

November 14, 2022

Ref: SET-2022-015

Re: Management Discussion and Analysis for the Third Quarter of 2022

Attn. to: President

The Stock Exchange of Thailand

Filter Vision Public Company Limited and its subsidiaries (Hereinafter called "The Group") would like to submit Management's discussion and analysis for the Third quarter of 2022 with the summary as following:-

1. Nature of operations of the Group

The Group has principally engaged in distribution of product and equipment, design, assembly and installation, and maintenance service of pure water treatment system; including operate clinical business which dialysis services for kidney patients who receive replacement therapy with dialysis by dialysis machinery (Dialysis Center) and distribution of medical equipment as well as medical service concerning health and esthetics.

2. Overview of operating results for the Third quarter of 2022

In Third quarter of 2022, Thailand's economy continued to face a slow recovery from macroeconomic factors. While the tourist sector improved, because of people's lower concerns on COVID-19 situation and back to new normal lifestyles. Easing COVID-19 measures, extending tourism-boosting campaigns by Government, and opening borders to welcome tourists that make the number of international tourists increased which effect to made tourist attractions and businesses related to tourist attractions such as shopping center, food and beverage store can operate as usual and made the revenues from sales and services of the Company and its subsidiaries were better than the same period of the prior year.

However, negative factors in Third quarter of 2022, the prolonged conflict between Russia and Ukraine, and China's Zero COVID-19 policy including the impact of the greatly baht depreciating and continued high inflation have caused higher energy prices and product and service costs of the Groups.

The summary of performance in each Business Unit are describe as following;

- Industrial and OEM (B1) still remain the growth level of recognize revenue from sale (Trading) including tools and equipment to serve the permanently maintenance more than the same period of the prior year. However, the revenue recognition of water system projects was lower than the same period of the prior year as most projects were already recognized in the first half of the year.
- Commercial and residential (B2) which the main customers are convenience store, Restaurant and Beverage can Re-opening their business as usual. Accordingly, the Company's revenue of operation was increased from sale and maintenance service of water system equipment.
- Medical services (B3) which operated by the subsidiaries can start operation nearly as usual as before COVID-19 situation. The summary of performance are describe as following;

Irving Corporation Limited has distributed products and equipment design and installation of systems related to water treatment systems for medical services. So far the Company still received purchase order for project of installation water treatment systems, decoration for medical services and dialysis solution continuously.

KT Medical Services Public Company Limited. provides health care facilities for patients with end-stage renal disease treated with Hemodialysis Machine (Hemodialysis Center) Currently, there are 20 Hemodialysis Center (254 Hemodialysis Machines) 1 Hemodialysis Center in Bangkok, 10 Hemodialysis Centers in northeastern provinces, 2 Hemodialysis Center in western province, 4 Hemodialysis Centers in northern provinces, 1 Hemodialysis Center in central province and 2 Hemodialysis Centers in eastern provinces. So far the patients are continuously increasing.

Medical Vision Co., Ltd. has distributed medical equipment. Including sale and installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems). Currently, the company still receive continuously purchase orders from customers.

Nephro Vision Co., Ltd. was registered on 20 May 2022. Currently there aren't commercial income.

Hi Healthcare Center Co., Ltd. was temporarily closed all branches since December 31, 2020 due to loss on operation continuously. Until such situation becomes improve and/or until HHC will be having new suitable locations that located in the area instead of such branches in further.

3. Analysis of Operating Results

Statements of Comprehensive Income - Consolidated (Million Baht)	For 3-month period ended September 30,		Increase (Decrease)	%	For 9-month period ended September 30,		Increase (Decrease)	%
	2022	2021			2022	2021		
	Revenues from sales and services	183.67			162.59	21.08		
Gross profit from sales and services	49.48	41.37	8.11	19.60%	147.69	125.77	21.92	17.43%
Other income	1.14	0.59	0.55	93.22%	5.64	1.99	3.65	183.42%
Selling expenses	3.70	4.43	(0.73)	(16.48%)	13.52	13.77	(0.25)	(1.82%)
Administrative expenses	30.46	27.85	2.61	9.37%	95.64	85.05	10.59	12.45%
Net profit before finance costs and corporate income tax	16.46	9.68	6.78	70.04%	44.17	28.94	15.23	52.63%
Finance costs	(2.93)	(1.71)	(1.22)	71.35%	(6.74)	(5.27)	(1.47)	27.89%
Corporate income tax	(2.63)	(0.64)	(1.99)	310.94%	(8.46)	(4.80)	(3.66)	76.25%
Profit (loss) from continuing operation	10.90	7.33	3.57	48.70%	28.97	18.87	10.10	53.52%
Profit (loss) from discontinued operation	(0.15)	(0.30)	0.15	(50.00%)	(0.41)	3.33	(3.74)	(112.31%)
Profit (loss) for the period	10.75	7.03	3.72	52.92%	28.56	22.20	6.36	28.65%
Total Comprehensive income for the period	10.75	7.03	3.72	52.92%	28.56	22.20	6.36	28.65%
Profit (loss) Sharing for the Period								
- The Company's Equity	9.29	4.93	4.36	88.44%	24.10	20.05	4.05	20.20%
- Non-controlling Interest	1.46	2.10	(0.64)	(30.48%)	4.46	2.15	2.31	107.44%

3.1 Revenues from sales and services

Revenues from sales and services for the third quarter 2022 was increased from 3 months in the same period of the year 2021 in an amounting of Baht 21.08 million or 12.97 percent and increased from 9 months in the same period of the year 2021 in an amounting of Baht 91.84 million or 19.83 percent which can be divided into business segments as per information as the following table.

Revenue by Business Segments	For 3-month period ended September 30,				For 9-month period ended September 30,			
	2022		2021		2022		2021	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Revenues from continuing operations								
1. Industrial and OEM (B1) ¹	20.22	11.01%	29.98	18.43%	75.37	13.58%	80.86	17.45%
2. Commercial and residential (B2) ¹	67.42	31.71%	51.65	31.76%	202.64	36.52%	166.76	36.00%
3. Medical services (B3) ²	96.03	52.28%	80.96	49.78%	276.86	49.89%	215.41	46.50%
Total Revenues from continuing operations	183.67	100.00%	162.59	99.97%	554.87	99.99%	463.03	99.95%
Revenues from discontinued operation								
4. Medical beauty treatment service (B4) ³	0.00	0.00%	0.05	0.03%	0.04	0.01%	0.23	0.05%
Total Revenues from Discontinued Operations	0.00	0.00%	0.05	0.03%	0.04	0.01%	0.23	0.05%
Total Revenues	183.67	100.00%	162.64	100.00%	554.93	100.00%	463.26	100.00%

¹**B1, B2:** Filters Vision Public Company Limited (Herein after “**The Company**”).

²**B3:** KT Medical Services Public Company Limited, Irving Corporation Ltd., Medical Vision Co., Ltd., Nephro Vision Co., Ltd. (Herein after “**The Subsidiaries**”).

³**B4 :** Hi Healthcare Center Co., Ltd. (Herein after “**The Subsidiary**”) (**Discontinued Operation**).

Industrial and OEM (B1)

The revenue from this business segment B1 for the third quarter 2022 was decreased in an amounting of Baht 9.76 million or 32.56 percent and for the 9 month period 2022 was decreased in an amounting of Baht 5.49 million or 6.79 percent. Mainly from the most revenue of water system project was recognized revenue in the first half of the year. However, the third quarter 2021 was recognized revenue from a large water system project including value per project in 2022 was lower than 2021.

Commercial and residential (B2)

The revenue of business segment B2 for the third quarter 2022 was increased in an amounting Baht 15.77 million or 30.53 percent and for the 9 month period 2022 was increased from the same period of the prior year in an amounting of baht 35.88 million or 21.52 percent from the main customers, which are convenience stores, food and beverage outlets was able to open as usual. As a result, the increase of revenue related to the Re-opening both in terms of sales revenue and maintenance of water system equipment.

Medical services (B3)

Revenue from this segment B3 for the third quarter 2022 in an amounting of Baht 15.07 million or 18.61 percent and for the 9 month period 2022 was increased from the same period of the prior year in an amounting of Baht 61.46 million or 28.53 percent. Due to the quantity of patients and Hemodialysis center were increased.

3.2 Administration expenses

The Group's administrative expense for the third quarter of 2022 was increased in an amounting of Baht 2.61 million or 9.37 percent and for the 9 month period 2022 was increased in an amounting of Baht 10.59 million or 12.45 percent from the same period of the year 2021. Mainly from the Company record allowance for doubtful debt of accounts of trade accounts receivable and accrued income in an amounting of Baht 3.52 million mainly from return cheque which currently the debtor has negotiated partial installments. Including loss on the exchange rate in an amounting of Baht 1.89 million and for the Group's KT Medical Services Public Company Limited, the employee expenses increased due to branch expansion in an amounting of Baht 3.22 million.

3.3 Operating results

The Group's net profit for the third quarter of 2022 was increased in an amounting of Baht 7.32 million or 52.92 percent and the 9 month period 2022 was increased in an amounting of Baht 6.36 million or 28.65 percent from the same period of the year 2021. The net profit be separate to be 2 sections.

- Profit from continuing operation for the third quarter of 2022 was increased in an amounting of Baht 3.57 million or 48.70 percent and for the 9 month was increased in an amounting of Baht 10.10 million or 53.52 percent from the same period of the year 2021. Mainly from the operating results of the Group's was continuous increased profit.
- Profit (loss) from discontinued operation the loss for the third quarter of 2022 was decreased in an amounting of Baht 0.15 million or 50 percent and for the 9 month period 2022 the net profit was decreased in an amounting of Baht 3.74 million or 112.31 percent due to gain from disposal of tools and equipment of Business B4 was decreased.

4. Financial position

Statement of Financial Position - Consolidated (Million Baht)	As at		Increase/ (Decrease)	%
	September 30, 2022	December 31, 2021		
Assets	859.36	843.82	15.54	1.84%
Liabilities	392.25	407.28	(15.03)	(3.69%)
Shareholders' equity	467.11	436.54	30.57	7.00%
Issued and fully paid-up common share (Million Share)	565.14	565.14	-	-
Par (Baht)	0.50	0.50	-	-

4.1 Assets

The total asset as at 30 September 2022 was increased in an amounting of Baht 15.54 million or 1.84 percent from the end of 2021. Significant changes was included.

Cash and cash equivalents was decreased in an amounting of Baht 45.01 million. Mainly from KT Medical Services Public Company Limited paid for the purchase of land and buildings in Chiang Mai and Tak provinces including tools and equipment for new branch in year 2022 by obtain credit from bank in an amounting of Baht 5.65 million and the Company and its subsidiaries repayment long-term loans and promissory notes from bank in an amounting of Baht 39.52 million.

Inventory was increased in an amounting Baht 21.59 million. The mainly increase from the Company was arrangement products to support the business reopening for customers in the section of Industrial and OEM (B1) and Commercial and residential (B2).

Restricted bank deposits was increased in an amounting Baht 6.05 million. Mainly from KT Medical Services Public Company Limited used as bank collateral for credit facilities.

Property, buildings and equipment was increased in an amounting of Baht 37.13 million. An increase from KT Medical Service Public Company Limited purchased land and buildings instead of leased and purchase dialysis machine and medical tools and equipment to open a new branch and building renovation.

Right-of-use asset was decreased in an amounting of Baht 5.74 million. Mainly came from terminate the lease of land and building of KT Medical Services Public Company Limited change to purchasing and also results in the Lease Liability was decreased in an amounting of Baht 3.71 million.

4.2 Liabilities

The overall liability as at 30 September 2022 was decreased from the end of 2021 by Baht 15.03 million or 3.69 percent. Significant changes in consist of:

Bank Overdrafts and short-term loans from financial institutions was decreased in an amounting of Baht 20.33 million mainly from the company repayment of promissory notes.

Trade and other payables was decreased in an amounting of Baht 19.71 million. Mainly from a creditor for foreign products of the Company and from KT Medical Services Public Company Limited to paid a hemodialysis equipment supplier, along with purchasing medicine and medical supplies amounting of Baht 11.03 million.

Long-term loans was increased in an amounting of Baht 33.51 million. Mainly came from KT Medical Service Public Company Limited due to purchasing land and buildings and Hemodialysis Machine and decreasing from the Groups repaid the loan during the period.

4.3 Shareholders' equity

The overall shareholders' equity as at 30 September 2022 was increased from the end of 2021 in an amounting of Baht 30.57 million or 7 percent. Mainly from the increase of retained earnings from operation profit of the Groups.

5. Company's direction in the year 2022

5.1 Filters Vision Public Company Limited

Industrial and OEM (B1)

Industrial's customers come back to prepare more investing in water system. Furthermore, the company continuously focused on marketing strategy to be a leader of water treatment technology and sterilization to customer solution. The Company has continuous expansion to product presentation and project for a large leading industrial factory. Present we received purchase order from food and beverage industrial customer by 3 projects in an amounting of Baht 13.30 million which is expected to be completed in fourth quarter of 2022.

Commercial and residential (B2)

In October 2022, the Ministry of Public Health announced the cancellation of COVID-19 from a dangerous infection disease, the government has relieve an epidemic control and tourism-boosting campaigns by Government, and opening borders to welcome tourists. The Company's customer such as restaurant and the hotels in tourist attraction can re-opening again resulting to purchase order of spare part, filter and water system equipment including service and maintenance were increasing along with the customers have plan to purchase new water system and service maintenance as well customers have plan to expand the business. Resulting in a continuous increasing orders of the Company.

5.2 KT Medical Service Public Company Limited operates a Hemodialysis center to patients with chronic kidney disease with the quantity of patient was increased steadily. Currently, we have plans to expand branches and Hemodialysis machines. For fourth quarter of 2022, we expected to expand branches about 2 - 3 branches and increase about 16 - 24 Hemodialysis machines according to economic environment, marketing and supply chain.

5.3 Irving Corporation Limited, distribution a Hemodialysis solution product and installation of water treatment systems for medical services which got continuous orders. Currently, we received purchase orders from customers by 8 projects in an amounting of Baht 4.93 million and expected to be completed in fourth quarter of 2022.

5.4 Medical Vision Company Limited which service for installation and maintenance of pneumatic tube systems. Currently, we received purchase orders from customers by 4 projects in a total amounting of Baht 7.80 million, which under installation and expected to be completed in fourth quarter of 2022.

Sincerely Yours,

Wijit Techakasem
(Dr.Wijit Techakasem)
Managing Director