

No. BIZ 003/2022

23 February 2022

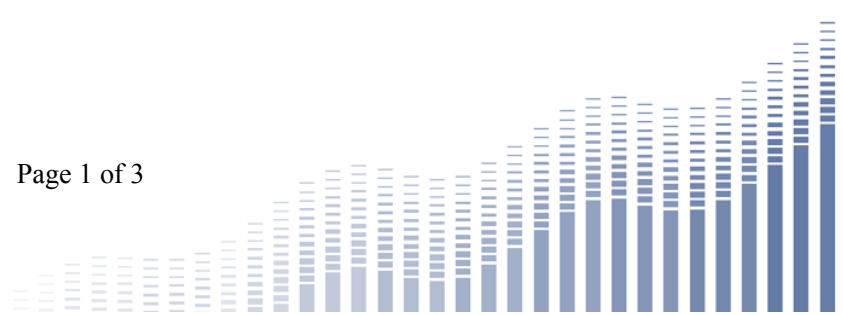
Subject: Management Discussion and Analysis for the year ended 31 December 2021

To: The President
The Stock Exchange of Thailand

Business Alignment Public Company Limited (“The Company”) and its subsidiaries would like to submit this Management Discussion and Analysis of the Company’s operation for the year ended 31 December 2021, with details as follows

Statement of Comprehensive Income for the year ended 31 December 2021

Statement of Comprehensive Income	The year ended 31 December 2021	The year ended 31 December 2020	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Income from sales of goods	2,593.12	527.04	2,066.08	392.01%
Income from rendering of services	247.46	196.50	50.96	25.94%
Income from construction	5.23	0.82	4.41	538.65%
Income from hospital operations	74.95	30.98	43.97	141.95%
Income from business operation	2,920.76	755.34	2,165.42	286.68%
Gain on exchange rate	7.00	0.00	7.00	100.00%
Other income	6.38	9.79	(3.41)	(34.84%)
Total Other Income	13.38	9.79	3.59	36.62%
Total Revenue	2,934.14	765.13	2,169.01	283.48%
Cost of sales of goods	2,039.01	416.07	1,622.94	390.07%
Cost of rendering of services	196.14	157.21	38.93	24.76%
Cost of construction	4.82	0.77	4.05	527.07%
Cost of hospital operations	58.85	47.85	11.00	22.97%
Gross Profit	621.94	133.44	488.50	366.08%
Distribution costs	24.74	14.07	10.67	75.86%
Administrative expenses	60.07	42.65	17.42	40.84%
Loss on exchange rate	0.00	16.48	(16.48)	(100.00%)
Earnings Before Interest & Tax	550.51	70.03	480.48	686.06%
Interest Expenses	24.21	22.45	1.76	7.82%
Earnings Before Tax	526.30	47.58	478.72	1,006.12%
Tax Expenses	107.83	18.03	89.80	498.08%
Net Profit (Loss)	418.47	29.55	388.92	1,316.07%
<u>Profit attributable to:</u> Equity holders of the parent Non-controlling interest	420.33 (1.86)	44.40 (14.85)	375.93	846.64%



Revenue from business operation

For the year ended 31 December 2021, the Company and its subsidiary generated revenue from sales, services and construction of 2,920.76 million Baht, increasing by 2,165.42 million Baht or 286.68%, when compared to the previous year, with details as follows:

1. **Revenue from sales of goods**

For the year ended 31 December 2021, the Company and its subsidiary generated revenue from sales of 2,593.12 million Baht, increasing by 2,066.08 million Baht or 392.01%, of previous year of 527.04 million Baht. This increase was due to the Company deliver 13 Projects amount more than 50 million Baht. Revenue from deliver project centers treating cancer patients with protons radiotherapy of King Chulalongkorn Memorial Hospital of 924.81 million Baht.

2. **Revenue from rendering of services**

For the year ended 31 December 2021, the Company and its subsidiary generated a revenue from rendering of services of 247.46 million Baht, increasing by 50.96 million Baht or 25.94%, when compared to the previous year of 196.50 million Baht. This increase was due to the company has more maintenance contracts than the same period of the previous year.

3. **Revenue from Construction**

For the year ended 31 December 2021, the Company and its subsidiary recognized revenue from construction of hospital building customer of 5.23 million Baht which the Company recorded cost of construction according to percentage of completion. Therefore, as of 31 December 2021, the Company has recognized revenue from construction of the project of 100.00%

4. **Revenue from hospital operations**

Revenue from hospital operations investment in Cancer Alliance Co., Ltd. (“CAH”) as subsidiary to operate specialized hospital for cancer treatment. For the year ended 31 December 2021, the Company and its subsidiary generated a revenue from hospital operations of 74.95 million Baht, increasing by 43.97 million Baht or 141.95%, when compared to the previous year. The increase the number of customers service from the hospital.

Other Revenue

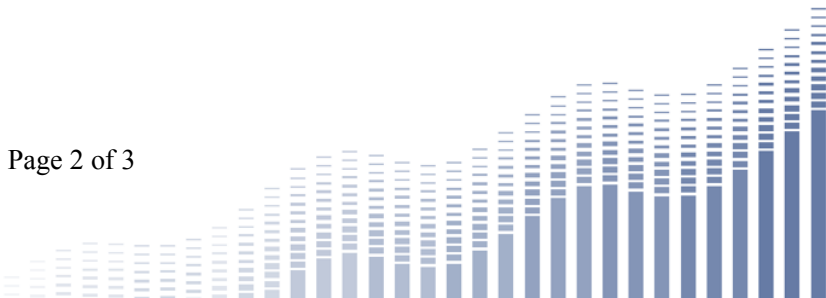
For the year ended 31 December 2021, the Company and its subsidiary generated other revenue of 13.38 million Baht, increasing by 3.59 million Baht or 36.62%, when compared to the previous year. The increase was because the Company from gain on exchange rate.

Cost of sales of goods and Gross Profit Margin from sales of goods

For the year ended 31 December 2021, the Company and its subsidiary had a gross profit from sales of 554.11 million Baht or equivalent to gross profit margin of 21.37%, of the same period of previous year at 21.06%.

Cost of rendering of services and Gross Profit Margin from rendering of services

For the year ended 31 December 2021, the Company and its subsidiary had a gross profit from services of 51.32 million Baht or equivalent to gross profit margin of 20.74%, of the same period of previous year at 20.00%.



Cost of Construction and Gross Profit Margin from Construction

For the year ended 31 December 2021, the Company and its subsidiary generated gross profit margin from construction of 0.41 million Baht or equivalent to gross profit margin of 7.80% according to total construction budget.

Cost of hospital operations and Gross Profit from hospital operations

For the year ended 31 December 2021, the Company and its subsidiary had a gross profit from hospital operations of 16.10 million Baht or equivalent to gross profit of 21.49%, The increase the number of customers service from the hospital.

Distribution costs and Administrative Expenses

For the year ended 31 December 2021, the Company and its subsidiary had a distribution cost of 24.74 million Baht, increasing by 10.67 million Baht or 75.86% compared to the previous year. This increase of human resources costs.

For the year ended 31 December 2021, the Company had administrative expenses of 60.07 million Baht, increasing by 17.42 million Baht or 40.84% compared to the previous year. This increase of human resources costs Financial and legal advisory fees.

Finance Costs

For the year ended 31 December 2021, the Company and its subsidiary had financial costs of 24.21 million Baht, increasing by 1.76 million Baht or 7.82%, of the same period of previous year at 22.45 million Baht, resulting from recognition of interest expense of advance payment from customer and the company subsidiary had interest expenses from bank for construction hospital and purchase medical equipment.

Net Profit and Net Profit Margin

For the year ended 31 December 2021, the Company and its subsidiary had a net profit attributable to equity holder of the parent of 420.33 million Baht, or equivalent to net profit margin of 14.33% compared to the previous year, which had the net profit attributable to equity holder of the parent of 44.40 million Baht or equivalent to net profit margin of 5.80%. For the year ended 31 December 2021 the Company had net profit margin was as planned and the Company normal profit margin.

The Company recognized a loss incurred from its investment in Cancer Alliance Co., Ltd. (“CAH”) as subsidiary to operate specialized hospital for cancer treatment of 3.46 million Baht proportional to 65%.

Please be informed accordingly.

Yours Sincerely,



(Mr. Sompong Chunekitayanone)
Chief Executive Officer
Business Alignment Public Company Limited

