

August 8, 2025

Subject : Management Discussion and Analysis for 3 months and 6 months ended June 30, 2025

To : The President,
The Stock Exchange of Thailand

Applied DB Public Company Limited (the “Company” or “we” or “our”) would like to submit the management discussion and analysis for the Company results of operations for three months and six months ended June 30, 2025 as follows;

**Management Discussion and Analysis for the 2nd Quarter of 2025
Ended June 30, 2025**

Applied DB Public Company Limited (the “Company”) or (“ADB”) is one of the leading manufacturers and distributors of plastic compound to our main customers located in Thailand. Besides, the Company also manufactures and sells the products under the Company’s brands and also under customers’ brands. Our revenue depends highly on an industrial growth leading by each industrial sector that uses the Company’s products in the production process such as wire and cable industry, real estate and construction industry. In addition, the demand of products also leads by the economic condition, private sector investments and government bidding projects. In 2025, the Company has one local subsidiary, ADB Bio Co., Ltd., operated in providing biodegradable raw materials, and semi-finished product that can replace traditional plastic to support the development, production and distribution of bio products. ADB is currently holding 99.97% of shares in ADB Bio Co., Ltd. In 2024, ADB’ Board of Directors’ Meeting approved the increase in the registered capital of ADBS to ADB and the Aica Asia Pacific Holding Pte. Ltd., a wholly-owned subsidiary of AICA Kogyo Co., Ltd. In this regards, the Company’s voting rights in ADBS will decrease from 99.99% to 49.00%, resulting in ADBS no longer being a subsidiary of the Company. However, ADBS is currently considered an associate company of ADB under “investments in associate”. ADB has recognized share of profit of associate accounted for using equity method since December 1, 2024 onwards.

After restructuring, the business operation can be classified into 3 major categories under compound business segment including 1) Wire and Cable PVC (Plastic compound used in wire and cable industry); 2) General Grade PVC (Plastic compound used in general applications, Rigid PVC, and Polypropylene Split Yarn (PPY) and 3) Medical Grade PVC) with the following details;

Performance Analysis

Table 1 : Financial Performance of Q2/ 2024 compared to Q2/ 2025

	Quarter 2/2024		Quarter 2/2025		Changes +,-	
	MB	%	MB	%	MB	%
Revenue from Sales	212.46	99.12	184.80	98.36	(27.66)	(13.02)
Cost of Sales	201.12	93.83	162.91	86.70	(38.21)	(19.00)
Gross Profit	11.34	5.29	21.89	11.65	10.55	93.03
Other Income	1.73	0.81	2.98	1.59	1.25	72.25
Net Foreign Exchange Gain	0.15	0.07	0.11	0.06	(0.04)	(26.67)
Profit Before Expenses	13.22	6.17	24.98	13.30	11.76	88.96
Distribution Costs	11.76	5.49	8.20	4.36	(3.56)	(30.27)
Administrative Expenses	20.03	9.34	16.33	8.69	(3.70)	(18.47)
Total SG&A	31.79	14.83	24.53	13.06	(7.26)	(22.84)
Earnings before interest and tax	(18.57)	(8.66)	0.45	0.24	19.02	102.42
Financial Costs	4.32	2.12	2.16	1.15	(2.16)	(50.00)
Share of profit of associate accounted for using equity method	0.00	0.00	5.68	3.02	5.68	n/a
Profit before tax expenses	(22.89)	(10.67)	3.97	2.11	26.86	117.34
Tax expenses	(0.18)	(0.08)	(0.29)	(0.15)	(0.11)	(61.11)
Profit(loss)for the year from discontinued operation net of tax	18.74	8.74	0.00	0.00	(18.74)	n/a
Net Income	(3.96)	(1.86)	4.27	2.27	8.23	(207.30)
Other Comprehensive Income	0.06	0.03	(0.01)	(0.01)	(0.07)	(116.67)
Total Comprehensive Income for the period	(3.91)	(1.82)	4.26	2.26	8.17	208.95

*% is the proportion to the total revenue

On the 2nd quarter of 2024 and 2025, our total revenue was THB 214.34 million and THB 187.89 million, respectively. From those amounts, revenue from sales was accounted of THB 212.46 million and THB 184.80 million, respectively, which represented the decrease of THB (27.66) million, or (13.02%) The decrease in revenue was mainly attributed to the decrease of revenue in wire and cable segments. The revenue of Wire & Cable PVC decreased of THB (22.71) million or (20.04%) compared to the same period of Q2/2024. The major factor impacted on the Wire & Cable segment were the demand from manufacturers who supply products to both government projects and industry group in Real Estate and Construction segments. Besides, our revenue from General Grade PVC decreased for THB (3.05) million, or went down of (8.93%) from its revenue in Q2/2024 due to weaken demand from our major oversea customers. Additionally, our revenue from pharmaceutical graded compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. also decreased for THB (1.88) million; or dropped for (2.89%) from last year, respectively. The details of revenue breakdown by product categories are classified as below;

**Management Discussion and Analysis for the six months ended
June 30, 2025**

Table 2 : Statement of Financial Position as at 30 June 2024 and 2025

	1H 2024		1H 2025		Changes +,-	
	MB	%	MB	%	MB	%
Revenue from Sales	436.24	98.99	421.85	98.40	(14.39)	(3.30)
Cost of Sales	413.39	93.71	363.96	84.90	(49.43)	(11.96)
Gross Profit	22.85	5.18	57.89	13.50	35.04	153.35
Other Income	3.75	0.85	6.75	1.57	3.00	80.00
Net Foreign Exchange Gain	1.16	0.28	0.10	0.02	(1.06)	(91.38)
Profit Before Expenses	27.76	6.29	64.74	15.10	36.98	133.21
Distribution Costs	19.42	4.40	17.62	4.11	(1.80)	(9.27)
Administrative Expenses	40.62	9.21	38.04	8.87	(2.58)	(6.35)
Total SG&A	60.04	13.61	55.66	12.98	(4.38)	(7.30)
Earnings before interest and tax	(32.27)	(7.31)	9.08	2.12	41.35	128.14
Financial Costs	8.27	1.87	4.31	1.01	(3.96)	(47.88)
Share of profit of associate accounted for using equity method	0.00	0.00	11.23	2.62	11.23	0.00
Profit before tax expenses	(40.53)	(9.19)	16.01	3.73	56.53	139.48
Tax expenses	(0.12)	(0.03)	(0.87)	(0.20)	0.75	625.00
Profit(loss)for the year from continuing operations	0.00	0.00	0.00	0.00	0.00	0.00
Profit(loss)for the year from discontinued operation net of tax	32.57	7.38	0.00	0.00	(32.57)	(100.00)
Net Income	(8.08)	(1.83)	15.14	3.53	23.22	287.38
Other Comprehensive Income	0.07	0.02	(0.03)	(0.01)	(0.10)	(142.86)
Total Comprehensive Income for the period	(8.01)	(1.82)	15.11	3.52	23.12	288.64

**% is the proportion to the total revenue*

Sales Revenue

For the six months ended June 30, 2024 and 2025, our total revenue was THB 441.16 million and THB 428.71 million, respectively. From those amounts, revenue from sales was accounted of THB 436.24 million and THB 421.85 million, respectively, which represented the decrease of THB (14.39) million, or (3.30%) The decrease in revenue was mainly attributed to the decrease of revenue from General Grade PVC for THB (9.22) million, or went down of (12.56%) from its revenue in 1H/2024 due to weaken demand from our major oversea customers. Besides, our demand for pharmaceutical graded compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. also decreased for THB (7.83) million; or dropped for (5.73%) from last year, respectively. In contrast, our revenue of Wire & Cable PVC increased of THB +2.65 million or +1.17% compared to the same period of 1H/2024. The main target customers are those wire & cable

manufacturers who supply products to both government projects and industry group in Real Estate and Construction segments. The details of revenue breakdown by product categories are classified as below;

Table 3 : Revenue breakdown by Business – for the six-month period ending June 30

Revenue of Business	For the three-month period				Increase (decrease)	
	Jan-Jun 2024		Jan-Jun 2025		MB	%
	MB	%	MB	%		
Wire and Cable PVC	226.28	51.87	228.93	54.27	2.65	1.17
General Grade PVC	73.42	16.83	64.20	15.22	(9.22)	(12.56)
Medical Graded PVC	136.55	31.30	128.72	30.51	(7.83)	(5.73)
Total Revenue	436.24	100.00	421.85	100.00	(14.39)	(3.30)

In terms of main customer types by industry, approximately 96.63% of our revenue was classified under Real Estate and construction. For the Plastic Compound group, the Company main targets are large wire and cable manufacturers who supply the products to both government projects and industry group in Real Estate and Construction segment. The rest of 3.37% was attributed to other industries.

Table 4 : Revenue by Industry – for the six-month period ending June 30

Revenue by Industry	For the three-month period				For the six-month period			
	Apr-Jun 2024		Apr-Jun 2025		Jan-Jun 2024		Jan-Jun 2025	
	MB	%	MB	%	MB	%	MB	%
Real Estate and Construction	202.05	95.10	177.48	96.04	411.42	94.31	407.62	96.63
Automotives	0.71	0.33	0.24	0.13	0.97	0.22	0.47	0.11
Others	9.69	4.56	7.09	3.83	23.85	5.47	13.76	3.26
Total Revenue	212.46	100.00	184.80	100.00	436.24	100.00	421.85	100.00

Cost of Sales and Gross Profit

In the 1H/2024 and 1H/2025, cost of sales decreased from THB 413.39 million to THB 363.96 million, respectively. Overall, gross margin of our Plastic Compound products has been increasing due to the overall material costs and petrochemical products have been decreasing in 1H/2025 compared to the same period of last year. As a results, our gross margin from Wire & Cable PVC, General Grade PVC, and medical segment increased from THB 22.83 million, or 5.24% in 1H/2024 to THB 57.89 million, or 13.72% in 1H/2025, respectively. The following table indicates the breakdown of cost of sales by business segment.

Table 5 : Cost of sales and Gross Profit

Cost of sales and Gross Profit	Jan-Jun 2024	Jan-Jun 2025
	MB	MB
Cost of Sales : Plastic Compound Business	413.39	363.96
Gross Profit : Plastic Compound Business	22.86	57.89
Gross Profit Margin (%)	5.24%	13.72%

Overall performance, gross margin of plastic compound business significantly improved in 1H/2025 caused by lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions, has been stable from less demand from petrochemical segment and less energy costs compared to the same period of last year. Additionally, ADB has set KPI to reduce waste during production process, and increased production efficiency. Therefore, the overall gross margin has been increasing in 1H/2025 compared to 1H/2024.

Selling & Administrative Expenses

Total selling and administrative expenses in 1H/2025 decreased THB (4.38) million, or (15.62%) from 1H/2024. The decrease in selling and administrative costs was mainly due to the following reasons;

Table 6 : Selling & Administrative Expenses

Selling & Administrative Expenses	Jan-Jun 2024		Jan-Jun 2025		Increase (decrease)	
	MB	%	MB	%	MB	%
Selling Expenses	19.42	32.35	17.62	31.66	(1.80)	(9.27)
Administrative Expenses	40.62	67.65	38.04	68.34	(2.58)	(6.35)
Selling & Administrative Expenses	60.04	100.00	55.66	100.00	(4.38)	(15.62)

Selling Expenses

Total selling expenses decreased THB (1.80) million or (9.27%) from THB 19.42 million to THB 17.62 million. The decrease of selling expenses was primarily due to decrease of sales revenue from domestic customers leading the lower transportation expenses in both local & oversea logistics activities associated with the increase in sales volume. In addition, less commission was paid to sales person and sales team in accordance with decreasing in sales revenue.

Administrative Expenses

Total administrative expenses for 1H/2025 decreased to THB 38.04 million from THB 40.62 million during the same period of last year or decreased of THB (2.58) million, or (6.35%) of 1H/2024. The Company also recognized early retirement benefits of management and employees and travelling expenses during 1H/2025.

Finance Costs

When compared to the finance costs between 1H/2024 and 1H/2025, total finance costs decreased from THB 8.27 million to THB 4.31 million, respectively. A decrease of finance costs for THB (1.66) million or (1.78%) was mainly due to was mainly due to the decrease in market interest rates of commercial bank loans. Additionally, ADB' short-term loan was significantly

less than the year before after receiving the payment from ADB Sealant Co., Ltd. for THB 352.41 million in Q4/2024 for settlement of outstanding assets transfer payment.

Net Profit

The Company had net profit for 1H/2025 for THB 15.14 million from net loss of THB (8.08) million of 1H/2024. The major factor led to the rebound of the net profit from Compound Business derived from lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions and less energy costs compared to the same period of last year. Therefore, ADB and its subsidiary has net profit from Plastic Compound segment for THB 3.91 million. Additionally, ADB has gained from share of profit of associate accounted for using equity method for THB 11.23 million during 1H/2025 in our consolidated income. Therefore, our consolidated net profit was at THB 15.14 million in 1H/2025.

Financial Position

Total Assets

As at December 31, 2024 and June 30, 2025, the Company had total assets of THB 1,053.57 million and THB 1,021.17 million, respectively. The company's main assets mainly consist of trade accounts receivable and other receivables, inventories, and property, plant and equipment. Among these assets; it can be classified as current assets for THB 519.97 million and THB 485.94 million and non-current assets for THB 533.60 million and THB 535.23 million, respectively.

Significant changes in assets during the 2nd Quarter of 2025 are summarized below;

1. Current Assets

Cash and cash equivalents as at December 31, 2024, and June 30, 2025, the overall cash and cash equivalents decrease of THB (5.17) million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. During 1H/2025, our net cash flow were received from operating activities for THB +31.59 million. Therefore, ADB had net cash inflow before changes in operating assets for THB 23.19 million. The major changes in operating assets and liabilities were mainly attributed to the decrease of accounts receivable for THB +55.47 million, the decrease of accounts payable for THB (15.39) million and the increase of inventory for THB (28.63) million. In investing activities, the cash has also been used for the investment of fixed assets for THB (2.97) million. In financing activities, the company has net cashflow used in financing activities for THB (33.82) million mostly from the settlement of short-term loan to the bank for THB (13.20) million and dividend payment for THB (14.51) million during Q2/2025.

- Trade accounts receivable as at December 31, 2024, and June 30, 2025, trade accounts receivable and other receivable have total 195.02 decrease of THB (56.15) million compared to our revenue in 1H/2024. Our accounts receivable was classified as the following table;

	For the period ended		
	Unit (MB)	31 December 2024	30 June 2025
Related parties		0.06	0.12
Other receivables		252.07	195.70
Total Receivables		252.13	195.81
Less allowance for doubtful accounts		(0.94)	(0.79)
Net Accounts Receivable		251.18	195.02

The allowance for doubtful accounts was set by considering ability to collect cash by using the percentage of outstanding balance over the different period of time. In addition, fully reserve will be set once there are factors trigger to the potential credit defaults of any receivables. However, the average collection period increased from 83 days as at 1H/2024 to 108 days as at 1H/2025 due to the credit term extension of some of our customers.

- *Inventories* as at December 31, 2024, and June 30, 2025, an increase in inventory of THB +27.76 million from THB 137.13 million to THB 164.89 million was primarily the result of our materials to be reserved for our customers' orders during the following period.

	For the period ended		
	Unit (MB)	31 December 2024	30 June 2025
Finished goods		48.84	49.03
Raw materials		67.96	105.72
Work in process		0.02	0.02
Factory supplies		8.75	8.23
Goods in transit		14.48	5.69
Allowance for decline in value		(2.92)	(3.79)
Net Total		137.13	164.89

2. Non-current Assets

- *Property, plant and equipment* as at December 31, 2024 and June 30, 2025, the Company had total plant and equipment of THB 178.03 million as the Company has been setting up the new production lines for Wire & Cable business and Bio-based PVC Compound to support our subsidiary company.

Total Liabilities & Shareholders' Equity

As at December 31, 2024 and June 30, 2025, the Company had total liabilities of THB 418.73 million and THB 385.74 million respectively. The company's major liabilities were consisting of bank overdrafts and short-term borrowings from financial institutions, trade accounts payable, and other payables, and long-term loans from financial institutions. During this period, the Company had shareholders' equity of THB 634.84 million and THB 635.43 million, respectively. At the end of the 1H/2025, the Company's shareholders' equity consisted of paid-up capital of THB 363.00 million. The other shareholders' equity included share premium of THB 202.20 million, surplus on share-base payment of THB 0.31 million, appropriated to legal reserve of THB 21.96 million, unappropriated reserve of THB 47.92 million and other component of shareholders' equity of THB 0.04 million.

Significant changes in liabilities and shareholders' equity during the 2nd Quarter of 2025 are summarized below;

1. Current Liabilities

- Short-term borrowings from financial institutions as at December 31, 2024, and June 30, 2025, a decrease in short-term loan of THB (13.19) million was the result of the internal cash flow to be settled with the short-term loan outstanding during 1H/2025.
- Trade accounts payable as at December 31, 2024, and June 30, 2025, a decrease in accounts payable of THB (13.68) million was mainly due to the decrease in oversea accounts payable. During 1H/25, the average accounts payable period increased from 62 days as at 1H/2024 to 75 days as at 1H/2025.

2. Non-current liabilities

As at June 30, 2025, the Company's non-current liabilities consisted of lease liabilities for THB 12.93 million. However, we accrued non-current provisions for employee benefit of THB 24.79 million with the reference of the actuarial report from the actuarial experts.

3. Shareholders' equity

As at June 30, 2025, the Company's shareholders' equity of THB 635.43 or an increase of THB +0.59 million, was the results of net profit from operation during 1H/2025. During Q2/2025, ADB already paid cash dividend to shareholders at THB 0.02/share for the total of THB 14.51 million.

Financial Ratio Analysis

Table 7 : Key Financial Ratios

Financial Ratio	Unit	For the year ended 31 Dec 24	For 3 months Ended 30 Jun 24	For 3 months Ended 30 Jun 25	For 6 months Ended 30 Jun 24	For 6 months Ended 30 Jun 25
<u>Liquidity Ratio</u>						
Current Ratio	Times	1.38	1.21	1.40	1.21	1.40
Collection Period	days	122	83	108	86	109
Inventory Period	days	108	98	89	99	83
Accounts Payable Period	days	80	63	78	62	75
<u>Profitability Ratio</u>						
Gross Profit Margin	%	6.33	12.01	11.85	12.01	13.72
Net Profit Margin	%	3.41	(1.11)	2.27	(1.07)	3.53
Return On Equity	%	5.54	(1.28)	2.67	(1.28)	2.69
<u>Turnover Ratio</u>						
Return on Assets	%	2.78	(0.54)	1.60	(0.54)	1.65
Asset Turnover	Times	0.81	1.10	0.69	1.10	0.71
<u>Financial Policy</u>						
Debt to Equity	Times	0.66	1.36	0.61	1.36	0.61
Interest Coverage Ratio	Times	2.35	1.06	0.21	1.06	0.21

1. Current Ratio

As at June 30, 2025, our liquidity ratio increased from 1.21 times in 1H/2024 to 1.40 times in 1H/2025. For Liquidity management, the collection period increased from 86 days in 1H/2024 to 109 days in 1H/2025 due to the credit term extension of some customers. For inventory turnover, our inventory period decreased from 99 days in 1H/2024 to 83 days in 1H/2025. Our accounts payable days increased from 62 days to 75 days in 1H/2025.

2. Profitability Ratio

The Company gross profit margin increased significantly from 12.01% to 13.72%. Our profit margin was rebound from last year due to the stability of major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions. Those chemical materials have been directly impacted from less global demand of petrochemical products around the world. However, our selling & administrative expenses have been affected by the early retirement benefits of management and employees and travelling expenses during 1H/2025 and selling expenses associated to the decrease of sales transaction such as sales benefits and transportation expenses. As a results, our net profit margin rebounded from (1.07%) in 1H/2024 to 3.53 in 1H/2025. These better NPM led to the increase of Return on Equity to 2.69% in 1H/2025.

3. Turnover Ratio

As at June 30, 2025, the Company return on assets was rebound from (0.54%) in 1H/2024 to 1.65% in 1H/2025. However, our asset turnover decreased from 1.10 times to 0.71 times in 1H/2025 due to less sales turnover of Plastic Compound Business especially from Wire & Cable segment that had impact from lower sales turnover in Q2/2025.

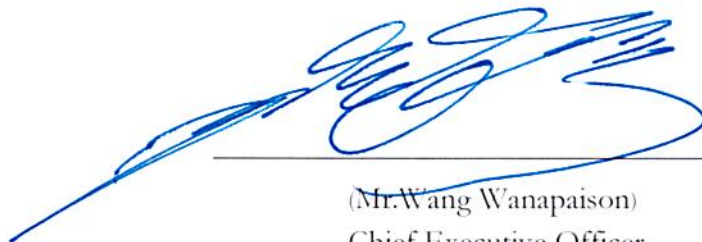
4. Financial Policy

As at June 30, 2025, our debt-to-equity ratio significantly decreased from 1.36 times in 1H/2024 to 0.61 times in 1H/2025 due to significant reduction of short-term bank loans from financial institutions after debt repayment from ADBS in November 2024. With the lower earnings before interest and tax of Q2/2025, the interest coverage ratio decreased from 1.06 times in 1H/2024 to 0.21 times in 1H/2025.

Please be informed accordingly.



Yours Sincerely,



(Mr. Wang Wanapaisan)
Chief Executive Officer