

Subject Management discussion and analysis ended 31 March 2022

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 1st Quarter of 2022.

Overview the Company’s financial performance

In Q1/2021, the company has total revenues in amount of 157.10 million Baht, increase 32.07%, and the profit of the period is 12.89 million Baht, increase 22.10% from the Q1/2021. The main factors that affect to company’s financial performance are as follow.

1. COVID-19 (Omicron Variants) outbreak situation that increased the severity since the last quarter of year 2021, affect to revenue from blood transfusion products due to decrease quantity of blood donation and the elective surgery was postponed. However, the company got some benefit from COVID-19 situation by revenue from COVID-19 related products and services, that increased significantly during the Q1/2022.
2. The recovery of health services quantity and Cervical cancer screening test project from the National Health Security Office (NHSO), benefit to the revenues from Women healthcare’s product sold.
3. Cash dividend from Pro-lab, that the company invested in.
4. The depreciation of exchange rate for Thai Baht currency, effect directly to cost of products and services.

| Income statement | Q1/2022 | | Q1/2021 | | Increase (Decrease) | |
|--|----------------|-----------------|----------------|-----------------|---------------------|----------|
| | (Million Baht) | % to total sale | (Million Baht) | % to total sale | (Million Baht) | % Change |
| Revenue from sales and services | 144.93 | 92.25% | 109.06 | 91.68% | 35.87 | 32.89% |
| Rental income | 12.17 | 7.75% | 9.89 | 8.32% | 2.27 | 22.99% |
| Total revenues | 157.10 | 100.00% | 118.95 | 100.00% | 38.14 | 32.07% |
| Cost of sales and services | 95.52 | 60.80% | 56.22 | 47.26% | 39.30 | 69.91% |
| Cost of rental | 6.99 | 4.45% | 5.20 | 4.36% | 1.80 | 34.71% |
| Total costs | 102.51 | 65.25% | 61.41 | 51.62% | 41.10 | 66.93% |
| Gross profit | 54.59 | 34.75% | 57.55 | 48.38% | (2.96) | (5.14%) |
| Other income | 6.63 | 4.22% | 0.13 | 0.11% | 6.50 | 5074.55% |
| Distribution costs | 21.38 | 13.61% | 20.83 | 17.51% | 0.55 | 2.64% |
| Administrative expense | 24.96 | 15.89% | 23.11 | 19.43% | 1.85 | 8.00% |
| Profit (Loss) before financial cost and income tax expense | 14.88 | 9.47% | 13.74 | 11.55% | 1.15 | 8.35% |
| Financial cost | 0.90 | 0.57% | 1.96 | 1.65% | (1.06) | (54.15%) |
| Profit (Loss) before income tax expense | 13.99 | 8.90% | 11.78 | 9.90% | 2.21 | 18.75% |
| Income tax expense | 1.09 | 0.70% | 1.22 | 1.02% | (0.13) | (10.32%) |
| Profit for the year | 12.89 | 8.21% | 10.56 | 8.88% | 2.33 | 22.10% |

Total revenues

In Q1/2021, The company has the total revenues in amount of 157.10 million Baht, increase 32.07 % from the same quarter of 2021. The causes of change in company revenue are from following factors including (1) Revenues recognition from COVID-19 related products and services, for example Antigen Test Kits and COVID-19 diagnostics laboratory, that started to operate in Q1/2022 (2) The Recovery of number of people receiving health check-up services in hospital after COVID-19 control policies was eased, that effect to revenue of Women healthcare products.

| Revenue by product category | Q1/2022 | | Q1/2021 | | Increase (Decrease) | |
|------------------------------------|----------------|------------------|----------------|---------|---------------------|----------|
| | (Million Baht) | (Million Baht) % | (Million Baht) | % | (Million Baht) | % change |
| Revenue from medical product | 152.31 | 96.95% | 112.45 | 94.53% | 39.94 | 35.52% |
| Women healthcare | 39.53 | 25.15% | 37.22 | 31.29% | 2.31 | 6.20% |
| Blood transfusion medicine product | 55.94 | 35.59% | 71.63 | 60.21% | (15.69) | (28.05%) |
| Cell-Immunotherapy | 4.03 | 2.56% | 3.60 | 3.02% | 0.43 | 12.02% |
| New Product ¹ | 52.89 | 33.65% | - | - | 52.89 | NA |
| Consumer product | 4.79 | 3.05% | 6.51 | 5.47% | (1.72) | (26.42%) |
| Total revenue | 157.10 | 100.00% | 118.95 | 100.00% | 38.22 | 32.13% |

Note: ¹ New Product mean COVID-19 antigen test kit (ATK) and Laboratory diagnostics testing services for COVID-19

Gross Profit

In Q1/2021, The company's gross profit is 54.59 million Baht, decrease 2.96 million Baht or 5.14%, the gross profit margin is 34.75% decrease from Q1/2020 that that gross profit margin was 48.38%. The decreasing of gross profit is caused by the proportion of product sold in the period (Product Mix) and the depreciation of Thai Baht exchange rate in this period was decline approximately 8.24% (when compare with Q1/21).

Other income

Q1/2021, The company has other income 6.63 million Baht, mostly of other income was cash-dividend from investment fund (in Pro-lab) in amount of 5.71 million Baht.

Distribution cost and administrative expense

Q1/2021, the company has Distribution costs and administrative expense in total of 46.34 million Baht, increased 2.40 million Baht or 5.18% from Q1/2021. The cost and expense that are increased by sales promotion expense and depreciation expense. The profit before financial cost and income tax expense for this quarter is 14.88 million Baht, increase 1.15 million Baht or 8.35% from the Q1/2021.

Financial cost and Income tax expense

The financial cost for the Q1/2022 is 0.90 million Baht, decrease 1.06 million Baht or 54.15% from Q1/2021, the decreasing of financial cost is due to the satisfy an obligation debt of financial institutes as IPO condition. For the income tax expense in Q1/2022 is 1.09 million Baht, decrease 10.32% from Q1/2021.

Net profit for the year

In Q1/2022, the company's net profit for the year is 12.89 million Baht (8.21% of net profit margin), increase 2.33 million Baht or 22.10% from the Q1/2021 was 10.56 million Baht (8.88% of net profit margin). And the earning per share for Q1/2022 is 0.03 Baht per share.

Overview of company's financial position

| Financial position statement | As of 31 March 2022 | | As of 31 December 2021 | | Increase (Decrease) | |
|---|---------------------|----------------|------------------------|----------------|---------------------|---------------|
| | (Million Baht) | % Total | (Million Baht) | % Total | (Million Baht) | % change |
| Asset | | | | | | |
| Current asset | 483.59 | 57.44% | 416.78 | 55.17% | 66.81 | 16.03% |
| Non-current asset | 358.27 | 42.56% | 338.68 | 44.83% | 19.59 | 5.78% |
| Total asset | 841.86 | 100.00% | 755.46 | 100.00% | 86.40 | 11.44% |
| Liabilities and Shareholder's equity | | | | | | |
| Current liabilities | 203.09 | 22.14% | 129.12 | 17.09% | 73.79 | 57.29% |
| Non-current liabilities | 53.88 | 6.24% | 54.34 | 7.19% | (0.46) | (0.85%) |
| Total liabilities | 256.97 | 30.52% | 183.47 | 24.29% | 73.50 | 40.06% |
| Total shareholder's equity | 584.89 | 69.48% | 571.99 | 75.71% | 12.90 | 2.26% |
| Total Liabilities and Shareholder's equity | 841.86 | 100.00% | 755.46 | 100.00% | 86.40 | 11.44% |

Total asset

At the 31st March 2022, the company has total asset in amount of 841.86 million Baht, increase from the end of December 2021 in amount of 86.40 million Baht or 11.44%. The detail as follow,

Current asset

At the 31st March 2022, the company has current asset in amount of 483.59 million Baht, increase 66.81 million Baht or 16.03%. The most of change in current asset is the change of Inventories – net that increased 37.10 million Baht, from the inventories goods management during the conflict situation in Europe region that affect to fluctuation of oil price and transportation price.

Non-current asset

At the 31st March 2022, the non-current asset is increased in amount of 19.59 million Baht or 5.78% from the end of December 2021. The most of change in non-current asset is the change of land, building and equipment that increased 17.53 million Baht from company's business expansion, building new services laboratory and investing in new medical equipment.

Liabilities and shareholder's equity

At the 31st March 2022, the company has current liabilities in amount of 256.97 million Baht, increased 73.50 million Baht or 40.06% from 31st December 2021, mostly of liabilities increasing are from Bank overdrafts and short-term loans from financial institutions that increased 98.50 million Baht from regular operation of company, following with the increasing of Inventories – net item.

For the shareholder's equity at the 31th March 2022, the company has a total shareholder's equity in amount of 584.89 million Baht, increase from the end of December 2021 in amount of 12.90 million Baht or 2.26%. The Debt-to-Equity ratio at the 31st March 2022 is 0.44 time, increase from the end of December 2021 that was 0.32 time.

Please be informed our management discussion

Sincerely,



Nanthiya Darakananda

Chief Executive Officer