



Date 22 December 2022

Subject Management's discussion and Analysis of the Financial Statement for the year ended 2021

To Managing Director of The Stock Exchange of Thailand

KT Medical Service Public Company Limited ("KTMS" or "The Company" or "The Group") would like to submit the Company's audited Financial Statement 2021 ended 31 December 2021 to The Stock Exchange of Thailand.

The operation result of KTMS for the year 2021 registered a net profit amounting to 16.80 million Baht. Please see further details in the Management's discussion and Analysis of the Financial Statement for the year ended 2021 as attached.

Best regards,

Sincerely Yours,

(Ms. Kanjana Pongpattanadecha)

Chief Executive Officer



KT Medical Service Public Company Limited

The Management's discussion and Analysis of the Financial Statement for the year ended 2021

Summary of operating performance

	2020	2021	Change	
	Million Baht	Million Baht	Million Baht	Million Baht
Revenues from sales and services	211.54	309.37	97.83	46.25%
Interest income from finance leases	1.00	0.93	(0.07)	(7.00%)
Cost of sales and services	174.84	247.15	72.31	41.36%
Gross profit	37.70	63.15	25.45	67.51%
Interest income	0.05	0.06	0.01	20.00%
Other income	2.02	3.43	1.41	69.80%
Selling and distribution expenses	4.38	5.17	0.79	18.04%
Administrative expenses	32.71	34.74	2.03	6.21%
Expected credit loss	22.74	0.23	(22.51)	(98.99%)
Profit (loss) from operating activities	(20.06)	26.50	46.56	232.10%
Finance cost	8.41	5.68	(2.73)	(32.46%)
Profit (loss) before income tax	(28.47)	20.82	49.29	173.13%
Tax (income) expense	(1.84)	4.02	5.86	318.48%
Profit (loss) for the year	(26.63)	16.80	43.43	163.09%

Revenue structure

Revenue structure	2020		2021		Change	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue from hemodialysis services	136.59	63.65	214.80	68.45	78.21	57.26%
Revenue from design services, installation of water purification system for hemodialysis and system maintenance	27.26	12.70	26.39	8.41	(0.87)	(3.19%)
Revenue from production and distribution of hemodialysis concentrate	32.42	15.11	32.98	10.51	0.56	1.73%
Revenue from designing and decorating the hemodialysis centers	-	-	-	-	-	-

Revenue structure	2020		2021		Change	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue from designing, assembling and distributing medical equipment for hemodialysis	2.62	1.22	5.03	1.61	2.41	91.98%
Revenue from design and installation of pneumatic tube system	13.65	6.36	31.10	9.91	17.45	127.84%
Revenues from sales and services	212.54	99.04	310.30	98.89	97.76	46.00%
Other income	2.07	0.96	3.49	1.11	1.42	68.60%
Total Revenues	214.61	100.00	313.79	100.00	99.18	46.21%

In 2021, The Group generated revenues of 313.79 million baht which increase from 2020 in an amounting of Baht 99.18 million or 46.21 percent which increase in line with the continuous expansion of the hemodialysis centers. In 2021, the Group had 18 branches of hemodialysis centers and 228 hemodialysis machines, increasing from 2020 by 4 branches and 72 machines.

In 2021, The Group had gross profit 63.15 million baht or 20.35 percent of revenues from sales and services which increase from 2020 in an amounting of Baht 25.45 million or 67.51 percent. Mainly from hemodialysis services. This is a result of the expansion of the hemodialysis centers, resulting in continuous income recognition.

In 2021, The Group had net profit 16.80 million baht or 5.41 percent of revenues from sales and services which increase from 2020 in an amounting of Baht 43.43 million or 163.09 percent mainly came from in 2020, the Group had a net loss and net loss rate because of relatively high administrative expenses, detailed as follow

- 1) Allowance for doubtful debts from one trade receivable worth 14.11 million baht which the Company expected that there will be less opportunity to receive debt repayment due to the court declared them to the bankruptcy in the Government Gazette.
- 2) The Group had adopted the Financial Reporting Standard No. 9 on Financial Instruments. This caused an allowance for doubtful accounts from trade accounts receivable and accrued income from others in addition to the increase in such debtor's, a total value of 8.29 million baht.
- 3) Increase in staff and management expenses from the restructuring of the organization to prepare for the IPOs, resulting in a rise in administrative expenses of the group of companies.



Moreover, in 2021, the Group had increased net profit and net profit margin from Revenue of hemodialysis services and pneumatic tube system.

Financial Position

	31 December 2020	31 December 2021	Change	
	Million Baht	Million Baht	Million Baht	Million Baht
Total Assets	278.61	388.57	109.96	39.47%
Total Liabilities	242.69	155.85	(86.84)	(35.78%)
Shareholders' equity	35.92	232.72	196.80	547.88%

Total assets as of December 31, 2020 and December 31, 2021 were equal to 278.61 million baht and 388.57 million baht respectively which increase from 2020 in an amounting of Baht 109.96 million or 39.47 percent came from trade and other receivables due to increase in Revenue from sales and services as the expansion of the hemodialysis centers

Total liabilities as of December 31, 2020 and December 31, 2021 were equal to 242.69 million baht and 155.85 million baht respectively which decrease from 2020 in an amounting of Baht 86.84 million or 35.78 percent due to in 2020, The Group's had short-term borrowings from related parties to be working capital for the expansion of the hemodialysis centers. However, in 2021, the Group repaid all such loans to related parties

Total shareholder's equity as of December 31, 2020 and December 31, 2021 were equal to 35.92 million baht and 232.72 million baht respectively which increase from 2020 in an amounting of Baht 196.80 million or 547.88 percent due to the Group's shareholders' equity increased significantly from the capital increase of 56.25 million baht in 2021 and growth from net profit of the Group.