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Subject Management Discussion and Analysis for the Year Ended December 31, 2023

To The President
The Stock Exchange of Thailand

Winnergy Medical Public Company Limited and its subsidiary (the "Company") would like to inform the Company's operating results for the Year Ended December 31, 2023, are detailed below.

Overview of the company's performance in the year 2023 reveals several significant factors influencing its operations:

- Continued decline in the severity of the COVID-19 pandemic situation has returned economic and societal activities to normalcy, including the resumption of hospital patient services and increased regular health check-ups.
- The company expanded its investment in projects for Mobile Blood Collection Project, facilitating both red blood cell and platelet donations. Collaborations with leading regional hospitals have enhanced accessibility to blood donation, mitigating overall shortages and ensuring an adequate supply, resulting in an increase of 2 units of automated mobile platelet donation in 2023, totaling 7 units.
- The company has signed a Memorandums of Understanding (MOU) with provincial administrative organizations in late 2024, totaling three provinces. The purpose of these agreements is to facilitate equal access to public healthcare systems for targeted groups of women in Thai society. This initiative is supported by the National Health Security Office (NHSO). The company is committed to encouraging the targeted groups of women to undergo self-screening for cervical cancer, aiming for at least half of the women in the provinces covered by the signed MOUs. However, challenges have arisen due to project delays and a lack of understanding among some members of the public regarding the proper use of screening kits, leading to misconceptions and fear. As a result, the number of self-screenings for cervical cancer among the targeted group of women has not met the company's expectations. Nevertheless, upon recognizing these challenges, the company has devised plans and strategies, including continuous education and support by sending expert personnel to provide guidance and assistance.
- The Company has generated other revenue of 2.94 million from receiving dividends on its investments in Professional Laboratory Management Corp Public Company Limited.
- The company imports products from more than 20 leading global companies and is currently negotiating with several others. This operational aspect involves a meticulous process of sourcing new products to meet customer demands and enhance the quality of life for individuals in society.

A table comparing the income statement for the years 2023 and 2022

Statement of Comprehensive Income	2023		2022		Increase (Decrease)	
	(Million Baht)	Proportion	(Million Baht)	Proportion	(Million Baht)	% Change
Revenue from Sales and Services	586.44	91.75%	654.65	93.07%	(68.21)	(10.42%)
Rental Income	52.74	8.25%	48.77	6.93%	3.97	8.15%
Total Revenues	639.18	100.00%	703.41	100.00%	(64.23)	(9.13%)
Cost of Sales and Services	(347.68)	(59.29%)	(414.35)	(63.29%)	66.67	(16.09%)
Cost of Rental	(30.05)	(56.98%)	(27.20)	(55.78%)	(2.85)	10.48%
Total Costs	(377.73)	(59.10%)	(441.55)	(62.77%)	63.82	(14.45%)
Gross Profit	261.45	40.90%	261.87	37.23%	(0.41)	(0.16%)
Other Income	10.24	1.60%	18.21	2.59%	(7.98)	(43.79%)
Distribution Costs	(104.15)	(16.30%)	(98.95)	(14.07%)	(5.21)	5.26%
Administrative Expense	(123.21)	(19.28%)	(104.73)	(14.89%)	(18.47)	17.64%
Profit (Loss) before Financial Cost and Tax	44.33	6.93%	76.40	10.86%	(32.07)	(41.98%)
Financial Cost	(9.07)	(1.42%)	(6.87)	(0.98%)	(2.20)	31.99%
Profit before Income Tax Expense	35.25	5.52%	69.52	9.88%	(34.27)	(49.29%)
Income Tax Expense	(4.61)	(0.72%)	(8.85)	(1.26%)	4.24	(47.89%)
Profit for the Period	30.64	4.79%	60.67	8.63%	(30.03)	(49.50%)
Profit from operations	27.70	4.33%	44.97	6.39%	(17.27)	(38.40%)

For the year 2023, the Company's total revenue was 639.18 million baht, a decreased of 64.23 million baht or 9.13%, with a gross profit of 261.87 million, or 40.90% and a net profit of 30.64 million or 4.79%. The important details are as follows:

Table demonstrating the revenue structure by product groupings.

Revenues Structure (Million Baht)	2023		2022		Increase (Decrease)	
	(Million Baht)	Proportion	(Million Baht)	Proportion	(Million Baht)	% Change
Revenues from medical products	592.47	92.69%	520.26	73.96%	72.21	13.88%
Blood Transfusion Medicine (BTM) product group	346.99	54.29%	297.98	42.36%	49.01	16.45%
Sexual and Reproductive Care (SRC) product group	194.31	30.40%	191.63	27.24%	2.68	1.40%
Cell & Molecular Technology (CMT) product group	40.26	6.30%	25.05	3.56%	15.21	60.72%
Winmed Clinic and Laboratory (WCL) product group	10.91	1.71%	5.60	0.80%	5.31	94.82%
Consumer product group	46.71	7.31%	183.18	26.04%	(136.47)	(74.50%)
Operating Revenues	639.18	100.00%	703.44	100.00%	(64.26)	(9.14%)

Revenue

The Company's total operating income has a totaled 639.18 million baht, a decrease of 64.23 million baht or 9.14% compared to the same period of the previous year. The details are as follows:

1. Blood Transfusion Medicine product groups are starting to recover. Because the use of operating room services has returned to normal, hospital demand for blood and platelets continues to increase. As a result, blood group test was administered and expanded testing for blood compatibility between patients and donors. Including the blood donation project using automatic mobile machines, which has garnered

favorable feedback. Allowing blood donors to continue utilizing the service and be accommodated. The company currently operates 7 blood donation units. Furthermore, the company intends to expand the project to 10 units in 2024 to reach its revenue target.

2. Sexual and Reproductive Care product group continues to grow due to

- The number of patients returning to use hospital services and the recovery of more people undergoing health examinations in the hospital. Additionally, assistance was received from the NHSO initiative for cervical cancer screening. As a result, the number of people having cervical cancer screening has increased.
- The company has engaged in signing Memorandums of Understanding (MOUs) with provincial administrative organizations to promote self-screening for cervical cancer. In the latter part of the past year, the company signed agreements with a total of three provinces, namely Nakhon Ratchasima Provincial Administrative Organization, Kamphaeng Phet Provincial Administrative Organization, and Kanchanaburi Provincial Administrative Organization. In the current year, the company aims to further collaborate by signing MOUs with additional provincial administrative organizations, with the objective of enabling widespread access to health screenings for residents in all regions. This initiative aims to reduce the risk of cervical cancer and lower mortality rates from the disease.
- The company sourcing of new products to enhance services and alleviate discomfort associated with cervical cancer screenings conducted using colposcopy. This initiative also involves supporting comprehensive cervical cancer screenings for patients with abnormal Human Papilloma Virus (HPV) test results. Furthermore, it aims to provide emotional reassurance and alleviate anxiety among patients.

3. Cell & Molecular Technology product group are expanding due to research project laboratories for cancer treatment of medical student institutions can resume research operation normally. Consequently, the purchasing of clinical reagents is continuously increasing. In the past year, the company participated in the importation of equipment and solutions for leukemia and lymphoma patients' treatment at the Faculty of Medicine Siriraj Hospital, Mahidol University that involved the innovative CAR-T cell (Chimeric Antigen Receptor) therapy, which has successfully treated nine patients until now. The first group treated comprised individuals resistant to conventional treatments. The company takes great pride in its involvement in this project, which has significantly improved the quality of life for these patients. Including the company has expanded the customer base and sourcing of new products. Therefore, the first bioreactors for cell cultivation to produce vaccines can be delivered to Saovabha Thai Red Cross Institute.

4. Winmed Clinic and Laboratory product group: The Company commenced operations in late 2021 and started to generate revenue in 2022 by offering diagnostic services for various viral infections, including COVID-19, HPV, STIs, or sexually transmitted diseases. Consequently, the spreading of the COVID-19 virus was halted, resulting in a decline in COVID-19 virus testing revenue. The Company intends to expand to expand the comprehensive cervical cancer screening business that

will begin to gradually recognize income from the sale of test kits, services and issuing test results from the last week of December 2023 which is the company's new strategy to support the cervical cancer screening project of the NHSO project.

5. Consumer product group, including COVID-19 related products such as antigen test kits (ATK), have experienced a decline in revenue, the severity of which fluctuates according to the condition of the virus's dissemination. The Company has introduced new products now available through all distribution channels. Moreover, the company has established a page named "Pedsupab" which serves as an informative platform on sexual health care and provides various health-related recommendations. Our page is designed to be inclusive and supportive of gender diversity, attracting a substantial number of interested followers at present.

Costs and Gross Profit Margin

The company has decrease sales costs compared to the same period of the previous year, The year of 2023 and 2022, total costs were 377.73 million baht and 441.55 million baht, respectively, or the total cost-to-operating income ratio was 59.10% and 62.77%, resulting in a gross profit of 261.45 million baht and 261.87 million baht, or 40.90% and 37.23%, The significant reason behind the decline in profit margins was due to:

- The proportion of products sold (Product Mix) as the gross profit margin for each product type varies. In 2022, the new ATK products will be less profitable than the remaining product divisions of the same year. In 2023, the sales proportion of the ATK product group decrease, resulting in total costs being lower than the same period of the previous year.
- The planning and implementation of inventory management aim to maintain adequate stock levels to support sales activities, thereby mitigating the impact of exchange rate fluctuations on the increased cost of imported goods. The company engages in forward contracts for foreign currency exchange (FX Forward Contract) in advance, which serves to alleviate the effects of currency volatility in relation to the Thai Baht against various foreign currencies, primarily the United States Dollar.
- Price adjustments have been made to certain items, with increases applied selectively. However, this excludes products sold under contractual agreements where price adjustments cannot be made until the contracts reach their specified.

Distribution costs and administrative expenses

The company's distribution costs, and administrative expenses totaled 227.36 million baht, increase of 23.68 million baht or 11.63% from the year 2022. The increase distribution and administrative costs are relevant in this regard primarily due to an increase in the number of personnel and employees in sales and marketing in all business groups to support the business expansion according to the company's plans. Moreover, there were costs associated with expanding product distribution channels, sales support expenses to create product awareness and depreciation caused by increased investment.

Financial costs and income tax expenses

The company's financial costs totaled 9.07 million baht, increase of 2.01 million baht from the previous year, or 28.47%. This increase resulted from the utilization of credit facilities for purchasing goods from overseas suppliers, which expanded compared to the previous year.

Net profit for the period

In 2023, the net profit of 30.64 million baht or 4.79% of total revenue, a 30.03 million baht decrease from the same period last year or 49.49%, there was a transaction of receiving interim dividends from investments in the Professional Laboratories Management Corp. Public Company Limited equivalent to 2.94 million baht in 2023 and 15.70 million baht in 2022, which are included in the other income list. Consequently, the net profit differs, as mentioned.

Considering only the portion of the profit from operations in 2023, after deducting the income from investment dividends as mentioned, the profit from operations for the year 2023 would be 27.71 million baht compared to 44.97 million baht for the year 2022. It can be observed that in 2023, the profit from operations decrease by 17.26 million baht, or 38.39%, compared to 2022. This reduction is attributed to changes in revenue, increased distribution costs, and administrative expenses as previously discussed.

The Company has earnings per share for the year 2023 equal to 0.08 per share.

Overview of the Company's financial position

Financial position statement	31 December 2023		31 December 2022		Increase (Decrease)	
	(Million Baht)	Proportion	(Million Baht)	Proportion	(Million Baht)	% Change
Asset						
Current Asset	518.87	53.06%	439.62	51.83%	79.25	18.03%
Non-Current Asset	459.00	46.94%	408.62	48.17%	50.38	12.33%
Total Asset	977.88	100.00%	848.24	100.00%	129.64	15.28%
Liabilities and Shareholder's Equity						
Current Liabilities	276.20	28.24%	173.57	20.46%	102.63	59.13%
Non-Current Liabilities	97.67	9.99%	79.75	9.40%	17.91	22.46%
Total Liabilities	373.86	38.23%	253.32	29.86%	120.54	47.58%
Total Shareholder's Equity	604.02	61.77%	594.92	70.14%	9.09	1.53%
Total Liabilities and Shareholder's Equity	977.88	100.00%	848.24	100.00%	129.64	15.28%

Assets

As of December 31, 2023, the Company had total assets of 977.88 million baht, an increase of 129.64 million baht or 15.28% from December 31, 2022, with the following details:

Current Assets

As of December 31, 2023, the Company had total current assets of 518.87 million baht, an increase from December 31, 2022, of 79.25 million baht or equivalent to 18.03%. The main cause of the change was an increase in trade and other current receivables of 11.19 million baht. The remainder comprises increments assets arising from contracts and an increase in advance payments for additional product purchases is intended for inventory management to proactively address potential conflicts in the European continent and fluctuations in energy prices, transportation costs, and foreign exchange rates that may occur in the future.

Non-Current Assets

As of December 31, 2023, the Company's non-current assets increased by 50.38 million baht or equivalent to 12.33% from December 31, 2022, with the main change coming from an increase in property, plant, and equipment items, which resulted from investments in medical equipment and laboratory buildings according to the company's business expansion plan.

Liabilities and Equity Ratio

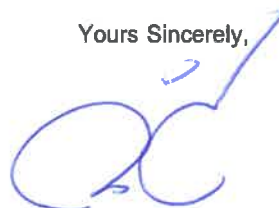
As of December 31, 2023, the Company had total liabilities of 373.86 million baht, an increase of 120.54 million baht from December 31, 2022, or equal to 47.58%. This increase was primarily due to bank overdrafts and short-term loans from financial institutions, totaling 63.46 million baht. Additionally, there was an increase in trade payables corresponding to the inventory balance.

For shareholders' equity, as of December 31, 2023, the Company had shareholders' equity amounting to 604.02 million baht, reflecting an increase of 9.09 million baht from December 31, 2022, or 1.53%. This growth resulted from an increase in net profits over the past year, which were reduced by dividend payments according to the resolution of the Company's shareholder meeting for the year 2023 held on April 21, 2023.

In this regard, the Company's debt-to equity ratio as of December 31, 2023, was 0.62 times.

Please be informed accordingly.

Yours Sincerely,



(Mr. Nanthiya Darakananda)

Chief Executive Officer

Winnergymedical Public Company Limited