

--Translation--

AMARC-SET 008-2023

11 May 2023

Subject: Management Discussion and Analysis for the quarter ended 31 March 2023

To: The Director and Manager of Market for Alternative Investment (MAI)

Asia Medical and Agricultural Laboratory and Research Center Public Company Limited (the "Company") would like to provide the operating results of the Company for the quarter ended 31 March 2023 as follows:

**Statement of Comprehensive Income for the quarter ended 31 March 2023**

Statement of Comprehensive Income (Unit: Million Baht)	For Quarter 1		
	2023	2022	%Increase /(Decrease)
<b>Revenues</b>			
Testing service	61.45	57.55	6.8%
Calibration service	2.49	2.25	10.6%
Inspection & Certification service	0.98	4.58	(78.6%)
<b>Revenues from services</b>	<b>64.92</b>	<b>64.38</b>	<b>0.8%</b>
Other revenues	0.97	0.02	4,230.9%
<b>Total Revenues</b>	<b>65.89</b>	<b>64.40</b>	<b>2.3%</b>
Cost of services	40.03	36.6	9.4%
<b>Gross Profit (GP)</b>	<b>24.89</b>	<b>27.78</b>	<b>(10.4%)</b>
Selling & Administrative expenses	23.36	19.39	20.5%
<b>Earnings before interest and taxes (EBIT)</b>	<b>2.50</b>	<b>8.41</b>	<b>(70.4%)</b>
Finance costs	0.77	1.58	(51.6%)
Profit before taxes	1.73	6.83	(74.7%)
Income tax expenses	0.75	0.83	(9.8%)
<b>Net Profit (NP)</b>	<b>0.98</b>	<b>6.00</b>	<b>(83.7%)</b>
%GP	38.3%	43.2%	
%EBIT	3.8%	13.1%	
%NP	1.5%	9.3%	

\*IC = Inspection & Certification

\*\*Gross Profit (GP) excludes other revenues

**Operating Result**

For the quarter ended 31 March 2023 (YoY)

**Revenue**

For quarter 1 of the year 2023, the Company had revenues from services of 64.92 MB, a 0.8% increase YoY. The increase came from the growth in Testing and Calibration services. While the revenue from Inspection & Certification services decreased from the government spending slowdown, which is an on-going effect since the previous year. This resulted in the overall company's revenue growing at the lower rate than the previous year. Further details are as follows:

### 1. Revenues from Testing Service

For quarter 1 of the year 2023, the revenues from Testing service were 61.45 MB, an increase of 6.8% YoY. Key growth factors include:

- Increase service usage from hypermarket segments and a major food production group of companies, which are recurring projects from previous years.
- Increase in service usage from existing customers as well as new customers due to expansion of service scopes.

### 2. Revenues from Calibration Service

For quarter 1 of the year 2023, the revenues from Calibration service were 2.49 MB, an increase of 10.6% YoY. The growth continues both from internal and external factors which includes the unraveling of the COVID-19 pandemic, the need of customers and the company's capacity expansion.

### 3. Revenues from Inspection & Certification Service

For quarter 1 of the year 2023, the revenues from the Inspection & Certification services were 0.98 MB, a decrease of 78.6% YoY. The main cause of the decrease was a significant reduction in the of relating-IC project opened for bidding from the government.

### Gross Profit

For quarter 1 of the year 2023, the Company had a gross profit (excluding other revenues) of 24.89 MB, a 10.4% decrease YoY. The key factors included the investment to prepare for growth both personnel and scientific equipment according to the Company's annual budget as well as the impact of from the increase in cost of chemicals and consumables. This resulted in the gross profit percentage (%GP) of 38.3%, a decrease of 4.8% YoY.

### Selling & Administrative Expenses

For quarter 1 of the year 2023, the Company had selling and administrative expenses of 23.36 MB, a 20.5% increase YoY from increase in management and operations personnel, utilities, and expected credit loss (ECL).

### Net Profit (Total comprehensive income for the period)

For quarter 1 of the year 2023, the Company had a net profit of 0.98 MB, a 83.7% decrease YoY. Key factors include the increase in costs of service and the selling and administrative expenses and the aforementioned overall business growth.

Please be informed accordingly.

Sincerely yours,

(Mr. Chindanai Chaiyong)  
Managing Director