BIS GROUP
BIOSCIENCE ANIMAL HEALTH PUBLIC COMPANY LIMITED

Bioscience Animal Health Public Company Limited



Management Discussion & Analysis

Q3/2026

PERFORMANCE

Statement of Income	2026		2025		Change	
(July - September)	(THB Mil.)	(%)	(THB Mil.)	(%)	(THB Mil.)	(%)
Total Revenues	**596.08**	**100.00%**	**548.39**	**92.00%**	**47.69**	**8.70%**
Net sales	588.82	98.78%	534.91	89.74%	53.91	10.08%
Other income	7.26	1.22%	13.48	2.26%	(6.22)	-46.12%
Total Expenses	**575.03**	**96.47%**	**534.00**	**89.59%**	**41.03**	**7.68%**
Cost of sales	512.13	85.92%	458.37	76.90%	53.77	11.73%
Distribution costs	32.42	5.44%	36.02	6.04%	(3.59)	-9.97%
Administrative expenses	28.79	4.83%	35.27	5.92%	(6.48)	-18.38%
Other expenses	1.68	0.28%	4.35	0.73%	(2.67)	-61.34%
Profit from Operations	**21.05**	**3.53%**	**14.39**	**2.41%**	**6.66**	**46.29%**
Finance costs	(0.06)	-0.01%	(0.25)	-0.04%	0.19	-76.73%
Tax expense	(3.72)	-0.62%	(2.91)	-0.49%	(0.81)	27.91%
Profit for the Period	**17.27**	**2.90%**	**11.24**	**1.88%**	**6.04**	**53.73%**
Owners of the parent	16.44	2.76%	9.63	1.62%	6.82	70.78%
Non-controlling interests	0.83	0.14%	1.61	0.27%	(0.78)	-48.41%
Gross profit margin (%)	***13.02%***		***14.31%***			
Net profit margin (%)	***2.90%***		***2.05%***			
EPS (THB/Share)	***0.052***		***0.031***			

Effective 1 January 2026, the Company adopted Thai Accounting Standard No. 21 (TAS 21), "The Effects of Changes in Foreign Exchange Rates". This adoption impacted the translation of financial statement items denominated in Myanmar Kyat (MMK) based on market exchange rates reported by the Central Bank of Myanmar. Nevertheless, the comparative financial statements for 2025 remain unchanged as previously reported, as this accounting impact does not affect the Company's core profitability.

PERFORMANCE

Statement of Income (January - September)	2026 (THB Mil.)	2026 (%)	2025 (THB Mil.)	2025 (%)	Change (THB Mil.)	Change (%)
Total Revenues	**1,711.73**	**100.00%**	**1,695.67**	**100.00%**	**16.06**	**0.95%**
Net sales	1,681.40	98.23%	1,656.13	97.67%	25.27	1.53%
Other income	30.33	1.77%	39.54	2.33%	(9.21)	-23.29%
Total Expenses	**1,648.55**	**96.31%**	**1,630.55**	**96.16%**	**18.00**	**1.10%**
Cost of sales	1,457.34	85.14%	1,403.55	82.77%	53.79	3.83%
Distribution costs	102.98	6.02%	114.60	6.76%	(11.61)	-10.13%
Administrative expenses	81.77	4.78%	98.90	5.83%	(17.13)	-17.32%
Other expenses	6.45	0.38%	13.50	0.80%	(7.05)	-52.23%
Profit from Operations	**63.18**	**3.69%**	**65.12**	**3.84%**	**(1.93)**	**-2.97%**
Finance costs	(0.18)	-0.01%	(1.17)	-0.07%	0.99	-84.65%
Tax expense	(11.36)	-0.66%	(13.66)	-0.81%	2.30	-16.83%
Profit for the Period	**51.64**	**3.02%**	**50.28**	**2.97%**	**1.36**	**2.70%**
Owners of the parent	49.05	2.87%	46.77	2.76%	2.28	4.88%
Non-controlling interests	2.59	0.15%	3.51	0.21%	(0.93)	-26.44%
Gross profit margin (%)	***13.33%***		***15.25%***			
Net profit margin (%)	***3.02%***		***2.97%***			
EPS (THB/Share)	***0.156***		***0.149***			

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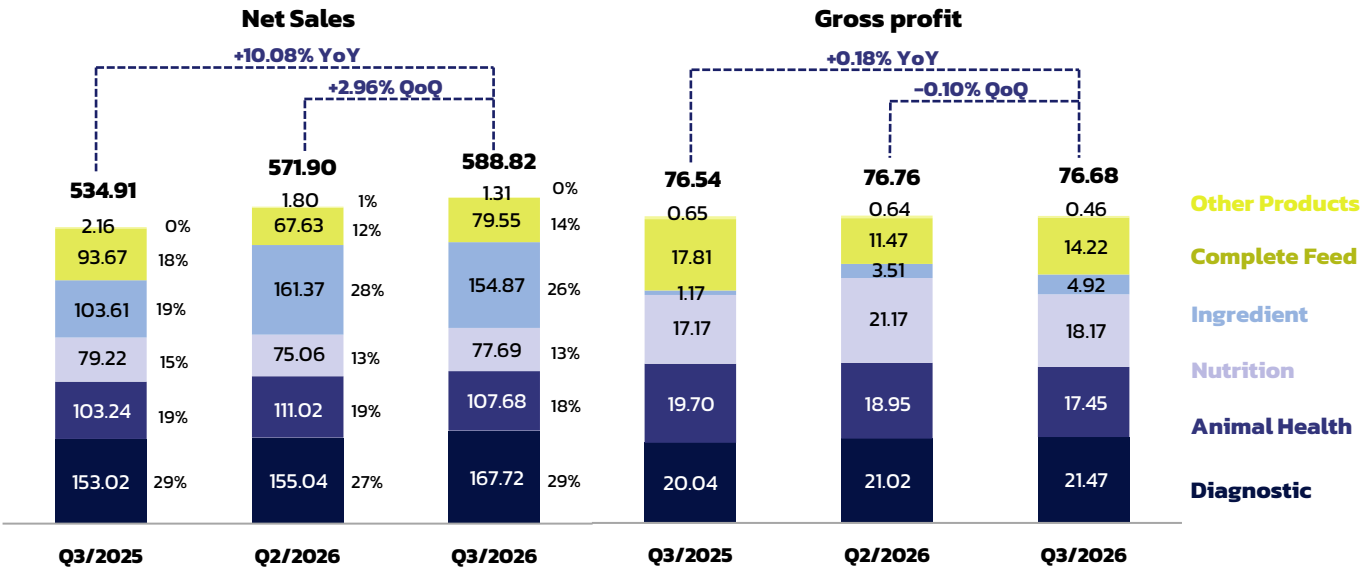
BUSINESS OVERVIEW

Unit: Million Baht, %



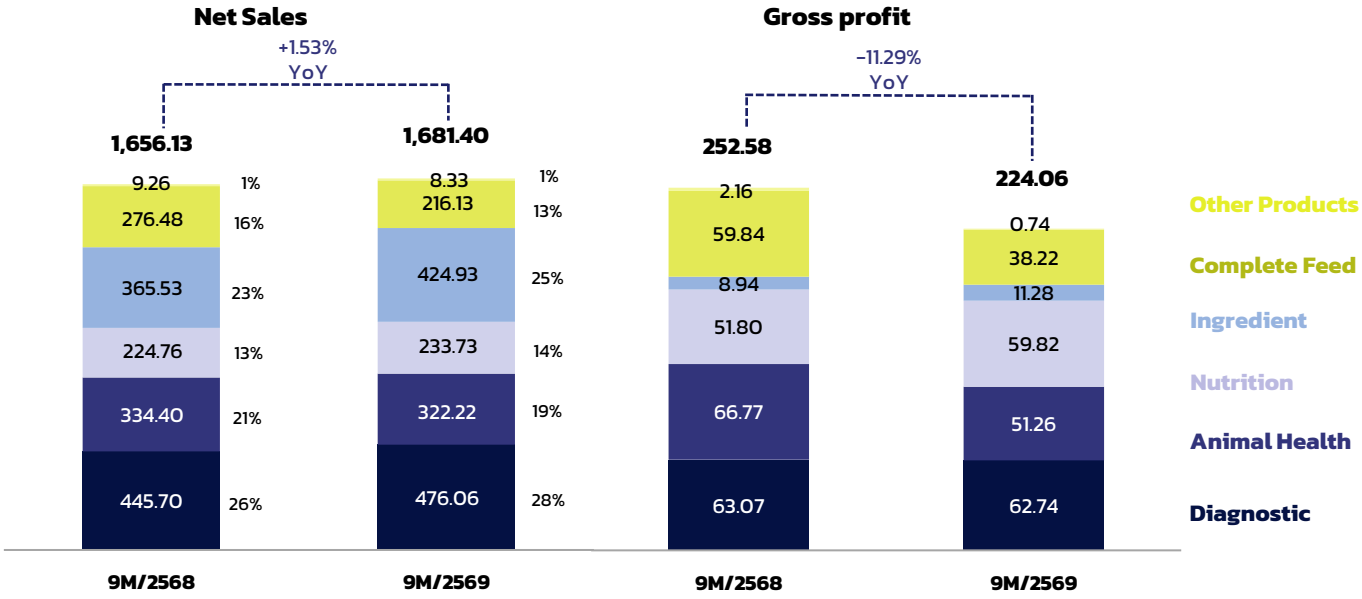
YoY: Q3/2026 vs Q3/2025

The Company has sales revenue for the three-month period ended September 30, 2026 amounted to THB 588.82 million, representing an increase of THB 53.91 million or 10.08% as compared to the same quarter of previous year. Gross profit for the period was THB 76.68 million, corresponding to a gross profit margin of 13.02%, an increase of 0.18% as compared to the same quarter of previous year. The key drivers by product group were as follows.

- **Animal Health Products** Sales revenue reached THB 107.68 million, increased by 4.30% as compared to the same quarter of previous year. Gross profit amounted to THB 17.45 million, with a margin of 16.20%. Sales increased slightly due to the continued expansion of the domestic customer base and major feed mill customers.
- **Nutrition Products** Sales revenue reached THB 77.69 million, decreased by 1.94% as compared to the same quarter of previous year. Gross profit amounted to THB 18.17 million, with a margin of 23.39%. The slightly decrease was attributable to lower sales of snack products for companion animal following the termination of distributorship agreement.
- **Diagnostic Products** Sales revenue reached THB 167.72 million, increased by 9.61% as compared to the same quarter of previous year. Gross profit amounted to THB 21.47 million, with a margin of 12.80%. Growth was driven by continued sales of companion animal diagnostic products.
- **Ingredient Products** Sales revenue reached THB 154.87 million, increased by 49.47% as compared to the same quarter of previous year. Gross profit amounted to THB 4.92 million, with a margin of 3.18%. Sales increased due to higher sales to major feed mill customers.
- **Complete Feed Products** Sales revenue reached THB 79.55 million, decreased by 15.08% as compared to the same quarter of previous year. Gross profit amounted to THB 14.22 million, with a margin of 17.87%. The decrease was attributable to lower sales of complete feed for companion animals following the termination of distributorship agreement, while the Company sources new products and manufacturers to distribute.
- **Other Products** Sales revenue reached THB 1.31 million, decreased by 39.39% as compared to the same quarter of previous year. Gross profit amounted to THB 0.46 million, with a margin of 35.17%. The decrease was due to sales of livestock farm odor control products.

BUSINESS OVERVIEW

Unit: Million Baht, %



YoY: 9M/2026 vs 9M/2025

The Company has sales revenue for the nine-month period ended September 30, 2026 amounted to THB 1,681.40 million, representing an increase of THB 25.27 million or 1.53% as compared to the same period of previous year. Gross profit for the period was THB 224.06 million, corresponding to a gross profit margin of 13.33%, a decrease of 11.29% as compared to the same period of previous year. The key drivers by product group were as follows.

- **Animal Health Products** Sales revenue reached THB 322.22 million, decreased by 3.64% as compared to the same period of previous year. Gross profit amounted to THB 51.26 million, with a margin of 15.91%. The decrease was attributable to lower sales to overseas customers as a result of the continued closure of the Thailand–Cambodia border since mid-2025. However, domestic sales continued to grow, driven by customer base expansion and new vaccine product distribution.
- **Nutrition Products** Sales revenue reached THB 233.73 million, increased by 3.99% as compared to the same period of previous year. Gross profit amounted to THB 59.82 million, with a margin of 25.59%. The growth was primarily driven by increased sales of enzyme and feed additive product groups to major feed mill customers.
- **Diagnostic Products** Sales revenue reached THB 476.06 million, increased by 6.81% as compared to the same period of previous year. Gross profit amounted to THB 62.74 million, with a margin of 13.18%. This performance was driven by the continued growth in sales of companion animal diagnostic products.
- **Ingredient Products** Sales revenue reached THB 424.93 million, increased by 16.25% as compared to the same period of previous year. Gross profit amounted to THB 11.28 million, with a margin of 2.65%. Continued sales growth was mainly attributable to higher sales to major feed mill customers.
- **Complete Feed Products** Sales revenue reached THB 216.13 million, decreased by 21.83% as compared to the same period of previous year. Gross profit amounted to THB 38.22 million, with a margin of 17.68%. The decrease was attributable to lower sales of complete feed for companion animals following the termination of distributorship agreement, while the Company sources new products and manufacturers to distribute.
- **Other Products** Sales revenue reached THB 8.33 million, decreased by 10.03% as compared to the same period of previous year. Gross profit amounted to THB 0.74 million, with a margin of 8.89%.

BUSINESS OVERVIEW

Distribution Costs

Distribution Costs for the three-month period ended September 30, 2026 amounted to THB 32.42 million, decreased by THB 3.59 million or 9.97% as compared to the same quarter of previous year. The ratio of distribution costs to total revenue for the third quarter of 2026 and 2025 was 5.44% and 6.57% respectively.. The decrease was driven by the Company's target to manage distribution cost efficiency. Key initiatives included sales headcount management, maximizing promotional efficiency, and planning the integration of Business Units to adapt to market and economic conditions in 2026 and 2027.

Distribution Costs for the nine-month period ended September 30, 2026 amounted to THB 102.98 million, decreased by THB 11.61 million or 10.13% as compared to the same period of previous year. The ratio of distribution costs to total revenue for the nine-month period of 2026 and 2025 was 6.02% and 6.76% respectively.

Administrative Expense

Administrative expense for the three-month period ended September 30, 2026 amounted to THB 28.79 million, decreased by THB 6.48 million or 18.38% as compared to the same quarter of previous year. The ratio of administrative expense to total revenue for the third quarter of 2026 and 2025 was 4.83% and 6.43% respectively. The decrease was due to the THB 9.82 million allowance for slow-moving inventory under the other products category is the products for dispose of animal carcasses recorded in Q3/2025 and other expenses, the Company focuses on maximizing cost efficiency through initiatives such as headcount management and office supply expense control.

Administrative expense for the nine-month period ended September 30, 2026 amounted to THB 81.77 million, decreased by THB 17.13 million or 17.32% as compared to the same period of previous year. The ratio of administrative expense to total revenue for the nine-month period of 2026 and 2025 was 4.78% and 5.83% respectively.

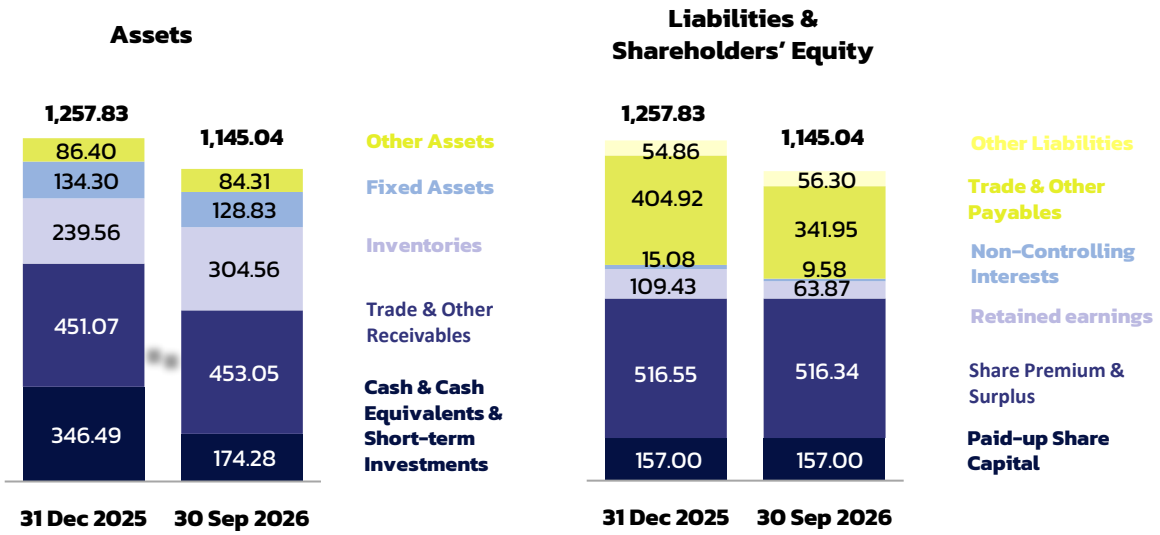
Profit for the Period

Net profit for the three-month period ended September 30, 2026 and 2025 amounted to THB 16.44 million and THB 9.63 million respectively, representing a respective net profit margin of 2.90% and 2.05%. The net profit margin for the third quarter of 2026 increased compared to 2025, as in the third quarter of 2025 the Company recorded an allowance for slow-moving inventories of THB 9.82 million for products in the other products category is the products for dispose of animal carcasses.

Net profit for the nine-month period ended September 30, 2026 and 2025 amounted to THB 49.05 million and THB 46.77 million respectively, representing a respective net profit margin of 3.02% and 2.97%.

FINANCIAL POSITIONS

Unit: Million Baht, %



Total Assets

Total assets as of September 30, 2026 amounted to THB 1,145.04 million, decreased by THB 112.79 million or 8.97% as compared to the end of previous year. The major assets are cash and cash equivalents and short-term investments, trade and other receivables, inventories and fixed assets. The significant changes were as follows.

- **Cash and cash equivalents and short-term investments** Decreased by THB 172.20 million or 49.70%, mainly due to dividend payments of THB 87.00 million, and payments for inventory reserved to mitigate the risk of price increases, and lower trade payables under the Company's regular payment cycle.
- **Inventories** Increased by THB 65.00 million or 27.13%, mainly due to strategic stockpiling to mitigate the risk of price increases stemming from the Middle East crisis (US–Iran). These inventories support second-half sales with confirmed advance orders.
- **Trade & Other Receivables** Increased by THB 1.98 million, or 0.44%, representing no significant change. The Company continues to maintain a prudent credit policy for its customers.

Total Liabilities

Total liabilities as of September 30, 2026 amounted to THB 398.25 million, decreased by THB 61.52 million or 13.38% as compared to the end of previous year. The major liabilities are trade and other payables. The significant changes were as follows.

- **Trade and other payables** Decreased by THB 62.97 million or 15.55%, the primary decrease was attributable to payments made in accordance with the Company's regular payment cycle. This was due to higher-than-normal trade payables at the end of 2025 resulting from delayed billing documentation by a vendor due to incomplete paperwork, which deferred the payment cycle to the subsequent quarter. Currently, payments have returned to their normal schedule.

Shareholders' Equity

Shareholders' Equity as of September 30, 2026 amounted to THB 746.79 million, decreased by THB 51.26 million or 6.42% as compared to the end of previous year. The Company reported a nine-month net profit of THB 51.64 million and paid total dividends of THB 87.00 million.

Additionally, in 2026 the Company recognized the impact of the TAS 21 accounting policy change (Lack of Exchangeability), reducing retained earnings by THB 4.72 million and other components of equity by THB 6.13 million.

STATEMENT OF CASH FLOWS

Statement of Cash Flows	2026	2025	Change
(January - September)	(THB Mil.)	(THB Mil.)	(THB Mil.)
Profit for the period	*51.64*	*50.28*	*1.36*
Net Cash Provided by (Used in) Operating Activities	*(60.28)*	*233.33*	*(293.61)*
Net Cash Provided by (Used in) Investing Activities	*166.56*	*(217.11)*	*383.67*
Net Cash Provided by (Used in) Financing Activities	*(92.18)*	*(105.78)*	*13.60*
Net increase (decrease) in cash and cash equivalents	14.10	(89.55)	103.65
Cash and cash equivalents, at beginning of period	**52.30**	**128.09**	**(75.79)**
Impact of changes in accounting policy	(3.30)	-	**(3.30)**
Cash and cash equivalents, at end of period	**63.10**	**38.53**	**24.57**

FINANCIAL RATIO

Financial Ratio	30 September 2026	30 September 2025
Liquidity Ratios (Times)		
Current Ratio	2.46	2.39
Quick Ratio	1.58	1.60
Profitability Ratios (%)		
Return on Equity (ROE)	8.91	8.61
Efficiency Ratio (%)		
Return on Assets (ROA)	5.73	5.86
Leverage Ratios (Times)		
Debt to Equity Ratio	0.53	0.57