

Date 9 May 2025

Subject Management's Discussion and Analysis of the Financial Statements for the three-month period ended March 31, 2025

To President of The Stock Exchange of Thailand

Enclosure Management's Discussion and Analysis of the Financial Statements for the three-month period ended March 31, 2025, both Thai and English, 1 set for each

NSL Foods Public Company Limited ("NSL") would like to submit the Company's reviewed financial statements for the three-month period ended March 31, 2025.

The operation result of NSL for the three-month period ended March 31, 2025, registered a net profit from Owners of the parent in Consolidated financial statement amounting to 171.2 THB million and a net profit from separate financial statements amounting to 172.3 THB million. Please see further details in the Management's Discussion and Analysis for the three-month period ended March 31, 2025 as attached.

Please be informed accordingly.

Sincerely yours,

(Mr. Somchai Asavapiyanond)
Chairman of the Executive Committee

NSL Foods Public Company Limited

Management Discussion and Analysis for the three-month period ended March 31, 2025

Summary of operating performance for the three-month period ended March 31, 2025

Consolidated financial statement				
Operating Performance	Q1 2025	Q1 2024	Increase (Decrease)	%Increase (Decrease)
	MB	MB		
Sales	1,705.2	1,342.6	362.7	27.0%
Revenue from franchise license	2.5	3.2	(0.7)	(21.1%)
Other income	4.9	5.1	(0.2)	(3.7%)
Total Revenues	1,712.6	1,350.8	361.8	26.8%
Cost of sales	1,341.3	1,063.6	277.7	26.1%
Distribution costs	104.4	87.4	17.0	19.5%
Administrative expenses	50.5	38.8	11.8	30.4%
Profit from Operating Activities	216.4	161.1	55.2	34.3%
Finance costs	3.2	2.1	1.1	52.6%
Share of loss of joint venture accounted for using equity method	-	(0.2)	0.2	(100.0%)
Profit before income tax	213.1	158.8	54.4	34.2%
Income tax expenses	42.4	31.7	10.7	33.9%
Net Profit	170.7	127.1	43.6	34.3%
PROFIT ATTRIBUTABLE TO				
Owners of the parent	171.2	127.6	43.6	34.2%
Non-controlling interests	(0.5)	(0.5)	0.0	(5.1%)
	170.7	127.1	43.6	34.3%

Revenue for the three-month period ended March 31.

Consolidated financial statement						
Revenue Structure	Q1 2025		Q1 2024		Increase (Decrease)	%Increase (Decrease)
	MB	%	MB	%		
Sales	1,705.2	99.6%	1,342.6	99.4%	362.7	27.0%
- Bakery and appetizers	1,394.2	81.4%	1,185.5	87.8%	208.7	17.6%
- Snack under NSL's brands and trading	174.0	10.2%	81.7	6.0%	92.4	113.1%
- Food Services	128.2	7.5%	66.0	4.9%	62.2	94.2%
- Others	8.8	0.5%	9.4	0.7%	(0.6)	(6.4%)
Revenue from franchise license	2.5	0.1%	3.2	0.2%	(0.7)	(21.1%)
Other income	4.9	0.3%	5.1	0.4%	(0.2)	(3.7%)
Total Revenue	1,712.6	100.0%	1,350.8	100.0%	361.8	26.8%

Revenue

In 3M2025, NSL group's revenue from sales were accounted for 99.6%, Revenue from franchise license 0.1% and other income were accounted for 0.3% of total revenue. Revenue from sales comprises products of bakery, appetizers, snacks by NSL's brands and trading, food services and others.

In 3M2025, NSL group had revenue from sales of Baht 1,705.2 million, increased from the same period of the previous year by Baht 362.7 million, equivalent to 27.0%, mainly due to NSL group's sale volume increased because of NSL group launching more new products in core partner's products and NSL group's brand. In addition, in 3M2025, there were increasing in export sales of NSL group's products.

Cost of sales and Gross profit

Consolidated financial statement						
Description	Q1 2025		Q1 2024		Increase (Decrease)	%Increase (Decrease)
	MB	%	MB	%		
Revenue from sales	1,705.2	100.0%	1,342.6	100.0%	362.7	27.0%
Cost of sales	1,341.3	78.7%	1,063.6	79.2%	277.7	26.1%
Gross Profit	363.9	21.3%	279.0	20.8%	84.9	30.4%

In 3M2025, gross profit margin was increased from the same period of the previous year mainly due to cost and expenses control and revenue growth from the from the same period of the previous year of Group, as such economy of scale from sales increasing.

Distribution Costs

Consolidated financial statement						
Distribution Costs	Q1 2025		Q1 2024		Increase	%Increase
	MB	% of total revenue	MB	% of total revenue	(Decrease)	(Decrease)
Promotional and advertising expenses	2.8	0.2%	2.4	0.2%	0.4	16.4%
Sales transportation expenses	70.1	4.1%	58.3	4.3%	11.9	20.3%
Salaries, wages, overtime, bonuses, and employee benefits	20.8	1.2%	17.2	1.3%	3.5	20.5%
Other distribution costs	10.7	0.6%	9.5	0.7%	1.3	13.3%
Total Distribution costs	104.4	6.1%	87.4	6.5%	17.0	19.5%

The distribution costs in 3M2025 increased from the same period of the previous year by Baht 17.0 million. It was mainly due to the increase of sales transportation expenses from increasing of sale volume. In addition, the increasing in salaries, wages, overtime, bonuses, and employee benefits came from increasing personnel in sales and marketing department.

Administrative Expenses

Consolidated financial statement						
Administrative Expenses	Q1 2025		Q1 2024		Increase	%Increase
	MB	% of total revenue	MB	% of total revenue	(Decrease)	(Decrease)
Salaries, wages, overtime, bonuses, and employee benefits	29.1	1.7%	26.1	1.9%	2.9	11.2%
Consulting fees and service fees	11.5	0.7%	5.1	0.4%	6.5	126.6%
Depreciation and amortization	2.7	0.2%	2.2	0.2%	0.5	20.5%
Utilities and equipment repair	1.4	0.1%	1.3	0.1%	0.1	11.6%
Other administrative expenses	5.8	0.3%	4.0	0.3%	1.8	44.8%
Administrative Expenses	50.5	2.9%	38.8	2.9%	11.8	30.4%

Administrative expenses in 3M2025 increased from the same period of the previous year by Baht 11.8 million, mainly from salaries, wages, overtime, bonuses, and employee benefits increased from increasing in personnel in administration and management department, set up Sustainability and strategy department and in subsidiaries. In addition, Consulting fees and service fees increased from legal consulting in business acquisition and consulting and service fees in sustainability and strategy.

Finance Costs

Consolidated financial statement				
Finance Costs	Q1 2025	Q1 2024	Increase	%Increase
	MB	MB	(Decrease)	(Decrease)
Finance costs	3.2	2.1	1.1	52.6%

In 3M2025, finance costs had increased when compared with the same period of the previous year, caused by increasing in import loan and borrowings from financial institutions of subsidiaries.

Net profit and Net profit margin

Net profit and Net profit margin	Unit	Q1 2025	Q1 2024	Increase (Decrease)	% Increase (Decrease)
Consolidated financial statement					
Net profit	MB	170.7	127.1	43.6	34.3%
Net profit margin (%)	%	10.0%	9.4%	0.6%	
Separate financial statements					
Net profit	MB	172.3	130.0	42.3	32.6%
Net profit margin (%)	%	10.7%	10.0%	0.7%	

In 3M2025, NSL had net profit in the separate financial statement of Baht 172.3 million, which increased from the same period of the previous year by Baht 42.3 million and Net profit margin is higher than the previous year by 0.7%. The results of increasing in revenue came from increasing in sales volume and controllable on costs and expenses which causes the economy of scale. Moreover, the net profit and net profit margin also increased when compare with the same period of the previous year.

In addition, for consolidated financial statement, in 3M2025, NSL had recognized share of loss from invested in NSL Bake a Wish Co., Ltd., NSL Intertrade (2023) Co., Ltd. And NSL Inno Foods Co, Ltd. from selling and operating expense, as such, net profit from Consolidated financial statement in 3M2025 was Baht 170.7 million.

Financial Position as at

Consolidated financial statement				
Financial Position	31-Mar-25 MB	31-Dec-24 MB	Increase (Decrease)	%Increase (Decrease)
Total Assets	3,346.1	3,077.2	268.9	8.7%
Total Liabilities	1,254.9	1,156.7	98.2	8.5%
Total Shareholders' Equity	2,091.2	1,920.5	170.7	8.9%

Assets

Consolidated financial statement					
Assets	31-Mar-25	31-Dec-24	Increase	%Increase	% Proportion per total assets
	MB	MB	(Decrease)	(Decrease)	31-Mar-25
Cash and cash equivalents	323.2	227.5	95.7	42.1%	9.7%
Trade and other current receivables	950.1	922.4	27.7	3.0%	28.4%
Inventories	348.6	320.4	28.2	8.8%	10.4%
Disposal groups classified as assets held for distribution to owners	0.7	1.7	(1.0)	(58.8%)	0.0%
Property, plant and equipment and Right-of-use assets	1,197.3	1,188.7	8.6	0.7%	35.8%
Other assets	526.2	416.5	109.7	26.3%	15.7%
Total Assets	3,346.1	3,077.2	268.9	8.7%	100.0%

Total assets as of March 31, 2025, increased from the previous year mainly due to the increase in other assets of advance payment for business acquisition by Baht 108.5 million from the payment for the asset purchase agreement of trademarks and other related assets from N.B. Value Link Co., Ltd. and shares of Pro Natural Foods Co., Ltd. In addition, Cash and cash equivalents increased from net profit and reserve for payment in the future.

Liabilities

Consolidated financial statement					
Liabilities	31-Mar-25	31-Dec-24	Increase	%Increase	% Proportion per total assets
	MB	MB	(Decrease)	(Decrease)	31-Mar-25
Trade and other current payables	811.8	861.4	(49.6)	(5.8%)	24.3%
Borrowings from financial institutions	176.1	90.0	86.1	95.7%	5.3%
Lease liabilities	80.5	66.8	13.7	20.5%	2.4%
Other liabilities	186.5	138.6	48.0	34.7%	5.6%
Total Liabilities	1,254.9	1,156.7	98.2	8.5%	37.5%

Total liabilities as of March 31, 2025, increased from the previous year mainly caused by borrowings from financial institutions increased by Baht 86.1 million because of increasing subsidiaries' loans. In addition, other liabilities increased by Baht 48.0 million from income tax payable increased by 43.3 THB million from profit from 3M2025.

Shareholder's Equity

Consolidated financial statement					
Shareholder's Equity	31-Mar-25	31-Dec-24	Increase	%Increase	% Proportion per total assets
	MB	MB	(Decrease)	(Decrease)	31-Mar-25
Issued and paid-up share capital	300.0	300.0	-	0.0%	9.0%
Premium on ordinary shares	797.4	797.4	-	0.0%	23.8%
Retained earnings - Legal reserve	30.0	30.0	-	0.0%	0.9%
Retained earnings - Unappropriated	932.9	761.7	171.1	22.5%	27.9%
Non-Controlling Interests	31.0	31.4	(0.4)	(1.3%)	0.9%
Total Shareholders' Equity	2,091.2	1,920.5	170.7	8.9%	62.5%

Shareholders' equity as of March 31, 2025, was Baht 2,091.2 million, increased by Baht 170.7 million or equivalent to 8.9%. It resulted from the increase of retained earnings from net profit for the period.