

10 August 2023

Subject Management's Discussion and Analysis of the Financial Statement for the Second Quarter ended 30 June 2023

To Managing Director of The Stock Exchange of Thailand

Enclosure Management's discussion and Analysis of the Financial Statement for the Second Quarter ended 30 June 2023,

1 set each of Thai and English

Nova Organic Public Company Limited ("NV") and its subsidiaries ("the Group") would like to submit the Company's audited Financial Statement for the Second Quarter ended 30 June 2023 to The Stock Exchange of Thailand.

The operation results of NV for the Second Quarter ended 30 June 2023 registered a net loss amounting 12.30 Million Baht. Please see 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

The Management's discussion and Analysis of the Financial Statement for for the Second Quarter ended 30 June 2023

### Summary of operating performance

Million baht

|  | Q2'23          |            | Q2'22          |            | Increase (Decrease) |             |
|--|----------------|------------|----------------|------------|---------------------|-------------|
| Revenue from sales   | 327.87         | 100%       | 409.95         | 100%       | (82.08)             | -20%        |
| Cost of sales  | 182.70         | 56%        | 212.12         | 52%        | (29.42)             | -14%        |
| <b>Gross profit</b>  | <b>145.17</b>  | <b>44%</b> | <b>197.83</b>  | <b>48%</b> | <b>(52.66)</b>      | <b>-27%</b> |
| Other income   | 2.99           | 1%         | 1.04           | 0%         | 1.95                | 188%        |
| Selling expenses   | 117.93         | 36%        | 189.73         | 46%        | (71.80)             | -38%        |
| Administrative expenses  | 45.35          | 14%        | 43.61          | 11%        | 1.74                | 4%          |
| <b>Profit from operating activities</b>  | <b>(15.12)</b> | <b>-5%</b> | <b>(34.47)</b> | <b>-8%</b> | <b>19.35</b>        | <b>-56%</b> |
| Finance income   | 2.03           | 1%         | 1.72           | 0%         | 0.31                | 18%         |
| Reversal of the debt provision   | 2.08           | 1%         | -              | 0%         | 2.08                | 0%          |
| Gain(loss) on revaluation of investments   | 2.14           | 1%         | (0.26)         | 0%         | 2.40                | -923%       |
| Finance costs  | (0.78)         | 0%         | (0.52)         | 0%         | (0.26)              | 50%         |
| <b>Profit(loss) before income tax</b>  | <b>(9.65)</b>  | <b>-3%</b> | <b>(33.53)</b> | <b>-8%</b> | <b>23.88</b>        | <b>-71%</b> |
| Tax income (expense)   | (2.65)         | -1%        | 0.94           | 0%         | (3.59)              | -382%       |
| <b>Profit (loss) for the period</b>  | <b>(12.30)</b> | <b>-4%</b> | <b>(32.59)</b> | <b>-8%</b> | <b>20.29</b>        | <b>-62%</b> |
| Actuarial gains for employee benefit plans   | -              | 0%         | -              | 0%         | -                   | 0%          |
| Income taxes relate to items that will not be reclassified subsequently to profit or loss. | -              | 0%         | -              | 0%         | -                   | 0%          |
| <b>Total comprehensive income</b>  | <b>(12.30)</b> | <b>-4%</b> | <b>(32.59)</b> | <b>-8%</b> | <b>20.29</b>        | <b>-62%</b> |

### **operating performance**

The Group's total sales revenue for for the Second Quarter ended 30 June 2023 was 327.87 Million Baht, which decreased 82.08 Million Baht or 20 percent from the same period last year. The main reason is coupled with the current economic recession. As a result of this, brings to the decreased of sale order quantity of this product.

### **Gross Profit**

Gross Profit for for the Second Quarter ended 30 June 2023 was 145.17 million Bath, It was decreased 52.66 percent from the same period last year. Because the production cost of the marketed product group has a high cost. In addition, the company has organized a free product promotion in the sale of a set of products to stimulate consumer purchases. As a result, gross profit has decreased.

### **Selling Expenses**

Selling expenses for the for the Second Quarter ended 30 June 2023 were 117.93 million Baht. It was decreased 71.80 million Baht or 38 percent from the same period last year, mainly due to the company cut down the 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 for the Second Quarter ended 30 June 2023 were 45.35 million Baht. It was Increase 1.74 million Baht or 4 percent due to increased depreciation and asset disposal losses

### **Net Profit**

The Company has net profit for the for for the Second Quarter ended 30 June 2023 was 12.30 million Baht, It was Increase of 20.29 Million Baht or equals to 165 percent from the same period last year.

## Financial Position

|                      | 30 June 2023 | 31 December 2022 | Increase   | % Increase |
|----------------------|--------------|------------------|------------|------------|
|                      | Million baht | Million baht     | (Decrease) | (Decrease) |
| Total Assets         | 1,482.75     | 1,526.16         | (43.41)    | -3%        |
| Total Liabilities    | 166.52       | 144.76           | 21.76      | 13%        |
| Shareholders' equity | 1,316.23     | 1,381.40         | (65.17)    | -5%        |

### Total Assets

Total assets as of 30 June 2023 were 1,482.75 million Baht. It was decrease 43.41 Million Baht from 31 December 2022 due to a share repurchase program and the increase in land, buildings, and equipment

### Total Liabilities

Total liabilities as of 30 June 2023 were 166.52 Million Baht, It were increased 21.76 Million Baht from 31 December 2022. Mostly increase from trade account payable and others payable.

### Shareholders' equity

Shareholders' equity as of 30 June 2023 were 1,316.26 million Baht, It were decreased 65.17 Million Baht from 31 December 2022. by from the loss for the second quarter of 2023 in the amount of 12.30 million baht and the share repurchase transaction of 52.86 million baht.