

Performance Analysis

Consolidated	For the three-month period ended		Increase (Decrease)	
	31 March 2023 (THB Mil.)	31 March 2024 (THB Mil.)	THB Mil.	%
Revenue from sales and services	187.83	251.12	63.29	33.69
Cost of sales and services	(81.83)	(104.50)	23.12	28.14
Gross profit	106.45	146.62	40.17	37.73
Other income	0.69	1.39	0.70	101.72
Profit before expenses	107.14	148.01	40.87	38.14
Selling expenses	(10.30)	(16.12)	5.82	56.46
Administrative expenses	(40.91)	(46.69)	5.78	14.14
Reversal of expected credit loss	(0.22)	(0.07)	(0.15)	(68.36)
Other gain(loss)	0.001	(0.003)	(0.004)	(344.04)
Net gain (loss) from exchange rate	0.01	0.004	(0.006)	(73.94)
Profit before finance costs and income tax	55.73	85.13	29.40	52.76
Finance costs	(0.86)	(0.96)	(0.10)	11.35
Profit before income tax	54.87	84.18	29.31	53.41
Income tax	(19.00)	(17.61)	1.39	(7.33)
Net profit for the period	35.87	66.56	30.70	85.59
Profit attributable to owners of the parent	36.24	66.71	30.47	84.06
Basic earnings per share (Baht)	0.16	0.22		

Revenue from sales and services

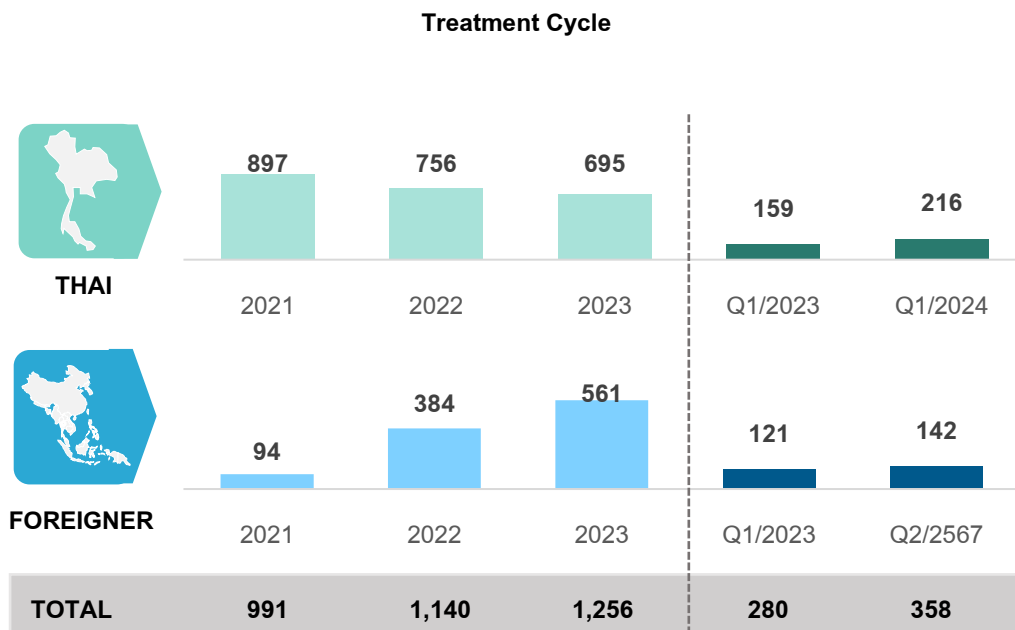
The Group has revenue from sales and services for the first quarter of 2024 equal to THB 251.12 million, compared to the same period of 2023 at THB 187.83 million, an increase THB 63.29 million or 33.69%.

The Company's revenue can be classified into 3 main groups as follows: 1) revenue from infertility treatment services (SAFE) 2) revenue from embryo and fetal genetic screening services (NGG) and 3) revenue from skin and aesthetic business (SWC). Revenue from infertility treatment services is the major revenue of the Group.

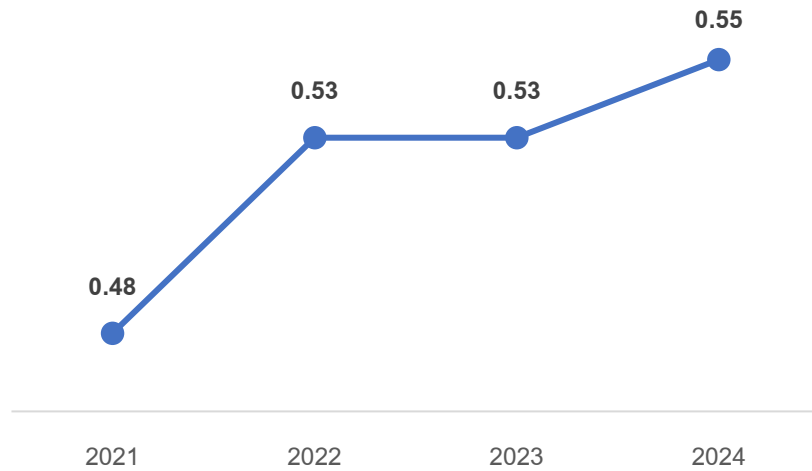
	Operate by	For the three-month period ended		Increase (Decrease)	
		31 March 2023 (THB Mil.)	31 March 2024 (THB Mil.)	THB Mil.	%
Revenue from infertility treatment services	SAFE	151.14	196.59	45.45	30.07
Revenue from embryo and fetal genetic testing services	NGG	36.58	49.83	13.25	36.22
Revenue from skin and aesthetic business	SWC	0.11	4.70	4.59	4,172.72
Total revenue from sales and services		187.83	251.12	63.29	33.69
Other income		0.69	1.39	0.70	101.44
Total income		188.52	252.51	63.99	33.94

- **Revenue from infertility treatment services**

For the first quarter of 2024, revenue from infertility treatment services was THB 196.59 million, compared to the first quarter of 2023 at THB 151.14 million, an increase THB 45.45 million or 30.07 %. This is because the total number of treatment cycles increased to 78 cycles from an increase of the number of infertile patients who came to receive treatment services, compared to the previous year. Treatment cycles from 2021 to the first quarter of 2024 from all branches, divided by nationality is the graph below:



Income per number of treatment cycles (THB Mil. / Cycle)

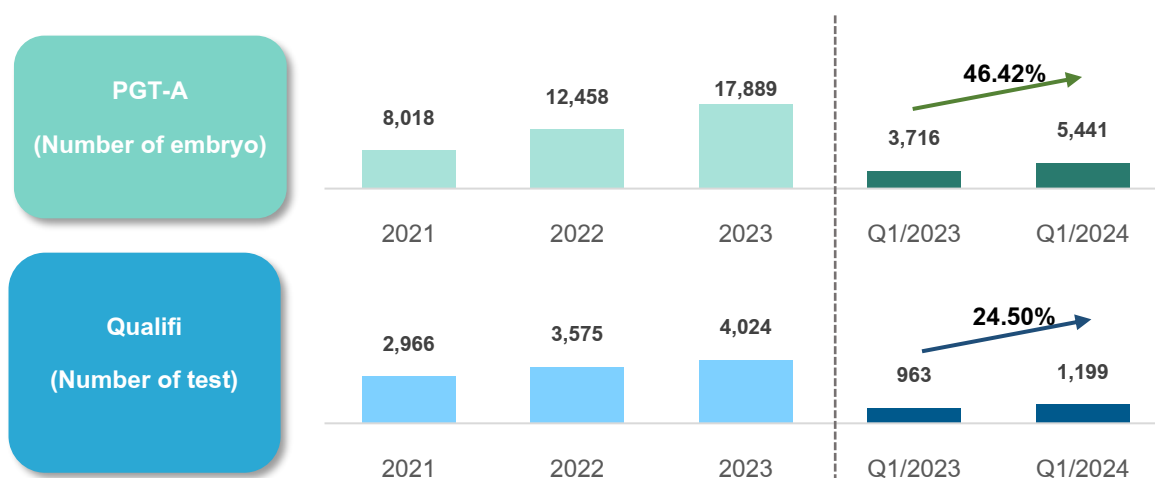


The graph shown that in Q1/2024 the company had the number of treatment cycles at 358 cycles, compared to Q1/2023 with the number of treatment cycles at 280 cycles, an increase of 78 cycles or representing 27.85%. Thai customers have 216 cycles, increasing 57 cycles, or 35.84% from 2023 and foreign customers have 142 cycles, increasing 21 cycles from 2023, or 17.35%. Income per treatment cycle still the same at 0.55 million baht per 1 treatment cycle.

- Revenue from embryo and fetal genetic testing services

For the first quarter of 2024, revenue from embryo and fetal genetic testing services was THB 49.83 million, compared to the first quarter of 2023 at THB 36.58 million, an increase THB 13.25 million or 36.22%. The main reason is that PGT-A increased by 1,725 embryos and Qualifi increased by 236 tests due to the expansion of IVF, resulting in NGG's customers which are mostly IVF clinics and hospitals more sending for inspection. Moreover, NGG benefits from economies of scale, so it is more cost-effective to send them to NGG for inspection. Embryo and fetal genetic testing is a service that is getting more and more popular because it increases the chances of pregnancy and the fertility of the child to be born.

Statistics on the number of PGT-A and Qualifi from 2021 to the first quarter of 2024 are as follows:



The graph shown that in Q1/2024 NGG had the number of PGT-A at 5,441 embryos, compared to Q1/2023 with the number PGT-A at 3,716 embryos, an increase of 1,725 embryos or 46.42% and the number of Qualifi tests at 1,199 embryos, compared to Q1/2023 with the number of Qualifi tests at 963 tests, an increase of 236 tests or 24.50%.

- Revenue from skin and aesthetic business

For the first quarter of 2024, revenue from skin and aesthetic business was THB 4.70 million compared to the first quarter of 2023 at THB 0.69 million, an increase THB 4.59 million or 4,172.72%. Safe Wellness Co., Ltd. (SWC) operates a skin and aesthetic business under the brand "The Fountain Wellness Center". In addition, in 2024 there will be an expansion to the business of prevention and wellness to expand the product line and increase business opportunities.

- Other income

For the first quarter of 2024, other income was THB 0.69 million, compared to the same period of 2023 at THB 1.39 million, an increase THB 0.70 million or 101.44%, mainly due to interest income increase and higher interest rate

Cost of sales and services

The Group's costs of services consist of 6 main groups of expenses: 1) medicine, medical supplies, and medical equipment, 2) doctor fees, 3) cost of laboratory 4) employee benefit expenses. 5) depreciation and 6) Other costs, such as maintenance costs of medical tools and equipment, etc. The cost of services with the greatest proportion is medicines, medical supplies, and medical equipment.

For the first quarter of 2024, the cost of services of the Group was THB 104.50 million, compared costs of services for the first quarter of 2023 at THB 81.38 million, an increase THB 23.12 million or 28.41%, mainly due to an increase in the cost of medicines, medical supplies and medical equipment of THB 8.52 million and an increase in doctor fees of THB 4.65 million, according to increasing of the number of infertile patients and more customers using

genetics laboratory services. However, the increase in cost of sales and service is a smaller rate compared to the increase in income. This caused the profit margin to increase from the previous year.

Gross profit and Gross profit margin

For the first quarter of 2024, the Group had a gross profit of THB 146.62 million, compared to gross profit for the first quarter of 2023 at THB 106.45 million, an increase of THB 40.17 million or 37.73%, in line with the increase in revenue from services, in particular, revenue from genetic testing services for embryos and fetuses increased significantly. As a result, the group has higher gross profits. Meanwhile, **the gross profit margin for the first quarter of 2024 was 58.39%, increased compared to the first quarter of 2023 equal to 56.67%.**

Selling expenses

The Group can divide selling expenses into 4 parts, namely 1) commission fee, 2) employee expenses, 3) advertising and sales promotion expenses, and 4) other distribution costs such as entertainment and promotion expenses. other sales, etc.

For the first quarter of 2024, the Group had selling expenses equal to THB 16.12 million, compared to the first quarter of 2023 with sales expenses equal to THB 10.30 million, an increase of THB 5.82 million or 56.46% due to an increase in advertising and sales promotion expenses of THB 3.63 million from focusing on marketing communications and organizing more marketing activities and an increase in commission paid to agents by THB 1.57 million from an increase in the number of patients.

Administrative expenses

The Group divided administrative expenses into 5 parts, namely 1) employee and management expenses, 2) depreciation expenses, 3) rental and service expenses, 4) repair and maintenance expenses, and 5) other administrative expenses such as cleaning expenses, signboard tax, bank charge, professional fees, and fines, etc. The main administrative expenses of the Group are employee and management expenses and depreciation.

For the first quarter of 2024, the Group had administrative expenses of THB 46.69 million, compared to the same period of 2023 at THB 40.91 million, an increase of THB 5.78 million or 14.14%, mainly due to employee benefit expenses increased by THB 1.24 million and other expenses increased by THB 3.07 million.

Finance costs

The Group's financial costs is interest on lease liabilities. For the first quarter of 2024, the Group had financial costs of THB 0.96 million baht, compared the same period of 2023 with financial cost equal THB 0.86 million, an increase of THB 0.01 million.

Net profit and Net profit margin

For the first quarter of 2024, the Group had a net profit of THB 66.71 million, profit grow rapidly, increasing by 30.47 million baht at a growth rate of 84.06% compared the same period of 2023, representing a net profit margin of 26.56%, increased compared to the first quarter of 2023 equal to 19.20%, in line with the increase of

revenue from sales and services of the Group. Even though the cost of services increases as well, the increase was in a smaller proportion than the increase in income, causing the group of companies to have a net profit and net profit margin increased.

Financial position analysis

Consolidated	31 December 2023	31 March 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
Assets	1,893.60	1,957.87	64.27	3.39
Liabilities	235.71	233.41	(2.30)	(0.97)
Equity	1,657.90	1,724.66	66.56	4.02

Assets

The Group has total assets as at 31 March 2024 equal to THB 1,957.87 million, compared as at 31 December 2023 with total assets of THB 1,893.60 million, an increase THB 64.27 million or 3.39%. The Group's significant assets include cash and cash equivalents, financial assets measured at fair value through profit or loss, building and equipment and right-of-use assets, etc. The details of the changes are as follows.

Consolidated	31 December 2023	31 March 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
<u>Current assets</u>				
Cash and cash equivalents	1,251.02	1,328.28	77.26	6.18
Financial assets measured at fair value through profit or loss	231.84	233.03	1.18	0.51
Trade and other accounts receivable	23.34	31.31	7.97	34.15
Inventories	65.12	54.40	(10.72)	(16.45)
Total current assets	1,571.33	1,647.03	75.70	4.82
<u>Non-current assets</u>				
Building and equipment (net)	151.15	144.10	(7.40)	(4.66)
Right-of-use assets (net)	144.25	139.94	(4.31)	(2.99)
Intangible assets (net)	8.68	8.57	(0.11)	(1.21)
Deferred tax assets (net)	6.46	7.11	0.65	10.05
Other non-current assets	11.74	11.12	(0.62)	(5.32)
Total non-current assets	322.28	310.85	(11.43)	(3.55)
Total assets	1,893.60	1,957.87	64.27	3.39

- Cash and cash equivalents

Cash and cash equivalents of the Group consist of cash and cash deposits. As at 31 March 2024, the Group had cash and cash equivalents in the amount of THB 1,328.28 million, compared to at the end of 2023 which

cash and cash equivalents equal to THB 1,251.02 million, an increase of THB 77.26 million or 6.18%. The changes in cash and cash equivalents, please see additional information in the section cash flow analysis.

- **Financial assets measured at fair value through profit or loss**

As at 31 March 2024, the Group had financial assets measured at fair value through profit or loss in the amount of THB 233.03 million, compared to the end of 2023 with an amount of THB 231.84 million, an increase of THB 1.18 million or 0.51%, due to fair value is measured through profit or loss. The financial assets invested by the Group are still government bonds fund and debt securities fund

- **Trade and other accounts receivable**

As at 31 March 2024, the Group had trade and other receivables in the amount of THB 31.31 million, compared to the end of 2023 with an amount of THB 23.34 million, an increase of THB 7.97 million or 34.15%.

- **Inventories**

As at 31 March 2024, the Group had inventories in amount of THB 54.40 million, compared to the end of 2023 with an amount of THB 65.12 million, a decrease of THB 10.72 million, or 16.45%.

- **Building and equipment - net**

Buildings and equipment of the Group mainly consist of buildings, office furnishings, and medical tools and equipment. As at 31 March 2024, the Group had net buildings and equipment in amount of THB 144.10 million, compared to the end of 2023 with an amount of THB 151.15 million, a decrease of THB 7.40 million or 4.66% due to depreciation.

- **Right-of-use assets - net**

As at 31 March 2024, the Group had right-of-use assets - net in amount of THB 139.94 million, compared to the end of 2023 with an amount of THB 144.25 million, a decrease of THB 4.31 million or 2.99% due to depreciation

Liabilities

The Group has total liabilities as at 31 March 2024 equal to THB 233.41 million, compared as at 31 December 2023 with total liabilities of THB 235.71 million, a decrease THB 2.30 million or 0.97%. The main liabilities of the Group are trade and other payables, lease liabilities, income tax payable, other current liabilities, employee benefit obligations and provision for decommissioning of fixed assets.

Consolidated	31 December 2023	31 March 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
Current liabilities				
Trade and other accounts payable	85.33	76.59	(8.75)	(10.25)
Current portion of lease liabilities	21.31	12.92	(8.38)	(39.35)
Income tax payable	16.67	33.68	17.02	102.10
Other current liabilities	2.06	2.12	0.06	3.07
Total current liabilities	125.36	125.31	(0.05)	(0.04)

Consolidated	31 December 2023	31 March 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
Non-current liabilities				
Lease liabilities (net)	72.53	69.25	(3.29)	(4.53)
Employee benefit obligations	20.72	21.60	0.88	4.25
Provision for decommissioning	17.08	17.24	0.16	0.94
Total non-current liabilities	110.34	108.10	(2.24)	(2.03)
Total liabilities	235.71	233.41	(2.30)	(0.97)

- **Trade and other accounts payable**

As at 31 March 2024, the Group had trade and other payables in the amount of THB 76.59 million, compared to the end of 2023 with an amount of THB 85.33 million, a decrease of THB 8.75 million baht, or 10.25. due to repayment of debts for construction costs of the Ramintra branch.

- **Income tax payable**

As at 31 March 2024, the Group has income tax payable in the amount of THB 33.68 million, compared to the end of 2023 with an amount of THB 16.67 million, an increase of THB 17.02 million or 102.10%.

- **Lease liabilities**

As at 31 March 2024, the Group had lease liabilities in the amount of THB 82.17 million, compared to the end of 2023 with an amount of THB 93.84 million. Lease liabilities arise from the Group has entered into lease agreements for building and land used in business operations.

- **Employee benefit obligations**

- As at 31 March 2024, the Group has employee benefits obligations in the amount of THB 21.60 million, compared to the end of 2023 with an amount of THB 20.72 million, an increase of THB 0.88 million or 4.25%. The employee benefit obligations of the Group comprise retirement benefits and other long-term employee benefits. The Company has obligations for compensation to employees upon retirement under labor law and according to other employee compensation programs. The Company treats this compensation as a defined benefit plan for employees that an independent expert has assessed such obligations based on actuarial principles.

- **Provision for decommissioning**

As at 31 March 2024, the Group has a provision for decommissioning of fixed assets in the amount of THB 17.24 million, compared to the end of 2023 with an amount of THB 17.08 million, an increase of 0.16 million baht or 0.94%.

Equity

Consolidated	31 December 2023	31 March 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
Equity				
Issued and fully paid-up share capital	303.95	303.95	-	-
Premium on share capital	1,382.23	1,382.23	-	-
Discount from business combination under common control	(178.29)	(178.29)	-	-
Retained earnings - Appropriated	30.39	30.39	-	-
Retained earnings - Unappropriated	115.48	182.19	66.71	57.76
Equity attributable to owners of parent	1,653.77	1,720.48	66.71	4.03
Non-controlling interests	4.13	3.98	(0.14)	(3.47)
Total equity	1,657.90	1,724.46	66.56	4.02

Liquidity

	31 March 2023	31 March 2024
	(THB Mil.)	(THB Mil.)
Net cash receipts (payment) from operating activities	81.82	102.52
Net cash receipts (payment) from investing activities	(9.15)	(12.79)
Net cash receipts (payment) from financing activities	(134.80)	(12.47)
Net increase (decrease) in cash and cash equivalents	(62.13)	77.26
Cash and cash equivalents – opening balance	850.66	1,251.02
Cash and cash equivalents – closing balance	788.53	1,328.28

From changing in cash flows from operating activities, investing activities and financing activities, as at 31 March 2024, the Group had cash and cash equivalents at the end of the year equal to THB 1,328.28 million with the details of significant changes in cash flows as follows:

Cash flows from operating activities

For the first quarter of 2024, the Group had net cash from operating activities of THB 102.52 million. Profit from operating activities before changes in operating assets and liabilities equal to THB 102.82 million. Cash received from operations were inventories of THB 8.44 million and other current liabilities THB 0.62 million. While cash used in operations were trade and other accounts receivable of THB 8.04 million and trade and other accounts payable of THB 0.15 million.

Cash flow from investing activities

For the first quarter of 2024, the Group had net cash outflows used in investing activities of THB 12.79 million, mostly from purchases of building and equipment of THB 12.48 million baht and purchases of intangible assets THB 0.32 million.

Cash flow from financing activities

For the first quarter of 2024, the Group had net cash used in financing activities of THB 12.47 million, from repayments for lease liabilities.

Key financial ratios

Liquidity Ratios

Financial ratios	Unit	31 December 2023	31 March 2024
Current ratio	times	12.97	13.14
Quick current ratio	times	12.43	12.71
Trade receivable turnover	times	38.94	9.19
Average Collection Period	days	9.37	9.90
Inventories turnover	times	6.67	1.75
Average Sales (Inventory) Period	days	54.72	52.00
Account receivable turnover	times	5.00	1.29
Average Payment Period	days	73.00	70.54
Cash cycle	days	(8.91)	(8.64)

The Group has current ratios as at 31 March 2024 equal to 13.14 times. The current ratio increased because cash and cash equivalents and trade and other accounts receivable increased

In addition, considering the cash cycle as at 31 March 2024, the Group had a cash cycle of (8.64) days. This was mainly due to the average sales period increased from increasing in inventories to support business expansion.

This is because the average sales period decreased, the average collection period increased, and the average payment period decreased.

Profitability Ratios

Financial ratios	Unit	31 December 2023	31 March 2024
Gross profit margin	%	55.28	58.39
EBIT margin	%	29.26	33.71
EBITDA margin	%	36.14	39.91
Net profit margin	%	23.58	26.42
Return of equity (ROE)	%	13.98	15.74

Gross profit margin : The Group has a gross profit margin for the first quarter of 2024 equal to 58.39% due to an increase in infertile people who came to receive treatment. Meanwhile The cost of service increased in a smaller proportion due to cost management measures, resulting profits higher.

EBIT margin : The Group has EBIT margin for the first quarter of 2024 equal to 33.71%.

EBITDA margin : The Group has EBITDA Margin for the first quarter of 2024 equal to 39.91%,

Net profit margin : The Group has a gross profit margin for the first quarter of 2024 equal to 26.42% due to revenue from sales and services increased. Although sales and administrative expenses increased, the proportion was less than revenue. As a result, the net profit margin increased.

Return on equity : As at 31 March 2024, The Group had return on equity equal to 15,74%, an increased because net profit increased.

Efficiency ratios

Financial ratios	Unit	31 December 2023	31 March 2024
Return of assets (ROA)	%	10.62	13.60
Return of fixed assets	%	129.62	46.19
Asset turnover	times	51.97	13.11

Return on assets : As at 31 March 2024, The Group had return on assets equal to 13.60%, an increased because net profit increased.

Return of fixed assets : As at 31 March 2024, The Group had return on fixed assets equal to 46.19%.

Asset turnover : As at 31 March 2024, The Group had asset turnover equal to 13.11 times, decreasing due to the Group having more assets.

Financial Risk Ratios

Financial ratios	Unit	31 December 2023	31 March 2024
Debt to equity	times	0.14	0.14
Dividend payout	%	95.88	-

The Group has total debt to equity ratio as at 31 December 2023 equal to 0.14 times which was mainly due to a decrease in shareholders' equity from paying dividends from retained earnings

Details of Dividend Payment

- At The Board of Directors' meeting on 11 May 2023, The Board of Directors resolved to approve the dividend payment from the retained earnings at the rate of THB 1.85 per share for 45.00 million shares, totaling THB 83.25 million. The company paid such dividends within May 2023

- At The Board of Directors' meeting on 10 August 2023, The Board of Directors resolved to approve the dividend payment from the retained earnings at the rate of THB 0.15 per share for 280.00 million shares, totaling THB 42 million. The company paid such dividends within August 2023

- At The Board of Directors' meeting on 27 September 2023, The Board of Directors resolved to approve the dividend payment from the retained earnings at the rate of THB 0.10 per share for 280.00 million shares, totaling THB 28 million. The company paid such dividends within October 2023

- At The Board of Directors' meeting on 25 October 2023, The Board of Directors resolved to approve the dividend payment from the retained earnings at the rate of THB 0.035 per share for 280.00 million shares, totaling THB 9.80 million. The company paid such dividends within October 2023

- The 2024 Annual General Meeting of Shareholders on 26 April 2024, the meeting resolved to approve the payment of remaining dividends for the operating results for the year 2023 at the rate of THB 0.15 per share, totaling THB 45.59 million. The company determined to pay dividends on 24 May 2024