



Management Discussion and Analysis

For the Six-month Period Ended 30 June 2024

Executive Summary

Consolidated financial statements <i>Unit: THB000</i>	Quarter 2	Quarter 1	Quarter 2	Change		Six-month Period		Change %YoY
	Year 2024 ("2Q24")	Year 2024 ("1Q24")	Year 2023 ("2Q23")	%QoQ	%YoY	Year 2024 ("6m24")	Year 2023 ("6m23")	
Revenue from sales and services	199,425	155,661	124,123	28.1%	60.7%	355,086	245,301	44.8%
Gross profit	70,788	43,267	22,164	63.6%	219.4%	114,055	56,679	101.2%
EBITDA	38,924	15,286	(2,583)	154.6%	1,606.9%	54,210	6,947	680.3%
Net profit (loss)	13,558	(3,318)	(10,608)	508.6%	227.8%	10,240	(11,180)	191.6%
Net profit (loss) to the parent company	14,178	(2,465)	(13,368)	675.2%	206.1%	11,713	(11,511)	201.8%
Gross profit margin	35.5%	27.8%	17.9%	7.7%	17.6%	32.1%	23.1%	9.0%
EBITDA margin	19.4%	9.7%	(2.0%)	9.7%	21.4%	15.1%	2.7%	12.4%
Net profit (loss) margin	6.7%	(2.1%)	(8.2%)	8.8%	14.9%	2.9%	(4.4%)	7.3%

Source: Interim financial information 6m24 (Reviewed), 3m24 (Reviewed) and management information

The Second Quarter QoQ (2Q24 vs 1Q24)

- For the second quarter QoQ, consolidated revenues from sales and services increased by 28.1%. This was principally from increase of customer's orders related to conventional medicines and dietary supplements resulted to revenues from OEM and Own Brand products increased by Baht 33.0 million.
- Consolidated gross profit margin increased by 7.7% since the Group had higher utilisation capacity rate, which in line with revenue growth.
- In 2Q24, the Group had consolidated net profit amounting to Baht 13.6 million because higher gross profit in dietary supplements and conventional medicines.

The Second Quarter YoY (2Q24 vs 2Q23)

- The Group's consolidated revenues from sales and services for the second quarter YoY rose up totalled Baht 75.3 million. This was mainly because revenue from Own Brand products increased by Baht 47.4 million. In addition, revenue from dialysis solution and medical supplies has been recognised in fully period resulted to increase of revenue by Baht 21.2 million.
- The Group had 219.4% higher consolidated gross profit. The changes were mainly derived from certain selling prices were higher adjusted and higher efficiency in capacity utilisation.
- In 2Q24, the Group had reported consolidated EBITDA margin and net profit margin at 19.4% and 6.7%, respectively. These ratios soared from 2Q23 since higher consolidated gross profit. However, the Group had higher distribution costs amounting to Baht 8.1 million resulted from advertising for Own Brand products.

Six-month Period YoY (6m24 vs 6m23)

- The Group's consolidated revenues from sales and services for six-month period YoY increased by 44.8%. This was mainly because expansion of revenues from dietary supplements and conventional medicines. Furthermore, the Group recognised revenue from dialysis solution and medical supplies throughout 6m24.
- Consolidated gross profit margin was higher by 9.0% since higher consolidated revenues and expansion of production capacity to support customers' demand.
- A turnaround in consolidated net profit to be positive resulted from escalation of consolidated revenues from sales and services, altogether with gross profit.

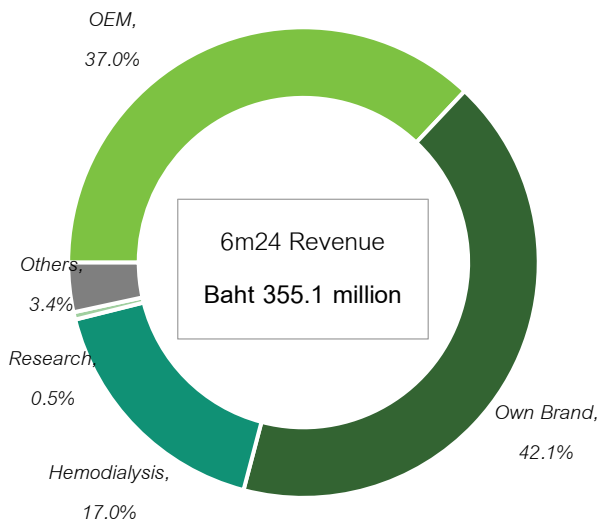
Six-month Period financial ratios YoY (6m24 vs FY23)

- The Group had positive returns on assets and equity for 6m24 due to reported consolidated net profit.
- The Group entered into additional loan and lease agreements during 6m24; therefore, debt-to-equity ratio increased to 0.48 times.

	6m24	FY23
Return on assets	1.5%	2.1%
Return on equity	2.7%	(0.1%)
Debt-to-equity ratio (Times)	0.48	0.44

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

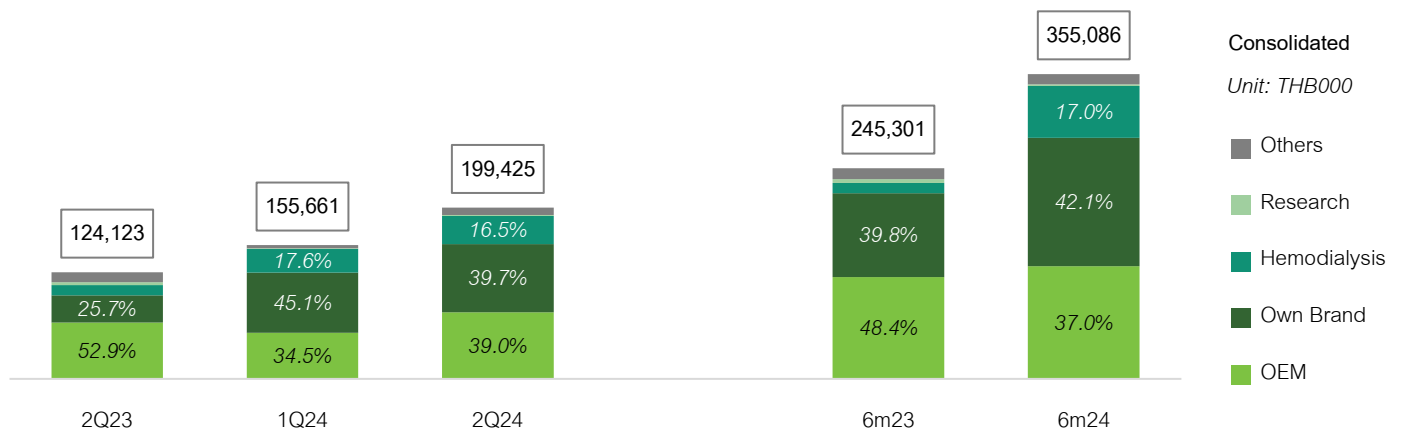
Other products (Others)

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

Revenue by product type

Consolidated financial statements	Quarter 2	Quarter 1	Quarter 2	Change		Six-month Period		Change
	Year 2024	Year 2024	Year 2023	%QoQ	%YoY	Year 2024	Year 2023	
Unit: THB000	("2Q24")	("1Q24")	("2Q23")			("6m24")	("6m23")	%YoY
OEM	77,699	53,721	65,609	44.6%	18.4%	131,420	118,676	10.7%
Own Brand	79,239	70,212	31,844	12.9%	148.8%	149,451	97,689	53.0%
Hemodialysis	32,982	27,397	11,774	20.4%	180.1%	60,379	11,774	412.8%
Research	1,036	767	3,483	35.1%	(70.3%)	1,803	4,516	(60.1%)
Others	8,469	3,564	11,413	137.6%	(25.8%)	12,033	12,646	(4.8%)
Total	199,425	155,661	124,123	28.1%	60.7%	355,086	245,301	44.8%

Source: Interim financial information 6m24 (Reviewed), 3m24 (Reviewed) and management information



The Second Quarter QoQ (2Q24 vs 1Q24) Consolidated revenues from sales and services increased by 28.1%, which mainly because

- **OEM products:** Revenue from OEM products soared totalling Baht 24.0 million. This was principally because the Group had repeatedly customers' orders on conventional medicines and herbal products.
- **Own Brand products:** The increase of revenue from Own Brand products totalled Baht 9.9 million mainly derived from enlargement of product ranges and channels of distribution for dietary supplements.
- **Hemodialysis products:** The Group had higher revenue by 20.4% because the installation of new production facilities has completed. Moreover, the Group had extensive range of products, including medical supplies for dialysis e.g. saline bag, blood tubing line.

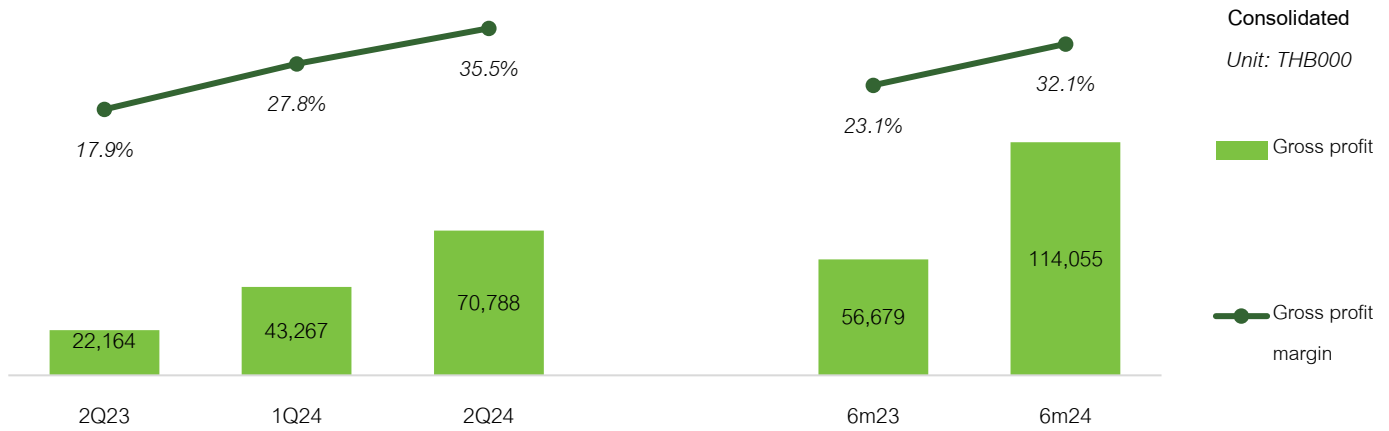
The Second Quarter YoY (2Q24 vs 2Q23) Consolidated revenues from sales and services increased by 60.7% since

- **OEM products:** Since the Group had repeatedly customers' orders on conventional medicines and herbal products, revenue from OEM products then rose up by Baht 12.1 million.
- **Own Brand products:** This type of product had 148.8% higher revenue since the Group launched more products to the market and expanded more channels of distribution. Furthermore, the Group provided more mass marketing to encourage customers' demand.
- **Hemodialysis products:** This product contributed 16.5% of consolidated revenues from sales and services for 2Q24. The Group had higher revenue from this segment because fully recognition of revenue from business combination in this period.

Six-month Period YoY (6m24 vs 6m23) Consolidated revenues from sales and services increased by 44.8% since

- **OEM products:** The Group had higher orders received from customers related to conventional medicines and herbal products; therefore, revenue increased by 10.7%.
- **Own Brand products:** There was 53.0% 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 had higher revenue proportion by 12.2% due to recognition of revenue in fully period through business combination.

2. Gross profit and gross profit margin



The Second Quarter QoQ (2Q24 vs 1Q24)

- The second quarter QoQ consolidated gross profit margin grew by 7.7% since revenue from sales of dietary supplements and conventional medicines expanded, together with higher capacity utilisation resulted to average cost decreased.

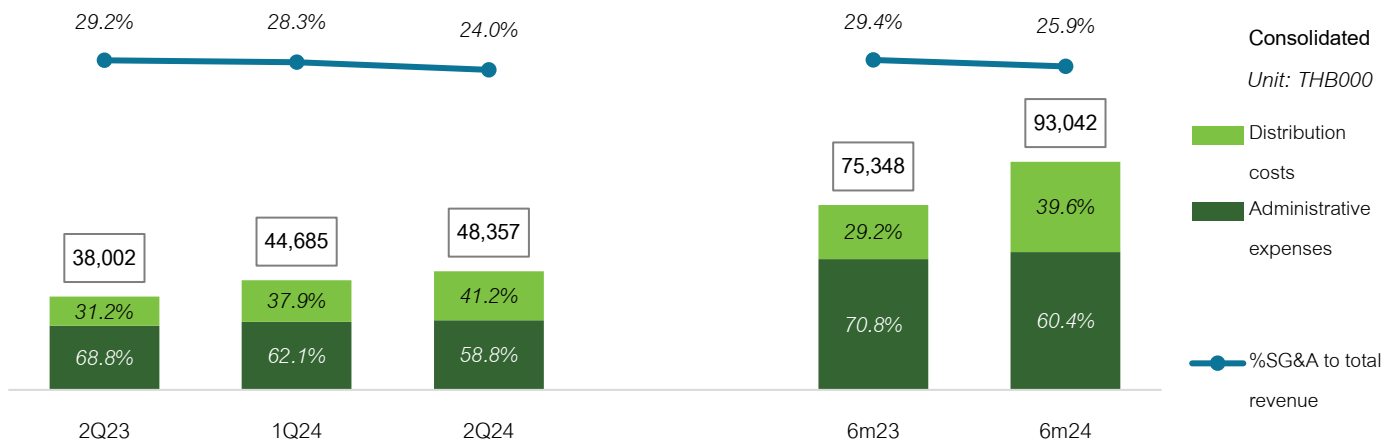
The Second Quarter YoY (2Q24 vs 2Q23)

- In the second quarter YoY, the Group's consolidated gross profit increased by Baht 48.6 million because upward selling price on certain products, increase of capacity utilisation and the recognition of gross profit from the subsidiaries which have been acquired since the second quarter of 2023.

Six-month Period YoY (6m24 vs 6m23)

- For six-month period YoY, consolidated gross profit margin was 9.0% increased because of higher consolidated revenues from sales and services. In addition, the Group recognised fully gross profit from subsidiaries throughout 6m24.

3. Distribution costs and administrative expenses



The Second Quarter QoQ (2Q24 vs 1Q24)

- Distribution costs:** The Group's distribution costs for 1Q24 and 2Q24 were Baht 16.9 million and Baht 19.9 million, respectively. The increase of distribution costs mainly derived from advertising expenses for Own Brand products.
- Administrative expenses:** The Group had administrative expenses for 1Q24 and 2Q24 totalled Baht 27.8 million and 28.4 million, respectively. The administrative expenses for the second quarter QoQ due to higher service fee on vending machine.

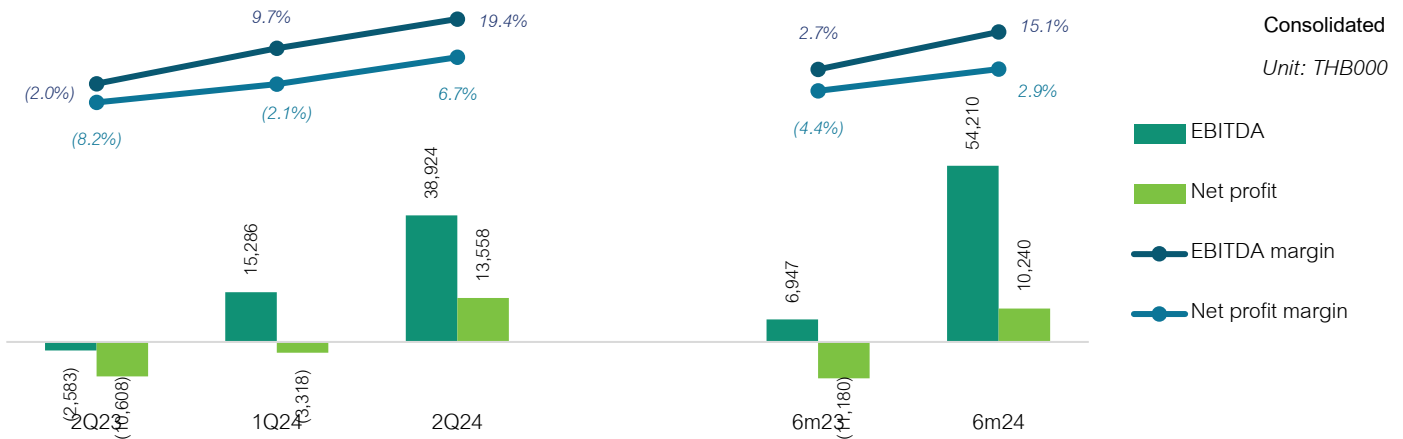
The Second Quarter YoY (2Q24 vs 2Q23)

- **Distribution costs:** The increase of adverting expenses and staff costs resulted to consolidated distribution costs for the second quarter YoY rose up by Baht 8.1 million.
- **Administrative expenses:** Administrative expenses was higher by Baht 2.3 million because of service fee on vending machine.

Six-month Period YoY (6m24 vs 6m23)

- **Distribution costs:** In the six-month period YoY, the Group had more advertising expenses in order to increase awareness in Own Brand products. Additionally, the Group recognised higher staff costs from subsidiaries throughout 6m24. Hence, consolidated distribution costs rose up amounting to Baht 12.8 million.
- **Administrative expenses:** Consolidated administrative expenses were higher by Baht 2.8 million principally from service fee on vending machine.
- **Consolidated distribution costs and administrative expenses as a percentage of consolidated revenues:** Even though advertising expenses of Own Brand products resulted to the Group's total expenses rose up by 23.5%, the 40.0% increase of consolidated revenues from sales and services brought the ratio dropped to 25.9% for 2Q24.

4. EBITDA and net profit



The Second Quarter QoQ (2Q24 vs 1Q24)

- In 2Q24, the Group's financial performance improved so that consolidated net profit was Baht 13.6 million. This was mainly because consolidated revenues from sales and services, together with gross profit increased.

The Second Quarter YoY (2Q24 vs 2Q23)

- In the second quarter YoY, the Group had higher consolidated EBITDA margin by 21.4% due to the expansion of consolidated revenues from sales and services and gross profit.

Six-month Period YoY (6m24 vs 6m23)

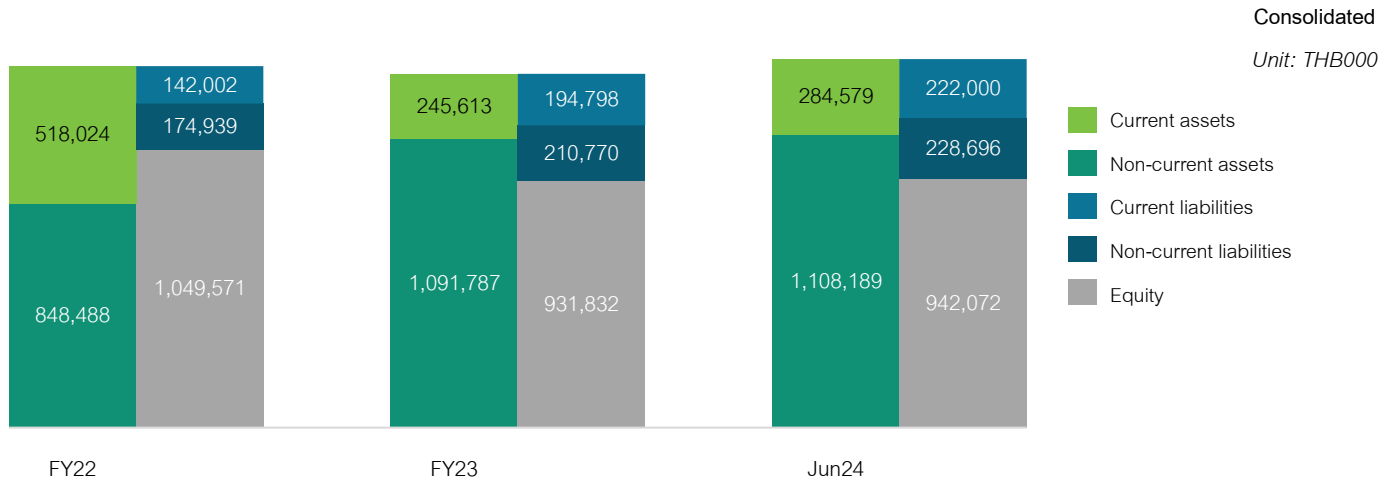
- Due to the increase of gross profit, the Group had EBITDA margin for 1Q24 was reported at 9.7%, increased from 1Q23 by 2.1%
- As a result of higher revenues from sales and services and gross profit in the six-month YoY, the Group's consolidated EBITDA margin and net profit margin were 15.1% and 2.9%, respectively.

Consolidated income statement

Consolidated financial statements	Quarter 2	Quarter 1	Quarter 2	Change		Six-month Period		Change
	Year 2024	Year 2024	Year 2023	%QoQ	%YoY	Year 2024	Year 2023	
<i>Unit: THB000</i>	("2Q24")	("1Q24")	("2Q23")			("6m24")	("6m23")	%YoY
Revenue from sales	193,758	151,210	111,915	28.1%	73.1%	344,968	232,060	48.7%
Revenue from services	5,667	4,451	12,208	27.3%	(53.6%)	10,118	13,241	(23.6%)
Cost of sales	(124,324)	(108,199)	(94,082)	14.9%	32.1%	(232,523)	(179,867)	29.3%
Cost of services	(4,313)	(4,195)	(7,877)	2.8%	(45.2%)	(8,508)	(8,755)	(2.8%)
Gross profit	70,788	43,267	22,164	63.6%	219.4%	114,055	56,679	101.2%
Other income	1,707	1,963	2,229	(13.0%)	(23.4%)	3,670	5,298	(30.7%)
Distribution costs	(19,926)	(16,922)	(11,873)	17.8%	67.8%	(36,848)	(21,991)	67.6%
Administrative expenses	(28,431)	(27,763)	(26,129)	2.4%	8.8%	(56,194)	(53,357)	5.3%
Operating profit (loss)	24,138	545	(13,609)	4,329.0%	277.4%	24,683	(13,371)	284.6%
Finance costs	(4,256)	(4,148)	(3,035)	2.6%	40.2%	(8,404)	(5,543)	51.6%
Gain on measurement of financial assets	-	-	2,839	-	(100.0%)	-	4,716	(100.0%)
Reversal of impairment loss (impairment loss) in accordance with TFRS9	(591)	534	785	(210.7%)	(175.3%)	(57)	859	(106.6%)
Loss sharing from associate accounted for equity method	(1,804)	(836)	-	(115.8%)	(100.0%)	(2,640)	-	(100.0%)
Profit (Loss) before taxes	17,487	(3,905)	(13,020)	547.8%	234.3%	13,582	(13,339)	201.8%
Income taxes income (expense)	(3,929)	587	2,412	(769.3%)	(262.9%)	(3,342)	2,159	(254.8%)
Net profit (loss)	13,558	(3,318)	(10,608)	508.6%	227.8%	10,240	(11,180)	191.6%
Net profit (loss) to parent company	14,178	(2,465)	(13,368)	675.2%	206.1%	11,713	(11,511)	201.8%
Earnings (losses) per share (Baht)								
Basic	0.03	(0.005)	(0.03)			0.02	(0.02)	
Diluted	0.03	(0.005)	(0.03)			0.02	(0.02)	

Source: Interim financial information 6m24 (Reviewed), 3m24 (Reviewed) and management information

Financial position



Assets

- **Current assets:** As of 30 June 2024 (“Jun24”), consolidated current assets primarily comprised trade receivables and inventories, accounted for 75.9% of consolidated current assets. As of Jun24, consolidated current assets increased from 31 December 2023 (“FY23”) because cash and cash equivalents were higher by Baht 11.8 million. This was derived from higher cash generated from operating activities, while lower cash used in investing activities. In addition, the Group had higher inventories from extension of production capacity and channels of distribution.
- **Non-current assets:** As of Jun24, the Group had property, plant and equipment accounted for 63.6% of consolidated total assets. The higher value of property, plant and equipment as of Mar24 FY23 was from machinery acquired and warehouse under construction.

Liabilities

- **Current liabilities:** The Group’s consolidated current liabilities as of Jun24 was higher than FY23 by 14.0%. This was principally because the Group had operating current liabilities increased by Baht 40.6 million. However, current interest-bearing liabilities decreased totalled Baht 13.4 million.
- **Non-current liabilities:** Consolidated non-current liabilities of the Group as of Jun24 had increased from FY23 by 8.5% because the Group entered into long-term loan and lease agreements totalled Baht 116.3 million.

Equity

- During 6m24, the Group’s equity declined since consolidated net profit earned.

Significant financial ratios



- In 6m24, the Group's liquidity had slightly better since higher of cash and cash equivalents.
- Returns on equity for 6m24 increased from FY23 due to consolidated net profit margin and asset turnover increased.
- The increase of D/E ratio for 6m24 to 0.48 times resulted from additional long-term borrowings and lease liabilities from financial institutions.