

- Translation -

17 February 2023

Subject: Management's Discussion and Analysis for the Operating Results of the Fiscal Year 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 fiscal year ended December 31st, 2022, which have been audited by an independent auditor. The Company's net profit decreased by 26.42% to Baht 340.16 million as compared to Baht 462.29 million in 2021. The abovementioned changes are summarized in the table below.

Unit : million Baht	2021	2022	% YoY
Revenue from sale of goods	1,524.54	1,454.66	-4.58%
Cost of sale of goods	(841.04)	(853.12)	1.44%
Gross profit	683.50	601.54	-11.99%
Selling expenses	(80.85)	(80.70)	-0.19%
Administrative expenses	(132.34)	(174.47)	31.83%
Operating profit	470.31	346.37	-26.35%
Net foreign exchange gain/(loss)	(0.35)	(4.22)	1105.71%
Other income	12.97	25.71	98.23%
Other Loss	-	(12.05)	
Earnings before interest and taxes	482.93	355.81	-26.32%
Financial expense	(1.56)	(2.08)	33.33%
Profit before income tax expense	481.37	353.73	-26.52%
Income tax expense	(19.08)	(13.57)	-28.88%
Profit for the period	462.29	340.16	-26.42%

Revenue from Sales

In 2022, the Company's revenue from sales was Baht 1,454.66 million, which decreased by Baht 69.88 million or 4.58% when compared with the revenue from sales 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, so the people minimized their cooking activities at home.

	2021	2022	% YoY
Sales volume (Ton)			
- Euro	1,049	1,237	17.92%
- United States dollar	3,437	4,212	22.55%
- Thailand baht	13,223	11,739	-11.22%
Total sales volume (Ton)	17,709	17,188	-2.94%
Average FX			
- THB/EUR	37.38	36.44	-2.51%
- THB/USD	31.78	34.85	9.66%

Cost of Sales

Cost of sales in 2022 has increased by Baht 12.08 million or 1.44% from the previous year to Baht 853.12 million because the prices of both raw materials and the cost of packaging have increased.

Gross Profit Margin

Gross profit margin decreased from 44.83% in 2021 to 41.35% in 2022. 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 for the fiscal year 2022 were in the amount of Baht 80.70 million which decreased by Baht 0.15 million or 0.19% from the previous year. Such decrease was in line with a decrease in sales volume.

Administrative Expenses

Administrative expenses for the fiscal year 2022 were in the amount of Baht 174.47 million, which increased by Baht 42.13 million or 31.83% as compared to the previous year. Such increase was due to an increase in staff cost, costs of implementing Enterprise Resource Planning ("ERP") system, and loss on write-off asset.

Other Losses

Other losses in 2022 was Baht 12.05 million. Such losses caused by losses from fair value adjustments of investments in unit trusts.

Net Profit

The Company's net profit for the fiscal year 2022 was in the amount of Baht 340.16 million, which decreased by 26.42% as compared with the net profit in 2021. 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-

(Ms.Vasana Jantarach)

Managing Director