

- Translation -

11 November 2022

Subject: Management's Discussion and Analysis for the Operating Results of the Third Quarter of 2022

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, 2022, which have been reviewed by the independent auditor. The Company's net profit decreased by 27.94% or equal to Baht 68.40 million as compared to the same quarter of 2021 which was recorded at Baht 94.92 million. During the 9M22, the Company recorded the net profit of Baht 258.37 million, which decreased by 27.10%, as compared to the 9M21's net profit which was Baht 354.40 million. The clarification, along with a summary of the Company's operating results is shown in the table below:

Income Statement (million Baht)	3Q21	2Q22	3Q22	% YoY	% QoQ	9M21	9M22	% YoY
Revenue from sale of goods	341.90	391.62	329.14	-3.73%	-15.95%	1,149.84	1,068.51	-7.07%
Cost of sale of goods	(193.34)	(227.73)	(198.24)	2.53%	-12.95%	(629.20)	(621.52)	-1.22%
Gross profit	148.56	163.89	130.90	-11.89%	-20.13%	520.64	446.99	-14.15%
Selling expenses	(16.36)	(20.30)	(16.75)	2.38%	-17.49%	(58.92)	(56.96)	-3.33%
Administrative expenses	(35.57)	(38.72)	(42.66)	19.93%	10.18%	(96.78)	(116.06)	19.92%
Operating profit	96.63	104.87	71.49	-26.02%	-31.83%	364.94	273.97	-24.93%
Net foreign exchange gain/(loss)	1.70	1.11	4.13	142.94%	272.07%	2.50	5.58	123.20%
Other income	1.12	5.29	2.85	154.46%	-46.12%	5.70	11.19	96.32%
Other Loss	(1.91)	(11.12)	(7.81)	308.90%	-29.77%	(3.20)	(21.70)	578.13%
Earnings before Interest and taxes	97.54	100.15	70.66	-27.56%	-29.45%	369.94	269.04	-27.27%
Financial expense	(0.37)	(0.36)	(0.39)	5.41%	8.33%	(1.16)	(1.14)	-1.72%
Profit before income tax expense	97.17	99.79	70.27	-27.68%	-29.58%	368.78	267.90	-27.36%
Income tax expense	(2.25)	(4.98)	(1.87)	-16.89%	-62.45%	(14.38)	(9.53)	-33.73%
Profit for the period	94.92	94.81	68.40	-27.94%	-27.86%	354.40	258.37	-27.10%

Revenue from Sales

In 3Q22, the Company's total revenue from sales was Baht 329.14 million, which decreased by Baht 12.76 million or 3.73% when compared with the same period in 2021. Such decrease was due to the fact that many countries in Europe have begun to lift and/or ease COVID-19 restrictions by allowing people to resume their normal lives, which is expected to affect the Company's product sales in the short term as the people minimized their cooking activities at home.

The total revenue from sales during 9M22 was recorded at Baht 1,068.51 million which resulted in a decrease of Baht 81.33 million or 7.07%. Such decrease stemmed from the fact that many countries in Europe have

begun to lift and/or ease COVID-19 restrictions by allowing people to resume their normal lives, which is expected to affect the Company's product sales in the short term as the people minimized their cooking activities at home.

	3Q21	2Q22	3Q22	% YoY	% QoQ	9M21	9M22	% YoY
Sales volume (Ton)								
- Euro	328	302	264	-19.51%	-12.58%	827	896	8.34%
- United States dollar	755	912	1,285	70.20%	40.90%	2,388	3,028	26.80%
- Thailand baht	2,981	3,330	2,308	-22.58%	-30.69%	10,012	8,627	-13.83%
Total sales volume (Ton)	4,064	4,544	3,857	-5.09%	-15.12%	13,227	12,551	-5.11%
Average FX								
- THB/EUR	38.37	36.23	36.22	-5.60%	-0.03%	37.26	36.70	-1.50%
- THB/USD	32.70	34.23	36.21	10.73%	5.78%	31.32	34.43	9.93%

Cost of Sales

Cost of sales in 3Q22 was Baht 198.24 million which increased by Baht 4.90 million or 2.53% as compared to the same period in 2021. Since prices of raw materials and the cost of packaging were increased.

During 9M22, the Company recorded the cost of sales in the amount of Baht 621.52 million which decreased by Baht 7.68 million or 1.22%. Such decrease was in line with a decrease in sales volume.

Gross Profit Margin

Gross profit margin has decreased to 39.77% in 3Q22 as compared to the same period of last year. Since prices of raw materials and the cost of packaging were increased.

In 9M22, the Company's gross profit margin was at 41.83%, which decreased as compared to its 9M21 at 45.28%. This is because the customers' purchase orders had decreased, and as a result, the overall utilization rate was lower, and consequently, the production cost per unit has increased. Moreover, prices of raw materials and the cost of packaging also rose.

Selling Expenses

Selling expenses in 3Q22 were Baht 16.75 million which increased by Baht 0.39 million or 2.38% as compared to the same period in 2021. Such increase was in line with an increase in sales promotional expenses. Selling expenses in 3Q22 decreased by Baht 3.55 million or 17.49% as compared to previous quarter (2Q22). Such decrease was in line with a decrease in sales promotion expenses.

In 9M22, the Company's selling expenses were Baht 56.96 million which decreased by Baht 1.96 million or 3.33% as compared with 9M21. Such decrease was in line with a decrease in revenue from sales.

Administrative Expenses

Administrative expenses in 3Q22 were Baht 42.66 million, which increased by Baht 7.09 million or 19.93% as compared to the same quarter of last year. This is mainly due to an increase in staff cost and the costs of implementing of Enterprise Resource Planning (“ERP”) system. Compared with 2Q22, the administrative expenses have increased in the amount of Baht 3.94 million or 10.18%, and this is mainly due to the costs of implementing Enterprise Resource Planning (“ERP”) system.

In 9M22, the administrative expenses were Baht 116.06 million, which increased by Baht 19.28 million or 19.92% as compared to 9M21. Such increase was due to an increase in staff cost and the costs of implementing Enterprise Resource Planning (“ERP”) system.

Other Losses

Other losses in 3Q22 and 9M22 was Baht 7.81 million and Baht 21.70 million respectively. Such losses caused by losses from fair value adjustments of investments in unit trusts and foreign exchange forward contracts.

Net Profit

The Company’s 3Q22 net profit was Baht 68.40 million, which decreased by 27.94% as compared with Baht 94.92 million in 3Q21. Such decrease stemmed from a decrease in revenue from sales and gross profit margin, an increase in administrative expenses, and other losses. Comparing with the net profit in 2Q22, net profit decreased by Baht 26.41 million or 27.86%. Such decrease stemmed from a decrease in revenue from sales and gross profit margin and an increase in administrative expenses.

In 9M22, the Company’s net profit was Baht 258.37 million, which decreased by 27.10% as compared with 9M21. Such decrease stemmed from a decrease in revenue from sales and gross profit margin, an increase in administrative expenses, and other losses.

Please be informed accordingly.

Sincerely yours,

-Signed-

(Mr.Jittiporn Jantarach)
Managing Director