

Management’s Discussion and Analysis



Financial Statement for the year ended 31
December 2023

Business Overview

Nova Organic Public Company Limited ("the Company") operates the business of manufacturing and distributing Dietary Supplements with main ingredients derived from a variety of raw materials under the trademark of the company itself, which can be divided into 3 groups of products: (1) dietary supplements under the trademark donut "DONUTT," such as Donutt Collagen and Donutt Total Fibely, etc. (2) A dietary supplement group under the trademark "LIVNEST," which is a dietary supplement that is mainly composed of cordyceps, and (3) A dietary supplement group under other trademarks such as hair care products, Q-Tin, Hair Tonic, Serum, etc.



Operating Performance

- The Group's total sales revenue for the year ended 31 December 2023 was 613.26 million baht, which decreased 97.71 million baht or 14 percent from the same period last year.
- Gross Profit for the year ended 31 December 2023 was 256.72 million Bath, it was decreased 51.92 million bath or 17 percent from the same period last year.
- Selling expenses for the for the year ended 31 December 2023 were 237.71 million baht. It was decreased 77.05 million Baht or 24 percent from the same period last year.
- Administrative expenses for the year ended 31 December 2023 were 82.41 million Baht. It was Increase 0.77 million baht.
- The Company has net profit for the year ended 31 December 2023 was 67.53 million baht, it was decreased of 14.71 million baht or equals to 18 percent from the same period last year.

Million Baht

Detail	Year 2023		Year 2022		Increase (Decrease)	
Revenue from sales	613.26	100%	710.97	100%	(97.71)	-14%
Cost of sales	356.54	58%	402.33	57%	(45.79)	-11%
Gross profit	256.72	42%	308.64	43%	(51.92)	-17%
Other income	2.41	0%	2.27	0%	0.14	6%
Selling expenses	237.71	39%	314.76	44%	(77.05)	-24%
Administrative expenses	82.41	13%	81.63	11%	0.77	1%
Profit from operating activities	(60.98)	-10%	(85.48)	-12%	24.50	-29%
Finance income	3.25	1%	3.89	1%	(0.63)	-16%
Reversal of the debt provision	0.98	0%	(0.20)	0%	1.18	-588%
Gain (loss) from sale of assets	(8.42)	-1%	(5.70)	-1%	(2.72)	32%
Gain (loss) from changing and terminating the lease	-	0%	0.10	0%	(0.10)	-100%
Gain (loss) on revaluation of investments	6.73	1%	1.42	0%	5.31	374%
Finance costs	(1.10)	0%	(0.97)	0%	(0.14)	14%
Profit (loss) before income tax	(59.55)	-10%	(86.95)	-12%	27.40	-32%
Tax income (expense)	(7.98)	-1%	2.83	0%	(10.81)	-382%
Profit (loss) for the period	(67.53)	-11%	(84.12)	-12%	16.59	-20%
Actuarial gains for employee benefit plans	-	0%	2.35	0%	(2.35)	-100%
Income taxes relate to items that will not be reclassified subsequently to profit or loss.	-	0%	(0.47)	0%	0.47	-100%
Total comprehensive income	(67.53)	-11%	(82.24)	-12%	14.71	-18%

Operating Performance

The Group's total sales revenue for the year ended 31 December 2023 was 613.26 million baht, which decreased 97.71 million baht or 14 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 the year ended 31 December 2023 was 256.72 million Bath, it was decreased 51.92 million bath or 17 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 year ended 31 December 2023 were 237.71 million baht. It was decreased 77.05 million Baht or 24 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 the year ended 31 December 2023 were 82.41 million Baht. It was Increase 0.77 million baht or 1 percent due to increased depreciation and asset disposal losses.

Net Profit

The Company has net profit for the year ended 31 December 2023 was 67.53 million baht, it was decreased of 14.71 million baht or equals to 18 percent from the same period last year.

Financial Position

Detail	31 December 2023 MB.	31 December 2022 MB.	Increase (Decrease)	%
Total Assets	1,358.31	1,526.16	(167.85)	-11%
Total Liabilities	114.40	144.76	(30.36)	-21%
Shareholders' equity	1,243.91	1,381.40	(137.49)	-10%

Total Assets

Total assets as of 31 December 2023 were 1,358.31 million Baht. It was decreased 167.85 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 31 December 2023 were 114.40 million baht, it was decreased 30.36 million baht from 31 December 2022. Mostly decrease from trade account payable and others payable.

Shareholders' equity

Shareholders' equity as of 31 December 2023 were 1,243.91 million Baht, it was decreased 137.49 million baht from 31 December 2022. By from the loss for the year of 2023 in the amount of 67.53 million baht and the share repurchase transaction of 69.96 million baht.