

Subject Management discussion and analysis ended 31 December 2021

To The President,

The Stock exchange of Thailand

Winnery Medical public company limited and its subsidiary (“The Company”) would like to announce the Management discussion and analysis of the financial performance for the year 2021.

### Overview the Company’s financial performance

In 2021, the company has total revenues in amount of 538.70 million Baht, increase 1.54%, and the profit of the year is 65.21 million Baht, increase 26.39 % from the year 2020. The main factors that affect to company’s financial performance are as follow.

1. COVID-19 outbreak situation that increased the severity along the year 2021, affect to revenue from blood transfusion product group due to decrease quantity of blood donation and the non-urgent surgery was postponed. Moreover, the number of health checkup was decreased from the previous year, that the COVID-19 situation better than this year.
2. Cervical cancer screening test project from the National Health Security Office (NHSO), benefit to the quantity of Women healthcare’s product sold.
3. Cash dividend from Pro-lab, that the company invested in.

Income statement	Y2021		Y2020		Increase (Decrease)	
	(Million Baht)	% to total sale	(Million Baht)	% to total sale	(Million Baht)	% Change
Revenue from sales and services	494.24	91.75%	490.21	92.40%	4.03	0.82%
Rental income	44.46	8.25%	40.33	7.60%	4.13	10.24%
Total revenues	538.70	100.00%	530.54	100.00%	8.16	1.54%
Cost of sales and services	271.16	50.34%	261.99	49.38%	9.17	3.50%
Cost of rental	24.22	4.50%	21.21	4.00%	3.01	14.19%
Total costs	295.37	54.83%	283.20	53.38%	12.17	4.30%
Gross profit	243.33	45.17%	247.34	46.62%	(4.01)	(1.62%)
Other income	20.01	3.71%	0.51	0.10%	19.50	3823.53%
Distribution costs	85.90	15.95%	83.22	15.69%	2.68	3.22%
Administrative expense	94.52	17.55%	91.77	17.30%	2.75	3.00%
Stock exchange listing process expense	5.82	1.08%	2.87	0.54%	2.95	102.79%
Profit (Loss) before financial cost and income tax expense	77.10	14.31%	69.99	13.19%	7.11	10.16%
Financial cost	4.93	0.92%	8.05	1.52%	(3.12)	(38.76%)
Profit (Loss) before income tax expense	72.16	13.40%	61.94	11.67%	10.22	16.50%
Income tax expense	6.96	1.29%	10.35	1.95%	(3.39)	(32.75%)
Profit for the year	65.21	12.11%	51.59	9.72%	13.62	26.40%

## Total revenues

The company has the total revenues for the year 2021 in amount of 538.70 million Baht, increase 8.16 million Baht or 1.54 % from the previous year. The causes of change in company revenue are from the increasing of the Women Healthcare product's revenue, increase 28.37 million Baht or 18.85% from selling of HPV test kit to the National Health Security Office's Cervical cancer screening test project that compensated with the decreasing of number of blood donation and decreasing of the quantity of surgery patient that effect to the revenue of Blood banking and Blood safety product group decreased 0.94 million Baht and 8.63 million Baht respectively, Cell-immunotherapy product, that decreased 9.39 million Baht and the Consumer product that decreased 1.25 million Baht.

Revenue by product category (Million Baht)	Y2021		Y2020		Increase (Decrease)	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	% change
Revenue from medical product	520.93	96.70%	511.52	96.41%	9.41	1.84%
Women healthcare	178.91	33.21%	150.54	28.37%	28.37	18.85%
Blood banking	161.50	29.98%	162.44	30.62%	(0.94)	(0.58%)
Blood safety	163.31	30.32%	171.94	32.41%	(8.63)	(5.02%)
Cell-Immunotherapy	17.21	3.19%	26.60	5.01%	(9.39)	(35.30%)
Revenue from non-medical product	17.77	3.30%	19.02	3.59%	(1.25)	(6.57%)
Consumer product	538.70	100.00%	530.54	100.00%	8.16	1.54%
Total revenue	520.93	96.70%	511.52	96.41%	9.41	1.84%

## Gross Profit

For 2021, The company's gross profit is 243.33 million Baht, decrease 4.01 million Baht or 1.62%, the decreasing of gross profit that effected from the increasing of total costs, increase 12.17 million Baht or 4.30%. The increasing of total costs is caused by the increasing of depreciation cost from the new medical equipment that company invested in year 2021. The Gross profit margin for 2021 is 45.17%, slightly decrease from 46.62% in year 2020.

### **Other income**

For 2021, The company has other income 20.01 million Baht increase from the previous year 19.50 million Baht. The increasing of other income is from cash dividend from Pro-lab ,in amount of 17.25 million Baht, that the company has invested in 12.55%.

### **Distribution cost, administrative expense and stock exchange listed process expense**

For 2021, the company has Distribution costs and administrative expense in amount of 186.24 million Baht, increased 8.38 million Baht or 4.71% from the previous year. The cost and expense that increased are from employee and staff expense, increased 3.81 million Baht, and stock exchange listing process expense was 5.82 million Baht. The profit before financial cost and income tax expense for this quarter is 77.10 million Baht, increase 7.11 million Baht or 10.16% from the previous year.

### **Financial cost and Income tax expense**

The financial cost for year 2021 is 4.94 million Baht, decrease from the previous year 3.11 million Baht or 38.68%, the decreasing of financial cost is due to the satisfy an obligation debt of financial institutes in the 2<sup>nd</sup> quarter of this year after IPO.

For the income tax expense in 2021 is 6.96 million Baht, decrease 3.39 million Baht or 32.76%, the decreasing of the expense is due to tax deduction from IPO process expense, that categorize to tax expenditure.

### **Net profit for the year**

For 2021, the company's net profit for the year is 65.21 million Baht (12.11% of net profit margin), increase 13.62 million Baht or 26.39% from the year 2020 51.59 million Baht (9.72% of net profit margin). And the earning per share for year 2021 is 0.18 Baht per share.

### **Overview of company's financial position**

#### **Total asset**

At the end of year 2021, the company has total asset in amount of 755.46 million Baht, increase from the end of December 2020 in amount of 263.36 million Baht or 53.52%. The proportion of asset are current asset 55.17% and non-current asset 44.83% respectively.

Financial position statement	As of 31 December 2021		As of 31 December 2020		Increase (Decrease)	
	(Million Baht)	% Total	(Million Baht)	% Total	(Million Baht)	% change
<b>Asset</b>						
Current asset	416.78	55.17%	256.02	52.03%	160.76	62.79%
Non-current asset	338.68	44.83%	236.08	47.97%	102.6	43.46%
<b>Total asset</b>	<b>755.46</b>	<b>100.00%</b>	<b>492.10</b>	<b>100.00%</b>	<b>263.36</b>	<b>53.52%</b>
<b>Liabilities and Shareholder's equity</b>						
Current liabilities	129.12	17.09%	236.94	48.15%	-107.82	(45.51%)
Non-current liabilities	54.34	7.19%	66.37	13.49%	-12.03	(18.13%)
<b>Total liabilities</b>	<b>183.47</b>	<b>24.29%</b>	<b>303.31</b>	<b>61.64%</b>	<b>-119.84</b>	<b>(39.51%)</b>
<b>Total shareholder's equity</b>	<b>571.99</b>	<b>75.71%</b>	<b>188.79</b>	<b>38.36%</b>	<b>383.2</b>	<b>202.98%</b>
<b>Total Liabilities and Shareholder's equity</b>	<b>755.46</b>	<b>100.00%</b>	<b>492.10</b>	<b>100.00%</b>	<b>263.36</b>	<b>53.52%</b>

### Total asset

At the end of year 2021, the company has total asset in amount of 755.46 million Baht, increase from the end of December 2020 in amount of 263.36 million Baht or 53.52%. The proportion of asset are current asset 55.17% and non-current asset 44.83% respectively.

#### Current asset

At the end of 2021, the company has current asset in amount of 416.78 million Baht, increase 160.76 million Baht or 62.79%. The most of change in current asset is the change of Cash and cash equivalents that increased 118.12 million Baht after IPO in 2<sup>nd</sup> quarter 2021 was done.

#### Non-current asset

At the end of 2021, the non-current asset is increased in amount of 160.76 million Baht or 43.46% from the end of December 2020. The most of change in non-current asset is the change of land, building and equipment that increased 95.89 million Baht from company's business expansion, building new services laboratory and investing in new medical equipment.

### Liabilities and shareholder's equity

At the end of 2021, the company has current liabilities in amount of 129.12 million Baht, decrease 107.82 million Baht or 45.51% from the end of December 2020, due to repay the bank overdraft and short-term loans from financial institutes. And the non-current liabilities are decreased 12.03 million Baht or 18.13%, from the repay of long-term loans from financial institutes .

Total liabilities are decreased from 303.31 million Baht at the end of December 2020 to 183.47 million Baht at the end of 2021, decrease 119.84 million Baht or 39.51%.

For the shareholder's equity at the end of 2021, the company has a total shareholder's equity in amount of 571.99 million Baht, increase from the end of December 2020 in amount of 383.20 million Baht or 202.98%. The Debt-to-Equity ratio at the end of 2021 is 0.32 time, decrease from the end of December 2020 that was 1.61 time.

Please be informed our management discussion

Sincerely,



Nanthiya Darakananda

Chief Executive Officer

Winnery Medical Public Company Limited