

Management Discussion and Analysis

For the Nine-month Period Ended 30 September 2024

Executive Summary

Consolidated financial statements <i>Unit: THB000</i>	Quarter 3	Quarter 2	Quarter 3	Change		Nine-month Period		Change %YoY
	Year 2024 ("3Q24")	Year 2024 ("2Q24")	Year 2023 ("3Q23")	%QoQ	%YoY	Year 2024 ("9m24")	Year 2023 ("9m23")	
Revenue from sales and services	228,670	199,425	171,771	14.7%	33.1%	583,756	417,076	40.0%
Gross profit	90,837	70,788	41,678	28.3%	117.9%	204,891	98,357	108.3%
EBITDA	61,308	38,924	11,209	57.5%	447.0%	115,518	22,950	403.3%
Net profit (loss)	31,726	13,558	35,148	134.0%	(9.7%)	41,966	23,966	75.1%
Net profit (loss) to the parent company	32,549	14,178	3,361	129.6%	868.4%	44,262	(8,171)	641.7%
<i>Gross profit margin</i>	39.7%	35.5%	24.3%	4.2%	15.4%	35.1%	23.6%	11.5%
<i>EBITDA margin</i>	25.4%	19.4%	5.0%	6.0%	20.4%	19.2%	4.8%	14.4%
<i>Net profit (loss) margin</i>	13.1%	6.7%	15.7%	6.4%	(2.6%)	7.0%	5.0%	2.0%

Source: Interim financial information 9m24 (Reviewed), 6m24 (Reviewed) and management information

The Third Quarter QoQ (3Q24 vs 2Q24)

- Consolidated revenues from sales and services continued soared in 3Q24, which mainly derived from revenues from OEM and Own Brand had 10.6% higher revenue comparing with consolidated revenues from and services for 2Q24 from higher orders received from conventional medicines and dietary supplements.
- Consolidated gross profit margin increased by 4.2% since the Group had higher capacity utilisation rate, which in line with revenue growth.
- In 3Q24, the Group reported 13.1% consolidated net profit margin because higher gross profit earned from dietary supplements and conventional medicines.

The Third Quarter YoY (3Q24 vs 3Q23)

- The Group had higher consolidated revenues from sales and services totalled Baht 56.9 million. This was principally because revenue from Own Brand products increased by Baht 44.9 million. In addition, the expansion of dialysis solution plant and medical supplies for dialysis resulted to increase of revenue by Baht 10.4 million.
- The Group had 15.4% higher consolidated gross profit margin. The changes were mainly derived from certain selling prices were increased and higher efficiency in capacity utilisation.
- In 3Q24, the Group had reported consolidated EBITDA margin and net profit margin at 39.7% and 13.1%, respectively. These ratios soared from 3Q23 since higher consolidated gross profit. However,

the Group had higher distribution costs amounting to Baht 10.9 million resulted from advertising for Own Brand products.

Nine-month Period YoY (9m24 vs 9m23)

- The Group's consolidated revenues from sales and services increased by 40.0%. This was mainly because advertising in wide group assisted in expansion of revenues from dietary supplements and conventional medicines.
- Consolidated gross profit margin was higher by 11.5% since higher consolidated revenues and expansion of production capacity to support customers' demand.
- Consolidated net profit increased from escalation of consolidated revenues from sales and services, altogether with consolidated gross profit.

Nine-month Period financial ratios YoY (9m24 vs FY23)

- The Group had returns on assets and equity for 9m24 at 3.9% and 6.6%, respectively.
- The Group had entered into additional loan and lease agreements during 9m24; therefore, debt-to-equity ratio increased to 0.51 times.

Significant events during 3Q24 and after the reporting date



Excellent organisation award from the Social Security Office

The Company was awarded in excellent prototype organisation in social security contribution, granted to organisation which contributed social security on time through the Social Security Office's electronic system.

Issuing and offering the warrant to purchase the Company's ordinary shares no. 2 (JSP-W2)

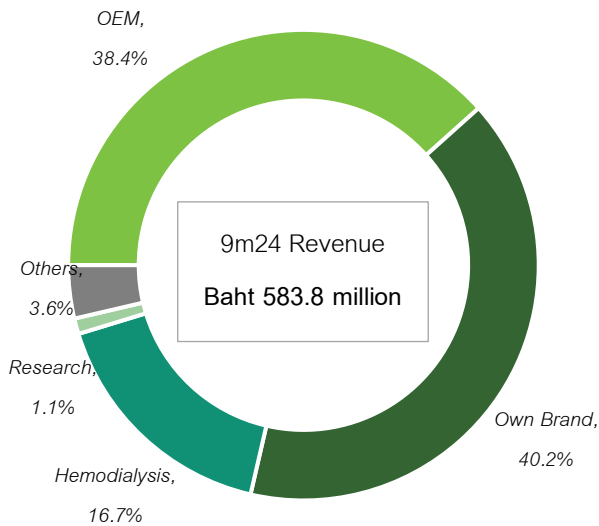
On 3 October 2024, the Board of Directors had resolutions as follow:

- Approved the decrease of authorised share capital from Baht 341.3 million (682.5 million shares at par value of Baht 0.5 per share) to Baht 237.3 million (474.6 million shares at par value of Baht 0.5 per share) by eliminating 207.9 unissued ordinary shares with par value of Baht 0.50 per share accommodated for exercise of warrant to purchase the newly issued ordinary shares of the Company No. 1 (JSP-W1) which has already expired.
- Approved the issue of warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2) not exceeding 237.3 million units, to be allotted to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allotment ratio of every 2 existing ordinary shares for 1 unit of JSP-W2 warrant with exercise price of Baht 4.0 per share.
- Approved the increase of authorised share capital from Baht 237.3 million (474.6 million shares at par value of Baht 0.5 per share) to Baht 355.9 million (711.9 million shares at par value of Baht 0.5 per share). The Company issued 237.3 million shares at par value of Baht 0.5 per share, totalling Baht 118.6 million.
- Approved the allotment of the newly issued share capital totalling 237.3 million shares at a par value of Baht 0.5 to accommodate the exercise of JSP-W2 warrant totalling 237.3 million units.

The Company determined objective of fund raised from the warrant JSP-W2 for working capital purposes. The aforementioned matters are subjected to approval by the Company's Extraordinary General Meeting of Shareholders No. 1/2024 which will be held on 14 November 2024.

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

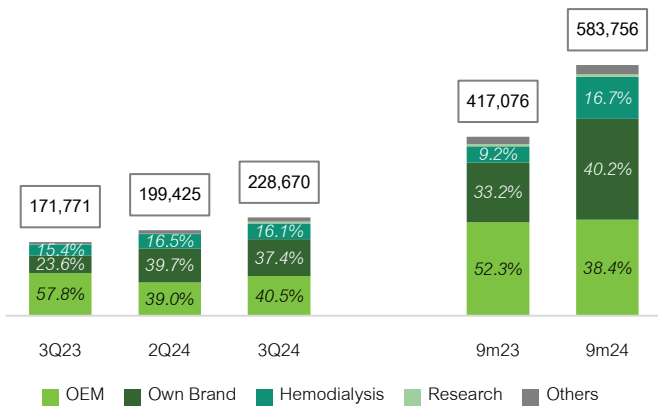
Other products (Others)

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

Revenue by product type

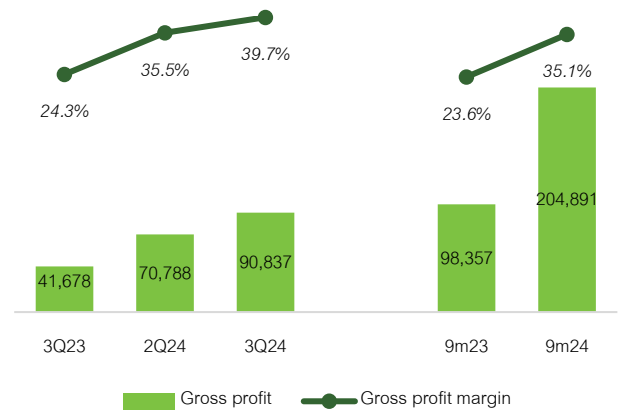
Consolidated financial statements	Quarter 3	Quarter 2	Quarter 3	Change		Nine-month Period		Change
	Year 2024	Year 2024	Year 2023	%QoQ	%YoY	Year 2024	Year 2023	
Unit: THB000	("3Q24")	("2Q24")	("3Q23")			("9m24")	("9m23")	%YoY
OEM	92,564	77,699	99,361	19.1%	(6.8%)	223,984	218,037	2.7%
Own Brand	85,473	79,239	40,585	7.9%	110.6%	234,924	138,274	69.9%
Hemodialysis	36,925	32,982	26,537	12.0%	39.1%	97,304	38,311	154.0%
Research	4,449	1,036	764	329.4%	482.3%	6,252	5,280	18.4%
Others	9,259	8,469	4,524	9.3%	104.7%	21,292	17,174	24.0%
Total	228,670	199,425	171,771	14.7%	33.1%	583,756	417,076	40.0%

Source: Interim financial information 9m24 (Reviewed), 6m24 (Reviewed) and management information



- **Own Brand products:** There was 69.9% 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 154.0% due to recognition of revenue in fully period through business combination.

2. Gross profit and gross profit margin



The Third Quarter QoQ (3Q24 vs 2Q24) Consolidated revenues from sales and services increased by 14.7%, which mainly because

- **OEM products:** Revenue from OEM products elevated totalling Baht 14.9 million. This was principally because the Group had repeatedly customers' orders on conventional medicines and dietary supplements.
- **Own Brand products:** The increase of revenue from Own Brand products totalled Baht 6.2 million mainly derived from enlargement of product ranges and channels of distribution for dietary supplements.
- **Hemodialysis products:** The Group had higher revenue by 12.0% because of extensive range of products, including medical supplies for dialysis e.g. saline bag, blood tubing line.

The Third Quarter YoY (3Q24 vs 3Q23) Consolidated revenues from sales and services increased by 33.1% since

- **OEM products:** Since the Group had less customers' orders on conventional medicines and dietary supplements in the third quarter YoY, revenue from OEM products then fell by Baht 6.8 million.
- **Own Brand products:** This type of product had 110.6% 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 boost customers' demand.
- **Hemodialysis products:** This product contributed 16.1% of consolidated revenues from sales and services for 3Q24. The Group had higher revenue from this segment because the expansion of dialysis solution plant.

Nine-month Period YoY (9m24 vs 9m23) Consolidated revenues from sales and services increased by 40.0% since

- **OEM products:** The Group had higher orders received from customers related to conventional medicines and herbal products; therefore, revenue increased by 2.7%.

The Third Quarter QoQ (3Q24 vs 2Q24)

- The third quarter QoQ consolidated gross profit margin grew by 4.2% since revenue from sales of dietary supplements and conventional medicines increased, together with higher capacity utilisation resulted to average cost decreased.

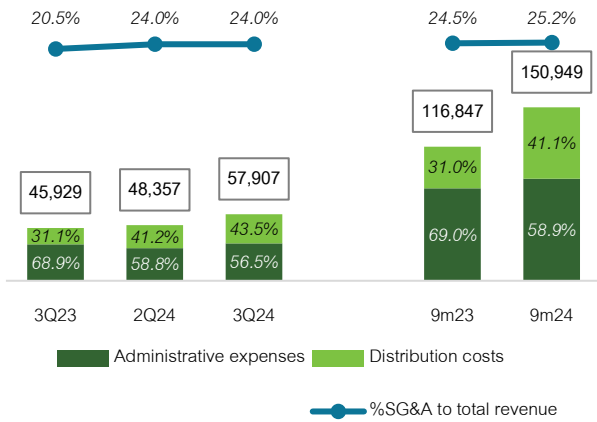
The Third Quarter YoY (3Q24 vs 3Q23)

- In the third quarter YoY, the Group's consolidated gross profit margin increased by 15.4% because upward selling price on certain products, increase of capacity utilisation from higher of customers' demand.

Nine-month Period YoY (9m24 vs 9m23)

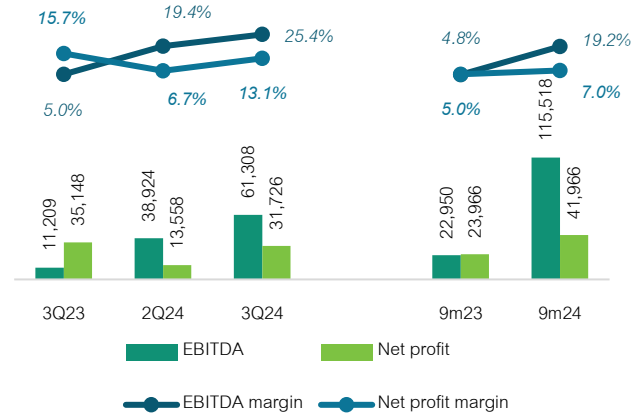
- For nine-month period YoY, consolidated gross profit margin was 11.5% increased because of higher consolidated revenues from sales and services and higher capacity utilisation, especially conventional medicines and dietary supplements.

3. Distribution costs and administrative expenses



revenues from sales and services brought the ratio reported at 25.2% for 9m24.

4. EBITDA and net profit



The Third Quarter QoQ (3Q24 vs 2Q24)

- Distribution costs:** The Group's distribution costs for 2Q24 and 3Q24 were Baht 19.9 million and Baht 25.2 million, respectively. The increase of distribution costs mainly derived from advertising expenses for Own Brand products.
- Administrative expenses:** The Group had administrative expenses for 2Q24 and 3Q24 totalled Baht 28.4 million and 32.7 million, respectively. The administrative expenses increased due to higher service fee on vending machine and research expenses. on new product.

The Third Quarter YoY (3Q24 vs 3Q23)

- Distribution costs:** The increase of adverting expenses resulted to consolidated distribution costs for the third quarter YoY rose up by Baht 10.9 million.
- Administrative expenses:** Administrative expenses was higher by Baht 5.5 million because of service fee on vending machine and research expense on new product.

Nine-month Period YoY (9m24 vs 9m23)

- Distribution costs:** In the nine-month period YoY, the Group had more advertising expenses in order to increase awareness in Own Brand products. Additionally, the Group recognised higher depreciation on new vending machine installed during the period. Hence, consolidated distribution costs rose up amounting to Baht 25.8 million.
- Administrative expenses:** Consolidated administrative expenses were higher by Baht 8.3 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 29.2%, the 40.0% increase of consolidated

The Third Quarter QoQ (3Q24 vs 2Q24)

- In 3Q24, the Group's financial performance was still uprising from advertising in various channels to boost up customers' demand and economy of scale from higher capacity utilisation. Therefore, consolidated net profit was Baht 31.7 million.

The Third Quarter YoY (3Q24 vs 3Q23)

- In the third quarter YoY, the Group had higher consolidated EBITDA margin by 20.4% due to the expansion of consolidated revenues from sales and services and gross profit.

Nine-month Period YoY (9m24 vs 9m23)

- As a result of higher revenues from sales and services and gross profit in the nine-month YoY, the Group's consolidated EBITDA margin and net profit margin were 19.2% and 7.0%, respectively.

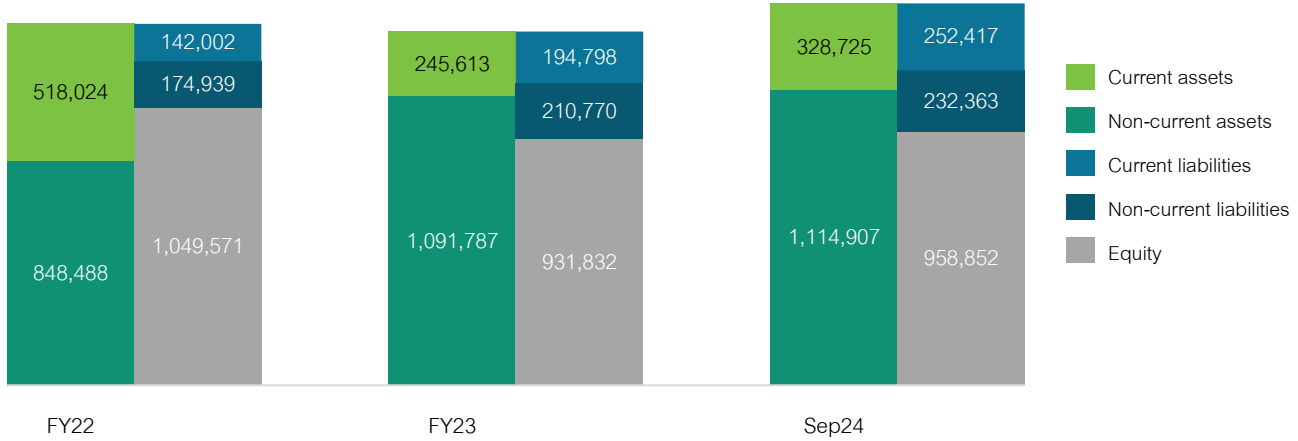


Consolidated income statement

Consolidated financial statements	Quarter 3	Quarter 2	Quarter 3	Change		Nine-month Period		Change
	Year 2024	Year 2024	Year 2023	%QoQ	%YoY	Year 2024	Year 2023	
Unit: THB000	("3Q24")	("2Q24")	("3Q23")			("9m24")	("9m23")	%YoY
Revenue from sales	222,278	193,758	167,522	14.7%	32.7%	567,246	399,586	42.0%
Revenue from services	6,392	5,667	4,249	12.8%	50.4%	16,510	17,490	(5.6%)
Cost of sales	(131,655)	(124,324)	(125,598)	5.9%	4.8%	(364,179)	(305,355)	19.3%
Cost of services	(6,178)	(4,313)	(4,495)	43.2%	37.4%	(14,686)	(13,364)	9.9%
Gross profit	90,837	70,788	41,678	28.3%	117.9%	204,891	98,357	108.3%
Other income	12,672	1,707	2,669	642.4%	374.8%	16,343	8,331	96.2%
Distribution costs	(25,218)	(19,926)	(14,279)	26.6%	76.6%	(62,066)	(36,271)	71.1%
Administrative expenses	(32,689)	(28,431)	(31,650)	15.0%	3.3%	(88,883)	(80,576)	10.3%
Operating profit (loss)	45,602	24,138	(1,582)	88.9%	2,982.6%	70,285	(10,159)	791.8%
Finance costs	(4,420)	(4,256)	(3,626)	3.9%	21.9%	(12,824)	(9,169)	39.9%
Gain on measurement of financial assets	-	-	40,025	-	(100.0%)	-	39,945	(100.0%)
Reversal of impairment loss (impairment loss) in accordance with TFRS9	(636)	(591)	9,754	(7.6%)	(106.5%)	(693)	10,613	(106.5%)
Profit (loss) sharing from associate accounted for equity method	(763)	(1,804)	61	57.7%	(1,350.8%)	(3,403)	61	(5,678.7%)
Profit before taxes	39,783	17,487	44,632	127.5%	(10.9%)	53,365	31,291	70.5%
Income taxes expense	(8,057)	(3,929)	(9,484)	(105.1%)	15.0%	(11,399)	(7,325)	(55.6%)
Net profit	31,726	13,558	35,148	134.0%	(9.7%)	41,966	23,966	75.1%
Net profit (loss) to parent company	32,549	14,178	3,361	129.6%	868.4%	44,262	(8,171)	641.7%
Earnings (losses) per share (Baht)								
Basic	0.069	0.03	0.007			0.093	(0.017)	
Diluted	0.069	0.03	0.007			0.093	(0.016)	

Source: Interim financial information 9m24 (Reviewed), 6m24 (Reviewed) and management information

Financial position



Assets

- **Current assets:** As of 30 September 2024 (“Sep24”), consolidated current assets primarily comprised trade receivables and inventories, accounted for 71.9% of consolidated current assets. As of Sep24, consolidated current assets increased from 31 December 2023 (“FY23”) because cash and cash equivalents were higher 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 Sep24, the Group had property, plant and equipment accounted for 62.5% of consolidated total assets. The higher value of property, plant and equipment as of Sep24 increased from FY23 since machinery acquired and warehouse under construction.

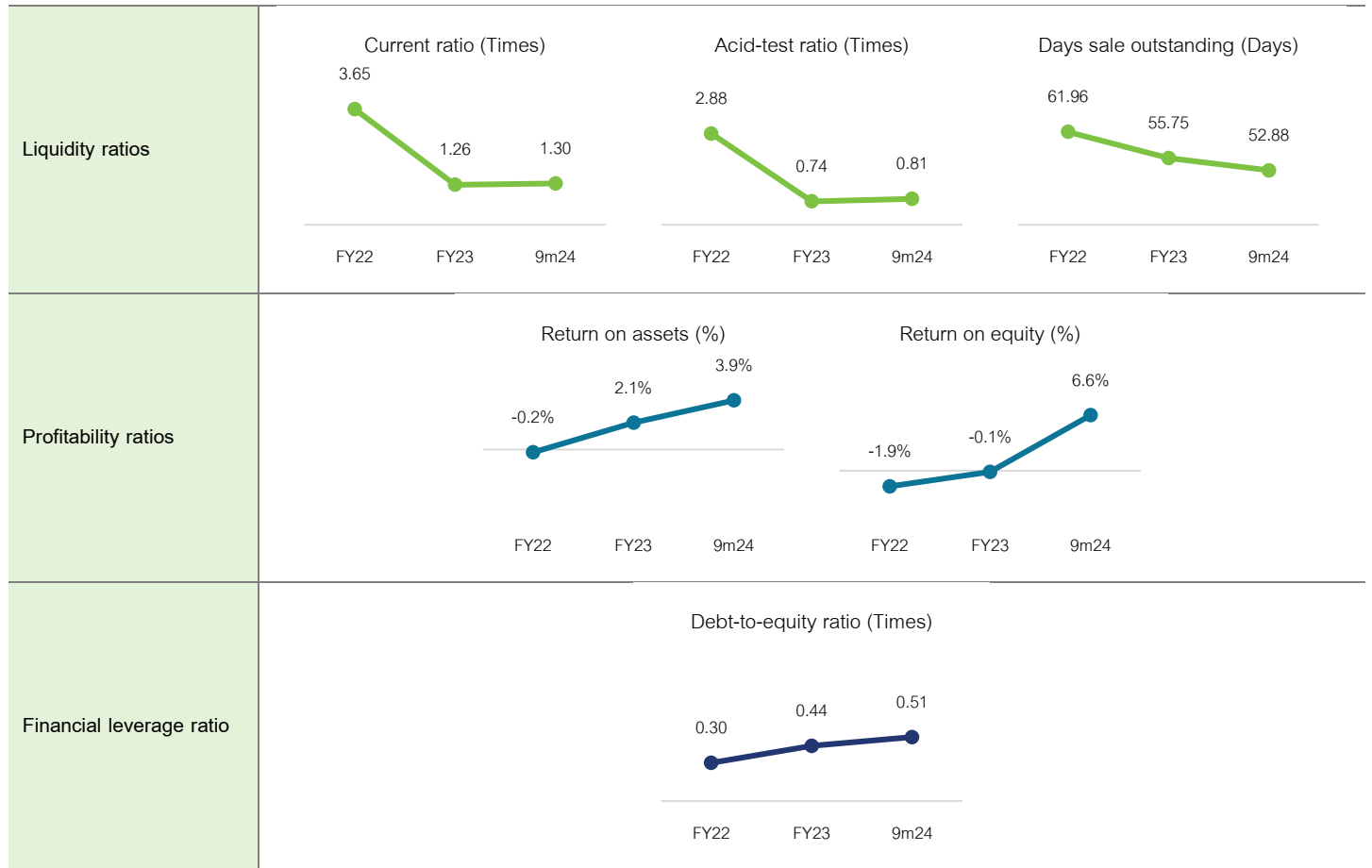
Liabilities

- **Current liabilities:** The Group’s consolidated current liabilities as of Sep24 was higher than FY23 by 29.6%. This was principally because the Group had operating current liabilities increased by Baht 53.9 million. In addition, current interest-bearing liabilities increased totalled Baht 3.8 million.
- **Non-current liabilities:** Consolidated non-current liabilities of the Group as of Sep24 had increased from FY23 by 10.2% because the Group had higher non-current interest-bearing liabilities totalled Baht 19.6 million from entering into long-term loan from financial institutions.

Equity

- During 9m24, the Group’s equity increased since consolidated net profit earned and additional shares issued for the last exercise of JSP-W1 amounting to Baht 42.0 million and Baht 0.1 million, respectively.
- In addition, the Company declared interim dividend from the six-month operating results up to 30 June 2024 amounting to Baht 15.0 million. The interim dividend has been paid in September 2024.

Significant financial ratios



- In 9m24, the Group's liquidity had slightly better since higher of cash and cash equivalents.
- Although the Group had higher trade receivables, the Group's days sale outstanding tended to decrease managing cash collection to mitigate customer's credit risk.
- Returns on equity for 9m24 increased from FY23 due to consolidated net profit margin and asset turnover increased.
- The increase of D/E ratio for 9m24 to 0.51 times resulted from additional long-term borrowings from financial institutions and lease liabilities.