

August 11, 2022

Subject: Management Discussion and Analysis for the second quarter and for half year ending 30 June 2022
To: The President
Stock Exchange of Thailand

Univanich Palm Oil PCL hereby submits a discussion and analysis of the financial statements of the company and its subsidiaries for the second quarter, and half year ending 30th June 2022.

For the second quarter, consolidated profit after tax of **Baht 457.82 million**, was 8.5% lower than Baht 500.51 million in the same quarter of last year. The main reason of this lower profit was due to lower PKO sales volume because of shipping delays, and falling palm oil prices in the quarter. However, this was compensated by strong seed and seedling sales and a higher export sales volume of CPO and increased 3rd party trades.

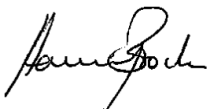
For the first half year, the consolidated net profit after tax is **Baht 796.24 million**, 32.1% higher than Baht 602.56 million in the first half of last year. The main factors leading to this higher result were:

1. The average selling price of Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) was respectively 55.3% and 71.4% higher than in the first half of last year. Fruit and kernel price increased proportionally higher than the oil prices in 1st half 2022. However increased production volumes, stock carry over, and third-party trading, meant for increased volume of sales. This resulted in very similar contributions from our factories for 1st half 2022 when compared with same period in 2021.
2. A 71% increase in fruit price, leading to an increase in profit contribution from our oil palm plantations.
3. Our palm oil sales volume was 31.7% higher than in the first half of last year.–Our export sales volume increased from 56.6% of sales last year to 76.2% of sales in the first half of this year.
4. The improved palm oil market has led to increased export demand for Univanich hybrid oil palm seeds and increased domestic demand for seedlings from Univanich nurseries.
5. Univanich Carmen Palm Oil Corporation, our joint venture subsidiary in the Philippines, contributed Baht 61.84 million to UVAN's consolidated 2022 net profit, an increase of 189.4% from last year.
6. As a result of Thai Accounting Standard (TAS# 41), a profit of Baht 10.86 million was recorded in first half this year, compared to a profit of Baht 5.06 million in the first half of last year. This change was mainly due to the higher fruit price on the palm trees.

Overall, the gross profit margin for the first half of 2022 decreased from 18% to 13%, mainly due to the falling oil price, and increased fresh fruit and palm kernel prices, which resulted in lower crushing margins for Q2.

Earnings per share were **Baht 0.85 per share**, compared to Baht 0.64 per share in the first half of the previous year.

Yours faithfully,
Univanich Palm Oil Public Co., Ltd.



Harry Brock
Chief Executive officer

cc: The Secretary-General
The Securities and Exchange Commission