

August 10, 2023

 Subject Management's Discussion and Analysis for the three-month period ended June 30th, 2023.

 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, 2023 as follows;

- **Net profit (loss)**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Profit (loss)	17.7	15.3	2.4	+16

The Group's net profit for the second quarter of 2023 was 17.7 million baht, an increase of 2.4 million baht or 16 percent from the same period last year. This was due to an increase in dental service revenue of 26.3 million baht or 20% due to a 10% price increase in dental service fees effectively from January 2023 onwards, and due to growth number of foreign customers as Thailand returns to normal situation. Thailand has a well-known reputation for medical tourism, resulting in continuous influx of foreign tourists who came to use dental services with the group companies, resulting in a significant increase in revenue and recorded in higher profit growth of the company. This was also due to an increase in sales revenue of 28.2 million baht or 48% from the delivery of Dental Simulation, using as teaching media for dental students to a government agency with a project value of approximately 26 million baht.

- **Revenue from sales and services**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2023	2022	Million Baht	%
Revenue from rendering of service	155.9	129.6	26.3	20%
Revenue from sales of goods	86.4	58.2	28.2	48%
Total revenue	242.3	187.8	54.5	29%

Dental services segment

In the second quarter of 2023, the income of the dental service business increased mainly from foreign customers. The dental services has opened as usual with cleanliness and safety standards to create confidence for users, in the second quarter of 2023, customers had an average of 21,239 visit volume, an increase of 12% from the previous year (19,000 times in the Q2 of 2022), and the Group had revenue from Thai customers in the second quarter of 2023 amounted to 65.6 million baht, an decrease of 8% from the previous year (Q2 of 2022 amounted to 71.5 million baht) due to a temporary drop in purchasing power during the election. And revenue from foreign customers in the second quarter of 2023 amounted to 90.3 million baht, an increase of 59% from the previous year (Q2 of 2022, amounting to 56.8 million baht), most foreign customers are tourists who come to Thailand for wellness tourism, believing in the standard of service and dental treatment of the group company. Most of them are tourists from Europe, Australia and America.

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 2023 amounted to 33.5 million baht (Q2 of 2022 amounted to 25.0 million baht), with a growth rate of 34 percent, and BIDH accounts for 70% of revenue from foreign customers.

Distribution of dental supplies and equipment segment

In the second quarter of 2023, the Group had revenue from sales of dental materials and equipment in the amount of 86.4 million baht, an increase of 28.2 million baht or 48% from the second quarter of 2022, resulting from the delivery of Dental Simulation work to be used as teaching media for dental students to a government agency with a project value of approximately 26 million baht. 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)	
	2023	2022	Million Baht	%
Cost - Dental services segment	94.7	82.1	12.6	15%
Gross profit margin	39%	36%		
Cost - Distribution of dental supplies and equipment	66.4	43.7	22.7	52%
Gross profit margin	23%	24%		

The dental services segment reported gross margins increased 3% to 39% due to the 10% price adjustment policy and increasement in revenues, mainly from high-value international clients. 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 reported gross margin had no significant change from prior year.

- **Expenses**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Distribution costs	21.9	14.6	7.3	50%
Administrative expenses	36.9	29.5	7.4	25%
Finance costs	4.5	3.3	1.2	36%

Distribution costs

Distribution costs increased by 7.3 million baht due to an increase in dental services in the amount of 3.3 million baht from an increase in online advertising through Google, Facebook due to the company emphasis on marketing through online media, focusing on visibility and target groups. And an increase of 4 million baht from the trading of dental materials and equipment which was mainly from selling commission of the second quarter of 2023 from the Dental Simulation project, worth 26 million baht.

Administrative expenses

Administrative expenses increased by 7.4 million baht, an increase of about 5 million baht from staff expenses from increasing the number of employees to support more revenue growth, annual salary increase.

Finance cost

Financial expenses increased by 1.2 million baht from an increase in interest payment on trust receipts, which was mainly from the importation of goods for sale of the business of buying and selling dental materials and equipment.



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- **Others**

	Q2 (3M)	Q2 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Other income	5.2	0.7	4.5	623%
Tax revenue (expenses)	(5.3)	0.1	(5.4)	6245%

Other income

Other income increased by 4.5 million baht because this year has other income of 3 million baht from the subsidy for changing the space from the shopping center.

Tax revenue (expenses)

Tax expenses increased from write-off of deferred tax assets from accumulated losses that can be used in the current year as a result of the company's profit. In the previous year, there was no tax expense as tax revenue was recorded, as a result of the recording of deferred tax assets from past accumulated losses in the previous year.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-

Authorized to sign on behalf of the Company