

14 November 2022

Subject Management's Discussion and Analysis of the Financial Statement for the three 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 three 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 three months period ended 30 September 2022 to The Stock Exchange of Thailand.

The operation results of NV for the three months period ended 30 September 2022 registered a net loss amounting 25.02 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 three months period ended

30 September 2022

Summary

	Jul-Sep 2021	Jul-Sep 2022	Increase	% Increase
	Million baht	Million baht	(Decrease)	(Decrease)
Revenue from sales	291.19	143.78	(147.41)	-51%
Cost of sales	128.77	96.64	(32.13)	-25%
Gross profit	162.42	47.14	(115.28)	-71%
Other income	0.27	0.37	0.10	38%
Selling expenses	124.67	58.28	(66.39)	-53%
Administrative expenses	23.05	18.62	(4.43)	-19%
Profit from operating activities	14.97	(29.39)	(44.36)	-296%
Finance income	0.08	1.14	1.07	1425%
Gain(loss) on revaluation of investments	-	0.54		0%
Finance costs	0.21	0.21	(0.00)	-1%
Profit(loss) before income tax	14.83	(27.91)	(42.74)	-288%
Tax income (expense)	(1.82)	2.89	4.71	-259%
Profit (loss) for the period	13.01	(25.02)	(38.03)	-292%

operating performance

The Company's total sales revenue for the three months period ended 30 September 2022 was 143.78 Million Baht, which is decreased 147.41 Million Baht or 51 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 three months period ended 30 September 2022 was 47.14 Million Bath, It were decreased 71 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 three months period ended 30 September 2022 were 58.28 Million Baht. It was decreased 66.39 Million Baht or 53 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 three months period ended 30 September 2022 were 18.62 Million Baht. It was decreased 4.43 Million Baht or 19 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 three months period ended 30 September 2022 was 25.02 Million Baht, It was decreased of 38.03 Million Baht or equals to 292 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

	31 December 2021	30 September 2022	Increase	% Increase
	Million baht	Million baht	(Decrease)	(Decrease)
Total Assets	1,815.77	1,585.57	(230.20)	-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 1,585.57 Million Baht. It were decreased 230.20 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