

No. BIZ 021/2022

9 November 2022

Subject: Management Discussion and Analysis for the three-month period ended 30 September 2022

To: The President  
The Stock Exchange of Thailand

Business Alignment Public Company Limited (“The Company”) and its subsidiary would like to submit this Management Discussion and Analysis of the Company’s operation for the three-month period ended 30 September 2022, with details as follows

Statement of Comprehensive Income for the three-month period ended 30 September 2022

Statement of Comprehensive Income	ended 30 September 2022	ended 30 September 2021	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from sale of goods	308.02	1,331.92	(1,023.90)	(76.87%)
Revenue from rendering of services	89.03	58.83	30.20	51.33%
Revenue from construction	0.00	0.48	(0.48)	(100.00%)
Revenue from hospital operations	26.28	18.72	7.56	40.39%
<b>Income from business operation</b>	<b>423.33</b>	<b>1,409.95</b>	<b>(986.62)</b>	<b>(69.98%)</b>
Gain on exchange	29.74	7.81	21.93	280.97%
Other Income	0.93	0.23	0.70	300.86%
<b>Total Other Income</b>	<b>30.67</b>	<b>8.04</b>	<b>22.63</b>	<b>281.54%</b>
<b>Total Revenue</b>	<b>454.00</b>	<b>1,417.99</b>	<b>(963.99)</b>	<b>(67.98%)</b>
Cost of sale of goods	233.22	1,078.04	(844.82)	(78.37%)
Cost of rendering of services	72.38	46.15	26.23	56.85%
Cost of construction	0.00	0.54	(0.54)	(100.00%)
Cost of hospital operations	18.86	14.94	3.92	26.24%
<b>Gross Profit</b>	<b>98.87</b>	<b>270.28</b>	<b>(171.41)</b>	<b>(63.42%)</b>
Distribution costs	5.01	6.46	(1.45)	(22.49%)
Administrative expenses	13.98	13.81	0.17	1.27%
<b>Profit Before Interest &amp; Tax</b>	<b>110.55</b>	<b>258.06</b>	<b>(147.51)</b>	<b>(57.16%)</b>
Interest Expenses	3.13	6.58	(3.45)	(52.36%)
<b>Profit (Loss) Before Tax</b>	<b>107.42</b>	<b>251.48</b>	<b>(144.06)</b>	<b>(57.28%)</b>
Tax Expenses	22.08	51.14	(29.06)	(56.83%)
<b>Net Profit (Loss)</b>	<b>85.34</b>	<b>200.34</b>	<b>(115.00)</b>	<b>(57.40%)</b>
<u>Profit (Loss) attributable to:</u>				
<b>Equity holders of the parent</b>	<b>85.73</b>	<b>201.86</b>	<b>(116.13)</b>	<b>(57.53%)</b>
Non-controlling interest	(0.39)	(1.52)		



The Consolidated Financial Statement of the Company and subsidiary for the three-month period ended 30 September 2022, the Company generated revenue of 454.00 million Baht and net profit attributable to equity holder of the parent of 85.73 million Baht. The changes can be explained as follows;

### **Revenue from business operation**

For the three-month period ended 30 September 2022, the Company and subsidiary generated revenue from sales, services and hospital operations of 423.33 million Baht, which was decreasing by 986.62 million Baht or 69.98%, when compared to the previous year at the same time period, with details as follows:

1. **Revenue from sale of goods**

For the three-month period ended 30 September 2022, the Company generated revenue from sales of 308.02 million Baht, which was decreasing by 1,023.90 million Baht or 76.87%, when compared to the previous year. This decrease was due to the Company deliver only 1 Project which is different from the previous year that delivered 4 Projects and also included project centers treating cancer patients with protons radiotherapy of King Chulalongkorn Memorial Hospital.

2. **Revenue from rendering of services**

For the three-month period ended 30 September 2022, the Company and subsidiary generated a revenue from rendering of services of 89.03 million Baht, which was increasing by 30.20 million Baht or 51.33%, when compared to the previous year. This increase was due to the company has more maintenance contracts than the same period of the previous year.

3. **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 three-month period ended 30 September 2022, the subsidiary generated a revenue from hospital operations of 26.28 million Baht, increasing by 7.56 million Baht or 40.39%, when compared to the previous year because the number of customers from the hospital is increasing.

### **Other Revenue**

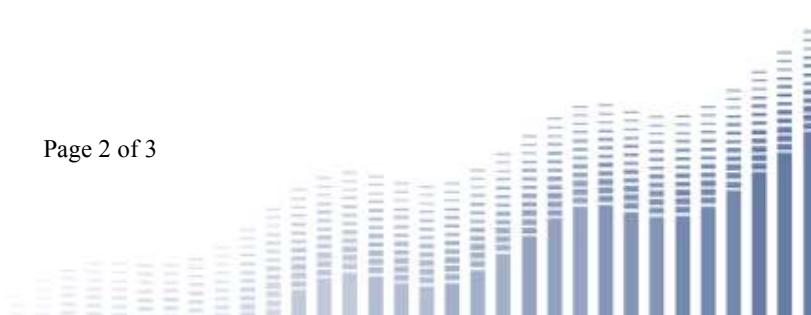
For the three-month period ended 30 September 2022, the Company and subsidiary generated other revenue of 30.67 million Baht, which was increasing by 22.63 million Baht or 281.54%, when compared to the previous year. The increase was because the Company gained from exchange rate.

### **Cost of sale of goods and Gross Profit Margin from sale of goods**

For the three-month period ended 30 September 2022, the Company had a gross profit from sales of 74.80 million Baht or equivalent to gross profit margin of 24.28%, which was higher than the gross profit margin from sales in the previous year at 19.06%. The increase in gross profit margin was due to improvement of product cost management.

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

For the three-month period ended 30 September 2022, the Company had a gross profit from services of 16.65 million Baht or equivalent to gross profit margin of 18.70%, which was nearby to the previous year that had 21.56% of gross profit margin.



**Cost of hospital operations and Gross Profit from hospital operations**

For the three-month period ended 30 September 2022, the subsidiary had a gross profit from hospital operations of 7.42 million Baht or equivalent to gross profit of 28.22%, which was higher than the gross profit from hospital operations in the previous year at 20.17%. The subsidiary manages service costs better.

**Distribution costs and Administrative Expenses**

For the three-month period ended 30 September 2022, the Company and subsidiary had a distribution cost of 5.01 million Baht, which was decreasing by 1.45 million Baht or 22.49% compared to the previous year because the main reason was decrease of human resources costs.

For the three-month period ended 30 September 2022, the Company had administrative expenses of 13.98 million Baht, of the same period of previous year at 13.81 million Baht.

**Finance Costs**

For the three-month period ended 30 September 2022, the Company and subsidiary had financial costs of 3.13 million Baht, which was decreasing by 3.45 million Baht or 52.36% because of the interest expense of advance payment from customer was decrease.

**Net Profit and Net Profit Margin**

For the three-month period ended 30 September 2022, the Company and subsidiary had a net profit attributable to equity holder of the parent of 85.73 million Baht, or equivalent to net profit margin of 18.88% compared to the previous year, which had the net profit attributable to equity holder of the parent of 201.86 million Baht or net profit margin of 14.24%. The Company had lower net profit margin as due to the decrease in revenue from sales and deliver 1 Project.

The Company investment in Cancer Alliance Co., Ltd. (“CAH”) as subsidiary to operate specialized hospital for cancer treatment. On 21 July 2022 At the Extraordinary General Meeting of Cancer Alliance Company Limited shareholders, shareholders had approve special resolution to increase the registered capital from 250 million baht (2.5 million ordinary shares of 100 baht each) to 350 million baht (3.5 million ordinary shares of 100 baht each) through an issuance of additional 1 million ordinary shares of 100 baht each to offer to the existing shareholders in proportion to their shareholding. However, some shareholders did not exercise their rights to purchase all shares; therefore, the Company intended to exercise the rights to purchase the remaining shares from such shareholders in the amount of 314,000 shares, representing a capital increase of 31.4 million baht.

On 25 July 2022, the Company paid 96.4 million baht (964,000 ordinary shares, called up at 100 baht per share) for its investment in the subsidiary. As a result, the Company has increased the share in the subsidiary company from 65% to 73.97%. The Company recognized a loss from subsidiary of 1.33 million Baht proportional to 73.97%.

Please be informed accordingly.

Yours Sincerely,



(Mr. Sompong Chunekitiyanone)

Chief Executive Officer

Business Alignment Public Company Limited

