IR015/2026

11 November 2026

Subject: Management Discussion and Analysis for the Third Quarter of 2026

To: The President

The Stock Exchange of Thailand

Onsen Retreat and Spa Group Public Company Limited (the "Company") hereby submits its explanation and analysis of the operating results for the third quarter and the nine-month period of 2026, as follows:

Analysis of Operating Results for the Three-Month Period Ended 30 September 2026

Statement of Comprehensive Income	Jul–Sep 2026		Jul–Sep 2025		YoY Change		Apr–Jun 2026		QoQ Change	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Revenue										
Revenue from onsen and spa services	55.96	84.24	57.79	84.51	(1.83)	(3.16)	56.29	83.56	(0.33)	(0.59)
Revenue from sales	8.98	13.52	9.49	13.88	(0.51)	(5.36)	9.59	14.23	(0.61)	(6.32)
Other income and finance income	1.48	2.23	1.10	1.61	0.38	34.79	1.49	2.21	-	(0.27)
Total revenue	**66.43**	**100.00**	**68.38**	**100.00**	**(1.95)**	**(2.85)**	**67.37**	**100.00**	**(0.94)**	**(1.40)**
Costs and expenses										
Cost of services	32.87	49.48	33.28	48.67	(0.41)	(1.24)	33.20	49.28	(0.34)	(1.01)
Cost of sales	5.17	7.78	5.53	8.08	(0.36)	(6.46)	6.18	9.17	(1.01)	(16.29)
Selling and distribution expenses	4.94	7.44	4.04	5.90	0.90	22.34	5.13	7.62	(0.19)	(3.74)
Administrative expenses	15.77	23.74	15.56	22.76	0.20	1.31	15.51	23.02	0.26	1.68
Total expenses	**58.74**	**88.43**	**58.41**	**85.41**	**0.34**	**0.58**	**60.02**	**89.08**	**(1.27)**	**(2.12)**
Profit (loss) before finance costs and income tax	7.69	11.57	9.98	14.59	(2.29)	(22.96)	7.36	10.92	0.33	4.46
Share of profit (loss) from investments in joint ventures	0.01	0.01	(0.60)	(0.87)	0.60	(100.84)	(0.92)	(1.36)	0.92	(100.54)
Finance costs	4.35	6.55	4.96	7.25	(0.60)	(12.19)	4.47	6.63	(0.11)	(2.57)
Profit (loss) before income tax	**3.34**	**5.02**	**4.42**	**6.47**	**(1.09)**	**(24.55)**	**1.97**	**2.93**	**1.37**	**69.27**
Income tax income (expense)	(0.41)	(0.61)	(1.04)	(1.52)	0.63	(60.71)	(0.60)	(0.89)	0.19	(31.94)
Net profit (loss)	**2.93**	**4.41**	**3.39**	**4.95**	**(0.46)**	**(13.49)**	**1.37**	**2.04**	**1.56**	**113.32**

Statement of Comprehensive Income	Jul–Sep 2026		Jul–Sep 2025		YoY Change		Apr–Jun 2026		QoQ Change	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Key Financial Ratios										
Gross profit margin – services	41.27%		42.41%		(1.14%)		41.02%		0.25%	
Gross profit margin – sales	42.45%		41.78%		0.68%		35.60%		6.85%	
Overall gross profit margin	41.43%		42.32%		(0.89%)		40.23%		1.20%	
EBITDA Margin*	28.41%		30.29%		(1.88%)		27.14%		1.27%	
Net profit margin	4.41%		4.95%		(0.54%)		2.04%		2.37%	

* EBITDA margin = Profit before finance costs and income tax plus depreciation and amortisation, divided by operating revenue (revenue from onsen and spa services and revenue from sales).

Note: Figures in the table have been rounded to two decimal places. Accordingly, totals may differ slightly from the sum of individual items.

Revenue

In the third quarter of 2026, the Company recorded total revenue of THB 66.43 million, a decrease of THB 1.95 million, or 2.85%, compared with the same period of the previous year. Details are as follows:

- Revenue from onsen and spa services amounted to THB 55.96 million, down THB 1.83 million, or 3.16%, year-on-year. Average monthly customer visits declined to 24,148 from 26,774 in the corresponding period of the previous year, a decrease of 9.81%. Meanwhile, average service revenue per customer increased to THB 772.46 from THB 719.48, an increase of 7.36%, as the proportion of customers using spa and massage services, which command higher prices per visit, rose from 28.1% to 31.2% of total customer visits (excluding the Yaowarat branch).
- Revenue from sales amounted to THB 8.98 million, a decrease of THB 0.51 million, or 5.36%, year-on-year, in line with the decline in customer visits.
- Other income and finance income totalled THB 1.48 million, an increase of THB 0.38 million, or 34.79%, year-on-year. Significant items of other income included income recognised upon the expiry of customer vouchers and higher interest income reflecting increased deposit balances.

Cost of Sales and Services and Gross Profit Margin

In the third quarter of 2026, the Company recorded cost of sales and services of THB 38.04 million, representing a gross profit margin of 41.43%, compared with 42.32% in the same period of the previous year. This was primarily attributable to a 9.81% decline in customer visits, while most costs, including employee compensation, utilities and rent, are fixed in nature. Consequently, cost of services per customer (excluding depreciation) increased from THB 292 to THB 315. Nevertheless, the

gross profit margin improved from 40.23% in the second quarter of 2026, supported by higher average service revenue per customer.

Selling and Distribution Expenses

Selling and distribution expenses were THB 4.94 million, an increase of THB 0.90 million, or 22.34%, from the same period of the previous year. The increase was attributable to higher promotional spending to stimulate sales during the low tourism season, together with outdoor advertising rental expenses under a one-year contract that continued to be recognised from the preceding quarter. Compared with the second quarter of 2026, these expenses decreased by 3.74%.

Administrative Expenses

Administrative expenses were THB 15.77 million, an increase of THB 0.20 million, or 1.31%, year-on-year, and an increase of THB 0.26 million from the second quarter of 2026. These expenses included employee engagement and recreational activities, as well as costs associated with the Company's obligations as a listed company, such as audit fees, internal audit and internal control advisory fees, and directors' remuneration.

Share of Profit (Loss) from Investments in Joint Ventures

The Company recognised a share of profit from joint ventures of THB 0.01 million, compared with a share of loss of THB 0.60 million in the corresponding period of the previous year and a share of loss of THB 0.92 million in the second quarter of 2026. This comprised a THB 0.11 million share of profit from ONSEN-SG, which returned to profitability for the first quarter, offset by a THB 0.10 million share of loss from Greenstone Development Co., Ltd., a joint venture with a project under development.

Finance Costs

Finance costs were THB 4.35 million, a decrease of THB 0.60 million, or 12.19%, year-on-year, as the Company used proceeds from its public share offering to repay long-term borrowings from financial institutions and sale-and-leaseback liabilities, resulting in a lower outstanding balance of interest-bearing debt compared with the previous year.

Net Profit

The Company reported net profit of THB 2.93 million, a decrease of THB 0.46 million, or 13.49%, year-on-year. The primary factor was a 9.81% decline in customer visits, resulting in a 2.85% reduction in total revenue, while combined selling and administrative expenses increased by THB 1.11 million. As most of the Company's costs and expenses are fixed, the decrease in customer visits had a proportionately greater impact on net profit than on revenue.

Nevertheless, net profit for the third quarter of 2026 was THB 2.93 million, representing a net profit margin of 4.41%, improving from THB 1.37 million and a net profit margin of 2.04% in the second quarter of 2026. Key developments were as follows:

- Revenue in the third quarter of 2026 declined by THB 0.94 million, or 1.40%, from the second quarter of 2026. Average monthly customer visits decreased from 25,689 in the second quarter to 24,148 in the third quarter, a decline of 6.00%, while average service revenue per customer rose from THB 730.44 to THB 772.46, an increase of 5.75%.
- The gross profit margin increased from 40.23% in the second quarter of 2026 to 41.43% in the third quarter, driven by higher average service revenue per customer and a 16.29% reduction in cost of sales.
- Selling and administrative expenses in the third quarter of 2026 were THB 20.71 million, broadly comparable to THB 20.64 million in the second quarter. In addition, the Company recognised a share of profit from joint ventures, compared with a share of loss in the preceding quarter.

Analysis of Operating Results for the Nine-Month Period Ended 30 September 2026

Statement of Comprehensive Income	Jan–Sep 2026		Jan–Sep 2025		Change (+/–)	
	THB million	%	THB million	%	THB million	%
Revenue						
Revenue from onsen and spa services	174.26	83.59	174.20	85.06	0.07	0.04
Revenue from sales	28.06	13.46	27.13	13.25	0.93	3.41
Other income and finance income	6.16	2.96	3.47	1.70	2.69	77.48
Total revenue	**208.48**	**100.00**	**204.80**	**100.00**	**3.68**	**1.80**
Costs and expenses						
Cost of services	100.99	48.44	102.67	50.13	(1.68)	(1.64)
Cost of sales	16.74	8.03	17.09	8.34	(0.35)	(2.02)
Selling and distribution expenses	14.61	7.01	11.65	5.69	2.96	25.44
Administrative expenses	46.44	22.28	44.12	21.55	2.32	5.26
Total expenses	**178.78**	**85.75**	**175.52**	**85.70**	**3.26**	**1.86**
Profit (loss) before finance costs and income tax	29.70	14.25	29.28	14.30	0.43	1.46
Share of profit (loss) from investments in joint ventures	(1.58)	(0.76)	(1.64)	(0.80)	0.07	(3.96)
Finance costs	13.35	6.40	15.18	7.41	(1.83)	(12.03)
Profit (loss) before income tax	**14.77**	**7.09**	**12.46**	**6.08**	**2.32**	**18.60**
Income tax income (expense)	(3.37)	(1.62)	(2.88)	(1.41)	(0.49)	16.98
Net profit (loss)	**11.41**	**5.47**	**9.58**	**4.68**	**1.83**	**19.09**
Key Financial Ratios						
Gross profit margin – services		42.05%		41.06%		0.99%
Gross profit margin – sales		40.33%		37.03%		3.31%
Overall gross profit margin		41.81%		40.52%		1.29%

Statement of Comprehensive Income	Jan–Sep 2026		Jan–Sep 2025		Change (+/–)	
	THB million	%	THB million	%	THB million	%
EBITDA Margin*		30.40%		30.24%		0.16%
Net profit margin		5.47%		4.68%		0.79%

* EBITDA margin = Profit before finance costs and income tax plus depreciation and amortisation, divided by operating revenue (revenue from onsen and spa services and revenue from sales).

Note: Figures in the table have been rounded to two decimal places. Accordingly, totals may differ slightly from the sum of individual items.

Revenue

For the nine-month period of 2026, the Company recorded total revenue of THB 208.48 million, an increase of THB 3.68 million, or 1.80%, over the corresponding period of the previous year. Details are as follows:

- Revenue from onsen and spa services was THB 174.26 million, broadly unchanged from THB 174.20 million in the corresponding period of the previous year, an increase of 0.04%. Average monthly customer visits increased to 25,930 from 25,285, or 2.55%, while average service revenue per customer decreased to THB 746.73 from THB 765.48, or 2.45%, as the proportion of customers using spa and massage services fell from 31.3% to 28.9% of total customer visits (excluding the Yaowarat branch). The Company is implementing measures to restore revenue per customer.
- Revenue from sales was THB 28.06 million, an increase of THB 0.93 million, or 3.41%, year-on-year, in line with the higher number of customer visits.
- Other income and finance income totalled THB 6.16 million, an increase of THB 2.69 million, or 77.48%, year-on-year. This reflected a THB 0.73 million gain on disposal of equipment, a THB 0.32 million gain on lease termination, a THB 0.24 million foreign exchange gain, income recognised upon the expiry of vouchers, and higher interest income. The first three items were non-recurring.

Cost of Sales and Services and Gross Profit Margin

For the nine-month period of 2026, cost of sales and services totalled THB 117.73 million, representing a gross profit margin of 41.81%, compared with 40.52% in the corresponding period of the previous year. The improvement was primarily attributable to a 1.64% decrease in cost of services alongside a 2.55% increase in customer visits, reducing cost of services per customer (excluding depreciation) from THB 320 to THB 305.

Selling and Distribution Expenses

Selling and distribution expenses totalled THB 14.61 million, an increase of THB 2.96 million, or 25.44%, year-on-year, due to increased marketing investment to strengthen brand awareness. Expenditure included advertising and online media,

outdoor billboards for the Sukhumvit 26, Pattaya and Yaowarat branches under one-year contracts, influencer marketing, and participation in trade exhibitions. The Company is reviewing the return on marketing expenditure by channel and branch.

Administrative Expenses

Administrative expenses amounted to THB 46.44 million, an increase of THB 2.32 million, or 5.26%, year-on-year. This was largely attributable to a new recurring cost base following the Company's listing on the Stock Exchange, including audit fees, internal audit and internal control advisory fees, directors' remuneration and cloud software subscription fees, together with annual salary adjustments for support staff. These increases were partly offset by financial advisory fees of THB 1.35 million incurred in the corresponding period of the previous year, under a contract that ended in 2025.

Share of Profit (Loss) from Investments in Joint Ventures

The Company recognised a share of loss from joint ventures of THB 1.58 million, compared with a share of loss of THB 1.64 million in the corresponding period of the previous year. The current-period loss comprised THB 1.40 million attributable to ONSEN-SG, which returned to profitability in the third quarter of 2026, and THB 0.18 million attributable to Greenstone Development Co., Ltd. During the period, the Company also recognised other comprehensive income of THB 2.11 million arising from exchange differences on translation of the financial statements of joint ventures.

Finance Costs

Finance costs amounted to THB 13.35 million, a decrease of THB 1.83 million, or 12.03%, year-on-year, reflecting scheduled repayments of borrowings and lease liabilities, together with the use of proceeds from the public share offering to repay interest-bearing debt. During the period, interest costs of THB 10.28 million relating to a project under construction were capitalised as part of the cost of the asset in accordance with Thai Accounting Standard No. 23 (TAS 23), rather than recognised as an expense for the period.

Net Profit

The Company reported net profit of THB 11.41 million, an increase of THB 1.83 million, or 19.09%, year-on-year. The net profit margin rose to 5.47% from 4.68% in the corresponding period of the previous year. Profit growth was driven mainly by a stronger gross profit margin and lower finance costs, rather than revenue expansion. Nevertheless, customer visits in the third quarter of 2026 declined by 9.81% year-on-year. The Company is implementing measures to increase customer traffic during the fourth-quarter tourism season. In addition, the KLAI Yaowarat branch, which commenced operations in late 2024, continues to incur operating losses. The Company regularly monitors its performance and reviews the carrying value of the branch's assets.

Analysis of Financial Position

Statement of Financial Position	30 September 2026		31 December 2025		Change (+/–)	
	THB million	%	THB million	%	THB million	%
Assets						
Cash and cash equivalents	137.51	13.94	173.69	17.45	(36.18)	(20.83)
Other current assets[1]	9.40	0.95	6.22	0.62	3.17	51.02
Investments in joint ventures	45.66	4.63	35.56	3.57	10.10	28.41
Property, plant and equipment (including right-of-use assets)	761.24	77.15	754.84	75.82	6.40	0.85
Other non-current assets	32.88	3.33	25.22	2.53	7.67	30.40
Total assets	**986.68**	**100.00**	**995.53**	**100.00**	**(8.84)**	**(0.89)**
Liabilities						
Trade payables and operating liabilities[2]	40.31	4.09	41.46	4.16	(1.15)	(2.78)
Borrowings from financial institutions (current and non-current)[3]	33.53	3.40	48.39	4.86	(14.86)	(30.71)
Lease liabilities under TFRS 16 (current and non-current)[4]	485.85	49.24	488.00	49.02	(2.15)	(0.44)
Provisions and other items	16.16	1.64	14.67	1.47	1.49	10.17
Total liabilities	**575.85**	**58.36**	**592.52**	**59.52**	**(16.66)**	**(2.81)**
Shareholders' equity						
Issued and paid-up share capital and share premium	377.10	38.22	377.10	37.88	-	-
Retained earnings and other components of equity	33.73	3.42	25.91	2.60	7.82	30.20
Total shareholders' equity	**410.83**	**41.64**	**403.01**	**40.48**	**7.82**	**1.94**
Total liabilities and shareholders' equity	**986.68**	**100.00**	**995.53**	**100.00**	**(8.84)**	**(0.89)**

[1] Includes trade receivables, inventories and other current assets.

[2] Includes trade payables, contract liabilities arising from customer contracts, advance receipts, taxes payable and other current liabilities.

[3] Includes bank borrowings and sale-and-leaseback (SLB) arrangements, both current and non-current.

[4] Includes lease liabilities under TFRS 16, both amounts due within one year and non-current portions.

Note: Figures in the table have been rounded to two decimal places. Accordingly, totals may differ slightly from the sum of individual items.

Assets

As at 30 September 2026, the Company had total assets of THB 986.68 million, a decrease of THB 8.84 million, or 0.89%, from the end of 2025. Significant changes were as follows:

1. Cash and cash equivalents amounted to THB 137.51 million, a decrease of THB 36.18 million, or 20.83%, from the end of 2025. Movements during the period included net cash generated from operating activities of THB 47.40 million; net investment in buildings, equipment and computer software of THB 29.21 million; additional investments in joint ventures of THB 9.56 million; repayments of borrowings, lease liabilities and sale-and-leaseback liabilities,

including interest paid, totalling THB 36.47 million; borrowing fees of THB 2.88 million; and dividend payments of THB 5.70 million, net of foreign exchange gains of THB 0.24 million on foreign-currency cash balances.

2. Property, plant and equipment (including right-of-use assets) amounted to THB 761.24 million, an increase of THB 6.40 million, or 0.85%, from the end of 2025. Movements included THB 30.30 million of additional investment in assets, THB 10.28 million of capitalised borrowing costs and THB 5.72 million of depreciation capitalised as part of the cost of assets, offset by depreciation expense for the period of THB 37.06 million, disposals and write-offs of assets totalling THB 0.28 million, and a THB 2.57 million reduction in right-of-use assets arising from lease termination.
3. Investments in joint ventures amounted to THB 45.66 million, an increase of THB 10.10 million, or 28.41%, from the end of 2025. The increase reflected an additional share subscription payment of THB 9.56 million to Greenstone Development Co., Ltd. and exchange differences on translation of financial statements of THB 2.11 million, offset by the share of loss for the period of THB 1.58 million. Other current assets increased by THB 3.17 million and other non-current assets increased by THB 7.67 million.

Liabilities

As at 30 September 2026, total liabilities were THB 575.85 million, a decrease of THB 16.66 million, or 2.81%, from the end of 2025. Significant changes were as follows:

1. Trade payables and operating liabilities decreased by THB 1.15 million, or 2.78%. The principal movement was a THB 4.26 million decrease in contract liabilities from customers as vouchers were redeemed or expired, offset by increases of THB 0.93 million in trade and other payables, THB 0.80 million in corporate income tax payable, and THB 1.38 million in other current liabilities.
2. Borrowings from financial institutions (including bank borrowings and sale-and-leaseback arrangements, both current and non-current) declined from THB 48.39 million to THB 33.53 million, a decrease of THB 14.86 million, or 30.71%. The movement reflected repayments of THB 10.12 million of bank loan principal and THB 4.88 million of principal under sale-and-leaseback liabilities during the period, net of THB 0.13 million in amortisation of borrowing fees. In April 2026, the Company secured an additional long-term credit facility of THB 144 million for investment in a project. As at 30 September 2026, the facility remained undrawn.
3. Lease liabilities under TFRS 16 (both current and non-current) decreased by THB 2.15 million, or 0.44%. Movements comprised THB 21.81 million of lease interest recognised during the period, offset by lease payments of THB 20.90 million and a THB 3.06 million reduction arising from lease termination.
4. Provisions and other items increased by THB 1.49 million, or 10.17%, principally due to an increase of THB 1.62 million in non-current provisions for employee benefits. As at 30 September 2026, the Company had capital

expenditure commitments of THB 103.8 million under construction and interior design contracts for a project. These commitments had not been recognised as liabilities in the statement of financial position.

Shareholders' Equity

As at 30 September 2026, total shareholders' equity amounted to THB 410.83 million, an increase of THB 7.82 million, or 1.94%, from the end of 2025. Issued and paid-up share capital and share premium remained unchanged at THB 377.10 million, while retained earnings and other components of equity increased by THB 7.82 million, reflecting net profit of THB 11.41 million for the nine-month period of 2026 and other comprehensive income of THB 2.11 million. At the 2026 Annual General Meeting of Shareholders held on 23 April 2026, shareholders approved a dividend payment of THB 5.70 million, or THB 0.019 per share, from the Company's 2025 operating results, funded by working capital.

Yours sincerely,

Onsen Retreat and Spa Group Public Company Limited

- Smith Mekaroonkamol -

(Mr. Smith Mekaroonkamol)

Chief Executive Officer