

- Translation -

15 August 2022

Subject: Management's Discussion and Analysis for the Operating Results of the Second 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 second quarter ended June 30th, 2022, which have been reviewed by the independent auditor. The Company's net profit decreased by 38.69% or equal to Baht 94.81 million as compared to the same quarter of 2021 which was recorded at Baht 154.64 million. During the 1H22, the Company recorded the net profit of Baht 189.97 million, which decreased by 26.79%, as compared to the 1H21's net profit which was Baht 259.49 million. The clarification, along with a summary of the Company's operating results is shown in the table below:

Income Statement (million Baht)	2Q21	1Q22	2Q22	%YoY	%QoQ	1H21	1H22	%YoY
Revenue from sale of goods	456.40	347.75	391.62	-14.19%	12.62%	807.94	739.37	-8.49%
Cost of sale of goods	(244.13)	(195.55)	(227.73)	-6.72%	16.46%	(435.86)	(423.28)	-2.89%
Gross profit	212.27	152.20	163.89	-22.79%	7.68%	372.08	316.09	-15.05%
Selling expenses	(20.42)	(19.91)	(20.30)	-0.59%	1.96%	(42.57)	(40.21)	-5.54%
Administrative expenses	(30.40)	(34.68)	(38.72)	27.37%	11.65%	(61.20)	(73.40)	19.93%
Operating profit	161.45	97.61	104.87	-35.04%	7.44%	268.31	202.48	-24.54%
Net foreign exchange gain/(loss)	(0.56)	0.34	1.11	-298.21%	226.47%	0.81	1.45	79.01%
Other income	1.64	3.05	5.29	222.56%	73.44%	4.58	8.34	82.10%
Other Loss	-	(2.77)	(11.12)		301.44%	(1.29)	(13.89)	976.74%
Earnings before Interest and taxes	162.53	98.23	100.15	-38.38%	1.95%	272.41	198.38	-27.18%
Financial expense	(0.39)	(0.39)	(0.36)	-7.69%	-7.69%	(0.79)	(0.75)	-5.06%
Profit before income tax expense	162.14	97.84	99.79	-38.45%	1.99%	271.62	197.63	-27.24%
Income tax expense	(7.50)	(2.68)	(4.98)	-33.60%	85.82%	(12.13)	(7.66)	-36.85%
Profit for the period	154.64	95.16	94.81	-38.69%	-0.37%	259.49	189.97	-26.79%

Revenue from Sales

In 2Q22, the Company's total revenue from sales was Baht 391.62 million, which decreased by Baht 64.78 million or 14.19% 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 1H22 was recorded at Baht 739.37 million which resulted in a decrease of Baht 68.57 million or 8.49%. 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.

	2Q21	1Q22	2Q22	%YoY	%QoQ	1H21	1H22	%YoY
Sales volume (Ton)								
- Euro	245	330	302	23.27%	-8.48%	499	632	26.65%
- United States dollar	869	831	912	4.95%	9.75%	1,633	1,743	6.74%
- Thailand baht	3,978	2,989	3,330	-16.29%	11.41%	7,031	6,319	-10.13%
Total sales volume (Ton)	5,092	4,150	4,544	-10.76%	9.49%	9,163	8,694	-5.12%
Average FX								
- THB/EUR	37.35	36.65	36.23	-3.00%	-1.15%	36.68	36.45	-0.63%
- THB/USD	31.14	32.86	34.23	9.92%	4.17%	30.59	33.51	9.55%

Cost of Sales

Cost of sales in 2Q22 was Baht 227.73 million decreased by Baht 16.40 million or 6.72% as compared to the same period in 2021. Such decrease was in line with a decrease in sales volume.

During 1H22, the Company recorded the cost of sales in the amount of Baht 423.28 million which decreased by Baht 12.58 million or 2.89%. Such decrease was in line with a decrease in sales volume.

Gross Profit Margin

Gross profit margin has decreased to 41.85% in 2Q22 as compared to the same period of last year. This is because the customers' purchase orders had decreased, and as a result, the overall utilization rate was lowered, and consequently, the production cost per unit has increased. Moreover, prices of raw materials and the cost of packaging also rose. When compared to 1Q22, gross profit margin in 2Q22 decreased due to a decrease in proportion of sales of high profit margin products.

In 1H22, the Company's gross profit margin was 42.75%, which decreased from 1H21 (at 46.05%). 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 2Q22 were Baht 20.30 million which decreased by Baht 0.12 million or 0.59% as compared to the same period in 2021. Such decrease was in line with a decrease in revenue from sales.

However, selling expenses in 2Q22 increased by Baht 0.39 million or 1.96% as compared to previous quarter (1Q22). Such increase was in line with an increase in revenue from sales.

In 1H22, the Company's selling expenses were in the amount of Baht 40.21 million which decreased by Baht 2.36 million or 5.54% when compared with 1H21. Such decrease was in line with a decrease in revenue from sales.

Administrative Expenses

Administrative expenses in 2Q22 were Baht 38.72 million, which increased by Baht 8.32 million or 27.37% as compared to the same quarter of last year and increased by Baht 4.04 million or 11.65% as compared to 1Q22. This is mainly due to an increase in staff costs.

In 1H22, the administrative expenses were Bath 73.40 million, which increased by Baht 12.20 million or 19.93% as compared to 1H21. Such increase was due to an increase in staff costs.

Other Losses

Other losses in 2Q22 and 1H22 was Baht 11.12 million and Baht 13.89 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 2Q22 net profit was Baht 94.81 million, which decreased by 38.69% when compared with 2Q21. Such decrease stemmed from a decrease in revenue from sales and gross profit margin and an increase in administrative expenses and other losses.

Comparing with the net profit in 1Q22, net profit decreased by Baht 0.35 million or 0.37%. A decrease stemmed from a decrease in gross profit margin and an increase in administrative expenses and other losses.

In 1H22, the Company's net profit was Baht 189.97 million, which decreased by 26.79% when compared with 1H21. Such decrease stemmed from a decrease in revenue from sales and gross profit margin and an increase in administrative expenses and other losses.

Please be informed accordingly.

Sincerely yours,

-Signed-

(Mr.Jittiporn Jantarach)
Managing Director