



February 27, 2024

Ref: SET-2024-002

Re: Management Discussion and Analysis for the year 2023

Attn. to: President

The Stock Exchange of Thailand

KT Medical Service Public Company Limited and its subsidiaries (Hereinafter called "The Group") would like to submit Management Discussion and Analysis for the year 2023 with the summary as follows:-

1. Nature of operations of the Company and its subsidiaries

1) KT Medical Service Public Company Limited ("KTMS") operates the business of providing hemodialysis services. (Hemodialysis) both in the form of hemodialysis clinic (Stand-Alone) and hemodialysis units in hospitals (Outsource). Currently, there are 27 branches (345 Hemodialysis Machines) 1 branch in Bangkok, 14 branches in northeastern provinces, 2 branches in western provinces, 5 branches in northern provinces, 1 branch in central province, 2 branches in eastern provinces and 2 branches in south provinces.

2) Nephro Vision Co., Ltd. ("NEP") operates the business of providing hemodialysis services with hemodialysis machines in the form of hemodialysis clinic (Stand-Alone). Currently, there is 1 branch in northern province (4 Hemodialysis Machines).

3) Irving Corporation Limited ("IRV") operates 4 main businesses as follows: 3.1) Design, installation of water purification system for hemodialysis and system maintenance 3.2) Production and distribution of hemodialysis concentrate 3.3) Designing and decorating the hemodialysis centers 3.4) Designing, assembling and distributing medical equipment for hemodialysis.

4) Medical Vision Co., Ltd. ("MV") operates the business of design and installation of pneumatic tube system including system maintenance services.

2. Analysis of Operating Results

Statements of Comprehensive Income - Consolidated (Million Baht)	For the Year Ended December 31,		Increase (Decrease)	%
	2023	2022		
Revenues from sales and services	456.73	378.44	78.29	20.69%
Cost of sales and services	373.46	305.79	67.67	22.13%
Gross profit from sales and services	83.27	72.65	10.62	14.62%
Other income	4.85	6.64	(1.79)	(26.96%)
Selling and distribution expenses	7.27	6.11	1.16	18.99%
Administrative expenses	59.57	43.59	15.98	36.66%
Operating profit	21.28	29.59	(8.31)	(28.08%)
Finance cost	2.83	3.53	(0.70)	(19.83%)
Income tax expense	4.86	4.96	(0.10)	(2.02%)
Profit for the year	13.59	21.10	(7.51)	(35.59%)
Other comprehensive income - net of tax	-	1.13	(1.13)	(100.00%)
Total comprehensive income for the year	13.59	22.23	(8.64)	(38.87%)
Profit Sharing				
- Equity holders of the Company	14.21	22.31	(8.10)	(36.31%)
- Non-controlling interests of the subsidiaries	(0.62)	(0.08)	(0.54)	(675.00%)

2.1 Revenues from sales and services

Revenues from sales and services was increased from previous year in an amounting of Baht 78.29 million or 20.69 percent which can be divided into business segments as per information in the following table.

Revenue by Business Segments	For the Year Ended December 31,					
	2023		2022		Change	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
1. Hemodialysis ¹	354.89	77.70%	286.18	75.63%	68.71	24.01%
2. Design and installation of pure water treatment system and service preventive maintenance of pure water treatment system for medical service ²	78.70	17.23%	73.32	19.37%	5.38	7.34%
3. Design and installation of pneumatic tube system of equipment for medical service ³	23.14	5.07%	18.94	5.00%	4.20	22.18%
Total revenues from sales and services	456.73	100.00%	378.44	100.00%	78.29	20.69%

¹ KT Medical Service Public Company Limited (Herein after “**The Company**”) and Nephro Vision Co., Ltd. (Herein after “**The Subsidiaries**”).

² Irving Corporation Ltd., (Herein after “**The Subsidiaries**”).

³ Medical Vision Co., Ltd., (Herein after “**The Subsidiaries**”).

Hemodialysis

The revenue of hemodialysis was increased from previous year in an amounting of Baht 68.71 million or 24.01 percent. Mainly came from increase in the quantity of patients and branches expansion were continuous increasing.

Design and installation of pure water treatment system and service preventive maintenance of pure water treatment system for medical service

The revenue of design and installation of pure water treatment system and service preventive maintenance of pure water treatment system for medical service was increased from previous year in an amounting of Baht 5.38 million or 7.34 percent. Mainly came from

- Revenue from production and distribution of hemodialysis concentrate was increased from previous year in an amounting of Baht 4.46 million or 12.17 percent Due to purchase orders from customer were continuous increasing.
- Revenue from design services, installation of water purification system for hemodialysis and service preventive maintenance was increased from previous year in an amounting of Baht 2.12 million or

7.31 percent Due to projects quantity and projects value of water purification system was increased from previous year.

- Revenue from distributing medical equipment for hemodialysis center was decreased from previous year in an amounting of Baht (1.20) million or (15.65) percent. Due to sales of medical equipment was decreased from previous year.

Design and installation of pneumatic tube system of equipment for medical service

Revenue from design and installation of pneumatic tube system of equipment for medical service was increased from previous year in an amounting of Baht 4.20 million or 22.18 percent. Due to projects quantity and projects value were increased from the year 2022.

2.2 Administration expenses

The Group administrative expense was increased from previous year in an amounting of Baht 15.98 million or 36.66 percent. Mainly came from employee expenses was increased from got new employees during 2022 - 2023 and annual salary increased, donation expenses to government hospitals and advertising and public relations expenses etc.

2.3 Operating results

The Group net profit was decreased in an amounting of Baht (7.51) million or (35.59) percent. Mainly came from increasing of administration expenses according to the reason which mentioned above.

3. Financial position

Statement of Financial Position - Consolidated (Million Baht)	As at,		Increase (Decrease)	%
	31 December 2023	31 December 2022		
Assets	661.62	682.19	(20.57)	(3.02%)
Liabilities	167.94	195.28	(27.34)	(14.00%)
Shareholders' equity	493.68	486.91	6.77	1.39%

3.1 Assets

The total asset as at 31 December 2023 was decreased from the end of the year 2022 in an amounting of Baht (20.57) million or (3.02) percent. Significant changes was included.

Cash and cash equivalents was decreased in an amounting of Baht (239.57) million. Mainly came from KTMS purchase of land and buildings, building construction, hemodialysis center decoration, hemodialysis machines and equipment for new branches, investment in trading securities and repayment long-term loans to financial institution including paid for annual bonus 2022 of the Group.

Trade and other receivables was increased in an amounting of Baht 43.70 million. Mainly came from increasing of the quantity of patients and treatments from the branches which already operated including the new branches which opened in 2023.

Other current financial assets was increased in an amounting of Baht 58.85 million. Came from investment in trading securities.

Property, buildings and equipment was increased in an amounting of Baht 125.72 million. Mainly came from purchase land and buildings, building construction, hemodialysis center decoration including hemodialysis machines, medical tools and equipment for new branches of KTMS and its subsidiary.

Right-of-use assets was decreased in an amounting of Baht (12.92) million. Due to KTMS purchase land and buildings for use as clinic instead of rental.

3.2 Liabilities

The overall liability as at 31 December 2023 was decreased from the end of the year 2022 in an amounting of Baht (27.34) million or (14.00) percent. Significant changes was included.

Trade and other payables was increased in an amounting of Baht 5.30 million. Mainly came from trade payables of raw materials for production and other payables of hemodialysis machine from its subsidiaries.

Long-term loans was decreased in an amounting of Baht (24.05) million. Mainly came from repayment long-term loans to financial institution during the year.

Lease liabilities was decreased in an amounting of Baht (13.59) million. Due to KTMS purchase land and buildings for use as clinic instead of rental.

3.3 Shareholders' equity

The overall shareholders' equity as at 31 December 2023 was increased from the end of the year 2022 in an amounting of Baht 6.77 million or 1.39 percent. Due to the Group operating profit and share subscription of its subsidiary in 2023.

4. Company's direction in the year 2024

4.1 KT Medical Service Public Company Limited. Currently, we have plans to expand branches and Hemodialysis machines. In first quarter of 2024, we expected to expand branches about 1 - 2 branches and increase about 6 - 24 Hemodialysis machines according to economic environment, marketing and supply chain.

4.2 Nephro Vision Company Limited. Currently, we have plans to expand branches and Hemodialysis machines in first quarter of 2024 for 1 branch and increase about 8 - 12 Hemodialysis machines.

4.3 Irving Corporation Limited. Currently, we received purchase orders of water purification system from customers by 9 projects in an amounting of Baht 7.77 million and hemodialysis center decoration by 2 projects in an amounting of Baht 0.69 million which expected to be completed in first quarter of 2024.

4.4 Medical Vision Company Limited. Currently, we received purchase orders of installation of pneumatic tube system of equipment for medical service from customers by 7 projects in a total amounting of Baht 11.77 million, which under installation and expected to be completed in first quarter of 2024.

Sincerely Yours,

Kanjana Pongpattanadecha
(Ms.Kanjana Pongpattanadecha)
Chief Executive Officer