

- Translation -

12 November 2021

Subject: Management's Discussion and Analysis for the Operating Results of the Third Quarter of 2021

Attention: The President of the Stock Exchange of Thailand

Exotic Food Public Company Limited (the "Company") would like to submit the financial statements for the third quarter ended September 30th, 2021, which have been reviewed by the independent auditor. The Company's net profit decreased by 1.70% or equal to Baht 94.92 million as compared to the same quarter of 2020 which was recorded at Baht 96.56 million. During the 9M21, the Company recorded the net profit of Baht 354.40 million, which increased by 50.30%, as compared to the 9M20's net profit which was Baht 235.80 million. The clarification, along with a summary of the Company's operating results is shown in the table below:

Income Statement (million Baht)	3Q20	2Q21	3Q21	% YoY	% QoQ	9M20	9M21	% YoY
Revenue from sale of goods	345.53	456.40	341.90	-1.05%	-25.09%	957.34	1,149.84	20.11%
Cost of sale of goods	(199.91)	(244.13)	(193.34)	-3.29%	-20.80%	(577.80)	(629.20)	8.90%
Gross profit	145.62	212.27	148.56	2.02%	-30.01%	379.54	520.64	37.18%
Selling expenses	(16.47)	(20.42)	(16.36)	-0.67%	-19.88%	(49.44)	(58.92)	19.17%
Administrative expenses	(31.12)	(30.40)	(37.48)	20.44%	23.29%	(90.48)	(99.98)	10.50%
Operating profit	98.03	161.45	94.72	-3.38%	-41.33%	239.62	361.74	50.96%
Net foreign exchange gain/(loss)	2.22	(0.56)	1.70	-23.42%	-403.57%	2.47	2.50	1.21%
Other income	1.60	1.64	1.12	-30.00%	-31.71%	4.06	5.70	40.39%
Earnings before Interest and taxes	101.85	162.53	97.54	-4.23%	-39.99%	246.15	369.94	50.29%
Financial expense	(0.21)	(0.39)	(0.37)	76.19%	-5.13%	(1.15)	(1.16)	0.87%
Profit before income tax expense	101.64	162.14	97.17	-4.40%	-40.07%	245.00	368.78	50.52%
Income tax expense	(5.08)	(7.50)	(2.25)	-55.71%	-70.00%	(9.20)	(14.38)	56.30%
Profit for the period	96.56	154.64	94.92	-1.70%	-38.62%	235.80	354.40	50.30%

Revenue from Sales

In 3Q21, the Company's total revenue from sales was Baht 341.90 million, which decreased by Baht 3.63 million or 1.05% when compared with the same period in 2020. Due to the COVID-19 outbreak situation along with the shortages of cargo containers, the Company's supply chain and its shipment were impacted. As such, the Company was unable to ship the products according to the customers' orders.

The total revenue from sales during 9M21 was recorded at Baht 1,149.84 million which resulted in an increase of Baht 192.50 million or 20.11%. Such increase stemmed from higher numbers of retail stores that managed to sell the Company's products.

	3Q20	2Q21	3Q21	%YoY	%QoQ	9M20	9M21	%YoY
Sales volume (Ton)								
- Euro	197	245	328	66.50%	33.88%	723	827	14.38%
- United States dollar	863	869	755	-12.51%	-13.12%	2,049	2,388	16.54%
- Thailand baht	2,936	3,978	2,981	1.53%	-25.06%	8,667	10,012	15.52%
Total sales volume (Ton)	3,996	5,092	4,064	1.70%	-20.19%	11,439	13,227	15.63%
Average FX								
- THB/EUR	36.17	37.35	38.37	6.08%	2.73%	34.99	37.26	6.49%
- THB/USD	31.11	31.14	32.70	5.11%	5.01%	31.30	31.32	0.06%

Cost of Sales

Cost of sales in 3Q21 was Baht 193.34 million which decreased by Baht 6.57 million or 3.29% as compared to the same period in 2020. Since the overall utilization rate was higher, consequently, the production cost per unit has decreased.

During 9H21, the Company recorded the cost of sales in the amount of Baht 629.20 million which increased by Baht 51.40 million or 8.90%. Such increase was in line with an increase in sales volume.

Gross Profit Margin

Gross profit margin has increased to 43.45% in 3Q21 as compared to the same period of last year. This is because the customers' purchase orders had increased, and as a result, the overall utilization rate was higher, and consequently, the production cost per unit has decreased. Moreover, the Company also managed to increase the proportion of high-profit-margin products.

In 9M21, the Company's gross profit margin was at 45.28%, which increased as compared to its 9M20 at 39.65%. This is because the customers' purchase orders had increased, and as a result, the overall utilization rate was higher, and consequently, the production cost per unit has decreased. Moreover, the Company was able to increase the proportion of high-profit-margin products.

Selling Expenses

Selling expenses in 3Q21 were Baht 16.36 million which decreased by Baht 0.11 million or 0.67% as compared to the same period in 2020. Such decrease was in line with a decrease in revenue from sales. Selling expenses in 3Q21 decreased by Baht 4.06 million or 19.88% as compared to previous quarter (2Q21). Such decrease was in line with a decrease in revenue from sales and a decrease in sales promotion expenses.

In 9M21, the Company's selling expenses were Baht 58.92 million which increased by Baht 9.48 million or 19.17% as compared with 9M20. Such increase was in line with an increase in revenue from sales and promotional expenses.

Administrative Expenses

Administrative expenses in 3Q21 were Baht 37.48 million, which increased by Baht 6.36 million or 20.44% as compared to the same quarter of last year. This is mainly due to an increase in staff cost, charitable donation and office supplies. Compared with 2Q21, the administrative expenses have increased in the amount of Baht 7.08 million or 23.29%, and this is mainly due to losses on fair value adjustment of forward contract, staff costs, charitable donation and office supplies.

In 9M21, the administrative expenses were Bath 99.98 million, which increased by Baht 9.50 million or 10.50% as compared to 9M20. Such increase was due to an increase in staff costs, loss on fair value adjustment of forward contract and office supplies.

Net Profit

The Company's 3Q21 net profit was Baht 94.92 million, which decreased by 1.70% as compared with Baht 96.56 million in 3Q20. Such decrease stemmed from a decrease in revenue from sales and an increase in administrative expenses. Comparing with the net profit in 2Q21, net profit decreased by Baht 59.72 million or 38.62%. Such decrease stemmed from a decrease in revenue from sales and gross profit margin and an increase in administrative expenses.

In 9M21, the Company's net profit was Baht 354.40 million, which increased by 50.30% as compared with 9M20. Such increase stemmed from an increase in revenue from sales and gross profit margin.

Please be informed accordingly.

Sincerely yours,

-Signed-

(Mr.Jittiporn Jantarach)
Managing Director