip medical treatments, leading to a decline in the number of patients particularly inpatient admissions. In addition, our operating and service costs were increased relatively to the rising energy costs. Therefore, geopolitical risk is still one of the key risks that PRINC closely monitors and seeks proper means to mitigate in the coming future.

- The conflict at Thailand-Cambodia boarder still persisted over the third quarter of 2026. This ongoing uneven situation impeded patients from this neighboring country to return for our healthcare services nearby the border. PRINC have adapted our strategies to broaden customer base from other nationalities, which have currently been ramped up to compensate for the loss of Cambodian customers.

- The latest meeting of the Monetary Policy Committee (MPC), no. 5/2026 in October 2026, voted to maintain the policy interest rate at 1.0%, the same rate as the result from the prior meeting. Meanwhile, inflation is projected to rise temporarily this year due to supply-side factors, this prolonged low interest rate level was aimed to maintain price stability, support sustainable economic growth, and preserve financial stability.

Amid ongoing economic uncertainties, PRINC could continue improving revenue growth over the first nine months of 2026. Such growth was primarily driven by the addition of four hospitals as follows: the acquisitions of Thanakarn Hospital (“PKAN”) in Kanchanaburi Province in June 2025, and the acquisitions of Por Phat 1 Hospital (“PPAT”) and Por Phat 2 Hospital (“PKRT”) in Nakhon Ratchasima Province in January 2026, as well as the greenfield hospital in Kamphaeng Phet Province, Pitsanuvej Kamphaengphet Hospital (“PKPP”), commencing operations in June 2026.

2. Major developments in Q3/2026 & after the reporting period

We have grown our presence covering 15 provinces while seeking clinical advancement to enhance our healthcare networks and partnerships that would allow us the opportunity to generate long-term growth. Such activities are as follows.

- 22 September 2026: PRINC and Siemens Healthineers, a global leader in medical technology, signed a Memorandum of Understanding (MoU) to establish a collaborative partnership for advanced cancer diagnosis and treatment capabilities of the cancer center at Pitsanuvej Hospital (“PSV”). We aimed to uplift our medical services with international medical technology and become a hub of cancer treatment in the lower northern region.

- On 27 November 2026, Pitsanuvej Phichit Hospital (“PPCH”) will hold a soft-opening of additional service areas in its new building, including outpatient services, emergency services, and operating rooms.

- On 11 December 2026, PSV will hold a soft-opening of additional outpatient service areas in its new building. And in February 2027, PSV plans to launch full-scale cancer treatment services, including radiation therapy, which will enhance its capability and quality of cancer care.

In addition, PRINC continues to focus on enhancing medical service capabilities and to be responsible for business practices and sustainable growth in line with ESG principles. Our hospitals have received various quality certifications and achievements as follows:

	PSUV	PSV	PPRP	PPNP1	PPNP2	PPCH	PUTD	PUTH	PCPN	PSSK	PUBN	PSNK	PLPN1	PLPN2	PMDH	PPAT	PKRT
Joint Commission International (JCI): การรับรองคุณภาพสถานพยาบาลในระดับสากล	✓	✓															
Healthcare Accreditation (HA): การรับรองคุณภาพจากสถาบันรับรองสถานพยาบาล			Level 2	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 2	Level 2	Level 2		Level 2	Level 2
HIMSS Analystics Stage 7: มาตรฐานสูงสุดด้านเทคโนโลยีสารสนเทศโรงพยาบาล	✓			✓													
Healthcare Asia Awards 2026:รางวัลเชิดชูความสำเร็จของโรงพยาบาลและบริการด้านการแพทย์ในเอเชีย	🏆																
Green & Clean Hospital Challenge: การรับรองมาตรฐานจากกรมอนามัย	✓ 3 Challenge	✓ 2 Challenge		✓ Excellent	✓ Excellent	✓ Excellent	✓ Excellent	✓ Excellent	✓ Standard	✓ Excellent	✓ Standard	✓ Excellent	✓ Excellent		✓ Excellent		

Remark:

1. Princ Hospital Suvarnabhumi (“PSUV”)
2. Pitsanuvej Hospital (“PSV”)
3. Ruamphat Phitsanulok Hospital (“PPRP”)
4. Pitsanuvej Phichit Hospital (“PPCH”)
5. Pitsanuvej Uttaradit Hospital (“PUTD”)
6. Princ Hospital Paknampo 1 (“PPNP1”)
7. Princ Hospital Paknampo 2 (“PPNP2”)
8. Princ Hospital Uthai Thani (“PUTH”)
9. Princ Hospital Lamphun (“PLPN1”)
10. Sirivej Lamphun Hospital (“PLPN2”)
11. Virajsilp Hospital (“PCPN”)
12. Princ Hospital Sisaket (“PSSK”)
13. Princ Hospital Ubonratchathani (“PUBN”)
14. Princ Hospital Sakon Nakhon (“PSNK”)
15. Princ Hospital Mukdahan (“PMDH”)
16. Por Phat 1 Hospital (“PPAT”)
17. Por Phat 2 Hospital (“PKRT”)

3. Operational Summary

- Comparison of the operating performance for the three-month period ending September 30, 2026

Table 1

Consolidated Profit and Loss (Quarter) Unit: Million Baht	3Q2026	3Q2025	YoY		2Q2026	QoQ	
			Amount	%		Amount	%
Revenues from healthcare services	1,829.8	1,591.5	238.3	+14.97	1,558.8	271.0	+17.39
Gross profit (loss)	437.2	337.9	99.3	+29.39	278.6	158.6	+56.91
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	293.6	150.4	143.1	+95.15	106.7	186.8	+175.02
Profit (loss) before income tax expense	40.4	(69.0)	109.4	n.m.	(138.7)	179.1	n.m.
Profit (loss) for this period	**26.3**	**(83.7)**	**109.9**	**n.m.**	**(154.1)**	**180.4**	**n.m.**

*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 associates and joint ventures using equity method.

In Q3/2026 PRINC continued its strong growth momentum from the prior quarters. The increase in the operating revenues in Q3/2026 was driven mainly by both seasonal outbreak and our capacity expansions. Moreover, along with effective cost management, PRINC could improve top-line and bottom-line growth as detail follows.

- Revenues from healthcare services for this Q3/2026 amounted to THB 1,829.8 million, an increase by THB 238.3 million or 14.97% YoY. Moreover, PRINC could manage to have QoQ growth in revenues by THB 271.0 million or 17.39%. These were primarily attributable to inorganic growth from the addition of 4 hospitals and seasonal and organic growth from our current hospital network along with seasonal outbreak in Q3.
- Gross profit for the Q3/2026 amounted to THB 437.2 million, increasing by THB 99.3 million or 29.39% YoY. Moreover, gross profit in Q3/2026 increased by THB 158.6 million or 56.91% QoQ. These were attributable to our top-line growth along with direct cost management improvement.
- EBITDA for the Q3/2026 was THB 293.6 million, increasing by THB 143.1 million or 95.15% YoY, while the Q3/2026 EBITDA increased by THB 186.38 million or by 175.02% QoQ. This improvement was driven by overall top-line growth, enhanced operating cost management across most of our hospitals, and improved economies of

scale from better optimization of our network synergies. Hence, the bottom-line has been improved accordingly. Net profit before tax and after tax for the Q3/2026 represented a reduction in loss by THB 109.4 million YoY and by THB 109.9 million YoY, respectively. Moreover, net profit before tax and after tax for this Q3/2026 period reported a reduction in loss by THB 179.1 million QoQ and by THB 180.4 million QoQ, respectively.

- Comparison of the operating performance for the nine-month period ending September 30, 2026

Table 2

Consolidated Profit and Loss (YTD) Unit: Million Baht	YTD		YoY	
	9M/2026	9M/2025	Amount	%
Revenues from healthcare services	4,931.5	4,457.7	473.8	+10.63
Gross profit (loss)	990.0	846.5	143.6	+16.96
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	525.6	333.4	192.2	+57.65
Profit (loss) before income tax expense	(215.3)	(323.7)	108.4	n.m.
Profit (loss) for this period	(255.7)	(363.3)	107.7	n.m.
Depreciation and amortisation	570.6	513.9	56.8	+11.05

Operating profits improved year-on-year for the nine-month period. This was primarily attributable to top-line growth, and operational efficiencies.

- Revenues from healthcare services for the 9M/2026 amounted to THB 4,931.5 million, increasing by THB 473.8 million or 10.63% YoY. It was mainly driven by inorganic and organic growth along with seasonal outbreak in Q3 as mentioned earlier.

- Gross profit for the 9M/2026 amounted to THB 990.0 million, increasing by THB 143.6 million or 16.96% from 9M/2025. This was attributable to our top-line growth along with direct cost management improvement.

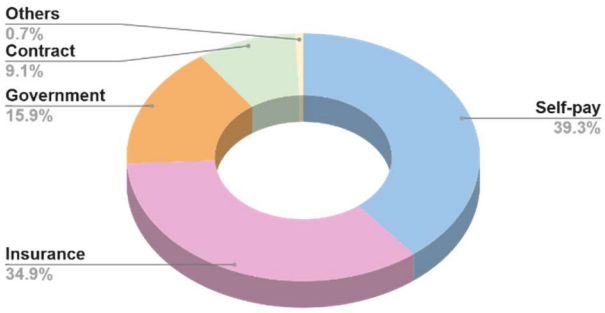
- EBITDA for the 9M/2026 amounted to THB 525.6 million, increasing by THB 192.2 million or 57.65% YoY. This reflected the combined improvements of the top-line growth as well as cost containment of direct cost and SG&A compared to the same period of the previous year. Furthermore, these continuous improvements contributed to a loss reduction before tax and after tax for the 9M/2026 by THB 108.4 million YoY and by 107.7 million YoY, respectively.

PRINC is conscious of current economic sensitivities and has implemented various cost management measures alongside accelerated efforts to reduce expenses. Furthermore, PRINC continues to take proactive approaches to attract additional customers.

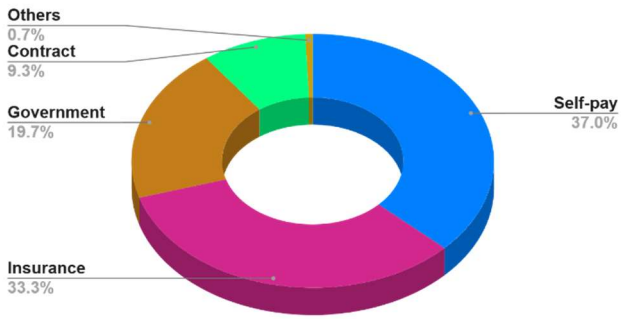
- Revenue Breakdown by Key Payor Type

The key payor groups can be classified into five types of which four major types are self-pay, insurance, government, and contract. For the nine-month period ending 30 September 2026, the proportion of government healthcare segment increased significantly due to PPAT's revenues from social security scheme, recognized starting from January 2026 onward. Revenue breakdown is as follows:

9M/2025



9M/2026



4. Financial Summary

- Financial Position Highlights

Total assets amounted to THB 16,901.0 million, increasing by THB 1,631.8 million from the end of 2025, whereas interest-bearing debts amounted to THB 5,690.2 million, increasing by THB 1,469.6 million from the end of 2025. This reflected our business expansion activities over the past periods were funded principally by borrowings from financial institutions. Hence, the ratio of interest-bearing debts to shareholders' equity for the parent company increased from 0.48x to 0.67x or by 0.19x. And debt to equity ratio increased from 0.66x to 0.89x or by 0.23x.

Table 3

Consolidated Balance Sheet **Unit: Baht Million, except noted**	**June 30, 2026**	**Dec 31, 2025**	**Change**	
			Amount	**%**
Property, plant and equipment, net	10,945.3	9,857.4	1,087.9	11.04
Assets acquired in business combination - under purchase price allocation	330.6	0.0	330.6	n.m.
Total Assets	16,901.0	15,269.2	1,631.8	10.69
Short-term borrowings from financial institutions	1,382.7	656.3	726.4	110.67
Long-term borrowings from financial institutions	3,193.1	2,637.4	555.7	21.07
Current portion of long-term borrowings - from financial institutions	691.2	492.7	198.5	40.29
Lease liabilities	313.9	333.1	(19.2)	-5.77
Current portion of lease liabilities	104.5	95.4	9.1	9.52
Borrowings from a third party	4.8	5.7	(0.9)	-15.79
Interest-Bearing Debts	5,690.2	4,220.6	1,469.6	34.82
Total Liabilities	7,516.9	5,787.9	1,729.0	29.87
Equity Attributable to the Parent Company	8,456.6	8,727.0	(270.4)	-3.10
Interest-Bearing Debts to Equity* (Unit: Time)	0.67	0.48	0.19	39.13
Debt to Equity* Ratio (Unit: Time)	0.89	0.66	0.23	34.03

* Refer to: Equity Attributable to the Parent Company

- Financial Ratio Analysis

Table 4

	Highlight Financial Ratio	Unit	2026	2025	YoY
	Liquidity Ratio				
	Current Ratio [1]	Time	**0.45**	0.63	-0.18
	Quick Ratio [1]	Time	**0.38**	0.52	-0.14
*	AR Turnover [2]	Time	**10.10**	8.57	+1.54
*	Average Collection Period [2]	Day	**36.13**	42.60	-6.47
	Inventory Turnover [2]	Time	**36.28**	36.53	-0.25
	Average Sale (Inventory) Period [2]	Day	**10.06**	9.99	+0.07
	AP Turnover [2]	Time	**5.66**	5.62	+0.04
	Average Payment Period [2]	Day	**64.53**	64.99	-0.47
*	Cash Cycle [2]	Day	**-18.34**	-12.40	-5.94
	Activity Ratios				
*	Total Asset Turnover [2]	Time	**0.41**	0.38	+0.03
*	Fixed Asset Turnover [2]	Time	**0.58**	0.58	+0.01
	Leverage Ratios				
	Debt /Equity Ratio [1]	Time	**0.89**	0.62	+0.27
*	Interest Coverage Ratio [2]	Time	**-0.45**	-1.60	n.m.
	Debt Service Coverage Ratio [2]	Time	**0.44**	0.47	-0.02
	Profitability Ratios				
*	Gross Profit Margin [3]	%	**20.04**	18.96	+1.08
*	Operating Margin [3]	%	**-0.91**	-4.04	+3.13
*	EBITDA Margin [3]	%	**10.47**	7.38	+3.09
*	Net Profit Margin [3]	%	**-5.09**	-8.04	+2.95
*	Return on Assets [2]	%	**-0.72**	-2.65	+1.93
*	Return on Equity [2]	%	**-3.56**	-5.91	+2.35

Remark: (*) denotes key financial ratios that performed relatively better than Q3/2025
1: Data as of September 30, 2026 or 2025
2: Data for the 4-quarter period ending September 30, 2026 or 2025 (Trailing-Four-Quarters)
3: Data for the 9-month period ending September 30, 2026 or 2025 (Year-to-Date)

Analysis of Liquidity Ratios

(1) Current ratio decreased from 0.63x to 0.45x. And quick ratio decreased from 0.52x to 0.38x. These were mainly due to our business expansions utilizing more of short-term borrowings.

(2) It is expected that prolonging Middle East conflicts could lead to shortage of imported medicines and medical supplies. As a result, our hospitals increased higher amount of such items than our normal practice. Nevertheless, inventory turnover days in Q3/2026 increased slightly from 9.99 to 10.06 days, whereas cash cycle days for the trailing-4-quarter period ending September 30, 2026 improved by 6 days. This improvement was mainly attributable to the more efficient management of receivable collections.

Analysis of Efficiency Ratios

(1) Total asset turnover for the trailing-4-quarter period ending September 30, 2026 increased from 0.38x to 0.41x, reflecting the improvement in utilizing total assets, particularly management of current assets along with the cost management, to drive higher profitability.

(2) Fixed asset turnover for the trailing-4-quarter period ending September 30, 2026 maintained stable at 0.58x. This represented improved productivity in generating revenues from our recent investments and expansions in hospitals and healthcare related businesses.

Analysis of Leverage Ratios

(1) Debt to equity ratio increased to 0.89x from 0.62x in FY2025. This was mainly due to increase in loans from financial institutions to support business expansions as mentioned earlier.

(2) Interest coverage ratio improved from negative 1.6x to negative 0.45x, due to a higher profitability as mentioned earlier.

(3) Debt service coverage ratio decreased from 0.47x to 0.44x, representing the lower of debt repayment capacity to meet its shot-term debt obligations.

Analysis of Profitability Ratios

(1) With top-line growth along with prudent cost management, our margins continuously improved at several levels. Gross profit margin rose from 18.96 to 20.04%, and operating profit margin improved from 7.38% to 10.47%, as well as net profit margin improved from negative 8.04% to negative 5.09%.

(2) Return on assets for trailing-4-quarter period ending September 30, 2026 improved from negative 2.65% to negative 0.72%. It was driven by top-line growth along with better cost optimization, reflecting an improvement in profitability from both existing assets and additional investments made during the past periods.

(3) Return on equity for trailing-4-quarter period ending September 30, 2026 improved from negative 5.91% to negative 3.56%. This increased rate of return was driven by a continuous enhancement in revenue-generating capacity and operational cost management in 2026.

Intense competition and unfavorable economic conditions have urged us to balance growth, profitability and disciplined cost management in order to achieve sustainable performance. We believe that this commitment can lead us through uncertain times.

For your kind acknowledgement.

Yours respectfully,

– Signature –

(Mr. Tharin Eampetcharapong)

Chief Financial Officer