



BIS GROUP

BIO SCIENCE ANIMAL HEALTH PUBLIC COMPANY LIMITED

Bioscience Animal Health Public Company Limited

Management Discussion & Analysis

Q2/2026

PERFORMANCE

Statement of Income	2026		2025		Change	
(April - June)	(THB Mil.)	(%)	(THB Mil.)	(%)	(THB Mil.)	(%)
Total Revenues	580.51	100.00%	560.44	96.54%	20.07	3.58%
<i>Net sales</i>	571.90	98.52%	547.44	94.30%	24.46	4.47%
<i>Other income</i>	8.61	1.48%	13.00	2.24%	(4.39)	-33.77%
Total Expenses	559.64	96.40%	535.03	92.17%	24.61	4.60%
<i>Cost of sales</i>	495.14	85.29%	460.83	79.38%	34.31	7.45%
<i>Distribution costs</i>	35.88	6.18%	39.68	6.84%	(3.80)	-9.58%
<i>Administrative expenses</i>	26.63	4.59%	30.11	5.19%	(3.48)	-11.56%
<i>Other expenses</i>	1.99	0.34%	4.41	0.76%	(2.42)	-54.88%
Profit from Operations	20.87	3.60%	25.41	4.38%	(4.54)	-17.87%
<i>Finance costs</i>	(0.07)	-0.01%	(0.34)	-0.06%	0.27	-79.41%
<i>Tax expense</i>	(3.38)	-0.58%	(5.56)	-0.96%	2.18	-39.21%
Profit for the Period	17.42	3.00%	19.51	3.36%	(2.09)	-10.71%
<i>Owners of the parent</i>	16.78	2.89%	18.53	3.19%	(1.75)	-9.44%
<i>Non-controlling interests</i>	0.64	0.11%	0.98	0.17%	(0.34)	-34.69%
Gross profit margin (%)	13.42%		15.82%			
Net profit margin (%)	3.00%		3.48%			
EPS (THB/Share)	0.053		0.059			

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. Excluding the impact of this foreign exchange translation, net profit attributable to owners of the parent for the three-month period ended 30 June 2026 would have been THB 16.92 million.

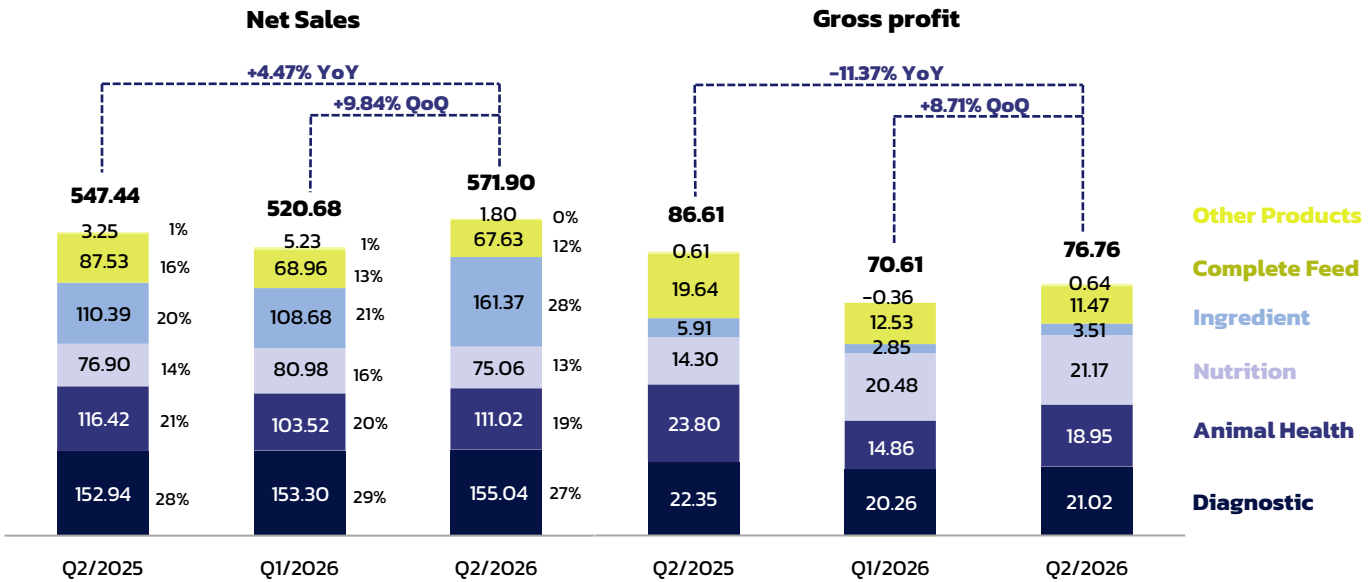
PERFORMANCE

Statement of Income	2026		2025		Change	
(January - June)	(THB Mil.)	(%)	(THB Mil.)	(%)	(THB Mil.)	(%)
Total Revenues	1,115.94	100.00%	1,147.86	100.00%	(31.92)	-2.78%
<i>Net sales</i>	1,092.59	97.91%	1,121.22	97.68%	(28.63)	-2.55%
<i>Other income</i>	23.35	2.09%	26.64	2.32%	(3.29)	-12.35%
Total Expenses	1,073.81	96.22%	1,097.13	95.58%	(23.32)	-2.13%
<i>Cost of sales</i>	945.21	84.70%	945.19	82.34%	0.02	0.00%
<i>Distribution costs</i>	70.56	6.32%	78.58	6.85%	(8.02)	-10.21%
<i>Administrative expenses</i>	53.27	4.77%	64.21	5.59%	(10.94)	-17.04%
<i>Other expenses</i>	4.77	0.43%	9.15	0.80%	(4.38)	-47.87%
Profit from Operations	42.13	3.78%	50.73	4.42%	(8.60)	-16.95%
<i>Finance costs</i>	(0.12)	-0.01%	(0.93)	-0.08%	0.81	-87.10%
<i>Tax expense</i>	(7.64)	-0.68%	(10.75)	-0.94%	3.11	-28.93%
Profit for the Period	34.37	3.08%	39.05	3.40%	(4.68)	-11.98%
<i>Owners of the parent</i>	32.61	2.92%	37.14	3.24%	(4.53)	-12.20%
<i>Non-controlling interests</i>	1.76	0.16%	1.91	0.17%	(0.15)	-7.85%
Gross profit margin (%)	13.49%		15.70%			
Net profit margin (%)	3.08%		3.40%			
EPS (THB/Share)	0.104		0.118			

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. Excluding the impact of this foreign exchange translation, net profit attributable to owners of the parent for the six-month period ended 30 June 2026 would have been THB 34.45 million.

BUSINESS OVERVIEW

Unit Million Baht, %

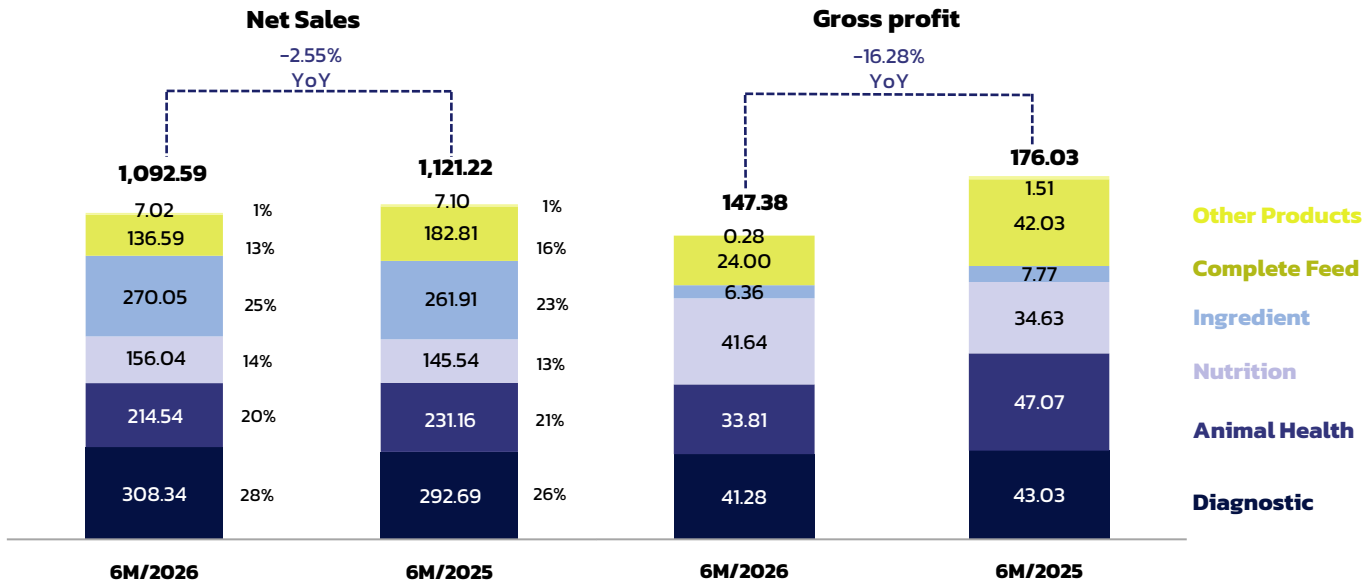


The Company has sales revenue for the three-month period ended June 30, 2026 amounted to THB 571.90 million, representing an increase of THB 24.46 million or 4.47% as compared to the same quarter of previous year. Gross profit for the period was THB 76.76 million, corresponding to a gross profit margin of 13.42%, a decreased of 11.37% 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 111.02 million, decreased by 4.65% as compared to the same quarter of previous year. Gross profit amounted to THB 18.95 million, with a margin of 17.07%. The decreased, 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 product distribution.
- Nutrition Products** Sales revenue reached THB 75.06 million, decreased by 2.39% as compared to the same quarter of previous year. Gross profit amounted to THB 21.17 million, with a margin of 28.20%. The growth was primarily driven by increased sales of premix for animal feed products, which are manufactured by the Company's own factory.
- Diagnostic Products** Sales revenue reached THB 155.04 million, increased by 1.37% as compared to the same quarter of previous year. Gross profit amounted to THB 21.02 million, with a margin of 13.56%. This performance driven by the maintained growth in sales of companion animal diagnostic products.
- Ingredient Products** Sales revenue reached THB 161.37 million, increased by 46.18% as compared to the same quarter of previous year. Gross profit amounted to THB 3.51 million, with a margin of 2.18%. Sales increased due to the Company received a large order via bidding from a major broiler customer.
- Complete Feed Products** Sales revenue reached THB 67.63 million, decreased by 22.74% as compared to the same quarter of previous year. Gross profit amounted to THB 11.47 million, with a margin of 16.96%. The decreased, attributable to lower sales of complete feed for companion animals following the termination of distributorship agreement and the Company is currently in the process of sourcing and selecting products and manufacturers as a product distributorship.
- Other Products** Sales revenue reached THB 1.80 million, decreased by 44.69% as compared to the same quarter of previous year. Gross loss amounted to THB 0.64 million, with a margin of 35.85%. Due to sales generated from products for dispose of animal carcasses in the previous year.

BUSINESS OVERVIEW

Unit Million Baht, %



YoY: 6M/2026 vs 6M/2025

The Company has sales revenue for the six-month period ended June 30, 2026 amounted to THB 1,092.59 million, representing a decrease of THB 28.63 million or 2.55% as compared to the same period of previous year. Gross profit for the period was THB 147.38 million, corresponding to a gross profit margin of 13.49%, a decreased of 16.28% 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 214.54 million, decreased by 7.19% as compared to the same period of previous year. Gross profit amounted to THB 33.81 million, with a margin of 15.76%. The decreased, 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 product distribution.
- Nutrition Products** Sales revenue reached THB 156.04 million, increased by 7.21% as compared to the same period of previous year. Gross profit amounted to THB 41.64 million, with a margin of 26.69%. The growth was primarily driven by increased sales of enzyme products and premix for animal feed products, which are manufactured by the Company's own factory.
- Diagnostic Products** Sales revenue reached THB 308.34 million, increased by 5.35% as compared to the same period of previous year. Gross profit amounted to THB 41.28 million, with a margin of 13.39%. This performance driven by the maintained growth in sales of companion animal diagnostic products.
- Ingredient Products** Sales revenue reached THB 270.05 million, increased by 3.11% as compared to the same period of previous year. Gross profit amounted to THB 6.36 million, with a margin of 2.36%. Continued sales growth was mainly attributable to the Company's successful tender to supply products to major broiler customer.
- Complete Feed Products** Sales revenue reached THB 136.59 million, decreased by 25.28% as compared to the same period of previous year. Gross profit amounted to THB 24.00 million, with a margin of 17.57%. The decreased, attributable to lower sales of complete feed for companion animals following the termination of distributorship agreement and the Company is currently in the process of sourcing and selecting products and manufacturers as a product distributorship.
- Other Products** Sales revenue reached THB 7.02 million, slightly decreased by 1.11% as compared to the same period of previous year. Gross loss amounted to THB 0.28 million, with a margin of 4.00%.

BUSINESS OVERVIEW

Distribution Costs

Distribution Costs for the three-month period ended June 30, 2026 amounted to THB 35.88 million, decreased by THB 3.80 million or 9.58% as compared to the same quarter of previous year. The ratio of distribution costs to total revenue for the second quarter of 2026 and 2025 representing 6.18% and 7.08% respectively. The decreased from the previous year was driven by the Company's target to manage distribution cost efficiency to align with market and economic conditions in 2026.

Distribution Costs for the six-month period ended June 30, 2026 amounted to THB 70.56 million, decreased by THB 8.02 million or 10.21% as compared to the same period of previous year. The ratio of distribution costs to total revenue for the six-month period ended of 2026 and 2025 representing 6.32% and 6.85% respectively.

Administrative Expense

Administrative expense for the three-month period ended June 30, 2026 amounted to THB 26.63 million, decreased by THB 3.48 million or 11.56% as compared to the same quarter of previous year. The ratio of administrative expense to total revenue for the second quarter of 2026 and 2025 representing 4.59% and 5.37% respectively. The decreased from the previous year was driven by effective office expense controls and office headcount management resulting from the Business Unit combined plan to improve overall cost efficiency.

Administrative expense for the six-month period ended June 30, 2026 amounted to THB 53.27 million, decreased by THB 10.94 million or 17.04% as compared to the same period of previous year. The ratio of administrative expense to total revenue for the six-month period ended of 2026 and 2025 representing 4.77% and 5.59% respectively.

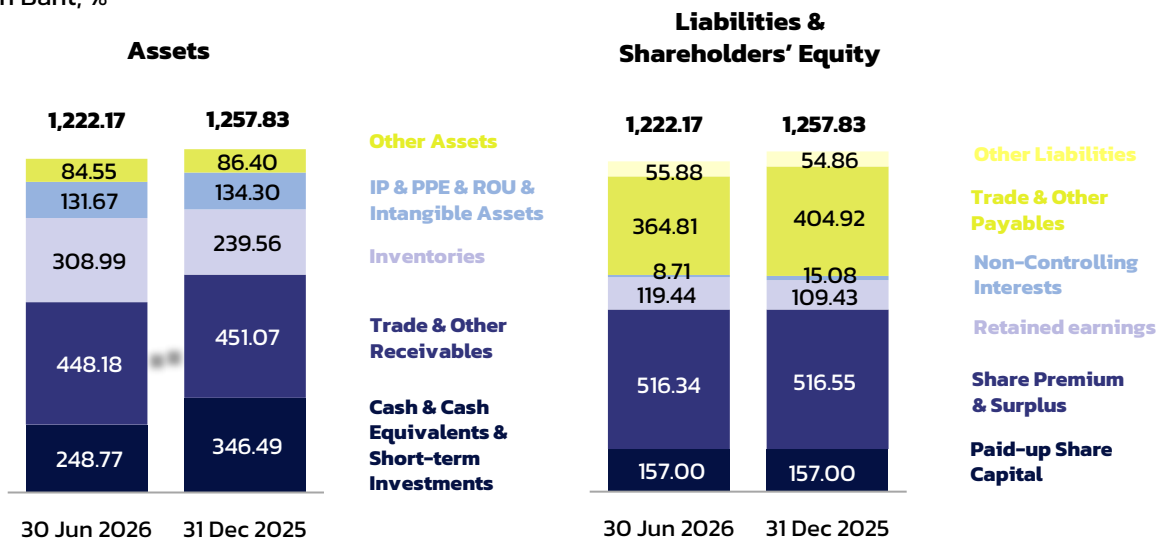
Profit for the Period

Net profit for the three-month period ended June 30, 2026 and 2025 amounted to THB 16.77 million and THB 18.53 million respectively, representing to net profit margin 3.00% and 3.48% respectively. The net profit margin for the second quarter of 2026 increased slightly compared to 2025, due to heightened market competition and rising raw material prices, gross profit declined. However, through effective operating expense management, overall net profit recorded a slightly decrease compared to the same period of previous year.

Net profit for the six-month period ended June 30, 2026 and 2025 amounted to THB 32.61 million and THB 37.14 million respectively, representing a respective net profit margin of 3.08% and 3.40%.

FINANCIAL POSITIONS

Unit: Million Baht, %



Total Assets

Total assets as of June 30, 2026 amounted to THB 1,222.17 million, decreased by THB 35.65 million or 2.83% 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 such as

- **Cash and cash equivalents and short-term investments** Decreased by THB 97.72 million or 28.20%, mainly due to an increase in inventory resulting from reserves made to mitigate the risk of price increases and a decrease in trade payables due to the company's regular payment cycle.
- **Inventories** Increased by THB 69.43 million or 28.98%, mainly due to strategic stockpiling to mitigate the risk of price increases stemming from the Middle East crisis (US-Iran), which could increase product costs. These inventories align with the second-half sales plan supported by confirmed advance orders.

Total Liabilities

Total liabilities as of June 30, 2026 amounted to THB 420.69 million, decreased by THB 39.09 million or 8.50% as compared to the end of previous year. The major liabilities are trade and other payables. The significant changes were such as

- **Trade and other payables** Decreased by THB 40.11 million or 9.91%, mainly due to the Company's normal payment cycle.

Shareholders' Equity

Shareholders' Equity as of June 30, 2026 amounted to THB 801.49 million, increased by THB 3.43 million or 0.43% as compared to the end of previous year. The Company reported a first-half net profit of THB 34.37 million and paid total dividends of THB 12.56 million.

Additionally, during 2026, the Company recognized the impact of a change in accounting policy in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates" regarding the Lack of Exchangeability. This resulted in a reduction of THB 4.72 million in retained earnings and a decrease of THB 6.13 million in other components of equity.

STATEMENT OF CASH FLOWS

Statement of Cash Flows	2026	2025	Change
(January - June)	(THB Mil.)	(THB Mil.)	(THB Mil.)
<i>Profit for the period</i>	34.37	39.05	(4.68)
<i>Net Cash Provided by (Used in) Operating Activities</i>	(64.32)	131.29	(195.61)
<i>Net Cash Provided by (Used in) Investing Activities</i>	83.95	(142.49)	226.44
<i>Net Cash Provided by (Used in) Financing Activities</i>	(16.42)	(77.28)	60.86
Net increase (decrease) in cash and cash equivalents	3.21	(88.48)	91.69
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	52.21	39.60	12.61

FINANCIAL RATIO

Financial Ratio	30 June 2026	30 June 2025
Liquidity Ratios (Times)		
Current Ratio	2.53	2.58
Quick Ratio	1.66	1.70
Profitability Ratios (%)		
Return on Equity (ROE)	8.59	9.70
Efficiency Ratio (%)		
Return on Asset (ROA)	5.54	6.38
Leverage Ratios (Times)		
Debt to Equity Ratio	0.52	0.50