

Management Discussion and Analysis
For Q2 Ending on 30 June 2022

Summary of Performance	Q2/21	Q1/22	Q2/22	Change		6M/21	6M/22	Change +/-
				%YoY	%QoQ			
Unit: Million Baht				%YoY	%QoQ			%YoY
Total Income	256.3	390.2	443.2	72.9%	13.6%	489.1	833.5	70.4%
Gross Profit	71.5	110.3	140.1	95.9%	27.0%	126.6	250.6	97.9%
EBITDA	39.4	69.6	109.2	176.9%	56.9%	70.9	178.8	152.1%
Net Profit	22.4	46.8	77.3	247.5%	65.3%	38.4	124.1	223.2%
Gross Profit Rate (%)	28.0%	28.7%	32.3%	15.1%	12.5%	26.0%	30.6%	17.4%
EBITDA Rate (%)	15.4%	17.8%	24.6%	60.1%	38.1%	14.5%	21.5%	47.9%
Net Profit Rate (%)	8.7%	12.0%	17.4%	99.8%	45.5%	7.9%	14.9%	89.6%

Q2/2022 vs Q2/2021

Royal Plus Public Company Limited or PLUS (the “Company”) earned the total income in Q2 of 2022 for 443.2 million Baht, an increase of 186.9 million Baht or 72.9% in comparison with that of Q2 of 2021. The Company’s performance had continuously grown up as, in the late 2021, the customers had placed advance orders and the products had been timely delivered in the Q2 period of this year. PLUS products are increasingly demanded by USA customer, thus continually increasing sales of products.

- The gross profit was 140.1 million Baht, an increase of 68.6 million Baht or 95.9% in comparison with that of 2021, and this is consistent with the increased sales volume.
- The gross profit was 32.3%, an increase of 4.2% in comparison with that of Q2 of 2021 as per the ratio of the sales volume.
- The net profit was 77.3 million Baht, an increase of 55.0 million Baht or 245.5% in comparison with that of Q2 of 2021, as per the growth of the sales volume and efficient controls of sales costs and expenses.
- The net profit rate of 17.4%, an increase of 8.7% in comparison with that of Q2 of 2021, was greater as per the ratio from sales income including efficient cost management and expense control and reduced financial costs.

Q2/2022 vs Q1/2022

Royal Plus Public Company Limited or PLUS (the “Company”) earned the total income in Q2 of 2022 for 443.2 million Baht, an increase of 53 million Baht or 13.6% in comparison with that of Q1 of 2022. The Company's performance is continuous earning growth according with the company's sales forecast and operation plans. Including the depreciation of the baht cause the profit increased.

- The gross profit was 140.1 million Baht, an increase of 29.8 million Baht or 27.0% in comparison with that of 2022, and this was consistent with the increased sales volume.
- The gross profit was 32.3%, an increase of 3.6% in comparison with that of Q1 of 2022
- The net profit was 77.3 million Baht, an increase of 30.5 million Baht or 65.3% in comparison with that of Q1 of 2022, as per the growth of the sales volume and efficient controls of sales costs and expenses.
- The net profit rate of 17.4%, an increase of 5.5% in comparison with that of Q1 of 2022, was greater as per the ratio from sales income including efficient cost management and expense control and reduced financial costs.

M6/2022 vs M6/2021

Royal Plus Public Company Limited or PLUS (the “Company”) earned the 6-month income in 2022 for 833.5 million Baht, an increase of 344.44 million Baht or 70.4% from that of 2021. The Company's performance had continuously grown up as, in the late 2021, the customers had placed an orders well in advance and deliveries are under the sales plans. According to the depreciation of the baht, the selling price when converted to baht has risen. Along with our ability of cost management and various expenses according to the plan. Thus, the operating results have been continuously improving. PLUS products are increasingly demanded by USA customer, thus continually increasing sales of products.

- The gross profit was 250.6 million Baht, an increase of 124.0 million Baht or 97.9% in comparison with that of 2021, and this was consistent with the increased sales volume.
- The gross profit was 30.6%, an increase of 4.5% in comparison with that of 2021 as per the ratio of the sales volume.
- The net profit was 124.1 million Baht, an increase of 85.7 million Baht or 223.2% in comparison with that of 2021, as per the growth of the sales volume and efficient controls of sales costs and expenses.
- The net profit rate of 14.9%, an increase of 7.0% in comparison with that of 2021, was greater as per the ratio from sales income including efficient cost management and expense control and reduced financial costs.

Business Overview

The overview of the growth of the total income for the first half-year period of 2022 illustrated the growth from the same period of 2021, a growth of 70.7%, particularly the coconut juice and milk product range due to the reduction of freight rate and better shipping line especially the group of America including the high season of beverage business and utmost depreciation of Baht currency in 16 years, this was a positive factor leading to the excessive total income.

For the gross profit of the first half-year period of 2022, a 30.6% of the total income, it was grown up from the same period of 2021 for 97.9% and the net profit of the first half-year period of 2022, a 14.9% of the total income, was grown from the same period of 2021 for 223.2%, and this was excessive performance.

For the operations in Q2, PLUS remained to emphasize the strategy to focus on the key customers with the capacity to drive the sales volume. Even though the Chinese customers were affected by the lockdown measure and this delayed their orders, PLUS remained to extend the receipt of orders from other countries to compensate the same. Additionally, the mitigated COVID-29 pandemic enabled PLUS to participate in the EXPO as per the customer base expansion plan by participating in Thaifex Anuga Asia 2022 and it was well responded to, particularly by the Asian customers which refer to the future growth targets. In this regard, the sales and marketing teams have planned to participate in EXPO organized in other countries as per the new customer base expansion plan as well such as SIAL in France, etc. including debuting the products in the group of Plant-based Cocogurt and Coconut Milk that will increase the customer base who consume the plant-based protein.

For the cost management of the plant, the planning remained to be based on mass production to enable economies of scale in manufacturing to conform the production cost to the goal even though the trends in energy, packaging, and raw material costs yielded the signal of the increase due to inflation, higher production costs, and some items' prices were increased whilst the cost of key raw materials such as coconut juice and coconut tended to reduce. In this regard, such factors in the past Q2 did not significantly affect the overall costs of PLUS, however, the management remained to closely monitor and assess such circumstances.

The management remained to monitor and assess the economic factors such as economic regression, inflation, lockdown measure of China, and emerging infectious diseases such as monkeypox, to enable the timely adjustment of strategies and promptly dealing with the impacts to achieve the expected 2022 goals.

The Company's Performance

Performance	Q2/21	Q1/22	Q2/22	Change +/-		6M/21	6M/22	Change +/-
Unit: million Baht				%YoY	%QoQ			%YoY
Income from Sales	255.1	384.9	434.4	70.3%	12.9%	486.1	819.4	68.6%
Sales Cost	183.6	274.6	294.3	60.3%	7.2%	359.5	568.8	58.2%
Gross Profit	71.5	110.3	140.1	95.9%	27.0%	126.6	250.6	97.9%
% of Gross Profit	28.0%	28.7%	32.3%			26.0%	30.6%	
Other income	1.2	5.3	8.8	633.3%	66.0%	3.0	14.1	370.0%
Total revenues	256.3	390.2	443.2	72.9%	13.6%	489.1	833.5	70.4%
Distribution expense	17.5	34.9	23.6	34.9%	-32.4%	32.4	58.5	80.6%
Administrative expense	25.0	21.9	27.8	11.2%	26.9%	44.5	49.7	11.7%
Profit from Operations	30.2	58.8	97.6	223.2%	66.0%	52.7	156.4	196.8%
Financial cost	2.3	0.5	1.0	-56.5%	100.0%	5.3	1.5	-71.7%
Income tax	5.6	11.5	19.3	244.6%	67.8%	9.0	30.8	242.2%
Net Profit	22.3	46.8	77.3	246.6%	65.2%	38.4	124.1	223.2%
% of Net Profit	8.7%	12.0%	17.4%			7.9%	14.9%	

Overview of Performance of Q2 of 2022

The Company earned an income from sales of 434.4 million Baht, an increase of 70.3%, in comparison with that of the same period of the previous year. The Company's performance had continuously grown up both in the customers in America and Asia.

The Company had a total sales cost of 294.3 million Baht, an increase of 60.3%, in comparison with that of the same period of the previous year. This was consistent with the increased sales volume. However, the Company remained to control the production costs and sales costs to be efficient as per the specified gross profit ratio.

The Company earned a gross profit of 140.1 million Baht or 32.3%, an increase of 95.9%, in comparison with that of the same period of the previous year. This was consistent with the increased income from sales and efficient control of sales and production costs.

The Company had a distribution expense of 23.6 million Baht, an increase of 34.9%, in comparison with that of the same period of the previous year, due to the increases in export and shipping expenses consistent with the increased sales ratio.

The Company had administrative expenses of 27.8 million Baht, an increase of 11.2%, in comparison with the same period of the previous year as the Company remained to implement the COVID-19 preventive measures, therefore, the expenses related to such employees increased, including the estimation of bonus for employees which was increased due to the better performance.

The Company earned a profit from operations of 97.6 million Baht, an increase of 223.2%, in comparison with the same period of the previous year. The main reasons for that were the more efficient management of production and sales costs and controls of expenses.

The Company had a financial cost of 1.0 million Baht, a decrease of 56.5%, in comparison with that of the same period in the previous year. This reduction resulted from the ratio of accrued principal

and the proportion of loan settlement as prescribed. Additionally, the Company was provided with good liquidity due to better operation and this led to the reduction of using the short-term loan without any obligations to the interest of such a loan.

The Company earned a net profit for Q2 of 2022 of 77.3 million Baht. The ratio of net profit was 17.4%, an increase of 55.0 million Baht or 246.6%, in comparison with that of the same period of the previous year in which the net profit was 22.3 million Baht where the net profit rate was 8.7%.

The Company's Statement of Financial Position

(Unit : million Baht)	30 June 2022	31December 2021	% Change
Total current asset	994.8	231.3	330.1%
Total non-current asset	512.1	495.2	3.4%
Total Asset	1,506.9	726.5	107.4%
Total current liability	326.6	299.7	9.0%
Total non-current liability	8.8	65.7	-86.6%
Total Liability	335.4	365.3	-8.2%
Capital	1,008.7	262.5	284.3%
Accumulated profit	162.8	98.7	65.0%
Total shareholders' equity	1,171.5	361.2	224.3%

Asset

As of 30 June 2022, the Company's total asset was 1,506.9 million Baht, an increase of 107.4%, in comparison with that of the end of 2021 including the current asset of 994.8 million Baht, an increase of 330.1% from the cash and cash equivalents. The account receivables were consistent with the increased income from sales. Other current assets trivially increased due to the benefits from the Value Added Tax pending to be returned. Meanwhile, the non-current assets were 512.1 million Baht, an increase of 3.4%, this was from the security deposits and investment on assets as per the productivity expansion plan of the Company's machines and assets to support the expansion of continuously growing markets.

Liability

As of 30 June 2022, the Company had a total liability of 365.3 million Baht, a decrease of 8.2% from that of the end of 2021, and current liability of 299.7 million Baht, an increase of 9.0%, the majority of these originated from the account and other payables caused by the procurement of raw material for production including the accrued shipping fee and accrued corporate income tax from the performance. The obligation to settle the short-term loan provided by financial institutions decreased by the due settlement and the Company's more liquidity, therefore, such loan limit was not spent. The non-current liability was 8.8 million Baht, a decrease of 86.6%, resulting from the early settlement of all long-term loans.

Shareholders' Equity

As of 30 June 2022, the Company had a total shareholders' equity of 1,171.5 million Baht, an increase of 224.3% from the end of 2021 as the Company had increased the registered and paid-up capital of 735 million Baht.

Significant Financial Ratios

Financial Ratio	Quarter 2		Quarter 1
	2022	2021	2022
Gross profit ratios (%)	32.26	28.03	28.67
Net profit ratio (%)	17.45	8.73	11.99
Earnings per Share (Baht)	0.12	0.04	0.09
Return on Asset (%)	11.37	12.81	14.69
Return on Equity (%)	14.63	25.76	32.83
Liquidity ratio (time)	3.05	0.79	0.79
Debt to Equity ratio (time)	0.29	1.47	1.47
Book Value per Share (Baht)	1.75	0.70	0.70

Liquidity and Capital Resources

Statement of Cash Flow (million Baht)	Q2/2565	Q2/2564	% Change
Cash flow from work activities			
Net cash from (spent in) work activities	154.8	26.3	489.3%
Cash flow from investment activities			
Net cash from (spent in) investment activities	(40.0)	(13.2)	203.2%
Cash flow from fundraising activities			
Net cash from (spent in) fundraising activities	548.7	(18.8)	(3,014.8%)
Net increase of cash and cash equivalent	663.5	(5.8)	(11,624.8%)
Cash and cash equivalent at the beginning	37.9	8.7	336.8%
Cash and cash equivalent at the end	701.4	2.9	23,916.6%

As of 30 June 2022, the Company had the remaining cash and cash equivalents of 701.4 million Baht, net cash flow from work activities of 154.8 million Baht, net cash flow spent in investment activities of 40.0 million Baht, and net cash flow from the fundraising activities of 548.7 million baht from the increases of registered and paid-up capital to be used as the current capital within the Company and for settlement of all long-term loans.