

## Management's Discussion and Analysis (MD&A) and operating result for the three-month and six-month periods ended 30 June 2024

### Performance Analysis

Consolidated	2Q2566	1Q2567	2Q2567	% Increase (Decrease)		1H2566	1H2567	% Increase (Decrease)
				YoY	QoQ			
				Revenue from sales and services	218.73			
Cost of sales and services	(98.99)	(104.50)	(96.02)	(3.00)	(8.12)	(180.37)	(200.52)	11.17
<b>Gross profit</b>	<b>119.74</b>	<b>146.62</b>	<b>118.70</b>	(0.87)	(19.04)	<b>226.20</b>	<b>265.32</b>	17.30
Other income	2.58	1.39	5.01	94.31	259.45	3.27	6.41	95.88
Profit before expenses	122.32	148.01	123.71	1.14	(16.42)	229.47	271.73	18.42
Selling expenses	(15.23)	(16.12)	(17.61)	15.65	9.25	(25.53)	(33.74)	32.12
Administrative expenses	(43.00)	(46.69)	(46.93)	9.16	0.52	(83.90)	(93.62)	11.59
Reversal of expected credit loss	(0.59)	(0.07)	-	(100.00)	(100.00)	(0.81)	(0.07)	(91.44)
Other gain(loss)	0.0002	(0.003)	0.03	9627.64	790.37	0.001	0.02	1128.04
Net gain (loss) from exchange rate	(0.001)	0.004	(0.007)	395.33	(322.55)	0.01	(0.004)	(136.17)
<b>Profit before finance costs and income tax</b>	<b>63.50</b>	<b>85.13</b>	<b>59.19</b>	(6.81)	(30.48)	<b>119.23</b>	<b>144.31</b>	21.03
Finance costs	(0.83)	(0.96)	(0.93)	12.49	(2.63)	(1.67)	(1.89)	11.91
Profit before income tax	62.68	84.18	58.26	(7.06)	(30.80)	117.55	142.42	21.16
Income tax	(11.06)	(17.61)	(12.40)	12.06	(29.61)	(30.07)	(30.01)	(0.20)
<b>Net profit for the period</b>	<b>51.62</b>	<b>66.56</b>	<b>45.87</b>	(11.16)	(31.11)	<b>87.48</b>	<b>112.42</b>	28.50
<b>Profit attributable to owners of the parent</b>	<b>52.08</b>	<b>66.71</b>	<b>46.80</b>	(10.18)	(29.87)	<b>88.33</b>	<b>113.49</b>	28.49
<b>Basic earnings per share (Baht)</b>	<b>0.21</b>	<b>0.22</b>	<b>0.15</b>			<b>0.37</b>	<b>0.37</b>	

### Revenue from sales and services

For the second quarter of 2024, the Group had revenue from sales and services equal to THB 214.72 million, decreased by THB 4.01 million or 1.83% from the second quarter of 2023 at THB 218.73 million, and decreased by THB 36.40 million or 14.49% from the first quarter of 2023 at THB 251.12 million.

In the first half of 2024, the Group had revenue from sales and services equal to THB 465.85 million, increased by THB 59.28 million or 14.58% compared with the first half of 2023 at THB 406.57 million.

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.

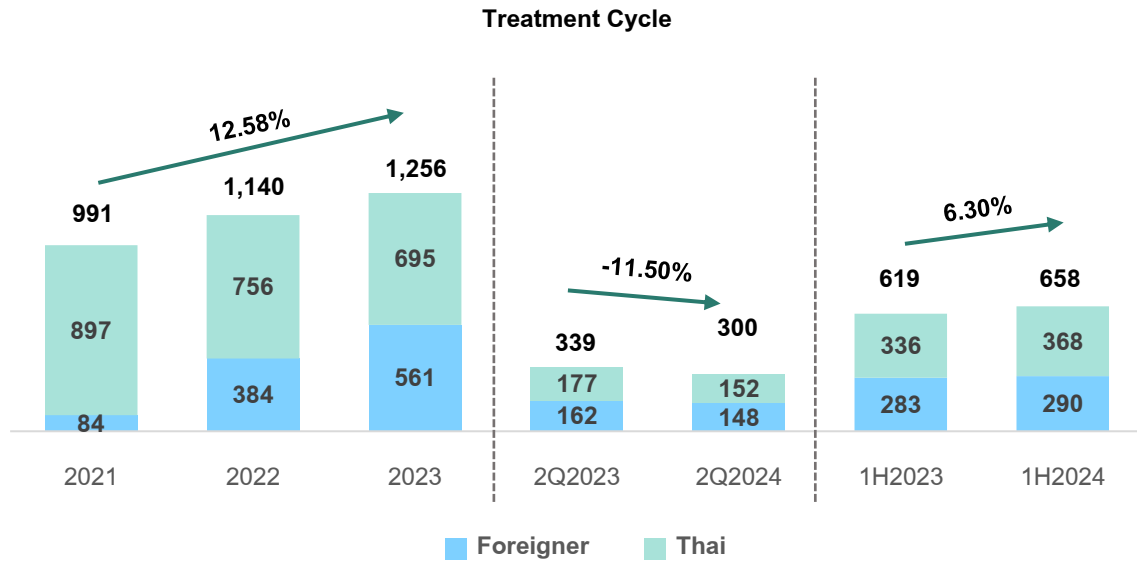
	2Q2566	1Q2567	2Q2567	% Increase (Decrease)		1H2566	1H2567	% Increase (Decrease)
				YoY	QoQ			
				Revenue from infertility treatment services	174.32			
Revenue from embryo and fetal genetic testing services	43.58	49.83	44.40	1.88	(10.90)	80.16	94.23	17.55
Revenue from skin and aesthetic business	0.84	4.70	2.83	236.90	(39.79)	0.95	7.52	691.58
<b>Total revenue from sales and services</b>	<b>218.74</b>	<b>251.12</b>	<b>214.72</b>	<b>(1.84)</b>	<b>(14.49)</b>	<b>406.57</b>	<b>465.85</b>	<b>14.58</b>
Other income	2.58	1.39	5.01	94.31	259.45	3.27	6.41	95.88
<b>Total income</b>	<b>221.32</b>	<b>252.51</b>	<b>219.73</b>	<b>(0.72)</b>	<b>(12.98)</b>	<b>409.84</b>	<b>472.26</b>	<b>15.23</b>

#### - Revenue from infertility treatment services

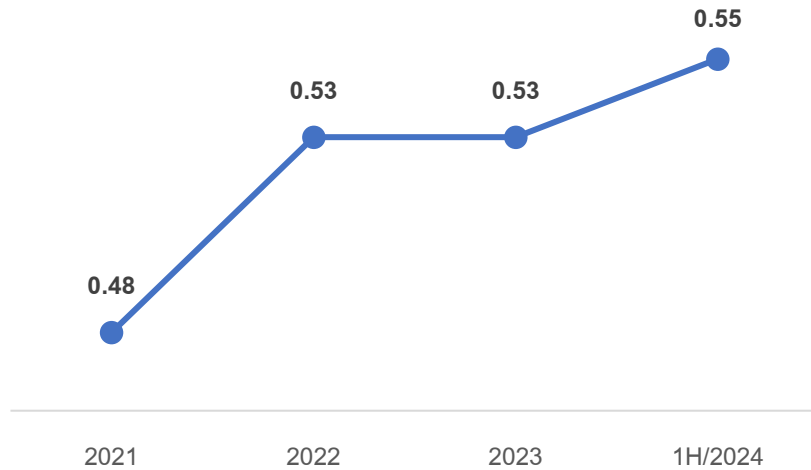
For the second quarter of 2024, the Group had revenue from infertility treatment services in the amount of THB 167.50 million, decreased by THB 6.82 million or 3.91% from the second quarter of 2023 at THB 174.32 million, and decreased by THB 29.09 million or 14.80% from the first quarter of 2023 at THB 196.59 million. This is because the total number of treatment cycles decreased by 39 cycles from the same period of the previous year, as a result of a large number of patients rushing to receive treatment in the first quarter of 2024 because they want their children to be born in the Year of the Dragon.

However, in the first half of 2024, the Group had income from infertility treatment services in the amount of THB 364.09 million, increased by THB 38.63 million or 11.87% compared with the first half of 2023 with revenue from infertility treatment services in the amount of THB 325.46 million.

Treatment cycles from 2021 to the second 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 the second quarter of 2024 the Company had the number of treatment cycles at 300 cycles, decreased by 39 cycles or 11.50% from the second quarter of 2023 with the number of treatment cycles at 339 cycles, and decreased by 58 cycles or 16.20% from the first quarter of 2024 with the number of treatment cycles at 358 cycles

In the first half of 2024, the Company had treatment cycle at 658 cycles, increased by 39 cycles or 6.30% compared with the first half of 2023 at 619 cycles, of which 368 cycles from Thai customers and 290 cycles from foreign customers, and income per treatment cycle increased to THB 0.55 million per 1 treatment cycle.

- **Revenue from embryo and fetal genetic testing services**

For the second quarter of 2024, the Group had revenue from embryo and fetal genetic testing services in amount of THB 44.40 million, increased by THB 0.82 million or 1.88% from the second quarter of 2023 at THB 43.58 million, and increased by THB 5.43 million or 10.90% from the first quarter of 2024 at THB 49.83 million.

In the first half of 2024, the Group had revenue from embryo and fetal genetic testing services in amount of THB 94.23 million, increased by THB 14.07 million or 17.55% compared with the first half of 2023 at THB 80.16 million 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.

- **Revenue from anti-aging and wellness business**

For the second quarter of 2024, the Group had revenue from anti-aging and wellness business in amount of THB 2.83 million, an increase of THB 1.99 million or 236.90 from the second quarter of 2023 at THB 0.84 million, and a decrease of THB 1.87 million or 39.79% from the first quarter of 2024 at THB 4.70 million.

In the first half of 2024, the Group had revenue from anti-aging and wellness business in amount of THB 7.52 million, an increase of THB 6.57 million or 691.58% compared with the first half of 2023 at THB 0.95 million.

- **Other income**

For the second quarter of 2024, the Group had other income in amount of THB 5.01 million, increased by THB 2.43 million or 94.31% from the second quarter of 2023 at THB 2.58 million, and increase by THB 3.62 million or 259.45 from the first quarter of 2024 at THB 1.39 million

In the first half of 2024, the Group had other income in amount of THB 6.41 million, increased by THB 3.14 million or 95.88% compared with the first half of 2023 at THB 3.27 million from investment returns and interest income

**Cost of sales and services**

For the second quarter of 2024, the Group had the cost of services in amount of THB 96.02 million, decreased by THB 2.97 million or 3.00% from the second quarter of 2023 at THB 98.99 million, and decreased by THB 8.48 million or 8.12 from the first quarter of 2024 at THB 104.50 million.

In the first half of 2024, the Group had the cost of services in amount of THB 200.52 million, increased by THB 20.15 million or 11.17% compared with the first half of 2023 at THB 180.37 million mainly due to an increase in the cost of medicines, medical supplies and medical equipment of THB 10.53 million and an increase in doctor fees of THB 5.74 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 first half of 2023.

#### **Gross profit and Gross profit margin**

For the second quarter of 2024, the Group had gross profit in amount of THB 118.70 million, decreased by THB 1.04 million or 0.87% from the second quarter of 2023 at THB 119.74 million and decreased by THB 27.92 million or 19.04% from the first quarter of 2024 at THB 146.62 million, in line with the decrease in revenue from sales and services. Meanwhile, the gross profit margin for the second quarter of 2024 was 55.28%, increased from the second quarter of 2023 equal to 54.74% but decreased from the first quarter of 2024 equal to 58.39%.

In the first half of 2024, the Group had gross profit in amount of THB 265.32 million, increased by THB 39.12 million or 17.30% compared with the first half of 2023 at THB 226.20 million. Meanwhile, the gross profit margin in the first half of 2024 was 56.95%, increased from the first half of 2023 equal to 55.64%

#### **Selling expenses**

For the second quarter of 2024, the Group had selling expenses in amount of THB 17.61 million, increased by of 2.38 million or 15.65% from the second quarter of 2023 in amount of THB 15.23 million, and increased by THB 1.49 million or 9.25% from the first quarter of 2024 in amount of THB 16.12 million,

In the first half of 2024, the Group had selling expenses in amount of THB 33.74 million, increased by THB 8.20 million or 32.12% compared with the first half of 2023 in amount of THB 25.53 million due to advertising and sales promotion expenses increased by THB 4.91 million from focusing on marketing communications and organizing more marketing activities and commission paid to agents increased by THB 2.38 million from an increase in the number of patients.

#### **Administrative expenses**

For the second quarter of 2024, the Group had administrative expenses in amount of THB 46.93 million, increased by THB 3.94 million or 9.16% from the second quarter of 2023 in amount of THB 43.00 million and increased by THB 0.24 million or 0.52% from the first quarter of 2024 in amount of THB 46.69 million,

In the first half of 2024, the Group had administrative expenses in amount of THB 93.62 million, increased by THB 9.72 million or 11.59% compared to the first half of 2023 at THB 83.90 million mainly due to depreciation and amortization increased by THB 3.39 million and other expenses increased by THB 5.22 million.

#### **Finance costs**

For the second quarter of 2024, the Group had finance costs in amount of THB 0.93 million, increased by THB 0.10 million or 12.49% from the second quarter of 2023 in amount of THB 0.83 million and decreased by THB 0.03 million or 2.63% from the first quarter of 2024 in amount of THB 0.96 million,

In the first half of 2024, the Group has finance costs in amount of THB 1.89 million, increased by THB 0.20 million or 11.91% compared with the first half of 2023 in amount of THB 1.69 million.

### Net profit and Net profit margin

For the second quarter of 2024, the Group had net profit attributable to owners of the parent in amount of THB 46.78 million, decreased by THB 5.30 million or 10.18% from the second quarter of 2023 in amount of THB 52.08 million and decreased by THB 19.92 million or 29.87 from the first quarter of 2024 in amount of THB 66.71 million, in line with the decrease of revenue from sales and services of the Group. Meanwhile, the net profit margin for the second quarter of 2024 was 21.29%, decreased from the second quarter of 2023 equal to 23.50% and decreased from the first quarter of 2024 equal to 26.42%.

In the first half of 2024, the Group had net profit attributable to owners of the parent in amount of THB 113.49 million, increased by THB 25.17 million or 28.49% compared with the first half of 2023 in amount of THB 88.33 million. Meanwhile, the net profit margin for the first half of 2024 was 24.03%, increased from the first half of 2023 equal to 21.55%.

### Financial position analysis

Consolidated	31 December 2023	30 June 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
Assets	1,893.60	1,957.66	64.05	3.38
Liabilities	235.71	218.92	(16.79)	(7.12)
Equity	1,657.90	1,738.74	80.84	4.88

#### Assets

The Group had total assets as of 30 June 2024 equal to THB 1,957.66 million, increased by THB 64.05 million or 3.38% from 31 December 2023 with total assets of THB 1,893.60 million. 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	30 June 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
<b><u>Current assets</u></b>				
Cash and cash equivalents	1,251.02	1,340.83	89.81	7.18
Financial assets measured at fair value through profit or loss	231.84	234.22	2.37	1.02
Trade and other account receivables	23.34	31.36	8.01	34.34
Inventories	65.12	47.62	(17.50)	(26.88)
<b>Total current assets</b>	<b>1,571.33</b>	<b>1,654.02</b>	<b>82.69</b>	<b>5.26</b>
<b><u>Non-current assets</u></b>				
Building and equipment (net)	151.15	141.36	(9.79)	(6.48)

Consolidated	31 December 2023	30 June 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
Right-of-use assets (net)	144.25	135.70	(8.55)	(5.93)
Intangible assets (net)	8.68	8.16	(0.52)	(5.94)
Deferred tax assets (net)	6.46	7.30	0.84	12.99
Other non-current assets	11.74	11.12	(0.62)	(5.32)
<b>Total non-current assets</b>	<b>322.28</b>	<b>303.64</b>	<b>(18.64)</b>	<b>(5.78)</b>
<b>Total assets</b>	<b>1,893.60</b>	<b>1,957.66</b>	<b>64.05</b>	<b>3.38</b>

- **Cash and cash equivalents**

As of 30 June 2024, the Group had cash and cash equivalents in the amount of THB 1,340.83 million, increased by THB 89.81 million or 7.18% from the end of 2023 with cash and cash equivalents in the amount of THB 1,251.02 million. 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 of 30 June 2024, the Group had financial assets measured at fair value through profit or loss in the amount of THB 234.22 million, increased by THB 2.37 million or 1.02% from the end of 2023 with an amount of THB 231.84 million 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 of 30 June 2024, the Group had trade and other accounts receivable in the amount of THB 31.36 million, increased by THB 8.01 million or 34.34% from the end of 2023 with an amount of THB 23.34 million.

- **Inventories**

As of 30 June 2024, the Group had inventories in amount of THB 47.62 million, decreased by THB 17.50 million or 26.88% from the end of 2023 with an amount of THB 65.12 million.

- **Building and equipment - net**

Buildings and equipment of the Group mainly consist of buildings, office furnishings, and medical tools and equipment. As of 30 June 2024, the Group had net buildings and equipment in amount of THB 141.36 million, decreased by THB 9.79 million or 6.48% from the end of 2023 with an amount of THB 151.15 million due to depreciation.

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

As of 30 June 2024, the Group had right-of-use assets - net in amount of THB 135.70 million, decreased by THB 8.55 million or 5.93% from the end of 2023 with an amount of THB 144.25 million due to depreciation.

### Liabilities

The Group had total liabilities as of 30 June 2024 equal to THB 218.92 million, decreased by THB 16.79 million or 7.12% from 31 December 2023 with total liabilities of THB 235.71 million. 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. The details of the changes are as follows.

Consolidated	31 December 2023	30 June 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
<b><u>Current liabilities</u></b>				
Trade and other current accounts payable	85.33	74.62	(10.71)	(12.56)
Current portion of lease liabilities	21.31	13.08	(8.23)	(38.62)
Income tax payable	16.67	24.21	7.54	45.27
Other current liabilities	2.06	1.21	(0.85)	(41.22)
<b>Total current liabilities</b>	<b>125.36</b>	<b>113.12</b>	<b>(12.25)</b>	<b>(9.77)</b>
<b><u>Non-current liabilities</u></b>				
Lease liabilities (net)	72.53	65.91	(6.62)	(9.13)
Employee benefit obligations	20.72	22.48	1.76	8.48
Provision for decommissioning	17.08	17.41	0.32	1.89
<b>Total non-current liabilities</b>	<b>110.34</b>	<b>105.80</b>	<b>(4.54)</b>	<b>(4.12)</b>
<b>Total liabilities</b>	<b>235.71</b>	<b>218.92</b>	<b>(16.79)</b>	<b>(7.12)</b>

#### - Trade and other current accounts payable

As of 30 June 2024, the Group had trade and other current accounts payable in the amount of THB 74.62 million, decreased by THB 10.71 million or 12.56% from the end of 2023 with an amount of THB 85.33 million due to repayment of debts for construction costs of the Ramintra branch.

#### - Income tax payable

As of 30 June 2024, the Group had income tax payable in the amount of THB 24.21 million, increased by 7.54 million or 45.27% from the end of 2023 with an amount of THB 16.67 million.

#### - Lease liabilities

As of 30 June 2024, the Group had lease liabilities in the amount of THB 78.99 million, decreased by 14.85 million or 15.83% 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 of 30 June 2024, the Group had employee benefits obligations in the amount of THB 22.48 million, increased by THB 1.76 million or 8.48% from the end of 2023 with an amount of THB 20.72 million. 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 of 30 June 2024, the Group had a provision for decommissioning of fixed assets in the amount of THB 17.41 million, increased by THB 0.32 million or 1.89% compared to the end of 2023 with an amount of THB 17.08 million.

### Equity

The Group had total equity as of 30 June 2024 equal to THB 1,738.74 million, increased by THB 80.84 million or 4.88% from 31 December 2023 with total equity of THB 1,657.90 million due to the profit increased. The details of the changes are as follows.

Consolidated	31 December 2023	30 June 2024	Increase (Decrease)	
	(THB Mil.)	(THB Mil.)	THB Mil.	%
<b>Equity</b>				
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	183.40	67.92	58.81
<b>Equity attributable to owners of parent</b>	<b>1,653.77</b>	<b>1,721.69</b>	<b>67.62</b>	<b>4.11</b>
Non-controlling interests	4.13	17.05	12.93	313.12
<b>Total equity</b>	<b>1,657.90</b>	<b>1,738.74</b>	<b>80.84</b>	<b>4.88</b>

### Liquidity

The Group's liquidity for the 6-month period ending 30 June 2024 had a net increase in cash flow of THB 89.81 million, with cash and cash equivalents at the beginning of the period in amount of THB 1,251.02 million, resulting in cash and cash equivalents at the end of the period in amount of THB 1,340.83 million. Details of cash flow for each activity are as follows:

<b>Consolidated</b>	<b>30 June 2024</b> <b>(THB Mil.)</b>
Net cash receipts (payment) from operating activities	150.10
Net cash receipts (payment) from investing activities	(17.45)
Net cash receipts (payment) from financing activities	(48.01)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>84.63</b>
Cash and cash equivalents – opening balance	1,251.02
<b>Cash and cash equivalents – closing balance</b>	<b>1,335.65</b>

#### Cash flows from operating activities

The Group had net cash from operating activities of THB 150.10 million. Profit from operating activities before changes in operating assets and liabilities equal to THB 173.47 million. Cash received from operations were inventories of THB 15.21 million and other current liabilities THB 0.62 million. While cash used in operations were trade and other accounts receivable of THB 8.08 million, trade and other accounts payable of THB 6.98 million and income tax of THB 23.30 million.

#### Cash flow from investing activities

The Group had net cash outflows used in investing activities of THB 17.45 million, mostly from purchases of building and equipment of THB 20.15 million baht and purchases of intangible assets THB 1.01 million. Cash received from selling equipment and interest income are amount of THB 3.70 million.

#### Cash flow from financing activities

The Group had net cash used in financing activities of THB 48.01 million, from repayments for lease liabilities of THB 16.42 million and dividends payment of THB 45.59 million. Cash received from Issuance of shares by other shareholders is amount of THB 14 million.

## Key financial ratios

### Liquidity Ratios

<b>Financial ratios</b>	<b>Unit</b>	<b>31 December 2023</b>	<b>30 June 2024</b>
Current ratio	times	12.97	15.28
Quick current ratio	times	12.43	14.38
Trade receivable turnover	times	38.94	17.03
Average Collection Period	days	9.37	10.69
Inventories turnover	times	6.67	3.56
Average Sales (Inventory) Period	days	54.72	51.12
Account receivable turnover	times	5.00	2.59

Financial ratios	Unit	31 December 2023	30 June 2024
Average Payment Period	days	73.00	70.27
Cash cycle	days	(8.91)	(8.64)

The Group has current ratios as of 30 June 2024 equal to 13.14 times, increased from 31 December 2023, due to an increase in cash and cash equivalents, trade receivables and other receivables.

In addition, considering the cash cycle as of 30 June 2024, the Group had a cash cycle of (8.64) days, decreasing from 31 December 2023, due to the average sales period decreased, the average collection period increased and the average payment period decreased.

#### Profitability Ratios

Financial ratios	Unit	30 June 2023	30 June 2024
Gross profit margin	%	55.64	56.95
EBIT margin	%	29.09	30.56
EBITDA margin	%	36.31	37.14
Net profit margin	%	21.55	24.03
Return of equity (ROE)	%	14.03	13.24

The Group has a gross profit margin, EBIT margin, EBITDA margin and net profit margin for six-month periods ended 30 June 2024 equal 56.95%, 30.56%, 37.14% and 24.03%, respectively, due to an increase in revenue from sales and services. Meanwhile The cost of service increased in a smaller proportion due to cost management measures, resulting profits higher.

#### Efficiency ratios

Financial ratios	Unit	31 December 2023	30 June 2024
Return of assets (ROA)	%	10.62	11.52
Return of fixed assets	%	129.62	79.92
Asset turnover	times	51.97	24.56

Return on assets : As of 30 June 2024, The Group had return on assets equal to 11.52%, an increased because net profit increased.

Return of fixed assets : As of 30 June 2024, The Group had return on fixed assets equal to 79.92%.

Asset turnover : As of 30 June 2024, The Group had asset turnover equal to 24.56 times, decreasing due to the Group having more assets.

#### Financial Risk Ratios

Financial ratios	Unit	31 December 2023	30 June 2024
Debt to equity	times	0.14	0.12

---

Financial ratios	Unit	31 December 2023	30 June 2024
Dividend payout	%	95.88	-

The Group has total debt to equity ratio as of 30 June 2024 equal to 0.12 times, which is a relatively low ratio, due to the Group does not have loan from financial institutions and mainly uses the internal cash of the Group to operate its business.