



Management Discussion and Analysis

For the Three-month Period Ended 31 March 2024

Executive Summary

Consolidated financial statements <i>Unit: THB000</i>	Quarter 1	Quarter 4	Quarter 1	Change		Three-month Period		Change %YoY
	Year 2024 ("1Q24")	Year 2023 ("4Q23")	Year 2023 ("1Q23")	%QoQ	%YoY	Year 2024 ("3m24")	Year 2023 ("3m23")	
Revenue from sales and services	155,661	158,502	121,178	(1.8%)	28.5%	155,661	121,178	28.5%
Gross profit	43,267	45,692	34,515	(5.3%)	25.4%	43,267	34,515	25.4%
EBITDA	15,286	23,765	9,530	(35.7%)	60.4%	15,286	9,530	60.4%
Net profit (loss)	(3,318)	3,882	(572)	(185.5%)	480.1%	(3,318)	(572)	480.1%
Net profit (loss) to the parent company	(2,465)	6,695	1,859	(136.8%)	(232.6%)	(2,465)	1,859	(232.6%)
Gross profit margin	27.8%	28.8%	28.5%	(1.0%)	(0.7%)	27.8%	28.5%	(0.7%)
EBITDA margin	9.7%	14.0%	7.6%	(4.3%)	2.1%	9.7%	7.6%	2.1%
Net profit (loss) margin	(2.1%)	2.3%	(0.5%)	(4.4%)	(1.6%)	(2.1%)	(0.5%)	(1.6%)

Source: Interim financial information 3m24 (Reviewed) and management information

The First Quarter QoQ (1Q24 vs 4Q23)

- In 1Q24, the Group had lower revenue from sales and services than 4Q23 amounting to Baht 2.8 million. This was because 23.3% decreased in revenue from OEM products. However, the Group had higher revenue from Own Brand products by 27.9%.
- Gross profit margin of the Group decreased by 1.0% since the Group had higher rate of inventory usage.
- Due to lower of operating profit, the Group had loss amounting to Baht 2.5 million for 1Q24.

The First Quarter YoY (1Q24 vs 1Q23) and Three-month Period YoY (3m24 vs 3m23)

- The Group's revenue from sales and services for 1Q24 increased from 1Q23 by 28.5%. This was mainly because additional revenue from Own Brand products and dialysis solution and medical supplies.
- In 1Q24, the Group had EBITDA margin at 9.7%, higher than 1Q23 by 2.1%. The increase mainly derived from higher gross profit. However, the Group had higher distribution costs resulted from advertising for Own Brand products.

Three-month Period financial ratios YoY (3m24 vs FY23)

- The Group had lower returns on assets and equity for 3m24 due to net loss reported.
- The Group entered into additional loan and lease agreements during 3m24; therefore, debt-to-equity ratio increased to 0.48 times.

	3m24	FY23
Return on assets	(1.0%)	2.1%
Return on equity	(1.1%)	(0.1%)
Debt-to-equity ratio (Times)	0.48	0.44

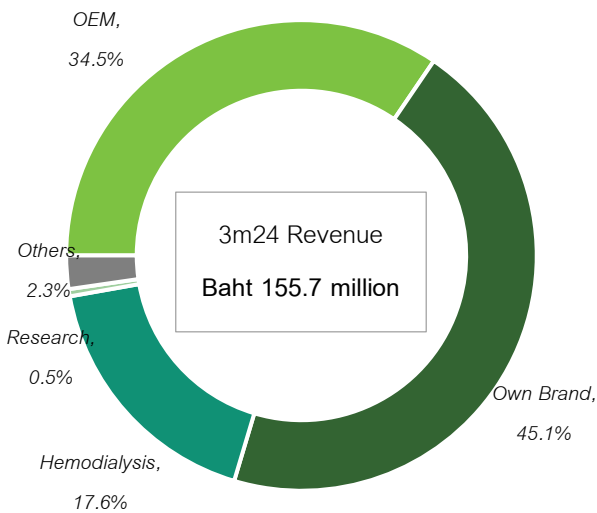
Significant events during 1Q24

Expansion of hemodialysis solution production capacity

During 1Q24, the Group has completed the expansion of hemodialysis solution production capacity, which double from last period.

Operating results

1. Revenue from sales and services structure



Products under customer's brand (OEM)

- The Group had variety of product to support customer's demand.
- The Group's revenue principally derived from OEM customers.

Products under the Group's brand (Own Brand)

- The Group's brand consisted of COX™, JSP™, Suphap Osot™, EVITON™, which covered many channels of distribution
- The Group's had product development and marketing plans to expand revenue from Own Brand segment.

Dialysis solution (Hemodialysis)

- The Group distributes dialysis solution for domestic dialysis clinic

Research and development, training and seminar services (Research)

- The Group provides product research and development of products, training and seminar and consultancy for research fund application

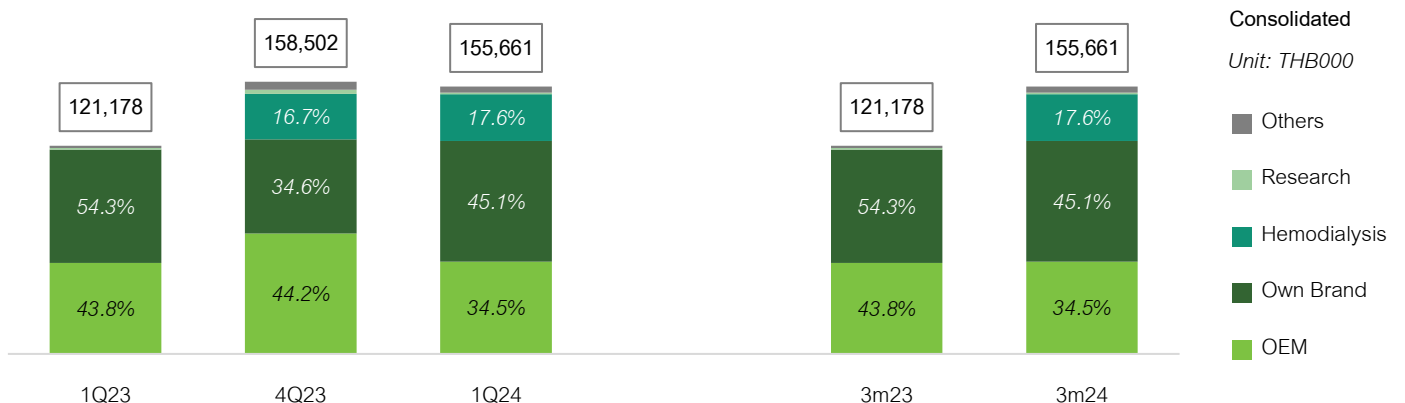
Other products (Others)

- The Group trades certain products such as drug test kits.
- The Group provides purified water system installation for industrial purposes.

1.1 Revenue by product type

Consolidated financial statements	Quarter 1	Quarter 4	Quarter 1	Change		Three-month Period		Change
	Year 2024	Year 2023	Year 2023	%QoQ	%YoY	Year 2024	Year 2023	
Unit: THB000	("1Q24")	("4Q23")	("1Q23")			("3m24")	("3m23")	%YoY
OEM	53,721	70,049	53,067	(23.3%)	1.2%	53,721	53,067	1.2%
Own Brand	70,212	54,904	65,845	27.9%	6.6%	70,212	65,845	6.6%
Hemodialysis	27,397	26,401	-	3.8%	#DIV/0!	27,397	-	#DIV/0!
Research	767	2,459	1,033	(68.8%)	(25.8%)	767	1,033	(25.8%)
Others	3,564	4,689	1,233	(24.0%)	189.1%	3,564	1,233	189.1%
Total	155,661	158,502	121,178	(1.8%)	28.5%	155,661	121,178	28.5%

Source: Interim financial information 3m24 (Reviewed) and management information



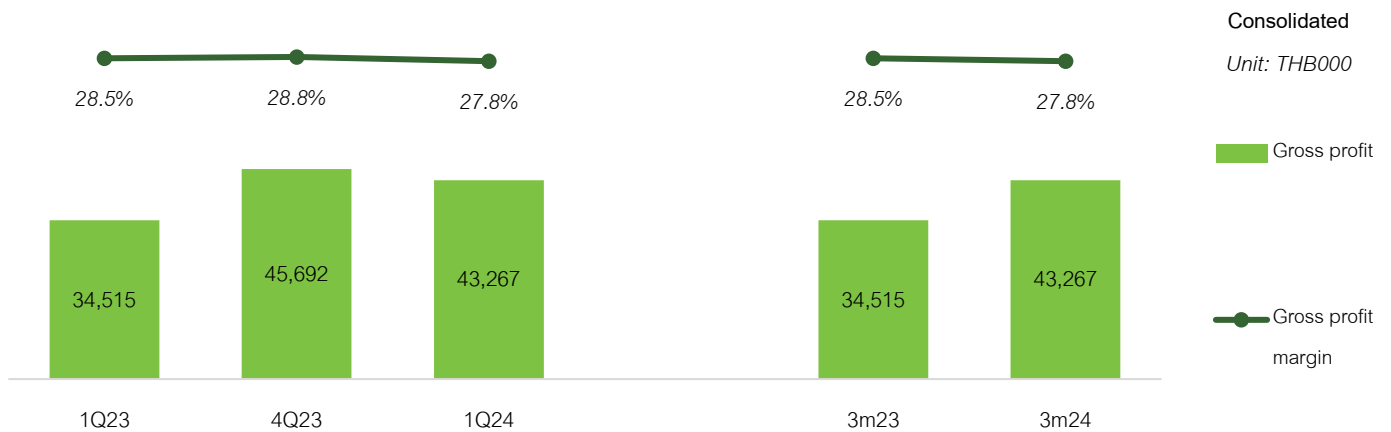
The First Quarter QoQ (1Q24 vs 4Q23) Revenue from sales and services for 1Q24 decreased from 4Q23 by 1.8% mainly because

- **OEM products:** The Group had revenue from OEM products for 1Q24 lower than 4Q23 amounting to Baht 16.3 million. This was principally because lower customers' orders on conventional medicine. Whilst, the Group had more orders for herbal products from certain customers repeatedly.
- **Own Brand products:** According to offering variety of dietary supplement products and channels of distribution expansion to several TV Home Shopping, revenue from Own Brand for 1Q24 increased from 1Q23 totalled Baht 15.3 million.
- **Hemodialysis products:** This Group had higher revenue by 3.8% because the installation of new production facilities has completed.

The First Quarter YoY (1Q24 vs 1Q23) and Three-month Period YoY (3m24 vs 3m23) Revenue from sales and services increased by 28.5% since

- **Own Brand products:** There was 6.6% increase in this type of revenue since the Group launched more products to the market and expanded more channels of distribution.
- **Hemodialysis products:** This product contributed 17.6% of total revenue from sales and services for 1Q24. The Group had no revenue from this segment in 1Q23 because business combination incurred during the second quarter of 2023.

2. Gross profit and gross profit margin



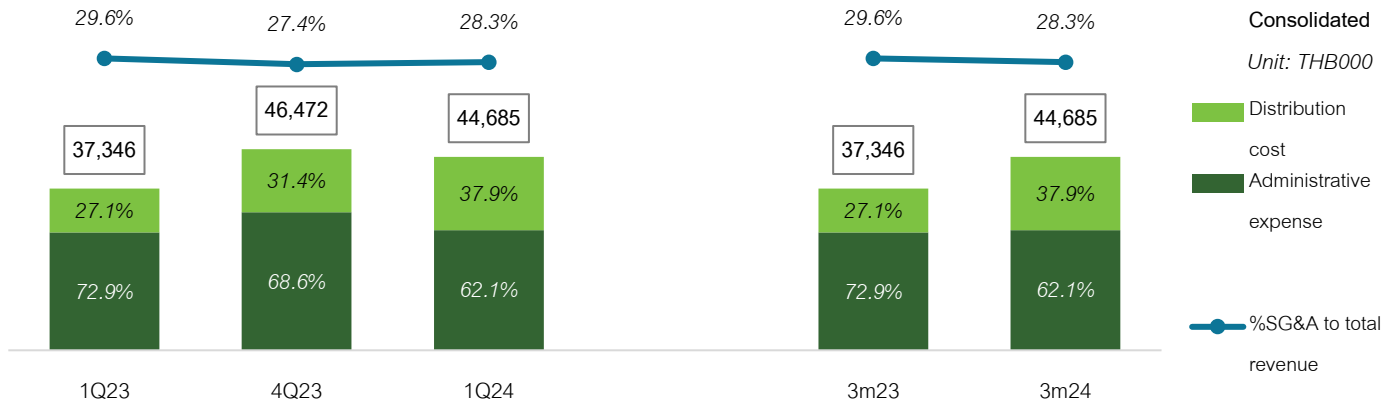
The First Quarter QoQ (1Q24 vs 4Q23)

- Gross profit for 1Q23 was lower than 4Q23 by Baht 2.4 million since revenue from sales and services declined amounting to Baht 2.8 million.

The First Quarter YoY (1Q24 vs 1Q23) and Three-month Period (3m24 vs 3m23)

- In 1Q24, the Group gross profit higher than 1Q23 by Baht 8.7 million because the recognition of gross profit from the businesses which have been acquired since the second quarter of 2023.

3. Distribution costs and administrative expenses



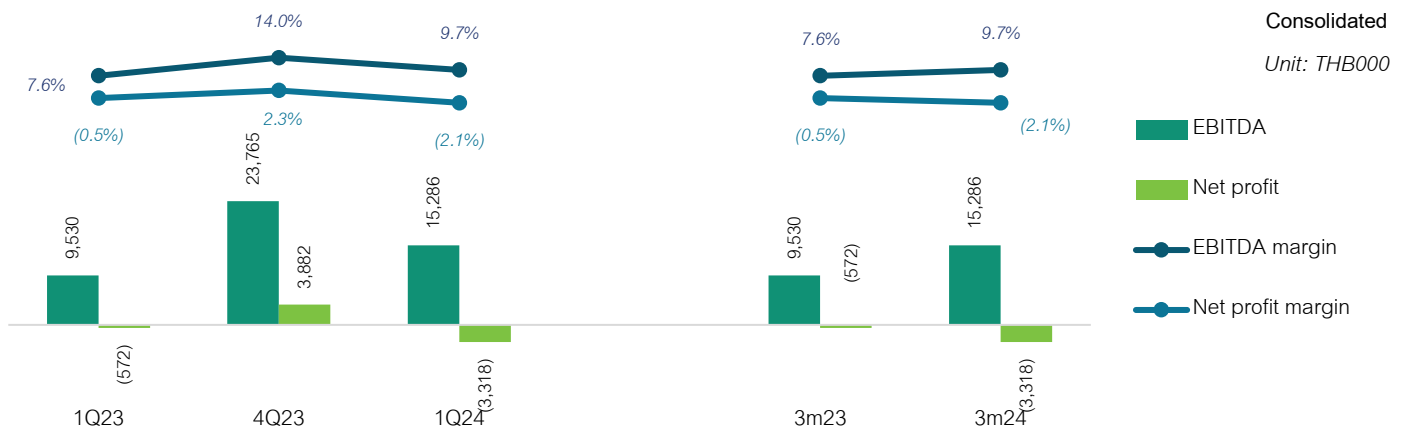
The First Quarter QoQ (1Q24 vs 4Q23)

- Distribution costs:** The Group's distribution costs for 4Q23 and 1Q24 were Baht 14.6 million and Baht 16.9 million, respectively. The increase of distribution costs mainly derived from advertising expenses for Own Brand products.
- Administrative expenses:** The Group had administrative expenses for 4Q23 and 1Q24 totalled Baht 31.9 million and 27.8 million, respectively. The administrative expenses for 4Q23 were higher than 1Q24 due to loss from termination of machinery lease agreement amounting to Baht 4.4 million.

The First Quarter YoY (1Q24 vs 1Q23) and Three-month Period (3m24 vs 3m23)

- Distribution costs:** In addition to the increase of adverting expenses, the Group had more of staff costs from subsidiaries acquired since the second quarter of 2023. Hence, distribution costs for 1Q24 increased from 1Q23 totalled Baht 6.8 million.
- Administrative expenses:** Administrative expenses for 1Q24 was higher than 1Q23 by Baht 0.6 million.

4. EBITDA and net profit



The First Quarter QoQ (1Q24 vs 4Q23)

- In 1Q24, the Group had lower net profit than 4Q23 amounting to Baht 7.2 million because operating profit decreased by Baht 9.1 million.

The First Quarter YoY (1Q24 vs 1Q23) and Three-month Period (3m24 vs 3m23)

- Due to the increase of gross profit, the Group had EBITDA margin for 1Q24 was reported at 9.7%, increased from 1Q23 by 2.1%
- As a result of finance costs increased by Baht 1.6 million, net loss for 1Q24 was higher than 1Q23 totalled Baht 2.7 million.

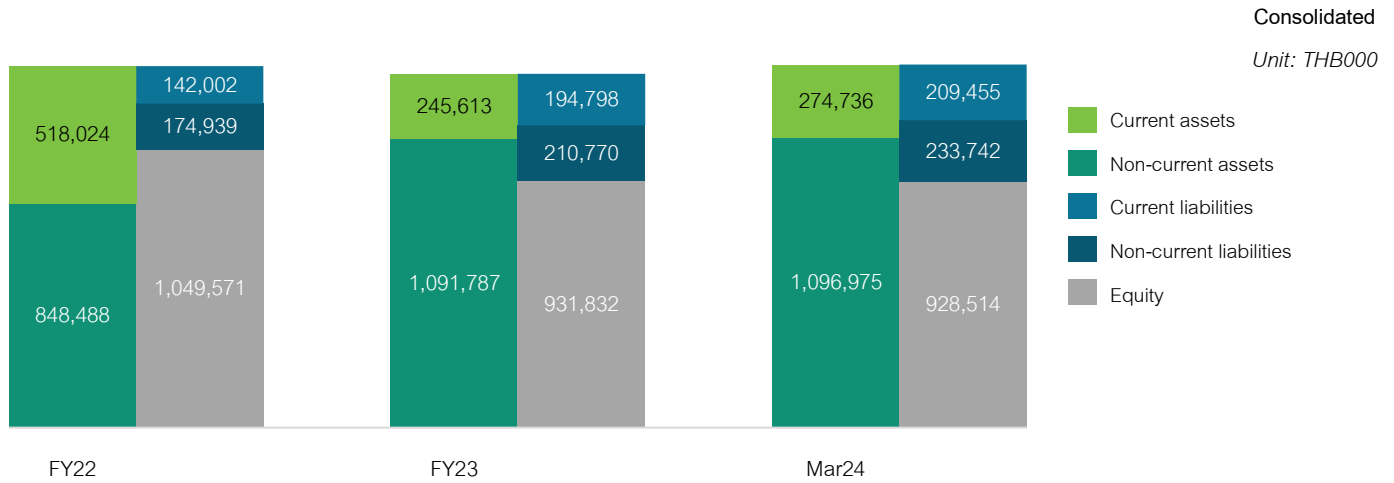


Consolidated income statement

Consolidated financial statements	Quarter 1	Quarter 4	Quarter 1	Change		Three-month Period		Change
	Year 2024	Year 2023	Year 2023	%QoQ	%YoY	Year 2024	Year 2023	
<i>Unit: THB000</i>	("1Q24")	("4Q23")	("1Q23")			("3m24")	("3m23")	%YoY
Revenue from sales	151,210	152,651	120,145	(0.9%)	25.9%	151,210	120,145	25.9%
Revenue from services	4,451	5,851	1,033	(23.9%)	330.9%	4,451	1,033	330.9%
Cost of sales	(108,199)	(107,120)	(85,785)	1.0%	26.1%	(108,199)	(85,785)	26.1%
Cost of services	(4,195)	(5,690)	(878)	(26.3%)	377.8%	(4,195)	(878)	377.8%
Gross profit	43,267	45,692	34,515	(5.3%)	25.4%	43,267	34,515	25.4%
Other income	1,963	10,449	3,069	(81.2%)	(36.0%)	1,963	3,069	(36.0%)
Distribution costs	(16,922)	(14,586)	(10,118)	16.0%	67.2%	(16,922)	(10,118)	67.2%
Administrative expenses	(27,763)	(31,886)	(27,228)	(12.9%)	2.0%	(27,763)	(27,228)	2.0%
Operating profit (loss)	545	9,669	238	(94.4%)	129.0%	545	238	129.0%
Finance costs	(4,148)	(3,826)	(2,508)	8.4%	65.4%	(4,148)	(2,508)	65.4%
Gain (loss) on measurement of financial assets	-	(33)	1,877	(100.0%)	(100.0%)	-	1,877	(100.0%)
Reversal of impairment loss (loss) in accordance with TFRS9	534	(556)	74	(196.0%)	621.6%	534	74	621.6%
Profit (loss) sharing from associate accounted for equity method	(836)	517	-	(261.7%)	(100.0%)	(836)	-	(100.0%)
Profit (Loss) before taxes	(3,905)	5,771	(319)	(167.7%)	1,124.1%	(3,905)	(319)	1,124.1%
Income taxes income (expense)	587	(1,889)	(253)	(131.1%)	(332.0%)	587	(253)	(332.0%)
Net profit (loss)	(3,318)	3,882	(572)	(185.5%)	480.1%	(3,318)	(572)	480.1%
Net profit (loss) to parent company	(2,465)	6,695	1,859	(136.8%)	(232.6%)	(2,465)	1,859	(232.6%)
Earnings (losses) per share (Baht)								
Basic	(0.005)	0.01	0.004			(0.005)	0.004	
Diluted	(0.005)	0.01	0.003			(0.005)	0.003	

Source: Interim financial information 3m24 (Reviewed) and management information

Financial position



Assets

- **Current assets:** As of 31 March 2024 ("Mar24"), current assets primarily comprised trade receivables and inventories, accounted for 75.0% of total current assets. Cash and cash equivalents as of Mar24 increased from FY23 because the Group had lower cash used in investing activities. In addition, the Group had higher inventories from expansions of production capacity and channels of distribution.
- **Non-current assets:** As of Mar24, the Group had property, plant and equipment accounted for 64.4% of total assets. The higher value of property, plant and equipment as of Mar24 than FY23 because machinery acquired.

Liabilities

- **Current liabilities:** Current liabilities of the Group as of Mar24 was higher than FY23 by 7.5%. This was principally because the Group had operating current liabilities increased by Baht 22.8 million. However, current interest-bearing liabilities decreased totalled Baht 8.2 million.
- **Non-current liabilities:** Non-current liabilities as of Mar24 of the Group had increased from FY23 by 10.9% because the Group entered into long-term loan and lease agreements totalled Baht 22.8 million.

Equity

- During 3m24, the Group's equity declined since net loss earned.

Significant financial ratios

<p>Liquidity ratios</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Current ratio (Times)</p>  <p>FY22 FY23 3m24</p> </div> <div style="text-align: center;"> <p>Acid-test ratio (Times)</p>  <p>FY22 FY23 3m24</p> </div> <div style="text-align: center;"> <p>Days sale outstanding (Days)</p>  <p>FY22 FY23 3m24</p> </div> </div>
<p>Profitability ratios</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Return on assets (%)</p>  <p>FY22 FY23 3m24</p> </div> <div style="text-align: center;"> <p>Return on equity (%)</p>  <p>FY22 FY23 3m24</p> </div> </div>
<p>Financial leverage ratio</p>	<div style="text-align: center;"> <p>Debt-to-equity ratio (Times)</p>  <p>FY22 FY23 3m24</p> </div>

- In 1Q24, the Group's liquidity had better trend since higher of cash and cash equivalents.
- Returns on assets and equity for 3m24 decreased from FY23 due to net loss.
- The increase of D/E ratio for 3m24 to 0.48 times resulted from additional long-term borrowings and lease liabilities from financial institutions.