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Subject Management Discussion and Analysis of the Operating Results for the 3-month period ended 30 September 2025

To President
The Stock Exchange of Thailand

Skin Laboratory PCL ("the Company") would like to submit Management Discussion and Analysis of the Operating Results for the 3-month period ended 30 September 2025 ("Q3/2025"), the details are as follows :

1. Business operation overview

The Company engages in the business of researching, developing, outsourcing manufacturing, and distributing skincare and make-up care products under 2 brands, "Skinsista" and "Dermie". All products are manufactured by Original Equipment Manufacturers (OEMs) scheme that all factories are certified in Good Manufacturing Practice (GMP) for cosmetics and accredited with ISO 22716:2007 cosmetic quality management standard.

The Company is committed to delivering high quality skincare products at accessible price. With a strong focus on research, formulation, and the selection of safe and effective ingredients to develop innovative products that meet evolving consumer needs. The Company has also expanded its distribution channels, which currently include 1) Modern Trade retailers such as Convenience Stores (e.g., 7-Eleven) and Specialty Beauty Stores (e.g., Watsons, Beautrium, Found & Found and EVEANDBOY) 2) General Trade outlets, and 3) E-Commerce platforms including Shopee, Lazada, and TikTok Shop. This approach aligns with the Company's vision to make premium skincare widely available, as reflected in its slogan: "High quality skincare is not exclusive; it is for everyone"

The Company's product portfolio can be categorized into 6 types: (1) Serums, (2) Sun Blocks, (3) Cleansers, (4) Creams, (5) Cosmetic such as Foundation Powders, anti-acne Blush, Lip oil, and (6) Other products such as Anti-Acne Body Sprays.

2. Summary of significant events and development

- In the third quarter of 2025, Skin Laboratory Public Company Limited ("the Company") was officially listed on the Market for Alternative Investment (mai) on September 24, 2025, under the trading symbol "SKIN." The Company offered 44 million newly issued ordinary shares at a price of Baht 1.20 per share, representing approximately 30.55% of the paid-up capital after the initial public offering (IPO), raising total proceeds of approximately Baht 52.8 million.
- The Company expanded its product portfolio into the color cosmetics category under the concept "Make Up Care" — combining makeup with skincare benefits — by launching a total of 10 SKUs, consisting of 5 SKUs of anti-acne blushes and 5 SKUs of lip oils.
- The Company broadened its distribution channels to include health and beauty retail stores beyond existing outlets such as Beautrium and Watsons. The Company's products were introduced at 10 flagship branches of EVEANDBOY stores under a sell-out through OCC model.

● The Company also extended its sell-out distribution through Found & Found stores, which specialize in health and beauty products.

3. Summary of operating results

The Company has submitted its Q3/2025 financial statements, which have been reviewed by a certified public accountant, to the Stock Exchange of Thailand.

For Q3/2025, the Company recorded a net profit of Baht 0.24 million, increase from the same period of the previous year which reported net loss. The year-on-year changes in operating performance can be explained as follows:

Items	Q3/2025		Q3/2024	
	Million Bath	%	Million Bath	%
Revenue from sales	41.03	100.00%	49.30	100.00%
Cost of sales	(11.54)	(28.12)%	(12.97)	(26.31)%
Gross Profit	**29.50**	**71.88%**	**36.33**	**73.69%**
Other Incomes/1	0.45	1.11%	0.19	0.38%
Profit before operating expenses	**29.95**	**72.99%**	**36.52**	**74.07%**
Distribution costs	(21.08)	(51.38%)	(30.78)	(62.43%)
Administrative expenses	(8.48)	(20.66%)	(7.85)	(15.92%)
Gain on fair value measurement of current financial assets	---	---	0.56	1.13%
Profit before finance costs and tax	**0.39**	**0.94%**	**(1.55)**	**(3.14)%**
Finance costs	(0.04)	(0.09%)	(0.08)	(0.15%)
Profit before tax	**0.35**	**0.86%**	**(1.62)**	**(3.29)%**
Tax income (expense)	(0.11)	(0.28%)	0.27	0.55%
Net profit for the period	**0.24**	**0.58%**	**(1.35)**	**(2.74)%**

Note: /1 - Other incomes comprises interest income, gains from assets disposal, online shipping fees collected by platforms on behalf of the Company, marketing fees from Affiliate Programs with certain online platforms, and sales of welfare products to its employees.

Revenue from Sales

Revenue Breakdown by Product Category	Q3/2025		Q3/2024	
	Million Bath	%	Million Bath	%
(1) Serum	17.71	43.15%	26.47	53.69%
(2) Sun Block	14.03	34.20%	20.32	41.21%
(3) Cleanser	0.45	1.10%	1.57	3.19%
(4) Cream	6.06	14.76%	0.64	1.29%
(5) Cosmetics	2.78	6.79%	–	0.00%
(6) Other	–	0.00%	0.30	0.62%
Revenue from sales	**41.03**	**100.00%**	**49.30**	**100.00%**

Revenue Breakdown by Recognition Method	Q3/2025		Q3/2024	
	Million Bath	%	Million Bath	%
(1) Consignment sales revenue	20.56	50.12%	32.44	65.79%
(2) Revenue from outright sales	20.47	49.88%	16.86	34.21%
(2.1) Sales revenue through retail stores	7.11	17.32%	7.52	15.25%
(2.2) Sales revenue through e-commerce channels	13.36	32.56%	9.34	18.96%
Revenue from sales	**41.03**	**100.00%**	**49.30**	**100.00%**
Gross profit granted to consignees	(9.25)		(13.90)	
Net consignment sales revenue	11.31	42.90%	18.54	58.13%
Net Revenue from outright sales	20.47	57.10%	16.86	41.87%
Net Revenue from Consignment and Outright sales	**31.78**	**100.00%**	**35.40**	**100.00%**

The Company recognizes its revenue from sales under 2 main models: (1) Consignment sales, and (2) Outright sales. Under the consignment model, revenue is recognized based on the retail value of products sold by the consignee to end customers (at the retail price as displayed on shelves). In contrast, revenue from outright sales is recognized based on the amount received or expected to be received for goods delivered, net of returns and discounts, and excluding value-added tax (Net Price) — in accordance with the applicable financial reporting standards. Accordingly, when revenue from consignment sales decreases, the total reported sales revenue tends to decline more significantly than revenue from outright sales, even when the same volume of goods is sold.

For Q3/2025, the Company recorded net sales revenue of Baht 41.03 million, a decrease of Baht 8.27 million, or 16.77% YoY, primarily due to a decline in consignment sales. Revenue from consignment sales to a major convenience store chain decreased by Baht 6.22 million compared to the same period of the previous year, mainly from the Premium Booster Serum and Cream (sachet format) product group. This was attributed to intense market competition and the fact that these products, launched in 2021, have reached the maturity stage of their product-life-cycle, resulting in lower sales volume. In addition, revenue from consignment sales through a major modern trade retail chain declined by Baht 5.65 million compared to the same period of the previous

year, mainly due to the V Series Booster product line launched in 2018, which is also in the late stage of its life-cycle. Moreover, the launch of the Retinal Moisturizer in early 2025 contributed to higher revenue from facial skincare products amounting of Baht 5.42 million, while the introduction of the Foundation Powder product in late 2024 also drove growth in Cosmetics product categories.

Cost of sales and Gross Profit

Cost of sales and Gross Profit	Q3/2025		Q3/2024	
	Baht million	%	Baht million	%
Revenue from sales	41.03	100.00%	49.30	100.00%
Cost of sales	(11.54)	(28.12)%	(12.97)	(26.31)%
Gross profit (as reported in the financial statements)	**29.50**	**71.88%**	**36.33**	**73.69%**
Net sales after deducting GP shared with consignees	31.78	77.45%	35.40	71.81%
Gross profit (Net-sale adjusted for consignment GP)	**20.24**	**63.69%**	**22.43**	**63.36%**

Cost of sales consists of cost of goods and packaging, product testing expenses, allowance for obsolete or slow-moving inventories, and other related costs. The major component of cost of sales is the cost of goods and packaging, which accounts for more than 99% of total cost of sales.

For Q3/2025, the Company recorded a gross profit of Baht 29.50 million, representing a gross profit margin of 71.88%. Both gross profit amount and gross profit margin decreased compared to the same period of the previous year because of revenue drop and product-mixed impact. However, when considering net sales revenue after deducting the gross profit (GP) portion paid to consignment partners (Net Sale basis), the Company recorded a gross profit of Baht 20.24 million, representing a gross profit margin of 63.69%, which increased from the same period of the previous year. The improvement in gross profit margin on a net-sale basis was mainly due to a decline in GP fees paid to consignment channels compared with the previous year, resulting in a better overall gross margin performance.

Distribution costs

Distribution costs	Q3/2025		Q3/2024	
	Baht million	%	Baht million	%
(1) Sales promotion expenses	12.45	59.06%	18.40	59.79%
(2) Media and advertising expenses	6.09	28.91%	10.19	33.11%
(3) Marketing staff expenses	1.05	5.00%	0.51	1.64%
(4) Transportation expenses	0.66	3.12%	0.79	2.55%
(5) Other selling expenses	0.83	3.91%	0.89	2.90%
Distribution costs	**21.08**	**100.00%**	**30.78**	**100.00%**
% of Revenue from sales		**66.34%**		**86.93%**

Selling and distribution expenses represent the Company's major operating expenses, primarily comprising sales promotion expenses and advertising and media expenses.

For Q3/2025, the Company reported selling and distribution expenses of Baht 21.08 million, a decrease of Baht 9.70 million or 31.50% YoY. The decline was mainly attributable to the following factors : Sales promotion

expenses decreased by Baht 5.95 million, primarily because the majority of such expenses represent gross profit sharing (GP fees) agreed upon with consignment partners, which vary directly with sales volume and revenue generated through consignment channels. Advertising and media expenses decreased by Baht 4.10 million, as the Company analyzed consumer behavior trends and began gradually reducing advertising activities on Facebook and Google since 2023, due to declining consumer engagement. The Company has shifted its focus toward in-house content creation to promote products through modern digital platforms such as TikTok Shop. In addition, current product lines do not require brand presenters, as the Company emphasizes marketing through influencers (KOLs) who are actual users of the products, resulting in lower promotional spending overall.

Administrative expenses

Administrative expenses primarily consist of employee-related expenses and service and professional fees. For Q3/2025, the Company recorded administrative expenses of Baht 8.48 million, representing an increase of Baht 0.63 million or 8% YoY. The increase was mainly due to the financial advisory fees recognized during this quarter, which resulted in slightly higher total administrative expenses compared to the previous quarter. Nonetheless, the Company's key administrative expenses, including employee-related expenses and service and professional fees, remained at levels comparable to the same period of the previous year.

Finance costs

For Q3/2025, the Company recorded finance costs of Baht 0.04 million, representing approximately 0.09% of net sales revenue. These finance costs primarily arose from interest expenses on lease liabilities in accordance with Thai Financial Reporting Standard No. 16 – Leases (TFRS 16). The Company had no interest expenses from borrowings during the period.

Net Profit and Net Profit Margin

For Q3/2025, the Company reported a net profit of Baht 0.24 million which increase from the same period of the previous year that recorded net loss of Baht 1.35 million. The net profit margin was 0.58% compared to a net loss of last year. The improvement in profitability was mainly attributable to a reduction in selling and distribution expenses, particularly advertising and media expenses as mentioned earlier.

4. Summary of financial position

Statement of financial position	30 September 2025		31 December 2024	
	Baht million	%	Baht million	%
Cash and cash equivalents	76.96	66.06%	27.84	32.69%
Trade and other current receivables	15.38	13.20%	29.09	34.17%
Inventories	16.81	14.43%	19.28	22.64%
Other current assets	0.05	0.04%	---	---
Total current assets	**109.20**	**93.73%**	**76.20**	**89.50%**
Office and equipment improvement	1.10	0.95%	1.03	1.21%
Right-of-use assets	1.64	1.41%	2.58	3.03%
Other intangible assets	0.31	0.26%	0.33	0.38%
Deferred tax assets	3.88	3.33%	4.64	5.45%
Other non-current assets	0.37	0.32%	0.37	0.43%

Statement of financial position	30 September 2025		31 December 2024	
	Baht million	%	Baht million	%
Total non-current assets	**7.31**	**3.27%**	**8.94**	**10.50%**
Total assets	**116.51**	**100.00%**	**85.15**	**100.00%**
Trade and other current payables	8.49	7.29%	15.21	17.86%
Current portion of lease liabilities	1.31	1.12%	1.24	1.46%
Corporate income tax payable	---	---	3.07	3.61%
Other current liabilities	0.13	0.11%	---	---
Total current liabilities	**9.93**	**8.52%**	**19.52**	**22.92%**
Lease liabilities	0.46	0.39%	1.45	1.70%
Non-current provisions for employee benefit	2.89	2.48%	2.50	2.93%
Total non-current liabilities	**3.35**	**2.88%**	**3.94**	**4.63%**
Total liabilities	**13.28**	**11.40%**	**23.46**	**27.55%**
Share capital	72.00	61.80%	50.00	58.72%
Share Premium – Ordinary Shares	28.17	24.18%	---	---
Retained earnings – Legal reserve	0.70	0.60%	0.70	0.82%
Retained earnings – Unappropriated	2.36	2.03%	10.99	12.91%
Total shareholders' equity	**103.23**	**88.60%**	**61.69**	**72.45%**
Total liabilities and shareholders' equity	**116.51**	**100.00%**	**85.15**	**100.00%**

Assets

As of 30 September 2025, the Company reported total assets of Baht 116.51 million. The Company's key asset components comprise cash and cash equivalents, trade and other current receivables, inventories, right-of-use assets, and deferred tax assets, which collectively represented 98.43% of total assets. Significant changes during the period were as follows:

- Cash and cash equivalents increased by Baht 49.12 million due to proceeds from the initial public offering (IPO), as well as profit generated from operations during the period and improved efficiency in receivables and inventory management.
- Trade and other current receivables decreased by Baht 13.71 million, mainly due to a decline in sales to major convenience store customers, consistent with the decrease in sales revenue during the period.
- Inventories decreased by Baht 2.46 million, reflecting the Company's efforts to optimize inventory levels in line with sales volume and production cycles.

Liabilities

As of 30 September 2025, the Company reported total liabilities of Baht 13.28 million, representing 11.40% of total assets. The Company's key liability components comprise trade and other current payables, lease liabilities, and provision for sales return obligations. The majority of the Company's liabilities were current liabilities, accounting for 74.77% of total liabilities. Significant changes during the period were as follows:

- Trade and other current payables decreased by Baht 6.72 million, mainly due to a reduction in purchases of finished goods.

- The Company had no corporate income tax payable since advance corporate income tax payments were made during the year under P.N.D. 51 (half-year tax prepayment).

Shareholders' Equity

As of 30 September 2025, the Company reported total shareholders' equity of Baht 103.23 million, representing 88.60% of total assets. The increase in shareholders' equity was primarily attributable to the issuance of 44 million new ordinary shares at a par value of Baht 0.50 per share, totaling Baht 22 million, together with the share premium arising from the initial public offering (IPO) of the Company's ordinary shares and net profit of the period.

5. Analysis and explanation of cash flows

Cash flows (Unit: Million Baht)	30 September 2025	30 September 2024
Net cash generated from/(used in) operating activities	16.73	(0.14)
Net cash generated from/(used in) investing activities	(0.36)	(0.85)
Net cash generated from/(used in) financing activities	32.75	(22.22)
Net increase (decrease) in cash and cash equivalents	**49.12**	**(23.21)**
Cash and cash equivalents at the beginning of the period	27.84	41.21
Cash and cash equivalents at the end of the period	**76.96**	**18.00**

For the nine-month period ended 30 September 2025, the Company's cash and cash equivalents increased by Baht 49.12 million. The Company generated net cash from operating activities of Baht 16.73 million, primarily from operating profit of Baht 7.87 million and significant cash inflows from operations, particularly a decrease in trade and other current receivables of Baht 14.08 million. The Company also generated net cash from financing activities of Baht 32.75 million, mainly from proceeds of Baht 50.17 million received from the issuance of new ordinary shares in the initial public offering (IPO). During the period, the Company paid dividends of Baht 16.50 million and repayments of lease liabilities of Baht 0.92 million. Net cash used in investing activities amounted to Baht 0.36 million, primarily for the purchase of business-related assets, including employee laptops, computer software, and camera equipment for marketing content production.

6. Significant financial ratios

Significant financial ratios	30 September 2025	31 December 2024
Current ratio (times)	11.00	3.90
Average Collection Period (days)	45	43
Average Inventory Turnover Period (days)	132	112

Significant financial ratios	30 September 2025	31 December 2024
Cash Conversion Cycle (days)	104	89
Return on Equity (%)	12.73%	15.95%
Return on Assets (%)	10.41%	11.23%
Dept to Equity Ratio (times)	0.13	0.38
Interest coverage Ratio (times)/1	n.a	980.91
Debts Service Coverage Ratio (times)/2	n.a	n.a

Note: /1 - The interest coverage ratio is calculated based solely on borrowing-related interest expenses. In 2024, the Company incurred short-term borrowings of THB 30.00 million from a related company, with interest expense of THB 16,393.44. For the 9-month period ended 30 September 2025, the Company had no borrowings subject to interest expense.

/2 - 30 September 2025 and 31 December 2024, the Company had no outstanding borrowings bearing interest.

7. Factors that may affect the Company's operations

Most of the Company's products are developed and distributed within highly competitive market segments, characterized by both existing competitors and new entrants, as the industry has a low barrier to entry. Moreover, consumer behavior is evolving rapidly, influencing purchasing preferences and market trends.

One of the key reasons for the decline in revenue during the recent quarter was that the Company was in the process of phasing out older sachet cream products in preparation for the launch of new product lines, which are expected to be introduced to the market in the near future.

8. Sustainability Development

The Company conducts its business with a strong commitment to sustainable development, emphasizing environmental, social, and governance (ESG) responsibility. The Company's key sustainability initiatives are as follows:

- Since January 2025, the Company has eliminated the use of plastic wrapping by collaborating with packaging manufacturers to develop high-quality, durable, and recyclable paper boxes as replacements. In addition, the Company has discontinued the use of plastic stickers for product labeling and has adopted direct printing (screen printing) on packaging boxes instead. Furthermore, the Company plans to extend this sustainable packaging approach to other product lines — both existing products currently available in the market and new products to be launched in the future — to reinforce its commitment to environmental responsibility and sustainable business practices.