

Section 1

Executive Summary

This Executive Summary is part of the Registration Statement and Prospectus which contains summary of share offering and risks of the issuer. In considering this investment, investors must consider the information provided in the full version of the Registration Statement and Prospectus which can be obtained from the underwriters and issuer, or which the Company submitted to the Securities and Exchange Commission (SEC) at SEC website

Executive Summary for Initial Public Offering (IPO)

Healthlead Public Company Limited

Subscription Period: November 25th - 26th and 29th, 2021

Offering information

Issuer	:	Healthlead Public Company Limited (“HL” or the “Company”)
Type of Business	:	Holding company which currently holds investment in pharmacy business distributing medicines, medical supplies, cosmeceuticals, supplements, medical devices and other healthcare products as well as in business regarding coinventing and codeveloping with external research teams along with hiring manufacturers for distributing innovative healthcare products including supplements, sterilization products, deodorizer and mask.
Offering Shares	:	72,000,000 ordinary shares or 26.47% of issued and paid-up capital after IPO
Offering Structure	:	(1) 64,800,000 shares offered to the public, representing 23.82% of total issued and paid-up shares after the IPO (2) 7,200,000 shares offered to directors, executives, and employees of the Company and its subsidiaries, representing 2.65% of total issued and paid-up shares after the IPO
Underwriting Condition	:	☒ Firm Underwriting ☐ Best Effort
IPO Price	:	Baht 9.80 per share
Total offering value	:	705,600,000 Baht
Par Value	:	Baht 0.50 per share
Book Value	:	Baht 0.80 per share calculated from the Company’s shareholders’ equity as of September 30, 2021 according to the consolidated financial statements which is 160.12 million Baht and divided by the total number of issued and paid-up shares of the Company before IPO which is 200 million shares.

Baht 0.59 per share calculated from the Company's shareholders' equity as of September 30, 2021 according to the financial statements which is 160.12 million Baht and divided by the total number of issued and paid-up shares of the Company after IPO which is 272 million shares (Fully Diluted)

The share offering or convertible securities in the previous 6 months prior to submission of Filing to the SEC until subscription period

☒ None ☐ Yes

Relationship between the Issuer and Financial Advisor and/or Underwriters such as mutual holdings, Director/ Executive/ Employee of Financial Advisor and/or Underwriters holding any directorship positions in the Issuer company, Financial Advisor and/or Underwriters being involved in lending or any involvement that deemed to impair the Financial Advisor and/or Underwriters' independence.

☒ None ☐ Yes

Rationale for determination of the offering price and financial information supporting the valuation of the IPO price:

The determination of the offering price of the Company is based on the price to earning ratio (P/E). The offering price is at Baht 9.80 per share which is equivalent to P/E ratio of 27.63 times which is calculated from the performance of the Company for the last 4 quarters from October 1, 2020 to September 30, 2021 that has net profits of 70.95 million Baht when divided by the total number of issued and paid-up ordinary shares before IPO which is 200 million shares resulting in the earnings per share of Baht 0.35. And the price to earning ratio (P/E) of 37.57 times when calculated from the performance of the Company for the last 4 quarters divided by the total number of issued and paid-up ordinary shares after IPO which is 272 million shares (Fully Diluted), the earnings per share is Baht 0.26. However, such P/E ratio is calculated based on past performance of the last 4 quarters which does not reflect the performance in the future.

Financial information supporting the valuation of the IPO price

For the information supporting the valuation of IPO price, the price to earning ratio of the comparable companies listed on the Stock Exchange of Thailand are compared. However, the business of the Company is holding company which currently holds investment in pharmacy business as well as in business regarding co-inventing and co-developing with external research teams along with hiring manufacturers for distributing innovative healthcare products which are different from the business of other listed companies in the Stock Exchange of Thailand. Therefore, the price to earning ratio of the listed companies with some business characteristics similar to the Company's 2 businesses are compared, namely retail business and business related to healthcare products and medical device distribution business in a period of 3 months from August 17, 2021 to November 16, 2021, with details as follows:

Company	Business	Secondary Market /Sector	Average Price (Baht) ^{1/}	P/E (times)
K&K Superstore Southern Public Company Limited (KK)	A retailer and a wholesaler of consumer products	mai / Service	4.02	31.71

Company	Business	Secondary Market /Sector	Average Price (Baht) ^{1/}	P/E (times)
Thanapiriya Public Company Limited (TNP)	A retailer and a wholesaler of consumer goods under the name "Thanapiriya"	mai / Services	5.62	25.57
Inter Pharma Public Company Limited (IP)	Research & development and distribution of healthcare products and aesthetic innovation products for human including health products for pets and livestock animals	mai / Consumer Products	21.76	96.97
Saintmed Public Company Limited (SMD)	Distributor of medical devices by importing from international manufacturers, mainly distribute to hospitals in Thailand and general public	mai / Consumer Products	14.51	23.52
Techno Medical Public Company Limited (TM)	A distributor of medical supply and equipment to distribute the products to the leading hospitals in Thailand. TM has been granted as an Exclusive Distributor from the leading manufacturers from overseas as well as Thailand.	mai / Consumer Products	3.56	46.00
Winergy Medical Public Company Limited (WINMED)	Importer and distributor of machines and equipment for storage, analysis, diagnosis, and medical treatment	mai / Consumer Products	6.30	49.12

Source: www.setsmart.com

Note: ^{1/}A weighted average share price, calculated by using trade value divided by trade volumn.

Share Proportion of "Strategic Shareholders" which is not under silent period: 37,337,500 shares which is equivalent to 13.73% of total issued and paid-up shares after this initial public offering.

Secondary market : ☐ SET ☒ mai

Sector : Service

Listing criteria : ☒ profit test

Use of Proceeds

The Company will use the proceeds from the offering after deducting expenses related to the share offering at the approximate net amount of Baht 679.26 million as follows:

Use of proceeds	Expected amount (million Baht)	Expected to be used during
1. To use for branch expansion and renovation	60.00	Within year 2024
2. To use as a working capital	619.26	Within year 2024

Dividend Policy of the Company and its subsidiaries

The Company has a policy to pay dividend at a rate of not less than 40% of net profit after deducting corporate income tax and legal reserve based on the Company's separated financial statement. Such dividend payment is subject to change due to performance, financial status, its liquidity and necessities in using for working capital, business operation and expansion plan in the future, as well as economic situation.

The subsidiaries have a policy to pay dividend at a rate of not less than 40% of net profit based on the subsidiaries' separated financial statement. Such dividend payment is subject to change due to performance, financial liquidity, cash flow, financial status and necessities in using for working capital, economic situation as well as other factors.

Information of the Issuer

Healthlead Public Company Limited ("HL" or "the Company") was established on December 28, 2018 to become a holding company. Currently, the Company holds investments in subsidiaries as following

- (1) Icare Health Company Limited ("Icare Health") is a subsidiary whose 100.00% of its shares belongs to the Company. As of December 18, 2020, Icare Health has registered and paid-up capital of 65 million Baht. Its business is pharmacy business distributing medicines, medical supplies, cosmeceuticals, supplements, medical devices and other healthcare products for a total of more than 10,000 SKU in order to meet various demands of customers. The products can be categorized into 4 types as following

Type of product	Description
Professional Healthcare	Products are mostly medicines comprising general medicines, common household medicines and special controlled drugs in order to help cure various symptoms. Moreover, this product type includes supplements and herbal products to help nourish the health, prevent or alleviate symptoms. This type is the main products distributed in all branches.
Home Healthcare	Consumer goods comprising medical devices, single-use devices, devices for treating the patients and home devices for assisting or facilitating the patients such as walking stick, assistive walking devices, medical mask, thermometer and blood pressure monitor.
Personal Healthcare	Health-related consumer goods for external use for nourishing health, alleviating or preventing illnesses such as anti hair loss shampoo and soap.
Deli Healthcare	Consumer products or other products comprising food, drinks or other medical food such as milk powder for the baby and the elderly as well as drinking water.

The products are distributed through pharmacies under a total of 4 brands which currently operates 26 branches (as of October 31, 2021) as following

- iCare 10 branches
- Pharmax 12 branches
- vitaminclub 3 branches

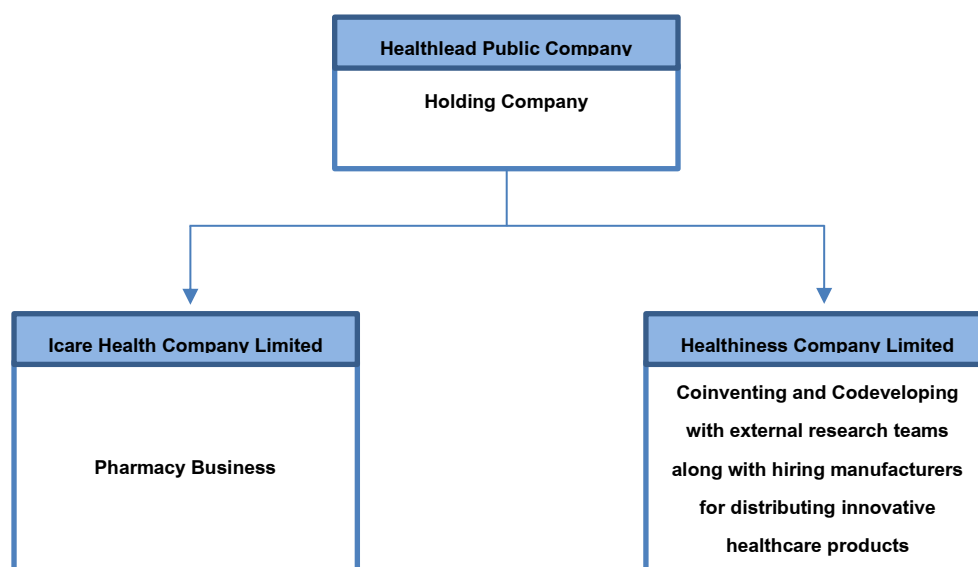
- Super Drug 1 branch

(2) Healthiness Company Limited ("Healthiness") is a subsidiary whose 100.00% of its shares belongs to the Company. As of December 18, 2020, Healthiness has registered and paid-up capital of 35 million Baht. Its business is coinventing and codeveloping with external research teams along with hiring manufacturers for distributing innovative healthcare products under 2 brands as follows.

1. PRIME is the brand of supplements that selects high-quality raw materials from around the world. Currently, there are a total of 26 SKU under this brand.
2. Besuto is the brand of innovative healthcare products including sterilization products, deodorizer and mask. Currently, Healthiness distributes a total of 9 SKU under this brand.

At the present, the products of Healthiness are mostly distributed through pharmacies of the group.

The Group's Structure



On December 16, 2020, the Company has registered capital of 136 million Baht and paid-up capital of 100 million Baht divided into 200 million ordinary shares with par value of 0.50 Baht. After this initial public offering, the Company will have the registered and paid-up capital of 136 million Baht divided into 272 million ordinary shares with par value of 0.50 Baht.

Major Shareholders

As of March 25, 2021, and after IPO, the Company's list of shareholders is as follows;

Name	Before IPO		After IPO	
	No. of shares	%	No. of shares	%
1. Mrs. Mataya Bhandhukanonda	117,375,000	58.69	117,375,000	43.15
2. Mr. Supakorn Bhandhukanonda	65,562,500	32.78	65,562,500	24.10
3. Mr. Thanyakorn Bhandhukanonda	13,062,500	6.53	13,062,500	4.80
4. Mr. Thatchaphon Chonwattanasakul	4,000,000	2.00	4,000,000	1.47
Original shareholders	200,000,000	100.00	200,000,000	73.53

Name	Before IPO		After IPO	
	No. of shares	%	No. of shares	%
Offering to directors, executives, and employees of the Company and its subsidiaries			7,200,000	2.65
Offering to general public			64,800,000	23.82
Total number of shares after IPO			272,000,000	100.00

Revenue Structure

Product Type	2018		2019		2020		Jan-Sep 2020		Jan-Sep 2021	
	Mn Baht	%	Mn Baht	Mn Baht	%	Mn Baht	Mn Baht	%	Mn Baht	%
Revenue from the sale of Professional Healthcare	561.88	71.02	659.46	72.03	753.19	69.73	558.68	70.13	623.01	68.26
Revenue from the sale of Home Healthcare	114.11	14.42	129.11	14.10	169.27	15.67	123.28	15.47	160.52	17.59
Revenue from the sale of Personal Healthcare	69.74	8.81	73.28	8.00	95.79	8.87	71.27	8.95	78.71	8.62
Revenue from the sale of Deli Healthcare	35.66	4.51	44.37	4.85	45.84	4.24	33.18	4.16	40.45	4.43
Total Sales	781.39	98.76	906.22	98.99	1,064.09	98.52	786.41	98.71	902.69	98.90
Other Income*	9.82	1.24	9.29	1.01	16.02	1.48	10.26	1.29	10.06	1.10
Total Revenue	791.21	100.00	915.51	100.00	1,080.11	100.00	796.67	100.00	912.74	100.00

Note * Other income consists of interest earned and revenue from the publicizing of products in pharmacy branches.

Board of Directors

The Company's Board of Directors consists of 7 directors as follows;

- | | |
|-------------------------------------|---|
| 1. Mrs. Aphirudee Hemachudha | Chairman of the Board of Directors and Independent Director |
| 2. Ms. Ampaivan Limprapassorn | Chairman of the Audit Committee and Independent Director |
| 3. Mrs. Marayart Teeratomorn* | Member of the Audit Committee and Independent Director |
| 4. Mr. Thanasak Kulrattanarak | Member of the Audit Committee and Independent Director |
| 5. Mrs. Mataya Bhandhukanonda | Director |
| 6. Mr. Thatchaphon Chonwattanasakul | Director |
| 7. Mr. Supakorn Bhandhukanonda | Director |

Note : *Mrs. Marayart Teeratomorn is the Audit Committee member who have knowledge and experience that is sufficient to review financial statements. Mrs. Marayart Teeratomorn graduated with a bachelor degree of Faculty of Commerce and Accountancy in Accounting from Chulalongkorn University and serves as Deputy Chief Operating officer of a business and investment consulting company, thus having experience in reviewing financial statements. (See more details in Attachment 1 Details of Directors, Executives, Controlling Person and Company's secretary)

Risk Factors

1. Risk from reliance on major manufacturers or ditributors

The core business of the group is the pharmacy business which purchases products from 2 major manufacturers and ditributors. The purchasing amount from the first manufacturer and distributor is 141.71 million Baht, 275.63 million Baht, 315.53 million Baht and 258.17 million Baht accounting for 22.63%, 36.58%, 37.36% and 35.60% of the total purchasing amount of the group in 2018-2020 and for the first 9 months of

2021, respectively. Also, the purchasing amount from the second manufacturer and distributor is 100.74 million Baht, 240.73 million Baht, 252.24 million Baht and 225.43 million Baht accounting for 16.08%, 31.95%, 29.87% and 31.08% of the total purchasing amount of the group in 2018-2020 and for the first 9 months of 2021, respectively. Thus, the group's performance may be affected if the manufacturers and distributors mentioned cannot provide or deliver products to the group on time. However, these 2 manufacturers and distributors are the major manufacturers and distributors in the Pharmaceutical industry so that most medicines and supplements authorize these 2 to be their distributors. The group has been purchasing products from these 2 manufacturers and distributors since the opening of the pharmacy. The over 28-year business activities with them has been good all along. The purchasing amount of the group has increased continuously according to the growth and expansion of branches so the group has confidence that it can maintain the good relationship with these manufacturers and distributors. Besides, the group always finds and selects new manufacturers and distributors to be listed in Approved Vendor List to increase more sources of supply that are continuously sufficient.

2. Risk from inventory management

Operating pharmacy business needs inventory management in order to have suitable amount of inventories so that it can meet the demands of customers completely and timely. If the amount of inventories in the warehouse are too few, there will be a risk of losing business opportunities. Or, if there are too many inventories, it will be burden for the liquidity management. Therefore, the efficiency of inventory management has a direct impact on business operation and profitability significantly. However, the group significantly emphasizes the inventory management all along. Information technology has been applied to assist the inventory control according to the FIFO (First In First Out) method, which also considers the product life. The information system used can link the inventory information at the warehouse and branches so the procurement department is able to monitor the inventory amount at all times and assess the demands of each type of product in different branches regularly. In addition, the inventory space dividing and inventory sorting according to ABC Analysis also improves inventory management efficiency. and sorting products according to ABC Analysis, which is a method of managing inventory by the importance and turnover of each product. It also helps increase efficiency in inventory management. These factors resulted in improved average sales period from 74.28 days in 2018, down to 54.14 days at the end of the third quarter of 2021, respectively.

3. Risk from high competition in the industry

The growth of the pharmacy market value has attracted a higher level of competition from both large pharmacy entrepreneurs (Chain Store), modern trade retailers and convenience stores which enter the competition in the industry. Therefore, it may affect the group's operations significantly. However, the group's pharmacy is in the form of chain store operated by executives with vision and business experience for more than 28 years so it emphasizes the opening of branches on the location that is widely reached by customers within Bangkok. The pharmacy brands are suitable for each target customer group. Also, the group has a good relationship with trading partners all along, positively affecting the procurement of products. Also, due to having pharmacists on duty at every branch, customers can be assured of the quality of service. All of these factors make the group ready and be able to compete with other entrepreneurs and continue to grow.

4. Risks related to laws, rules and regulations related to the business

Pharmacy business is required to obtain permission from the relevant authorities as well as to comply with the relevant regulations and standards. If the government has amended or issued more regulations regarding the pharmacy business, it may affect the business operation and performance materially. However, rules and regulations from the relevant government agencies are enforced mainly with the aim of the benefit of the people which is in line with the group's operating guidelines for both product quality and service especially the implementation of Good Pharmacy Practice (GPP) (Details according to industry information in section 2.3), which is an international principle. The group is confident that all pharmacies are completely qualified according to 3 phrases of the GPP standard. Moreover, the executives of the group regularly follow up on news about laws, rules and regulations related to the pharmacy business.

5. Risks related to area lease agreements

Most of the group's pharmacies are rented in the shopping center area, department store, community mall or residential area with a large number of residents which are considered to be prime locations. The lease agreements of all 26 branches (as of October 31, 2021) have the right to renew the lease upon the expiration according to the general conditions of the lease. Therefore, if the lease agreement is not allowed to be renewed by the landlord or there is a change in the conditions for the renewal of the contract, this may affect revenue and performance. However, the group has good relationships with all lessors, a good rental payment history and comply with the lease agreements strictly. Therefore, the group has never encountered the problem of not receiving the renewal of the lease agreement. Also, the pharmacy brands of the group are still trusted by consumers, thus resulting in a positive effect on other stores nearby as well. Furthermore, in case that the lease agreement cannot be renewed, the group is confident that it will be able to rent the new areas that have similar properties to the previous one from other landlords under general conditions and market prices under experience and expertise in the business of executives with expertise in selecting rental areas to open branches and be able to manage business effectively.

6. Risk from shortage of pharmacists

According to the Ministry of Public Health Notification issued in 2014, it requires that the modern pharmacies must have a pharmacist on duty. As a result, pharmacists are increasingly in demand in the pharmacy market. If the group is unable to source pharmacists to work in each branch sufficiently, it will affect the eligibility for the renewal of the license and affect the operation significantly. In the past, the group has never encountered the problem of shortage of pharmacists since the group has been the internship place for students of the Faculty of Pharmacy and signed memorandum of agreement for academic cooperation with the leading institutions, causing students to do internships in branches continuously. Also, there are some students who come back to work with the group after graduation. Thus, the group has pharmacists circulating continuously.

7. The risks of online market growth and changes in consumers' behavior

The emergence of online market has resulted in a change in consumers' behavior. Therefore, it has had rapid and severe impacts on many business sectors. There is a significant increase in purchases through online platforms such as Shopee or Lazada. If the group is unable to adjust to technology and consumers' behavior, it will result in reduced competitiveness and adverse impact on operation. However, the law stipulates that pharmaceutical products, which are the main products of the group's business, cannot be sold through online channels. Besides, for behavior of purchasing medicines that are products that directly affect the health of the users, consumers still have the habit of buying medicines according to doctors' prescriptions or buying medicines as recommended by pharmacists mainly through pharmacies. For supplements, cosmeceuticals and consumer products for health or hygiene that can be traded through online channels, the group has adapted by initiating online marketing via Social Media and started to sell products through Shopee and Lazada platforms which will serve as channels for the group to expand the online market in the future.

8. Risk from reliance on the executives

Mrs. Mataya Bhandhukanonda who is currently a Chairman of the Executive Committee has knowledge, experience and expertise related to the pharmacy business for more than 28 years and has a long and good relationship with manufacturers or distributors of pharmaceutical products. In the case that there is a change in such executives, it may affect the management of the group. However, Mrs. Mataya Bhandhukanonda is still a major shareholder of the Company holding 43.15% of the Company's registered and paid-up capital after this IPO (including shares held by related persons), which will motivate the executives to continue managing the group. Besides, In order to be able to assist the main executives in managing various tasks, the group has executive and employee development policies in various departments as well as has a succession plan for senior management so that the group is able to operate continuously and efficiently.

9. Risk from the Coronavirus (COVID-19) outbreak situation

In the first quarter of 2020, Thailand began to be affected by the COVID-19 outbreak which has continued to spread more severely. The government thus began to enforce measures to control the epidemic that affects the overall economy of Thailand. Because many entrepreneurs are unable to operate their businesses normally, it is the main factor affecting the income and purchasing power of the population as well as lifestyle and consumers' behavior under the "New Normal". Besides, if there is spread in areas of branches or offices of the group, it may have a significant impact on business operations and performance. The group was impacted in early 2020 from the order of closing risky locations including department stores where the group has branches under the brand "vitaminclub" operating. Although pharmacies or other stores selling essential products for living were exempted and can operate normally. However, the number of people buying products or using the services at department stores had decreased considerably, the group thus needed to consider to temporarily close these branches to avoid losses from opening without any customer. The products from the manufacturers or distributors still can be delivered normally. In addition, the group's management as well as procurement department closely monitor the COVID-19 epidemic situation.

However, the business of the group are business related to both health products such as medicines, medical supplies, supplements and medical devices in the form of retail pharmacies and to co-inventing and co-developing with external research teams along with hiring manufacturers for distributing innovative healthcare products especially Besuto brand that is developed to cope with the spread of the virus. Thus, even if the spread of the COVID-19 virus will have a broad impact on the economy and purchasing power of consumers, it will not affect the performance of the group which can be seen from the revenue from sales of the group growing from 906.22 million Baht in 2019 to 1,064.09 million Baht in 2020, representing a growth rate of 17.42%. Also, for the first 9 months of 2021, the revenue from sales are 902.69 million Baht which is higher than the same period in the previous year at 786.41 million Baht, representing a growth rate of 14.79%. Furthermore, the spread of the COVID-19 virus has changed people's behavior regarding healthcare by paying more attention to healthcare through the use of health products to prevent illness that may happen, resulting in higher demands for health products from the past and is a factor that will help improve the group's operations in the future.

10. Risk from having major shareholder groups holding more than or equal to 25% of total shares

After this offering of newly issued ordinary shares to the public, Mrs. Mataya Bhandhukanonda who are director and Chairman of the Executive Committee of the Company will be a major shareholder, holding 43.15% of the total issued shares after this public offering. As a result, such major shareholder may exercise his right to object on important decision in the shareholders' meeting that law or the Company's articles of association requires not less than three-fourths of total votes of shareholders attending the meeting and having voting rights such as acquisition or disposition of assets, related party transaction, increasing or decreasing in the Company's capital, and mergers and acquisitions. However, the Company has appointed the audit committee to audit, analyze and scrutinize in order to avoid any transactions that may lead to conflict of interest in the future and to ensure the Company's operation transparency. Moreover, the structure of Board of Directors consists of 4 independent directors (including the chairman of the board) out of a total of 7 directors, creating a balance of power in voting for various topics and assisting on creating a suitable and most efficient corporate governance.

11. Risk of the share trading in the secondary market

Because the offering of newly issued ordinary shares of the Company to the public will be offered before acknowledging the result of the consideration of the SET in accepting the ordinary shares of the Company as a listed security on the Market for Alternative Investment. Therefore, investors may face the risk of illiquidity in the secondary market if the Company's securities are unable to be listed. However, the Company has already submitted an application for listing securities in the Market for Alternative Investment. Finansia Syrus Securities Public Company Limited, as the financial advisor, has considered the qualifications of the Company, and given

the opinion that the Company has full qualifications as required by the regulations of the Stock Exchange of Thailand about listing securities on the Market for Alternative Investment, except for the distribution of minority shareholders qualification which stipulates that the Company must have the number of minority shareholders of not less than 300 shareholders who together hold not less than 25% of the paid-up capital. The financial advisor expects that after the completion of this share offering, the Company will have all qualifications regarding the distribution of minority shareholders in accordance with the specified regulations.

12. Risks from restrictions on the Company's existing shareholders outside Thailand upon the rights offering in the future

In the future, the Company may issue various instruments including newly issued ordinary shares and other types of instruments such as warrants or transferable share subscription rights (TSR) or convertible bonds from time to time which may be allocated to the existing shareholders in proportion to their shareholding (Rights Offering). In the event that the Company offers or grants the rights to the existing shareholders to subscribe to new ordinary shares or any rights in any forms, the Company has the right to use discretion regarding the implementation of offering such instruments to the shareholders. The Company may not offer the right to subscribe for such instruments to ordinary shareholders residing outside of Thailand in certain nationalities (Restricted Countries) If such an offer makes the Company to have duty to comply with the procedures or requirements of the laws of the relevant countries.

Therefore, compliance with securities laws or other regulatory requirements in certain countries may prevent some investors from exercising their rights to subscribe for such instruments in proportion. This may result in a decrease in the shareholding of such investors. The Company is not obliged to apply for the registration of its ordinary shares in any country so that foreign investors can exercise their rights to subscribe for the newly issued ordinary shares in proportion in the future.

Summary of financial information in 2018 - 2020 and the first 9 months of 2020 and 2021

Details	Pro Forma Financial Statement*	Consolidated Financial Statements			
		2018**	2019**	2020	Jan – Sep 2020 Jan – Sep 2021
Total assets (million Baht)	258.47	312.22	413.81	375.37	419.04
Total liabilities (million Baht)	156.53	188.50	273.23	248.62	258.92
Total shareholders' equities (million Baht)	101.94	123.71	140.59	126.75	160.12
Total revenues*** (million Baht)	791.21	915.51	1,080.11	796.67	912.74
Total cost and expenses*** (million Baht)	788.60	886.78	1,013.57	746.89	841.45
Net income (loss) *** (million Baht)	0.39	21.77	52.08	38.65	57.53
Par value (Baht)	10.00	10.00	0.50	10.00	0.50
Earning per share (Fully Diluted) ¹⁾ (Baht/Share)	0.001	0.08	0.19	0.14	0.21
Gross margin (%)	17.66	20.09	21.89	21.78	22.76
Net profit margin (%)	0.05	2.38	4.82	4.85	6.30
Debt to equity ratio (D/E) (x)	1.54	1.52	1.94	1.96	1.62
Return on assets (ROA) (%)	0.15	7.75	14.35	13.06 ²⁾	18.42 ²⁾
Return on equity (ROE) (%)	0.41	20.11	39.41	38.56 ²⁾	51.02 ²⁾

Note : * The pro forma consolidated financial information is assumed that the Company is established with a registered capital of 80.00 million baht from the payment of investment in ordinary shares of Icare Health Co., Ltd. worth 55.00 million baht and Healthiness

Co., Ltd. (Formerly known as: Pharmax Retail Co., Ltd.) worth 25.00 Million Baht, which is a business combination under common control. The Company controls the 2 subsidiaries by holding 100.00% of shares on January 1, 2017.

**For the sake of comparison, management has adjusted the financial statements of 2018 - 2019 to reflect that during the year 2021, the Company reviewed the transactions related to the business combination of the group and concluded that a business combination between Healthlead Public Company Limited and Healthiness Co., Ltd. is not considered as the business combination under common control as presented in the prior period financial statements. Thus, the difference between the return in business combination and net assets and liabilities identified - received between Healthlead Public Company Limited and Healthiness Co., Ltd. must be presented as "Goodwill" in the consolidated financial statement. As a result, the surplus from the business combination under common control shown in the pro forma consolidated financial statement of 2018 changed from 15.20 million baht to 22.15 million baht and goodwill increased to 15.62 million baht. Therefore, the balance sheet statements for the consolidated financial statements have been adjusted retrospectively. Such changes have no effect on the income statements.

***The consolidated operating performance of Healthlead Public Company Limited, Icare Health Co., Ltd. and Healthiness Co., Ltd. in 2018.

¹⁾ Calculated by using the number of ordinary shares after this IPO of 272,000,000 shares.

²⁾ Adjusted to full-year numbers for comparison (Annualized)

Explanation regarding financial information and operating performance of the Company

Operating Performance

The group has total revenues of 791.21 million Baht in 2018, 915.51 million Baht in 2019, and 1,080.11 million Baht in 2020, increasing by 15.71% and 17.98% in 2019 and 2020, respectively. For the first 9 months of 2021, the group has total revenues of 912.74 million Baht, increasing by 14.57% compared to the same period of the previous year. The total revenues of the group include sales and other incomes. In 2018 – 2020 and the first 9 months of 2021, the group has the proportion of sales to total revenues of 98.76%, 98.99% and 98.52% and 98.90%, respectively. and the proportion of other incomes to total revenues of 1.24%, 1.01%, 1.48% and 1.10%, respectively.

Revenue from Sales

The revenue from sales of the group can be categorized by the type of products in 2018 – 2020 and the first 9 months of 2021 is as following

Revenue Structure	2018		2019		2020	
	Mn Baht	%	Mn Baht	%	Mn Baht	%
Revenue from the sale of Professional Healthcare	561.88	71.91	659.46	72.77	753.19	70.78
Revenue from the sale of Home Healthcare	114.11	14.60	129.11	14.25	169.27	15.91
Revenue from the sale of Personal Healthcare	69.74	8.93	73.28	8.09	95.79	9.00
Revenue from the sale of Deli Healthcare	35.66	4.56	44.37	4.89	45.84	4.31
Total Sales	781.39	100.00	906.22	100.00	1,064.09	100.00

Revenue Structure	Jan – Sep 2020		Jan – Sep 2021	
	Mn Baht	%	Mn Baht	%
Revenue from the sale of Professional Healthcare	558.68	71.04	623.01	69.02
Revenue from the sale of Home Healthcare	123.28	15.68	160.52	17.78
Revenue from the sale of Personal Healthcare	71.27	9.06	78.71	8.72
Revenue from the sale of Deli Healthcare	33.18	4.22	40.45	4.48
Total Sales	786.41	100.00	902.69	100.00

The revenue from sales of the group consists of the sales revenue in the pharmacy business. which is operated by Icare Health and the remainder comes from the sales revenue of Healthines. In 2018 - Q3 2019, Healthines still generated sales revenue from operating the pharmacy business. However, after the transfer of the Healthiness's

pharmacy business to Icare Health in October 2019, Healthines thus changed its business type to co-inventing and codeveloping with external research teams along with hiring manufacturers for distributing innovative healthcare products. The revenue of the Healthines after the business restructuring of the group comes from the sales of its products to Icare Health for further distribution in branch stores and to customers who are entrepreneurs who purchase the products of Healthines to sell to the end users as well as sell directly to customers through various online channels.

The sales of the group have increased continuously in every product type, having rate of growth of 15.98% and 17.42% in 2019 and 2020, respectively. In 2018 – 2020, the sales of the group are mainly from the sale of Professional Healthcare accounting for 70.78% to 72.77% of total sales with the Compound Annual Growth Rate (CAGR) of 15.78. It is followed by the sale of Home Healthcare accounting for 14.25% to 15.91% of total sales with the Compound Annual Growth Rate (CAGR) of 21.80. The sales for the first 9 months of 2021 increased by 14.79% compared to the same period of the previous year. However, most of the sales still comprise the revenue from the sale of Professional Healthcare and Home Healthcare accounting for approximately 69.02% and 17.78% of total sales, respectively.

The revenue from sales can be categorized by the distribution channels as follows.

Distribution Channel	2018		2019		2020		Jan – Sep 2020		Jan – Sep 2021	
	Mn Baht	%	Mn Baht	%	Mn Baht	%	Mn Baht	%	Mn Baht	%
Revenue from retail	767.20	98.18	876.70	96.74	1,050.99	98.77	777.26	98.84	894.75	99.12
Revenue from wholesale	14.19	1.82	29.52	3.26	13.10	1.23	9.15	1.16	7.94	0.88
Total Sales	781.39	100.00	906.22	100.00	1,064.09	100.00	786.41	100.00	902.69	100.00

Revenue from retail

Revenue from retail refers to revenue from selling products through 4 brands of pharmacies named “iCare” “Pharmax” “vitaminclub” and “Super Drug”

In 2018 – 2020 and the first 9 months of 2020 and 2021, the number of branches of pharmacies named “iCare” “Pharmax” “vitaminclub” and “Super Drug” are as follows

Number of branches	2018	2019	2020	Jan – Sep 2020	Jan – Sep 2021
Beginning	26	25	25	25	25
Open during period	+1	+1	+2	+1	+1
Close during period	-2	-1	-2	-	-1
Ending	25	25	25	26	25

Note : As of October 31, 2021, there are a total of 26 branches, with the opening of Pharmax Robinson Ladkrabang branch and Pharmax Marketplace Krungthep Kreetha branch on September and October, 2021, respectively.

In 2018 – 2020, the group has revenue from retail equivalent to 767.20 million Baht, 876.70 million Baht and 1,050.99 million Baht accounting for 96.97%, 95.76% and 97.30% of total revenues, respectively.

In 2019, the revenue from retail increased from the previous year, 2018, by 109.50 million Baht or 14.27% mainly because the group opened 2 more branches namely vitaminclub Fashion Island branch and iCare Phetkasem 56 branch on November 2018 and 2019, respectively, causing the increase in the total revenues of the group. Meanwhile, the spending per ticket in 2019 increased from 384.68 Baht per ticket in 2018 to 430.70 Baht per ticket, increasing by 11.96%, partly due to the merger of pharmacies leading to better product management and being able to manage all branches to have all products according to customers’s needs.

For 2020, the revenue from retail increased from the previous year, 2019, by 174.28 million Baht or 19.88% mainly because the Covid-19 virus (COVID-19) has spread in Thailand starting from around the end of 2019 to the beginning of 2020 and has continued spreading widely and continuously. The government has enacted the Emergency Decree on Public Administration in Emergency Situation (Emergency Decree) and ordered to close many places in order to control the spread of COVID-19, causing people to be panicked and hoard the home products such as mask and various types of alcohol more, thus leading to the higher revenue from the sale of Home Healthcare and its proportion in 2020. Moreover, the revenue from the sale of Professional Healthcare which are the main products of the group increased as well. At the same time, the spending per ticket in 2020 increased to 470.08 Baht per ticket, increasing by 9.14% since the group has emphasized more on promotion. Also, the COVID-19 situation leads to the increased spending per ticket.

For the first 9 months of 2021, the group's revenue from retail increased from the same period of the previous year by 117.49 million Baht or 15.12%. The spending per ticket for the first 9 months of 2021 was equal to 553.39 Baht per ticket, increasing by 19.08% from the same period of the previous year at 464.72 Baht per ticket, mainly due to the COVID-19 situation that has become more severe in the 2nd-3rd quarter of 2021, resulting in increased sales of related products, including medicines, supplements and medical devices. Also, as a result of the epidemic in 2020, pharmacies of the group are more well-known from having products that meet the needs of customers. Besides, most branches located in the residential area and the Community Mall so there is relatively minor impact from the closing of the department stores.

Same Store Sales Growth

For the same store sales growth of 2019, the group has revenue from sales of 23 existing branches (excluding those opened/closed during 2018 and 2019) equivalent to 746.34 million Baht and 855.30 million Baht in 2018-2019, respectively. The same store sales growth of 2019 compared to 2018 increased by 108.96 million Baht or 14.60%.

For the same store sales growth of 2020, the group has revenue from sales of 22 existing branches (excluding those opened/closed during 2019 and 2020) equivalent to 855.10 million Baht and 1,010.82 million Baht in 2019-2020, respectively. The same store sales growth of 2020 compared to 2019 increased by 155.72 million Baht or 18.21%.

For the first 9 months of 2021, the group has revenue from sales of 22 existing branches (excluding those opened/closed during the first 9 months of 2020 and 2021) equivalent to 871.25 million Baht and 749.09 million Baht in the first 9 months of 2020 and 2021, respectively. The same store sales growth of the first 9 months of 2021 compared to the first 9 months of 2020 increased by 122.16 million Baht or 16.31%.

Revenue from wholesale

Currently, Icare Health and Healthines generate revenue from wholesale which is the revenue from selling all 4 types of products through the headquarters of Icare Health and Healthiness. Icare Health sells products to the organizations to use as drug storehouses for their employees as well as sells products to other pharmacies that purchase for resale. Healthines sells in terms of wholesale to the customers who are entrepreneurs purchasing the products of Healthiness to resell to the end users.

In 2018 – 2020, the group has revenue from wholesale equivalent to 14.19 million Baht, 29.52 million Baht and 13.10 million Baht, representing 1.79%, 3.22% and 1.21% of total revenues, respectively.

In 2019, the revenue from wholesale increased from the previous year, 2018, by 15.33 million Baht or 108.08% since there are more major wholesale customers.

In 2020, the revenue from wholesale decreased from the previous year, 2019, by 16.42 million Baht or 55.62% since in 2020 the major wholesale customers had lower purchase amount since they were adversely affected by the spread of COVID-19.

For the first 9 months of 2021, the revenue from wholesale decreased from the same period of the previous year by 1.21 million baht or 13.24% because currently Icare Health focuses on retail sales and there is no plan to expand the wholesale customer base.

At the present, Icare health has no plan to expand the wholesale customer base and focuses more on continuous branch expansion in every year, aiming to cover as many areas in Bangkok as possible in order for the new customers in various areas can reach and purchase the products from the branches of Icare Health more conveniently. However, since currently Healthiness coinvents and codevelops with external research teams along with hiring manufacturers for distributing innovative healthcare products under the brands of “PRIME” and “Besuto” and focuses on the customers who are entrepreneurs such as pharmacies within the group, independent pharmacies and other forms of retailers which purchase the products of Healthiness to resell to the end users. Thus, the revenue from wholesale of the group is likely to increase in the future. At present, Healthines mainly sells the products in terms of wholesale to Icare Health in the amount of 19.48 million Baht and 27.89 million Baht, representing 99.53% and 95.41% of the total sales of Healthines in 2020 and the first 9 months of 2021, respectively.

Futhermore, the group has other incomes consisting of interest earned, revenue from the publicizing of products in pharmacy branches and revenue received from suppliers supporting various activities. In 2018 – 2020 and the first 9 months of 2021, the group has other incomes of 9.82 million Baht, 9.29 million Baht, 16.02 million Baht and 10.06 million Baht accounting for 1.24%, 1.01%, 1.48% and 1.10% of total revenues, respectively.

Cost of Good Sold

In 2018 – 2020, the group has cost of good sold equivalent to 643.43 million Baht, 724.17 million Baht and 831.18 million Baht, respectively, and has gross profit of 137.96 million Baht, 182.05 million Baht and 232.91 million Baht, accounting for the gross profit margin of 17.66%, 20.09% and 21.89%, respectively. The cost of good sold is the cost of products that the group purchases to resell. In 2019 and 2020, cost of good sold increased which is in line with the increase in revenue from sales. The group’s gross profit margins are better continuously due to the business combination of Icare Health and Healthiness that helps increase the bargaining power with the suppliers and increase operational efficiency or develop more synergy in business operation including warehouse management, product delivery, branch management.

For the first 9 months of 2021, the group has cost of sales of 697.19 million Baht and gross profit of 205.49 million Baht or a gross profit margin of 22.76% which increased from the same period of the previous year and 2020 since Healthiness earned more from sales of healthcare products and innovations which have relatively high gross profit margins.

Selling costs

In 2018 – 2020, the group has selling costs equivalent to 106.14 million Baht, 113.17 million Baht and 123.58 million Baht, representing 13.58%, 12.49% and 11.61% of total sales. The selling costs of the group are mainly employee expenses such as salary, wage and overtime wage as well as rental fees. In 2018 – 2020, the employee expenses accounts for 43.21%, 46.80% and 56.69% of total selling costs and rental fees accounts for 31.36%, 32.34% and 12.84% of total selling costs, respectively. From the adoption of the Thai Financial Reporting Standards No.16 on Lease, it results in that in 2020 the group has depreciation from right-of-use assets, accounting for 13.13%.

The selling costs increased by 6.63% in 2019 and 9.20% in 2020, mainly due to the increase in employee expenses from the increased number of salesperson and pharmacists in branches corresponding to the continuous growth in sales revenue.

For the first 9 months of 2021, the group has selling costs of 91.51 million Baht, accounting for 10.14% of total sales. The employee expenses accounted for 51.42%, rental and service fees accounted for 12.91%, and depreciation from right-to-use assets accounted for 10.28% of total selling costs. For the first 9 months of 2020, the group's employee expenses accounted for 57.58%, rental and service fees accounted for 12.47%, and depreciation on right-of-use assets accounted for 13.97% of total selling costs. The employee expenses in the first 9 months of 2021 decreased by 8.61% from the same period of the previous year since the group transferred the sales employees to the central management department. However, the selling costs increased by 2.33% compared to the same period in 2020.

Administrative expenses

The group has administrative expenses of 33.27 in 2018, 45.64 in 2019 and 51.82 in 2020 accounting for 4.20%, 4.99% and 4.80% of total revenues, respectively. The administrative expenses are mainly employee expenses including salary, bonus and employee benefit accounting for 50.09%, 50.27% and 48.58% of the total administrative expenses in 2018 – 2020, respectively. In 2019, the administrative expenses increased by 37.19% because in 2019 there was an increase in employee expenses from the increase in number of employees as well as the costs for preparing the Company to be listed in the Stock Exchange of Thailand such as the auditor fee and the computer system management fee. In 2020, the administrative expenses increased by 13.53% because of the increase in employee expenses which increased by 9.73% from the previous year resulting from the increase in number of employees in line with the growth of the group. Also, there were consulting fees such as computer program advisor fees, legal advisor fees, financial advisor fees and marketing consultant fees.

For the first 9 months of 2021, the group has administrative expenses of 48.72 million Baht, or 5.34% of total revenues. The group's administrative expenses increased by 31.93% compared to the same period in 2020, mainly due to the increase in employee expenses from the group's transfer of sales employees to the central management department as well as the increase in the cost of preparing for listing on the Stock Exchange of Thailand.

Net profit

According to the performance mentioned above, in 2018-2020 the group had net profit of 0.39 million Baht, 21.77 million Baht and 52.08 million Baht accounting for net profit margin of 0.05%, 2.38% and 4.82%, respectively. Although the selling costs and administrative expenses increased, the proportion of selling costs to total sales decreased continuously in 2018 – 2020, showing the operational efficiency of the group. The proportion of selling costs to total sales are 13.58%, 12.49% and 11.61%, respectively. Also, the proportion of administrative expenses to total revenues were relatively constant during 2018 – 2020 which are 4.20%, 4.99% and 4.80%, respectively. Besides, the group has better gross profit margins in every year which are 17.66%, 20.09% and 21.89% in 2018 – 2020, respectively, due to the synergy developed from the business combination of Icare Health and Healthiness causing the net profit and net profit margin to be better continuously. Moreover, the group benefits from the spread of Covid-19 virus starting from around the end of 2019 to the beginning of 2020 that helps increase sales of some product types such as masks and various types of alcohol.

For the first 9 months of 2021, the group had net profit of 57.53 million Baht, representing a net profit margin of 6.30%. The net profit margin increased from the same period in the previous year which was 4.85% and increased from 2020 which was 4.82% due to the better management of costs and expenses from the business combination of

Icare Health and Healthiness. Also, there was higher revenues from the sales of healthcare products and innovations of Healthiness which have relatively high profit margins.

Financial position

At the end of 2018-2020 and the third quarter of 2021, the group had total assets of 258.47 million Baht, 312.22 million Baht, 413.81 million Baht and 419.04 million Baht, respectively. The major assets of the group are inventories, property plant and equipments and trade and other receivables. The proportions of such major assets to total assets are 46.78%, 24.60% and 5.55%, respectively, at the end of 2018. The proportions of such major assets to total assets are 44.50%, 22.31% and 6.32%, respectively, at the end of 2019. Also, at the end of 2020, the proportions of such major assets to total assets are 31.65%, 18.26% and 3.26%, respectively, The proportions of such major assets to total assets are 34.99%, 18.11% and 2.80% at the end of the third quarter of 2021, respectively.

The group's total liabilities were 156.53 million Baht at the end of 2018, 188.50 million Baht at the end of 2019, 273.23 million Baht at the end of 2020 and 258.92 at the end of the third quarter of 2021. Most of the group's liabilities are current liabilities representing 77.96%, 89.23%, 61.06% and 56.60% of total liabilities at the end of 2018-2020 and the third quarter of 2021, respectively. The major current liabilities of the group are trade and other payables and bank overdrafts and short-term loans from financial institutions accounting for 35.11% and 22.37% of total liabilities at the end of 2018, 64.01% and 14.40% of total liabilities at the end of 2019, 39.44% and 8.78% of total liabilities at the end of 2020 and 39.07% and 9.06% of total liabilities at the end of the third quarter of 2021, respectively.

The group's shareholders' equity were 101.94 million Baht at the end of 2018, 123.71 million Baht at the end of 2019 and 140.59 million Baht at the end of 2020, accounting for 39.44%, 39.62% and 33.97% of total liabilities and shareholders' equity, respectively. At the end of 2019, shareholders' equities increased from the previous year by 21.77 million Baht or 25.21% mainly due to the increase in retained earnings. The group has net profit of 21.77 in 2019. Despite the dividend payment of 55.20 million Baht for the shareholders of the Company in 2020, the group had the net profit of 52.08 million Baht and issued new ordinary shares to existing shareholders based on the proportions of share holding (Right Offering) of 20.00 million Baht, causing shareholders' equity to increase by 16.88 million Baht or 13.64% from the end of 2019.

At the end of the third quarter of 2021, the group had shareholders' equity of 160.12 million baht, or 38.21% of total liabilities and shareholders' equity. The shareholders' equity increased from the end of 2020 by 19.53 million Baht since the group had net profit of 57.53 million Baht, but at the same time, the group paid dividends to the shareholders of the Company in total amount of 38.00 million Baht.

Investor relation

Name : Mrs. Araya Tantanasin
Address : 37 Soi Siri Kaseam 7, Bang Phai Subdistrict, Bang Khae District, Bangkok 10160
Telephone : 02-118-0884

Information Memorandum (Additional)

General information		
General Information	Name / Abbreviation	Healthlead Public Company Limited / HL
	Location / Telephone no. and FAX / URL	37 Soi Siri Kaseam 7, Bang Phai Subdistrict, Bang Khae District, Bangkok 10160 Telephone : 02-118-0884 FAX : - Website : www.healthleadgroup.com
	Financial Advisor / Underwriter	Financial Advisor : Finansia Syrus Securities Public Company Limited Underwriter : Finansia Syrus Securities Public Company Limited
	Registered Capital (shares) / Paid-up Capital (shares)	272,000,000 shares / 272,000,000 shares
	Distribution of minority shareholding (Free Float) (Number of shareholders and percentage of shares)	15,735 shareholders, representing 25.55 percent of paid-up capital
	Number of shares under silent period / Silent period	149,600,000 shares, equivalent to 55.00% of the paid-up capital after IPO which are prohibited from being sold for the period of one year from the first trading day. Upon the expiration of 6 months period of the prescribed time, the shareholders will be allowed to sell 25% of the prohibited shares and the rest can be sold after one year.
Financial Statement Information	Fiscal Year End	December 31
	Policy for Financial Statements Submission	<u>Quarterly financial statements</u> The Company intends to submit reviewed financial statements of the first, the second and the third quarter of each year within 45 days from the end of each accounting period. <u>Annual financial statements</u> The Company intends to submit audited financial statements within 2 months from the end of accounting period of each year and the Company will not submit the reviewed interim financial statement of the fourth quarter.
	Audit Firm	A. M.T. & Associates
	Auditor	Mr. Chaithuth Angsuwithaya (CPA no. 3885) Mrs. Natsarak Sarochanunjeen (CPA no. 4563) Ms. Daranee Somkamnerd (CPA no. 5007) Ms. Jarunee Nuammae (CPA no. 5596)

Operating results for the past 3 years and latest accumulated period	Accounting Period	2018	2019	2020	Jan-Sep 2021
	Book value per share ¹⁾	0.64	0.77	0.70	0.59 ²⁾
	Earning per share ¹⁾	0.002 ³⁾	0.14	0.26	0.21 ²⁾
	Dividend per share ^{1),4)}	0.00	0.13	0.25	0.09 ²⁾
	Payout ratio ⁴⁾	0.00	91.88	94.48	41.72
Others (if any)	Listing conditions	-None-			
	Green shoe option	-None-			

Note : ¹⁾ Adjusted par value to Baht 0.50 for comparison

²⁾ Calculated by using total number of shares after the IPO which are 272 million shares

³⁾ In 2018, the net profit of the Company is 0.39 million Baht, which was a consolidated net profit of Healthlead Public Company Limited, Icare Health Company Limited and Healthiness Company Limited, not the result of business combination from Icare Health Company Limited and Healthiness Company Limited

⁴⁾ Calculated by the dividend paid based on each year's performance

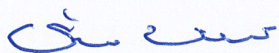
Board of Directors					
Rank	Title	Name	Surname	Position	Start Date
1	Mrs.	Aphirudee	Hemachudha	Chairman of the Board of Directors and Independent Director	December 28, 2018
2	Ms.	Ampaivan	Limprapassorn	Chairman of the Audit Committee and Independent Director	April 30, 2020
3	Mrs.	Marayart	Teeratomorn	Audit Committee and Independent Director	April 30, 2020
4	Mr.	Thanasak	Kulrattanarak	Audit Committee and Independent Director	April 30, 2020
5	Mrs.	Mataya	Bhandhukanonda	Director and Chairman of the Executive Committee	December 28, 2018
6	Mr.	Thatchaphon	Chonwattanasakul	Director and Chief Executive Officer	December 28, 2018
7	Mr.	Supakorn	Bhandhukanonda	Director and Chief Operating Officer	December 28, 2018

Investment in Subsidiaries					
Rank	Company	Type of Business	Paid-up capital (Million Baht)	Shareholding (%)	Investment Value (Cost Method) (Million Baht)
1	Icare Health Company Limited	Pharmacy business distributing medicines, medical supplies, cosmeceuticals,	65.00	100.00	65.00

Investment in Subsidiaries					
		supplements, medical devices and other healthcare products			
2	Healthiness Company Limited	Business regarding coinventing and codeveloping with external research teams along with hiring manufacturers for distributing innovative healthcare products including supplements, sterilization products, deodorizer and mask	35.00	100.00	35.00

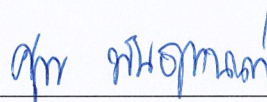
Prepared by Healthlead Public Company Limited

The Company hereby certifies that the information reported in this information memorandum is correct.



(Mr. Thatchaphon Chonwattanasakul)

Authorized Director



(Mr. Supakorn Bhandhukanonda)

Authorized Director