

August 10, 2022

 Subject Management's Discussion and Analysis for the three-month period ended June 30th, 2022.

 To The President
 The Stock Exchange of Thailand

 The Company and its subsidiaries ("the Group") would like to report factors that affect the financial performance for the consolidated financial statements for the three-month period ended June 30th, 2022 as follows;

- **Net profit (loss)**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2022	2021	Million	Baht
Profit (loss)	15.3	(-11.2)	26.5	+237

The Group's net profit for the first quarter of 2022 amounted to 15.0 million baht, an increase of 26.2 million baht or 234% increase from the same period last year. This was due to an increase in dental services revenue of 68.2 million baht or 111%, with revenue growth from both Thai and foreign customers. This was caused by post-covid situation in Thailand which had return to normal. There are foreign tourists traveling under Test & Go measures and Thai customers who relieve their concerns since most of the country's population has received 2 doses of vaccination, both foreign tourist and Thai customers have come back to use dental services of the group of companies.

- **Revenue from sales and services**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2022	2021	Million Baht	%
Revenue from rendering of service	129.6	61.4	68.2	111%
Revenue from sales of goods	58.2	59.1	(0.9)	(1%)
Total revenue	187.8	120.5	67.3	56%

Dental services segment

In the first quarter of 2022, the income of the dental service business increased for both Thai and foreign customers. The dental services has opened as usual with cleanliness and safety standards to create confidence for users, in the second quarter of 2022, customers had 19,000 visit volume, an increase of 100 % from last year (10,000 times in the second quarter of 2021), and the Group had revenue from Thai customers in the second quarter of 2022 amounted to 71.5 million baht, an increase of 63% from the previous year (Q2 of 2021 amounted to 44 million baht) and revenue from foreign customers in the second quarter of 2022 amounted to 56.8 million baht, an increase of 222% from the previous year. (Q2 of 2021, amounting to 17.6 million baht), most foreign customers are tourists who have started to return to Thailand, under the Test & Go measure and they came to use dental services of the group companies.

In addition, the opening of the Bangkok International Dental Hospital (BIDH) focuses on high-income Thai customers, Foreign executives living in Thailand (Expat), and tourists (Tourist) who are customers with high purchasing power. They generated income for the Group in the second quarter of 2022 amounted to 25 million baht (Q2 of 2021 amounted to 12 million baht), with a growth rate of 108 percent, and in second quarter of the year 2022, BIDH accounts for 55% of revenue from foreign customers.

Distribution of dental supplies and equipment segment

In the second quarter of 2022, the Group's revenue from sales of dental materials and equipment amounted to 58.1 million baht, unchanged from the year 2021. Dental Vision Company Limited (a subsidiary) sells materials and dental equipment such as milling heads, implants, dental chairs, x-ray machines to dental laboratories and dental clinic including bids for projects from Faculty of Dentistry of both public and private universities

Cost of sales and rendering of services

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2022	2021	Million Baht	%
Cost - Dental services segment	82.1	46.6	35.5	76%
Gross profit margin	36%	24%		
Cost - Distribution of dental supplies and equipment	43.7	46.7	(3)	-6%
Gross profit margin	24%	21%		

The dental services segment reported gross margins increased 11% to 36%, because in the year 2021, the covid-19 situation caused the significant decrease in revenue due to the limitation of travelling, but in the year 2022, there is

increase in revenues, mainly from high-value international clients has returned to Thailand. The gross profit margin is improved from such situation. The company has fixed costs such as rent, depreciation of assets and right to use assets. and staff costs.

The distribution of dental supplies and equipment segment had an increased in gross profit margin by 3% because last year there was a project that imported some materials from other companies, causing high costs. At present, the company has changed its strategy to import all products by itself to control costs.

- **Expenses**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2022	2021	Million	Baht
Distribution costs	14.6	10.5	4.1	39%
Administrative expenses	29.5	24.8	4.7	19%
Finance costs	3.3	3.9	(0.6)	(15%)

Distribution costs

Distribution costs increased by 4.1 million baht, an increase from online advertising costs through Google, Facebook because the company had an online marketing strategy with a focus on visibility and target audience.

Administrative expenses

Administrative expenses increased by 4.7 million because employee expenses and rental expenses have already adjusted to normal conditions in 2022. Despite in 2021, the company has received a discount on rent and service fee, and the company has a policy to cut costs to cope with the situation of COVID-19.

Finance cost

Finance costs decreased by 0.6 million due to the decrease of principal of the loan of approximately 56 million baht, in 2022 the company had cash flow from operations remaining, so some of the principal was repaid. As a result, the interest expense of the company is reduced.



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● **Others**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2022	2021	Million	Baht
Other income	0.7	1.1	(0.4)	(36%)
Tax revenue (expenses)	0.1	(0.2)	0.3	150%

Other income

Other income has no significant change from last year.

Tax revenue (expenses)

In 2022, the group had no tax expenses due to accumulated tax loss brought forward.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-

Authorized to sign on behalf of the Company