

NAM 2025/061

Date May 14, 2025

**Re:** Management's Discussion and Analysis for 3-month period ended as of March 31, 2025

**To:** President

Stock Exchange of Thailand

Namwiwat Medical Corporation Public Company Limited (the “**Company**”) wishes to clarify the Company’s the operating results for 3-month period ended as of March 31, 2025 as follows:

**Operating results for 3-month period, Quarter 1 of the year 2025 and 2024**

**Income Statement (Consolidated Statement)**

List ( Unit: Million Baht )	Q1/2025		Q1/2024		Change	
	Amount	%	Amount	%	Amount	%
Sales and services income	538.09	99.23%	200.45	97.33%	337.64	168.45%
Cost of sales and services	367.79	67.83%	109.38	53.11%	258.40	236.24%
<b>Gross profit</b>	170.30	31.41%	91.06	44.22%	<b>79.24</b>	<b>87.01%</b>
Other income	4.16	0.77%	5.50	2.67%	(1.34)	(24.36%)
<b>Total income</b>	<b>542.25</b>	<b>100.00%</b>	<b>205.95</b>	<b>100.00%</b>	<b>336.30</b>	<b>163.30%</b>
Distribution costs	38.01	7.01%	24.22	11.95%	13.79	56.96%
Administrative expenses	48.95	9.03%	47.76	23.56%	1.19	2.50%
<b>Profit before financial costs and income tax</b>	<b>87.51</b>	<b>16.14%</b>	<b>24.59</b>	<b>11.94%</b>	<b>62.91</b>	<b>255.83%</b>
Financial costs	6.90	1.27%	3.33	1.61%	3.58	107.60%
<b>Profit before income tax</b>	<b>80.60</b>	<b>14.86%</b>	<b>21.27</b>	<b>10.33%</b>	<b>59.34</b>	<b>279.00%</b>
Tax expense	19.68	3.63%	8.00	3.88%	11.68	146.07%
<b>Profit for the period</b>	<b>60.92</b>	<b>11.24%</b>	<b>13.27</b>	<b>6.44%</b>	<b>47.65</b>	<b>359.13%</b>

**Sales and services income:**

Operating results for 3-month period, Quarter 1 of 2025 and 2024: The Company earned net sales and services income amounted to Baht 538.09 million and Baht 200.45 million, respectively, representing an increase of Baht 337.64 million or 168.45 percent. This growth was primarily due to the recognition of the revenue from its subsidiaries, which the Company invested in the end of 2024 and in the beginning of 2025, representing an increase of the revenue in manufacturing and distribution of medical equipment (SM) and distribution of medical supplies products (CS) in Quarter 1 of 2025 of Baht 298.49 million or 188.85 percent. For the income from CSSD sterilization services, medical equipment maintenance services and infectious waste services (SV) also increased by Baht 21.16

million or 49.93 percent, including the revenue from construction work amounting to Baht 17.99 million. Accordingly, the total income increased by 163.30 percent as compared to Quarter 1 of 2024.

**Revenue structure categorized by business groups**

List ( Unit : Million Baht )	Q1/2025		Q1/2024		Change	
	Amount	%	Amount	%	Amount	%
Manufacturing and distribution of medical Equipment (SM)	376.09	69.89%	89.65	44.72%	286.44	319.51%
Manufacturing and distribution of medical Supplies (CS)	80.45	14.95%	68.41	34.13%	12.04	17.60%
CSSD sterilization services, medical equipment maintenance services and infectious waste services (SV)	61.50	11.43%	41.23	20.57%	20.27	49.16%
revenue from construction contracting services	17.99	3.34%	-	0.00%	17.99	n/a
Others	2.06	0.38%	1.16	0.58%	0.90	77.59%
<b>Sales and services income</b>	<b>538.09</b>	<b>100.00%</b>	<b>200.45</b>	<b>100.00%</b>	<b>337.64</b>	<b>168.45%</b>

Revenue structure by business groups could be categorized as follows:

- Manufacturing and distribution of medical equipment: The Company recognized the revenue in this segment amounting to Baht 376.09 million, an increase of Baht 286.44 million, representing a growth of 319.51 percent.
- Manufacturing and distribution of medical supplies: The Company recognized the revenue in Quarter 1 of 2025, amounting to Baht 80.45 million, an increase of Baht 12.04 million or 17.60 percent.
- CSSD sterilization services, medical equipment maintenance services and infectious waste services: Earned the revenue of Baht 79.49 million, an increase of Baht 38.26 million, representing a growth of 92.80 percent. This figure included revenue from construction contracting services, which was classified under the services segment.

**Gross profit:**

Gross profit generated in Quarter 1 of 2025 was in an amount of Baht 170.30 million, an increase of Baht 79.24 million from the previous year. The gross profit ratio of Quarter 1 of 2025 was 31.41 percent compared to those of Quarter 1 of 2024 in an amount of Baht 91.06 million or 44.22 percent. The Company's gross profit margin decreased compared to the previous year. This decline was attributed to revenue from new large-scale projects, which incurred higher costs due to imported goods from overseas. These products had inherently high costs and were transported by air, resulting in increased overall expenses. Additionally, there was higher utilization of medical supplies samples (CS) to expand both new and existing customer bases, including the operating room customer segment. Furthermore, the Company provided an increased quantity of complimentary accessories and

supplementary equipment for international projects, which carried significant value and impacted the overall cost structure.

**Other income:**

The Company earned other income in an amount of Baht 4.16 million in Quarter 1 of 2025, being a decrease of Baht 1.34 million from the previous year, mainly as a result of the interest on bank deposits in an amount of Baht 3.76 million and profit from other current financial assets (trading securities), amounting to Baht 0.40 million.

**Distribution costs:**

For the Operating results for 3-month period, Quarter 1 of the year 2025 and 2024, the Company incurred distribution costs of Baht 38.01 million and Baht 24.22 million, respectively, representing an increase of Baht 13.79 million or 56.96 percent, the costs from its subsidiaries amounting to Baht 11.75 million.

**Administrative expenses:**

The administrative expenses of the Company in Quarter 1 of 2025 and 2024 were Baht 48.95 million and Baht 47.76 million, respectively, including the administrative expenses of the subsidiaries, total administrative expenses increased slightly by Baht 1.19 million or 2.50 percent compared to the previous year.

**Net profit:**

The Company generated a net profit of Baht 60.92 million and Baht 13.27 million for the operating results for 3-month period, Quarter 1 of the year 2025 and 2024, respectively. Net profit increased by Baht 47.65 million or 359.13.

**Statement of financial position (Consolidated Statement):**

List ( Unit : Million Baht )	Financial Information		Increase (Decrease)	
	Q1/2025	Y2024	Amount	%
Total Assets	3,169.91	2,709.05	460.86	17.01%
Total Liabilities	942.11	613.62	328.49	53.53%
Shareholders' Equity	2,227.80	2,095.43	132.36	6.32%
<b>Debt-to-equity ratio (times)</b>	0.42	0.29	0.13	44.41%

List ( Unit : Million Baht )	Financial Information		Increase (Decrease)	
	Q1/2025	Y2024	Amount	%
<b>Current assets</b>				
Cash and cash equivalents	886.66	920.84	(34.18)	(3.71%)
Trade and other current receivables	729.15	639.94	89.21	13.94%
Current Portion Of Lease Receivables - due within one year	10.33	7.40	2.93	39.61%
Contract assets-current	7.69	0.00	7.69	n/a
Inventories	679.86	451.38	228.48	50.62%
Other current financial assets	60.40	59.94	0.46	0.78%
<b>Total current assets</b>	<b>2,374.10</b>	<b>2,079.50</b>	<b>294.59</b>	<b>14.17%</b>
<b>Non-current assets</b>				
Finance lease receivables	12.52	13.77	(1.25)	(9.09%)
Other non-current financial assets	3.53	4.48	(0.95)	(21.14%)
Property, plant and equipment	548.14	445.12	103.02	23.15%
Right of use assets	17.14	18.42	(1.28)	(6.97%)
Goodwill	18.30	17.95	0.35	1.97%
Unallocated business acquisition costs	45.85	0.00	45.85	n/a
Other intangible assets	27.19	28.03	(0.84)	(3.01%)
Prototype assets	58.02	57.09	0.93	1.64%
Deferred tax assets	7.93	5.09	2.84	55.93%
Deposits at financial institutions - with obligations	52.00	35.00	17.00	48.57%
Other non-current assets	5.18	4.61	0.57	12.45%
<b>Total non-current assets</b>	<b>795.81</b>	<b>629.55</b>	<b>166.26</b>	<b>26.41%</b>
<b>Total assets</b>	<b>3,169.91</b>	<b>2,709.05</b>	<b>460.86</b>	<b>17.01%</b>
<b>Current liabilities</b>				
Overdraft and short-term borrowings from financial institutions	347.21	270.72	76.49	28.25%
Trade and other current payables	340.10	167.45	172.65	103.11%
Current portion of long-term liabilities	10.15	9.06	1.09	11.97%
Current portion of lease liabilities	17.53	8.10	9.43	116.39%
Deferred services income – recognition within one year	10.59	15.33	(4.74)	(30.93%)
Short-term borrowings from related person	12.58	6.55	6.03	92.02%
Current income tax payables	50.05	28.17	21.88	77.70%
Other current provisions	1.53	1.62	(0.09)	(5.74%)
<b>Total current liabilities</b>	<b>789.72</b>	<b>506.99</b>	<b>282.73</b>	<b>55.57%</b>

List (Unit: Million Baht)	Financial Information		Increase (Decrease)	
	Q1/2025	Y2024	Amount	%
<b>Non-current liabilities</b>				
Long-term borrowings	49.41	34.36	15.05	43.79%
Lease liabilities	43.06	21.01	22.05	104.98%
Non-current provisions for employee benefit	44.99	38.15	6.83	17.91%
Deferred tax liabilities	1.55	1.59	(0.04)	(2.46%)
Deferred services income	12.39	10.52	1.86	17.70%
Long-term provisions	1.00	1.00	0.00	0.00%
<b>Total non-current liabilities</b>	<b>152.39</b>	<b>106.63</b>	<b>45.76</b>	<b>42.92%</b>
<b>Total liabilities</b>	<b>942.11</b>	<b>613.62</b>	<b>328.49</b>	<b>53.53%</b>
<b>Shareholder's equity</b>				
Issued and paid-up share capital	350.00	350.00	0.00	0.00%
Share premium on ordinary share	1,459.72	1,459.72	0.00	0.00%
Appropriated – Legal reserve	35.00	35.00	0.00	0.00%
Retained earnings - Unappropriated	268.52	226.50	42.01	18.55%
Non-controlling interests	114.56	24.21	90.35	373.21%
<b>Total shareholders' equity</b>	<b>2,227.80</b>	<b>2,095.43</b>	<b>132.36</b>	<b>6.32%</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,169.91</b>	<b>2,709.05</b>	<b>460.86</b>	<b>17.01%</b>

#### Assets:

As of March 31, 2025, the Company's total assets amounted to Baht 3,169.91 million, an increase of Baht 460.86 million from December 31, 2024, mainly due to:

- A decrease in cash and cash equivalents of Baht 34.18 million, primarily due to the Company's cash flow from operating activities amounting to Baht 52.35 million and net cash flow from investments of Baht 97.07 million. The Company also purchased property, plant and equipment for Baht 12.56 million and the business acquisition of Baht 107.03 million and received cash from loans to related persons of Baht 25.19 million, mainly. Net cash inflow from financing activities was Baht 10.53 million, cash received from loans from financial institutions in the amount of Baht 10.00 million, including the repayment of long-term borrowings to the financial institutions totaling Baht 2.51 million and the repayment of debts under lease contracts totaling Baht 3.04 million.
- Trade and other current receivables increased by Baht 89.21 million due to an increase of net trade receivables amounting to Baht 59.95 million and other current receivables, such as accrued income, advance payment for goods and prepaid expenses, amounting to Baht 29.25 million. The Company, when considered separately, showed a decrease in trade and other current receivables of Baht 60.28 million, primarily due to a reduction in net trade receivables of Baht 44.10 million. When analyzing the efficiency of trade receivables, it appeared that the majority of net trade receivables, accounting for 71.88 percent,

consisted of receivables that have not yet due their payment and those overdue by 1-90 days, compared to total net trade receivables. This indicated that the payment capability of trade receivables remained in good standing, as they were still able to fulfill their payment obligations to the Company.

- The inventories in Quarter 1 of 2025 increased amounting to Baht 228.48 million, compared to December 31, 2024, due to the incorporation of the subsidiary's inventory, which primarily consists of raw materials and finished goods.
- Property, plant and equipment increased by Baht 103.02 million, due to the purchase of subsidiaries' shares, resulting the acquisition of assets, amounting to Baht 152.32 million, including the investment in machinery and equipment amounting to Baht 12.84 million.
- Unallocated business acquisition costs increased by Baht 45.85 million, resulting from the Company's investment in purchasing shares of Innovative Imaging Systems Co., Ltd. However, the Company was currently in the process of measuring the fair value of the acquired business as of the acquisition date, which would be completed within 12 months from the date of business transfer.
- Deposits at financial institutions pledged as collateral increased by Baht 17.00 million which were deposits at financial institutions with guarantees of the Company's subsidiaries, which increased by Baht 16.00 million. Due to the Company had requested for additional credit facility by pledging the Company's deposit as collateral.

#### Liabilities:

As of March 31, 2025, the Company's total liabilities amounted to Baht 942.11 million, an increase of Baht 328.49 million from December 31, 2024, mainly due to:

- An increase of Baht 76.49 million, in bank overdrafts and short-term loans from financial institutions due to an increase of the overdraft and short-term borrowing amounting to Baht 24.09 million and Baht 52.40 million was from the subsidiaries. Due to the short-term borrowing for working capital to purchase goods and support the expansion of business activities.
- An increase in trade payables and other current payables by Baht 172.65 million, mainly due to the trade payables and trade notes payable increased by Baht 163.80 million and other current payables such as prepaid expenses, accrued income, Revenue Department payables, and other current payables, totaling of Baht 8.85 million. However, when considering the Company separately, it showed a decrease in trade payables and other current payables of Baht 61.97 million.

#### Shareholder's equity:

As of March 31, 2025, the Company's shareholder's equity amounted to Baht 2,227.80 million, an increase of Baht 132.36 million or 6.32 percent from December 31, 2024. The increase was mainly due to the net profit (loss) from the Company's operation results in Quarter 1 of 2025 amounted to Baht 62.93 million and an increase of non-controlling interests, totaling to Baht 90.35 million or 373.21 percent. When considering the Company separately,

shareholder's equity amounted to Baht 2,079.75 million, an increase of Baht 11.96 million or 0.58 percent from December 31, 2024, resulting from the Company's net profit from operations.

**Debt-to-Equity Ratio:**

As of March 31, 2025, as compared to December 31, 2024, the Company's Debt-to-Equity Ratio increased by 0.42 and 0.29 times, respectively. When considering the Company separately, the debt-to-equity ratio as of March 31, 2025, equals 0.26 times, a decrease compared to the debt-to-equity ratio of 0.28 as of December 31, 2024. Nevertheless, the debt-to-equity ratio remained at a low level, indicating the stability of the Company's capital structure and its capacity to take on additional debt to support future growth.

**Executive Summary explaining the change of more than 20% in the Company's operating results for three-month period ended March 31, 2025:**

**Sales and service income** derived from the operating results for 3-month period, Quarter 1 of 2025 and 2024 was in an amount of Baht 538.09 million and Baht 200.45 million, respectively, an increase of Baht 337.64 million due to the due to the recognition of the revenue from its subsidiaries, which the Company invested in the end of 2024 and in the beginning of 2025, representing an increase of the revenue in manufacturing and distribution of medical equipment (SM) and distribution of medical supplies products (CS) in Quarter 1 of 2025 of Baht 298.49 million or 188.85 percent. For the income from CSSD sterilization services, medical equipment maintenance services and infectious waste services (SV) also increased by Baht 21.16 million or 49.93 percent, including the revenue from construction work amounting to Baht 17.99 million. Accordingly, the total income increased by 163.30 percent as compared to Quarter 1 of 2024.

**The ratio of gross profit to sales and service income** from the operating results for 3-month period of Quarter 1 of 2025: The Company had a gross profit of Baht 170.30 million, an increase of Baht 79.24 million from the previous year or 87.01 percent, compared to the Quarter 1 of 2024. The gross profit ratio of Quarter 1 of 2025 was 31.41 percent compared to those of Quarter 1 of 2024 in an amount of Baht 91.06 million or 44.22 percent. The Company's gross profit margin decreased compared to the previous year. This decline was attributed to revenue from new large-scale projects, which incurred higher costs due to imported goods from overseas. These products had inherently high costs and were transported by air, resulting in increased overall expenses. Additionally, there was higher utilization of medical supplies samples (CS) to expand both new and existing customer bases, including the operating room customer segment. Furthermore, the Company provided an increased quantity of complimentary accessories and supplementary equipment for international projects, which carried significant value and impacted the overall cost structure.

**Administrative expenses** were in an amount of Baht 48.95 million and Baht 47.76 million in Quarter 1 of 2025 and 2024, respectively, including the administrative expenses of the subsidiaries, total administrative expenses increased slightly by Baht 1.19 million or 2.50 percent compared to the previous year.

**In summary**, given to the above, the Company's net profit for Quarter 1 of 2025 was in an amount of Baht 60.92 million, representing 11.24 percent of total revenue. When compared to the first quarter of 2024, which had a net profit of Baht 13.27 million, this represents a total increase of Baht 47.65 million or 359.13 percent.

Yours respectfully,

**Sukhum Phothisawasdee**

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(Mr. Sukhum Phothisawasdee)

Chief Financial Officer

Namwiwat Medical Corporation Public Company Limited