

Subject Management Discussion and Analysis for the second 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 second quarter, three months and six months period of 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.

Subsequently, on July 2, 2025, the Extraordinary General Meeting of Shareholders No. 1/2025 resolved to approve an additional increase in the Company's registered capital in the amount of 666,508 Baht by issuing 1,333,016 newly issued ordinary shares with a par value of 0.50 Baht per share. The capital increase was made to accommodate the shortfall in the stock dividend allocation. As a result, the Company's current registered capital is 66,666,508 Baht, divided into 33,333,016 ordinary shares with a par value of 0.50 Baht per share.

In the second quarter of 2025, the Company recorded total revenue of 618.8 million Baht, representing an increase of 68.3 million Baht or 12.4% compared to the same period of the previous year, which recorded total revenue of 550.5 million Baht. This revenue growth reflects the success of the Company's effective management

strategies and its commitment to operational excellence in alignment with its vision of driving sustainable business growth.

One of the key drivers of growth in this quarter was the Company's ability to successfully expand its OEM production capacity as planned, covering both the human and animal food industries. This expansion not only enabled the Company to meet the growing market demand but also reinforced its position as a trusted and highly capable manufacturer within the industry.

In addition, the Company benefited from improvements in both the domestic economy and export markets, along with the positive impact of its strategic partnership development initiatives. These efforts have significantly strengthened the Company's customer base and distribution network, enhancing its competitiveness in both local and international markets.

From an internal management perspective, the Company places strong emphasis on building a flexible and agile management system. Strategic plans are regularly reviewed to ensure alignment with the rapidly changing business environment. Monthly performance evaluations, cost control measures, risk management practices, and efficient resource utilization have all contributed to the Company's ability to achieve consistent growth and adapt effectively to evolving circumstances.

Overall, the performance in this quarter reflects the strength of the Company's business structure, adaptability, and potential for future expansion. The Company remains committed to pursuing new opportunities through innovation, product development, and market expansion, in order to meet the evolving needs of consumers and deliver long-term value to all stakeholders.

In the context of international business operations, quality and safety standards have become strategic imperatives. The Company has obtained internationally recognized certifications, including ISO 9001:2015, FSSC 22000, GMP, HACCP, GHP, and ISO 14064-1:2018, reflecting its strong commitment to quality-driven and sustainable operations. These certifications serve to mitigate operational risks and represent a competitive advantage in trade negotiations, while also reinforcing trust and credibility among both domestic and international business partners.

In addition to its focus on business performance, the Company places strong emphasis on holistic sustainable development through the continuous and tangible implementation of ESG (Environment, Social, and Governance) initiatives.



The Company places strong emphasis on environmental sustainability by regularly monitoring and evaluating the impact of its initiated projects. One such initiative is the installation of solar-powered water turbines at the temple of Nakornchuenchum pier in Krathumlom, Samphran, Nakhonpathom. The project aims to improve water quality in local communities and enhance sustainable ecosystems.

Another initiative is the ongoing replacement of conventional lighting with LED lighting, which has been implemented across approximately 40% of the Company's facilities. This project is designed to reduce electricity consumption, lower carbon dioxide emissions, and promote the use of high-efficiency energy reflecting the Company's commitment to clean energy adoption and environmental impact reduction.

In addition, the Company is committed to sustainable environmental management through continuous monitoring and reporting of greenhouse gas (GHG) emissions in alignment with the ISO 14064-1 standard. This approach ensures transparency and verifiability, and the insights gained are used to inform strategic planning for reducing the Company's carbon footprint.

Social

The Company is committed to creating shared value for society and surrounding communities in parallel with its pursuit of sustainable business growth. In the second quarter of 2025, the Company continued to implement various social responsibility projects and initiatives, including:

- **"Creating Moral kids for a Better Society" Project**

Aimed at empowering youth in local communities and instilling ethical values for everyday life. Activities were held at Ban Na Samakkhi School in Nam Yuen, Ubon Ratchathani, to share knowledge and inspire students in remote areas.

- **Donation to the Ramathibodi Foundation**

To support the construction of the Ramathibodi Hospital building and the Yothi Innovation District, with the goal of enhancing accessibility to quality healthcare services.

- **Sponsorship of the 2025 Food Innovation Product Contest**

In collaboration with the Food Science and Technology Association of Thailand (FoSTAT), the Company supported this competition to promote research, knowledge development, and innovation among university students and professionals in the food industry.

VALUE CREATOR

- **Employee Development Initiatives**

The Company continuously invests in employee training and skills development in areas such as technical knowledge, leadership, and ethical conduct. These efforts aim to enhance workforce capabilities and prepare employees for long-term business growth.

Governance

The Company is committed to conducting its business with transparency, fairness, and accountability in accordance with the principles of good corporate governance. The Company continuously reviews and improves its corporate governance policies to align with international best practices.

As a result of this ongoing commitment, the Company was awarded a "5-Star" (Excellent) rating the highest level in the 2024 Corporate Governance Report (CGR) by the Thai Institute of Directors Association (IOD). This recognition reflects investors' confidence in the Company's management practices and its readiness to drive long-term sustainable growth.

The Company's commitment to ESG practices not only reflects its responsibility toward society and the environment, but also serves as a key mechanism for fostering strong and lasting relationships with communities. These efforts contribute to enhancing the Company's reputation as a responsible organization, while driving stable and sustainable business growth in the long term.



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 three months and six months period between 2025 and 2024, as of 30 June 2025 of the company and its subsidiaries

Unit : Million Baht

Revenue structure	Three months period (Apr-Jun)		Change		Six months period (Jan-Jun)		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Food ingredients	267.3	253.4	13.9	5.5	537.3	486.8	50.5	10.4
Feed ingredients	37.4	34.9	2.5	7.2	81.5	63.7	17.8	27.9
Total	304.7	288.3	16.4	5.7%	618.8	550.5	68.3	12.4

Analysis of operating results

Unit : Million Baht

Profit or (Loss)	Three months period (Apr-Jun)		Change		Six months period (Jan-Jun)		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Revenue from sales	304.7	288.3	16.4	5.7	618.8	550.5	68.3	12.4
Cost of good sold	(231.7)	(225.4)	(6.3)	2.8	(472.8)	(430.9)	(41.9)	9.7
Gross profit	73.0	62.9	10.1	16.1	146.0	119.6	26.4	22.1
Other income	2.9	2.1	0.8	38.1	4.1	3.5	0.6	17.1
Selling expenses	(13.1)	(13.3)	0.2	(1.5)	(26.0)	(26.4)	0.4	(1.5)
Administrative expenses	(23.2)	(23.7)	0.5	(2.1)	(45.9)	(44.8)	(1.1)	2.5
Other loss	(0.50)	0.0	(0.5)	(1,766.7)	(1.2)	(2.2)	1.0	(45.5)
Finance costs	(0.9)	(0.9)	-	-	(1.8)	(1.8)	-	-
Profit before income tax expense	38.2	27.1	11.1	40.8	75.2	47.9	27.3	57.0
Income tax expenses	(7.7)	(5.5)	(2.2)	40.0	(16.9)	(10.6)	(6.3)	59.4
Profit for the year	30.5	21.6	8.9	41.0	58.3	37.3	21.0	56.3
Non-controlling interests	-	-	-	-	-	-	-	-
Owners of the parents	30.5	21.6	8.9	41.0	58.3	37.3	21.0	56.3

Revenues from Sales for three months and six months period, as of 30 June 2025 of the company and its subsidiaries

For the three months period, the Group had revenues from sales of 304.7 million Baht, which increased by 16.4 million Baht or 5.7%, when compared with the second quarter of year 2024, which had revenues from sales of 288.3 million Baht. The main reasons for the increase in revenue from sales amounting to 16.4 million Baht were mainly increased by Food ingredients of 13.9 million Baht or 5.5% and increased by Feed ingredients of 2.5 million Baht or 7.2%.

For the six months period, the Group had revenues from sales of 618.8 million baht, which increased by 68.3 million baht or 12.4%, when compared with six months period of second quarter of Year 2024, which had revenues from sales of 550.5 million baht. The main reasons for the increase in revenue from sales amounting to 68.3 million baht were mainly increased by Food ingredients of 50.5 million baht or 10.4% and increased by Feed ingredients of 17.8 million baht or 27.9%.

The company and its subsidiaries Gross Profit for three months and six months period between 2025 and 2024, as of 30 June 2025

Unit : Million Baht

Gross Profit	Three months period (Apr-Jun)		Change		Six months period (Jan-Jun)		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Gross Profit	73.0	62.9	10.1	16.1	146.0	119.6	26.4	22.1
Propotion to revenue from sales	24.0%	21.8%	2.1%		23.6%	21.7%	1.9%	

Gross Profit for the three months and six months period between 2025 and 2024 were increased by 10.1 million baht and 26.4 million baht respectively. The gross margin was increased as the cost of purchased raw materials decreased, by efficient exchange rate management and others supporting factors. That was the reason of increased of gross margin by 21.6% and 1.6% respectively.

Sales and Administrative Expenses for three months and six months period between 2025 and 2024, as of 30 June 2025 of the company and its subsidiaries

Unit : Million Baht

Selling and Administrative Expenses	Three months period (Apr-Jun)		Change		Six months period (Jan-Jun)		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Selling and Administrative Expenses	36.3	37.0	(0.7)	(1.9)	71.9	71.2	0.7	1.0
Proportion to revenue from sales	11.9%	12.8%	-0.9%		11.6%	12.9%	-1.3%	

The main reasons for the change in selling and administrative expenses for three months and six months period between year 2025 and 2024

For the three month period ended June 30, 2025, the Company effectively managed its selling expenses, resulting in a reduction of 0.2 million Baht. This decrease was mainly due to tighter control over marketing and travel-related expenditures. At the same time, administrative expenses also declined by 0.5 million Baht, reflecting efficient resource management during the period.

For the six month period, the Company maintained its selling expenses at an appropriate level, achieving a reduction of 0.4 million Baht. This was primarily the result of effective cost control related to personnel and product analysis. Although administrative expenses increased by 1.1 million Baht, this was partly due to investments in upgrading meeting rooms and dining facilities to enhance the working environment and accommodate future business expansion. These improvements are expected to boost operational efficiency, employee satisfaction, and the Company's image among business partners and visitors.

Net Profit for three months and six months period between 2025 and 2024, as of 30 June 2025 of the company and its subsidiaries

Unit : Million Baht

Profit	Three months period (Apr-Jun)		Change		Six months period (Jan-Jun)		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
Profit	30.5	21.6	8.9	41.0	58.3	37.3	21.0	56.3
Proportion to revenue from sales	10.0%	7.5%	2.5%		9.4%	6.8%	2.6%	

For the three month period ended June 30, 2025, the Company reported a net profit of 30.5 million Baht, representing an increase of 8.9 million Baht or 41% compared to the same period of the previous year. This growth was driven by an increase in sales revenue and effective cost management, which led to a significant reduction in cost of sales as a percentage of revenue. As a result of the higher operating profit, income tax expenses also increased by 2.2 million Baht.

For the six month period, the Company recorded a net profit of 58.3 million Baht, an increase of 21.0 million Baht or 56.3% from the same period last year. This improvement was primarily attributable to strong sales growth, efficient cost of sales management, and well-controlled administrative expenses. Consequently, income tax expenses rose by Baht 6.3 million, in line with the Company's continued improvement in financial performance.

Analysis of the Financial Position as of 30, June 2025 the Company and its subsidiaries

Financial Position (In Million Baht)	30 Jun 2025	31 Dec 2024	Change	
			Amount	%
Total Current Assets	886.9	831.8	55.1	6.6
Total Non-Current Assets	454.8	457.7	(2.9)	(0.6)
Total Assets	1,341.7	1,289.5	52.2	4.0
Total Current Liabilities	159.1	148.0	11.1	7.5
Total Non-Current Liabilities	119.1	119.7	(0.6)	(0.5)
Total Liabilities	278.2	267.7	10.5	3.9
Shareholders' Equity	66.0	50.0	16.0	32.0
Share premium	762.9	762.9	-	-
Legal reserved	5.0	5.0	-	-
Unappropriated retained earnings	229.6	203.9	25.7	12.6
Non-Control interests	-	-	-	-
Total Shareholders' Equity	1,063.5	1,021.8	41.7	4.1

Assets

As of 30 June 2025, the Group had total assets of 1,341.7 million Baht, which was an increase of 52.2 million Baht or 4% 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 (4.9 million Baht), the inventory (35.3 million Baht), an increase of other current assets (23.8 million Baht), and an increase of

cash and cash equivalents (29.9 million Baht). Which reflects the cash flow received from the Company's operating activities.

Liabilities

As of 30 June 2025, the group had total liabilities of 278.2 million Baht, which was equivalent to 20.7% of the total assets, with an increase of 10.5 million Baht or 3.9% 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 7 million Baht and other current liabilities 3.4 million Baht.

Shareholders' Equity

As of 30 June 2025, the group had total shareholders' equity of 1,063.5 million Baht, which was equivalent to 79.3% of the total assets. The shareholders' equity was increased by capital of 16 million baht and the operating profit of 25.7 million Baht or 12.6% when compared with total shareholders' equity as of 31 December 2024 (1,021.8 million Baht).

Financial Ratios as at 30 June 2025

Compared with Financial Ratios as of 31 December 2024

1) Efficiency ratios

Financial Ratios	Three months period as of 30 June 2025	For the year ended 31 December 2024
<u>Profitability Ratio</u>		
Gross Profit Margin (%)	23.6%	21.7%
Net Profit Margin (%)	9.4%	6.8%
Return on Equity (%)	5.5%	9.4%
<u>Efficiency Ratio</u>		
Return on Asset (%)	4.3%	7.5%
<u>Financial policy Ratio</u>		
Debt to Equity Ratio (Time)	0.3	0.3

2) Liquidity Ratio

Financial Ratios	Three months period as of 30 June 2025	For the year ended 31 December 2024
<u>Liquidity Ratio</u>		
Current Ratio (Time)	5.6	5.6
Quick Ratio (Time)	3.7	3.8
Average Collection Period (Day)	54	62
Average Sale Period (Day)	111	103
Average Payment Period (Day)	50	48
Cash Cycle (Day)	115	117

The Company and its subsidiaries Cash Flow Statements for the second quarter, six months period between 2025 and 2024, as at 30 June 2025

Cash Flow Statements (In Million Baht)	Second quarter of year 2025	Second quarter of year 2024
Cash flow from operating activity		
Net cash flows provided by operating activity	11.7	12.4
Cash flow from investing activity		
Net cash flows used in investing activity	(1.8)	(20.8)
Cash flow from financing activity		
Net cash flows used in financing activity	(17.7)	(29.3)
Net cash and cash equivalents increased (decreased)	(7.8)	(37.7)
Brought forward in cash and cash equivalents	259.6	289.9
Gain(loss) on exchange rate	(0.3)	0.2
Carried forward in cash and cash equivalents	251.5	252.4

Cash Flow Statements as of 30 June 2025 as follows.

- 1) The net cash flow provided by operating activities was 11.7 million Baht.
- 2) The net cash flow used in investing activities was 1.8 million Baht. The main effect was from the finance revenue of 3.4 million Baht. Used from advance payment for machinery of 6.2 million baht.
- 3) The net cash flow used in financing activities was 17.7 million Baht, The main effect was from the payment of the lease liabilities of 1.7 million baht and cash dividend paid of 16 million baht.
- 4) The cash and cash equivalents was 251.5 and 252.4 million Baht as of 30 June 2025 and 30 June 2024, respectively.

