

Subject Management Discussion and Analysis for the first quarter of the year 2025

To Directors and Managers

The Stock Exchange of Thailand

Nutrition SC Public Company Limited and its subsidiaries would like to clarify the financial performance and financial information for the first quarter year 2025 with the following details:

Business Overview

The main business of the company's group is to import, manufacture and sale of Food/Food additives and ingredients in order to be used as raw materials or ingredients in customers' recipes. The business can be classified into two segments as follows. 1) Food ingredients business and 2) Feed ingredients business.

The customers are domestic customers, which can be divided into sales in the food and animal feed industry, approximately 90-95% of sales revenue, and to ODM and OEM customers, approximately 5-10% of sales revenue during 2019 to 2024.

Nutrition SC Public Company Limited or "NTSC" and its subsidiaries ("NTSC group") issued additional shares were issued to sell common shares to the general public on the 1st quarter of 2023. As a result, the financial statement information has differences when compared with the previous year, which include the operating results and related expenses.

On 28 April 2025, the Annual General Meeting of the Company's shareholders approved to increase in the Company's registered shared capital from 50,000,000 Baht to 66,000,000 Baht by issuing 32,000,000 shares with a par value of 0.50 Baht per share in order to support the stock dividend payment of 32,000,000 ordinary shares.

For the first quarter of year 2025, the group had revenue from sales of 314.1 million Baht, increased by 51.9 million Baht or 19.8% since the company had proactive strategies and well-monitoring, both in the additional in sales volume: Food/Feed additives and ingredients, also with OEM production, when compared with the first quarter of year 2024. It was due to the company's strategies that were carried out and followed up closely, especially to increase the proportion of OEM and ODM production. The first quarter of year 2025 had higher performance than the first quarter of year 2024, because of OEM revenue segment from both food ingredient and feed ingredients. In addition the company effectively managed and worked closely with the clients. All this was not possible if the company did not have an effective internal management plan to suit the constantly changing

situation, including monthly strategy measurement, effective monitoring and adapting the action according to the situation, internal control and closely monitoring risks.

NTSC and NTSC group have implemented appropriate sales, marketing, and investment strategies in order to compete in business sustainably to continually build new opportunities. In the year 2025, NTSC group was seeking new vendors, new customers, new business units, new products development and prepared supportive plan, as well as increasing the proportion of production in OEM and ODM products. By promoting brand awareness and additional services of the company in many channels, all offline and online, as well as investing in machinery to support the production of a variety of products. In addition, NTSC and NTSC group have invested in research and development of new innovative products. NTSC group has passed the regulatory check of the production line. It was under production testing on the commercial scale, as well as the marketing testing by some targeted customers. In addition, NTSC has been planning to construct a factory for manufacturing new products. NTSC and NTSC group have joined hands with additional business partners both domestically and abroad to distribute new innovative products and/or services that meet the needs of today's consumers. Also, we do new product development in collaboration with partners, customers, universities and research institutes to create values and sustainability that will create more sales sustainably in the future. Finally, we signed the long-term agreement with our key partners to manufacture new products. Currently, we are building an additional factory to support the manufacturing of the products and services, and to increase sales of the company sustainably.

For internal management, NTSC and NTSC group continued to do their best to control sales costs in order not to affect the company's operating results and sold both existing and new products to new or existing customers. In addition, NTSC and NTSC group controlled the volume ordering of products appropriately to maintain a balanced stock quantity. We also selected additional sellers to diverse the product portfolio. At the same time, NTSC and NTSC group has considered, assessed, controlled, prevented, and/or reduced risks in various areas according to the rapidly changing situation, especially the financial status and cashflow of the company.

For sustainable business operation, NTSC has followed up the ESG project regularly by monitoring the water quality closely from the solar turbine that we installed at the Nakorn Chuen Chum temple in 2024. NTSC continues coaching “good” students for society project for various schools. Also, we continue donating money to the hospitals, miserable children, and foundations.



Revenue Structure

Group revenue structure derived from the business of manufacture and distribution of raw materials used as Food Ingredients by dividing into 2 types:

1. Food ingredients business
2. Feed ingredients business

Revenue from sales separated by main product segment for the company and its subsidiaries for the first quarter of year 2025

Unit : Million Baht

Revenue structure	For the year ended 31 March		Change	
	2025	2024	Amount	%
Food ingredients	270.0	233.5	36.5	15.6
Feed ingredients	44.1	28.7	15.4	53.7
Total	314.1	262.2	51.9	19.8

Analysis of operating results

Unit : Million Baht

Profit or (Loss)	For the year ended 31 March		Change	
	2025	2024	Amount	%
Revenue from sales	314.1	262.2	51.9	19.8
Cost of good sold	(241.2)	(205.5)	(35.7)	17.4
Gross profit	72.9	56.7	16.2	28.6
Other income	0.2	0.7	(0.5)	(71.4)
Selling expenses	(12.9)	(13.1)	0.2	(1.5)
Administrative expenses	(22.7)	(21.1)	(1.6)	7.6
Other gain (loss)	(0.8)	(2.2)	1.4	(63.6)
Finance revenues	1.0	0.7	0.3	42.9
Finance costs	(0.9)	(0.9)	0.0	-
Profit before income tax expenses	36.8	20.8	16.0	76.9
Income tax expenses	(9.1)	(5.1)	(4.0)	78.4
Profit for the year	27.7	15.7	12.0	76.4
Non-controlling interests	-	-	-	-
Owners of the parents	27.7	15.7	12.0	76.4

Revenues from Sales for the first quarter of the year 2025 compared with the first quarter of the year 2024

For the first quarter of the year 2025, the Group had revenues from sales of 314.1 million Baht, which increased by 51.9 million Baht or 19.8%, when compared with the first quarter of year 2024, which had revenues from sales of 262.2 million Baht. The main reasons for the increase in revenue from sales amounting to 51.9 million Baht were mainly increased by Food ingredients of 36.5 million Baht or 15.6% and increased by Feed ingredients of 15.4 million Baht or 53.7%.

The company and its subsidiaries Gross Profit for the first quarter of the year 2025 compared with the first quarter of the year 2024.

Unit : Million Baht

Gross Profit	For the year ended 31 March		Change	
	2025	2024	Amount	%
Gross Profit	72.9	56.7	16.2	28.6
Proportion to revenue from sales	23.2%	21.6%	1.6%	

Gross Profit for the first quarter of year between 2025 and 2024, the group had gross profit of 72.9 million Bah and 56.7 million Baht respectively. The gross margin was increased as the cost of purchased raw materials decreased, by efficient exchange rate management and others. Therefore, the gross margin increased by 1.6% compared with the same period in 2024.

Sales and Administrative Expenses for the company and its subsidiaries for the first quarter of the year 2025 compared with the first quarter of the year 2024

Unit : Million Baht

Selling and Administrative Expenses	For the year ended 31 March		Change	
	2025	2024	Amount	%
Selling and Administrative Expenses	35.6	34.2	1.4	4.1
Proportion to revenue from sales	11.3%	13.0%		

The main reasons for the change in selling and administrative expenses for the first quarter of year 2025 and 2024

For the first quarter of the year 2025, selling expenses decreased by 0.2 million Baht. The administrative expenses were increased by 1.6 million Baht. The main increase was the employee expenses. The expenses for the renovation of the leasehold building, was increased by 1.4 million Baht.

Net Profit for the first quarter of the year 2025 and the year 2024

Unit : Million Baht

Net Profit	For the year ended 31 March		Change	
	2025	2024	Amount	%
Net Profit	27.7	15.7	12.0	76.4
Proportion to revenue from sales	8.8%	6.0%		

For the first quarter of the year 2025 compared with the year 2024, the profit increased by 12 million Baht or 76.4%. The main reasons were due to the gain of exchange rate currency and the efficient-, internal management (1.4 million Baht).

Analysis of the Financial Position as of 31, March 2025 the Company and its subsidiaries

Financial Position (In Million Baht)	31 Mar 2025	31 Dec 2024	Change	
			Amount	%
Total Current Assets	894.2	831.8	62.4	7.5
Total Non-Current Assets	455.5	457.7	(2.3)	(0.5)
Total Assets	1,349.6	1,289.5	60.1	4.7
Total Current Liabilities	180.7	148.0	32.7	22.1
Total Non-Current Liabilities	119.4	119.7	(0.3)	(0.2)
Total Liabilities	300.1	267.7	32.4	12.1
Shareholders' Equity	50.0	50.0	-	-
Share premium	762.9	762.9	-	-
Legal reserved	5.0	5.0	-	-
Unappropriated retained earnings	231.7	203.9	27.7	13.6
Non-Control interests	-	-	-	-
Total Shareholders' Equity	1,049.6	1,021.8	27.7	2.7

Assets

As of 31 March 2025, the Group had total assets of 1,349.6 million Baht, which was an increase of 60.1 million Baht or 4.7% increase from the balance as of 31 December 2024, where the total assets were 1,289.5 million Baht.

The significant changes comprised of; an increase in trade accounts receivable and others (15.2 million Baht), the inventory (19.3 million Baht), a decrease of plants property and equipment (1.1 million Baht), an increase of other non-current assets (1.4 million Baht), and an increase of cash and cash equivalents (28.6 million Baht). The main reasons were the gain of the operating activity (27 million Baht) and the gain from the investing activities (2.4 million Baht).

Liabilities

As of 31 March 2025, the group had total liabilities of 300.1 million Baht, which was equivalent to 22.2% of the total assets, with an increase of 32.4 million Baht or 12.1% compared with total liabilities as of 31 December 2024, where the total of liabilities were 267.7 million Baht. The main reasons were the effects from the trade and other payables (23.2 million Baht) and corporate income tax payables (8.1 million Baht).

Shareholders' Equity

As of 31 March 2025, the group had total shareholders' equity of 1,049.6 million Baht, which was equivalent to 77.8% of the total assets. The shareholders' equity was increased by the operating profit of 27.7 million Baht or 2.7% when compared with total shareholders' equity as of 31 December 2024 (1,021.8 million Baht).



Financial Ratios as at 31 March 2025

Compared with Financial Ratios as of 31 December 2024

1) Efficiency ratios

Financial Ratios	For the year ended 31 March 2025	For the year ended 31 December 2024
<u>Profitability Ratio</u>		
Gross Profit Margin (%)	23.2%	21.7%
Net Profit Margin (%)	8.8%	8.4%
Return on Equity (%)	9.3%	9.4%
<u>Efficiency Ratio</u>		
Return on Asset (%)	11.9%	7.5%
<u>Financial policy Ratio</u>		
Debt to Equity Ratio (Time)	0.3	0.3

2.) Liquidity Ratio

Financial Ratios	For the period ended 31 March 2025	For the year ended 31 December 2024
<u>Liquidity Ratio</u>		
Liquidity Ratios (Times)	4.9	5.6
Quick Liquidity Ratios (Times)	3.3	3.8
Average Collection Period (Day)	55	62
Average Holding Period (Day)	106	103
Average Payment Period (Day)	51	48
Cash Cycle (Day)	110	117

The Company and its subsidiaries Cash Flow Statements for the first quarter of year 2025 and 2024

Cash Flow Statements (In Million Baht)	The first quarter of the year 2025	The first quarter of the year 2024
Cash flow from operating activity		
Net cash flows provided by operating activity	27.0	50.5
Cash flow from investing activity		
Net cash flows used in investing activity	2.4	(21.4)
Cash flow from financing activity		
Net cash flows used in financing activity	(0.8)	(0.7)
Net cash and cash equivalents increased (decreased)	28.6	28.4
Brought forward in cash and cash equivalents	259.7	290.0
Gain(loss) on exchange rate	(0.0)	(0.0)
Carried forward in cash and cash equivalents	288.2	318.6

Cash Flow Statements as of 31 March 2025

- 1) The net cash flow provided by operating activities was 27 million Baht.
- 2) The net cash flow provided in investing activities was 2.4 million Baht. The main effect was from the finance revenue of 2 million Baht.
- 3) The net cash flow used in financing activities was 0.8 million Baht, The main effect was from the payment of the lease liabilities.
- 4) The cash and cash equivalents was 288.2 and 259.7 million Baht as of 31 December 2025 and 31 December 2024, respectively.