

14 November 2022

Subject Management's Discussion and Analysis of the Financial Statement for the nine months period ended 30 September 2022

To Managing Director of The Stock Exchange of Thailand

Enclosure Management's Discussion and Analysis of the Financial Statement for the nine months period ended 30 September 2022, 1 set each of Thai and English

Nova Organic Public Company Limited ("NV") would like to submit the Company's audited Financial Statement for nine months period ended 30 September 2022 to The Stock Exchange of Thailand.

The operation results of NV for the nine months period ended 30 September 2022 registered a net loss amounting 57.61 Million Baht. Please see the further details in the Management's Discussion and Analysis of the Financial Statement as attached.

Please be informed accordingly

Best regards,

(Ms. Yupin Chanjuthamard)

Chief Executive Officer

## Nova Organic Public Company Limited

### The Management's Discussion and Analysis of the Financial Statement for the nine months period ended 30 September 2022

#### Summary

	Q3 2021	Q3 2022	Increase	% Increase
	Million baht	Million baht	(Decrease)	(Decrease)
Revenue from sales	991.32	567.23	(424.09)	-43%
Cost of sales	346.51	313.98	(32.53)	-9%
<b>Gross profit</b>	<b>644.81</b>	<b>253.25</b>	<b>(391.56)</b>	<b>-61%</b>
Other income	1.84	1.41	(0.43)	-23%
Selling expenses	492.51	256.28	(236.23)	-48%
Administrative expenses	74.05	62.23	(11.82)	-16%
<b>Profit (Loss) from operating activities</b>	<b>80.09</b>	<b>(63.85)</b>	<b>(143.94)</b>	<b>-180%</b>
Finance income	0.43	2.86	2.43	565%
Reversal of loss from impairment of assets	0.88	-	(0.88)	-100%
Gain (Loss) from disposal of assets	5.98	0.27	(5.71)	-95%
Profit and loss measured from fair value	-	-	-	0%
Reversal of expected credit loss	1.31	-	(1.31)	-100%
Gain (Loss) on revaluation of investments	-	0.01	0.01	0%
Finance costs	0.89	0.73	(0.16)	-18%
<b>Profit (Loss) before income tax</b>	<b>87.80</b>	<b>(61.44)</b>	<b>(149.24)</b>	<b>-170%</b>
Tax income (expense)	(13.59)	3.83	17.42	<b>-128%</b>
<b>Profit (Loss) for the period</b>	<b>74.21</b>	<b>(57.61)</b>	<b>(131.82)</b>	<b>-178%</b>

#### operating performance

The Company's total sales revenue for the nine months period ended 30 September 2022 was 567.23 Million Baht, which is decreased 424.09 Million Baht or 43 percent from the same period last year. The sales revenue for Cordyceps-containing product had dropped significantly since February 2021 onward, the main reason is the impact of the negative social trend information dissemination of dietary supplements. coupled with the current economic recession. As a result of this, therefore the company reduces the dissemination of advertising media brings to the decreased of sale order quantity of this product

### **Gross Profit**

Gross Profit and Loss for the nine months period ended 30 September 2022 was 253.25 Million Baht, It were decreased 61 percent from the same period last year. The company changed the marketing of the product group sold in the same period last year. In addition, the price of raw materials used to produce such products is higher than the previous products sold last year.

### **Selling Expenses**

Selling expenses for the nine months period ended 30 September 2022 were 256.28 Million Baht. It was decreased 236.23 Million Baht or 48 percent from the same period last year, mainly due to the decreased in advertising and promotion expenses such as television program broadcast time rent, advertising production cost, actor salary and promotion cost. In line with the current market situation.

### **Administrative Expenses**

Administrative expenses for the nine months period ended 30 September 2022 were 62.23 Million Baht. It was decreased 11.82 Million Baht or 16 percent due to the company's policy to control administrative expenses related to the decreasing of sale revenue.

### **Net Profit**

The Company has net loss profit for the nine months period ended 30 September 2022 was 57.61 Million Baht, It was decreased of 131.82 Million Baht or equals to 178 percent from the same period last year, Due to the negative news about the consumption of dietary supplements. Also affected by the economic recession, Consumers' purchasing power has declined. In additional, the lack of economy of scale brings to less bargaining of power to suppliers.

## **Financial Position**

	<b>31 December 2021</b>	<b>30 September 2022</b>	<b>Increase</b>	<b>% Increase</b>
	<b>Million baht</b>	<b>Million baht</b>	<b>(Decrease)</b>	<b>(Decrease)</b>
Total Assets	1,815.77	1,585.67	(230.10)	-13%
Total Liabilities	142.14	179.55	37.41	26%
Shareholders' equity	1,673.63	1,406.02	(267.61)	-16%

### **Total Assets**

Total assets as of 30 September 2022 were 1,585.67 Million Baht. It were decreased 230.10 Million Baht from 31 December 2021. Due to the dividend payout 210 Million Baht on February 2, 2022

### **Total Liabilities**

Total liabilities as of 30 September 2022 were 179.55 Million Baht, It were increased 37.41 Million Baht from 31 December 2021. Mostly increase from trade account payable and others payable.

### **Shareholders' equity**

Shareholders' equity as of 30 September 2022 were 1,406.02 Million Baht, It were decreased 267.61 Million Baht from 31 December 2021. Due to the dividend payout 210 Million Baht on February 2, 2022