

May 10, 2024

Subject: Management's Explanation and Analysis for the 3 months ended March 31, 2024

Attention: President

The Stock Exchange of Thailand

LDC Dental Public Company Limited ("the Company") would like to clarify the performance of the Company for the 3 months ended March 31, 2024 which the details are as follows:

Performance

Unit : Million Baht

Items	For the 3 months ended March 31, 2024			
	2024	2023	Movement	
	Amount	Amount	Amount	%
Revenues from services	95.37	106.96	(11.58)	(10.83)
Cost of services	(77.76)	(85.26)	(7.50)	(8.80)
Gross profit (loss)	17.62	21.69	(4.08)	(18.80)
Other revenues	2.09	2.24	(0.15)	(6.52)
Reversal of impairment allowance for right-of-use assets	7.30	0.00	7.30	100.00
Total revenues	104.77	109.20	(4.43)	(4.06)
Distribution cost	(2.32)	(3.20)	(0.88)	(27.56)
Administrative expenses	(16.24)	(11.97)	4.27	35.64
EBITDA	21.13	21.83	(0.70)	(3.22)
EBITDA Margin (%)	20.17	19.99		
Financial cost	(4.62)	(3.74)	0.88	23.41
Profit (Loss) before income tax expenses	3.84	5.02	(1.19)	(23.66)
Income tax (expense) revenue	(1.52)	0.77	(2.29)	(297.73)
Net profit (loss) for the year	2.32	5.79	(3.47)	(59.99)
EBITDA Margin (%)	2.21	5.30		

1. Total revenues

1.1 Revenues from services

In the quarter 1/2024, the Company has revenues from services at 95.37 million Baht, which decreased by 11.58 million Baht or 10.83%, comparing with the same period last year.

1.2 Other revenues

In the quarter 1/2024, the Company has other revenues at 9.39 million Baht, which increased by 7.15 million Baht or 319.20%, comparing with the same period last year. This increase was due to the reversal of the impairment allowance for right-of-use assets because of the cancellation of the land and building lease contract for Mukdahan branch.

2. Cost of services

In the quarter 1/2024, the Company has cost of services at 77.76 million Baht, which decreased by 7.50 million Baht or 8.80%, comparing with the same period last year which was in line with the revenues.

3. Distribution cost

In the quarter 1/2024, the Company has distribution cost at 2.32 million Baht, which decreased by 0.88 million Baht or 27.56%, comparing with the same period last year due to decreasing of sale intensive and credit card fee.

4. Administrative expenses

In the quarter 1/2024, the Company has administrative expenses at 16.24 million Baht, which increased by 4.27 million Baht or 35.64%, comparing with the same period last year due to the cancellation of right-of-use assets and loss on cancellation of assets from Mukdahan branch.

5. Financial cost

In the quarter 1/2024, the Company has financial cost at 4.62 million Baht, which increased by 0.88 million Baht or 23.41%, comparing with the same period last year due to interest expense of loan for land and building purchasing at Chaengwattana branch.

6. Performance

In the quarter 1/2024, the Company has net profit at 2.32 million Baht or net profit margin at 2.21 of total revenues, which decreased by 3.47 million Baht or 59.99%, comparing with the same

period last year which had net profit margin at 5.30 of total revenues. The main factor is the slowdown of spending from customers.

Financial position

Unit : million Baht

	March 31, 2024	December 31, 2023	Increase (Decrease)	%
Total assets	542.10	561.93	(19.82)	(3.53)
Total liabilities	286.04	308.18	(22.14)	(7.18)
Total owner's equity	256.06	253.75	2.32	0.91

Assets

As at March 31, 2024, the Company had total assets at 542.10 million Baht, which decreased from December 31, 2023 by 19.83 million Baht or 3.53% with significant movement during the period as follows:

- Cash and cash equivalents decreased by 2.95 million Baht or 9.19%, due to investments in the construction of Trang branch and the renovation of Chiang Mai branch
- .Right-of-use assets decreased by 13.80 million Baht or 6.05%, due to the cancellation of the land and building lease contract for Mukdahan branch, and the amendment of the lease contract for Nakhon Ratchasima branch by reduction in the rental rate over the remaining lease term.
- Deferred tax assets decreased by 1.52 million Baht or 7.26% due to the reversal of the impairment allowance for the right-of-use assets of Mukdahan branch.

Liabilities

As at March 31, 2024, the Company had total liabilities at 286.04 million Baht, which decreased from December 31, 2023 by 22.14 million Baht or 7.18% with significant movement during the period as follows:

- Bank overdrafts decreased by 2.57 million Baht, due to more funds were deposited into the account than withdrawn.
- Long-term loans decreased by 0.80 million Baht, due to scheduled repayments.

- Lease liabilities decreased by 17.71 million Baht, due to the cancellation of the land and building lease contract for Mukdahan branch, and the amendment of the lease contract for Nakhon Ratchasima branch.

Owner's equity

As at March 31, 2024, the Company had owner's equity at 256.06 million Baht which increased by 2.32 million Baht or 0.91% because the Company's operation had comprehensive profit.

Future Possibilities

The Company is preparing to push its House Brand products under the name AFTERDENT, including mouthwash and toothpaste, which have been researched and developed by expert dentists, into the Modern Trade channel to expand its distribution channels and reach more customers. This will be able to support another avenue for revenue growth.

Please be informed accordingly.

Yours sincerely,

(Dr. Wattana Chaiwat)

Chief Executive Officer