

- Translation -

15 August 2023

Subject: Management's Discussion and Analysis for the Operating Results of the Second Quarter of 2023

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 30<sup>th</sup>, 2023, which have been reviewed by the independent auditor. The Company's net profit increased by 124.49% or equal to Baht 212.84 million as compared to the same quarter of 2022 which was recorded at Baht 94.81 million. During the 1H23, the Company recorded the net profit of Baht 309.31 million, which increased by 62.82%, as compared to the 1H22's net profit of Baht 189.97 million. The clarification, along with a summary of the Company's operating results are shown in the table below:

Income Statement (million Baht)	2Q22	1Q23	2Q23	%YoY	%QoQ	1H22	1H23	%YoY
Revenue from sale of goods	391.62	394.95	616.26	57.36%	56.03%	739.37	1,011.21	36.77%
Cost of sale of goods	(227.73)	(219.85)	(318.97)	40.06%	45.09%	(423.28)	(538.82)	27.30%
Gross profit	163.89	175.10	297.29	81.40%	69.78%	316.09	472.39	49.45%
Selling expenses	(20.30)	(22.74)	(26.78)	31.92%	17.77%	(40.21)	(49.52)	23.15%
Administrative expenses	(38.72)	(47.84)	(53.12)	37.19%	11.04%	(73.40)	(100.96)	37.55%
Operating profit	104.87	104.52	217.39	107.29%	107.99%	202.48	321.91	58.98%
Net foreign exchange gain/(loss)	1.11	1.98	3.69	232.43%	86.36%	1.45	5.67	291.03%
Other income	5.29	2.51	1.54	-70.89%	-38.65%	8.34	4.05	-51.44%
Other Loss	(11.12)	(12.62)	(6.83)	-38.58%	-45.88%	(13.89)	(19.45)	40.03%
Earnings before Interest and taxes	100.15	96.39	215.79	115.47%	123.87%	198.38	312.18	57.36%
Financial expense	(0.36)	(1.31)	(1.04)	188.61%	-20.75%	(0.75)	(2.35)	213.33%
Profit before income tax expense	99.79	95.08	214.75	115.20%	125.87%	197.63	309.83	56.77%
Income tax expense	(4.98)	1.39	(1.91)	-61.65%	-237.41%	(7.66)	(0.52)	-93.21%
<b>Profit for the period</b>	<b>94.81</b>	<b>96.47</b>	<b>212.84</b>	<b>124.49%</b>	<b>120.63%</b>	<b>189.97</b>	<b>309.31</b>	<b>62.82%</b>

### Revenue from Sales

In 2Q23, the Company's total revenue from sales was Baht 616.26 million, which increased by Baht 224.64 million or 57.36% when compared with the same period in 2022. Such increase stemmed from an increase in sales volume of sauces and condiments in Europe and Americas as well as an increase in products' selling prices.

The total revenue from sales during 1H23 was recorded at Baht 1,011.21 million which resulted in an increase of Baht 271.84 million or 36.77%. Such increase stemmed from an increase in sales volume of sauces and condiments in Europe and Americas as well as an increase in products' selling prices.

	2Q22	1Q23	2Q23	%YoY	%QoQ	1H22	1H23	%YoY
<b>Sales volume (Ton)</b>								
- Euro	302	296	316	4.64%	6.76%	632	612	-3.16%
- United States dollar	912	1,016	2,410	164.25%	137.20%	1,743	3,426	96.56%
- Thailand baht	3,330	3,034	3,877	16.43%	27.79%	6,319	6,911	9.37%
<b>Total sales volume (Ton)</b>	<b>4,544</b>	<b>4,346</b>	<b>6,603</b>	<b>45.31%</b>	<b>51.93%</b>	<b>8,694</b>	<b>10,949</b>	<b>25.94%</b>
<b>Average FX</b>								
- THB/EUR	36.23	35.97	37.09	2.37%	3.11%	36.45	36.51	0.16%
- THB/USD	34.23	33.71	34.29	0.18%	1.72%	33.51	33.99	1.43%

### Cost of Sales

Cost of sales in 2Q23 was Baht 318.97 million which increased by Baht 91.24 million or 40.06% as compared to the same period in 2022. Such increase was in line with an increase in sales volume.

During 1H23, the Company recorded the cost of sales in the amount of Baht 538.82 million which increased by Baht 115.54 million or 27.30% as compared to 1H22. Such increase was in line with an increase in sales volume.

### Gross Profit Margin

Gross profit margin has increased to 48.24% in 2Q23 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 raised products' price during 1Q23. When compared to 1Q23, gross profit margin in 2Q23 increased due to an increase in the customers' purchase orders, and as a result, the overall utilization rate was higher, and consequently, the production cost per unit has decreased.

In 1H23, the Company's gross profit margin was 46.72%, which increased from 1H22 or at 42.75%. 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 raised products' price during 1Q23.

### Selling Expenses

Selling expenses in 2Q23 were Baht 26.78 million which increased by Baht 6.48 million or 31.92% as compared to the same period in 2022. When compared to 1Q23, selling expenses in 2Q23 increased by Baht

4.04 million or 17.77%. Such increase was in line with an increase in sales volume and promotional expenses.

In 1H23, the Company's selling expenses were Baht 49.52 million which increased by Baht 9.31 million or 23.15% when compared with 1H22. Such increase was in line with an increase in sales volume and promotional expenses.

#### **Administrative Expenses**

Administrative expenses in 2Q23 were Baht 53.12 million, which increased by Baht 14.40 million or 37.19% as compared to the same quarter of last year. Such increase stemmed from an increase in staff costs, expenses related to ERP system, and travelling expenses. When compared to 1Q23, administrative expenses increased by Baht 5.28 million or 11.04% as compared to 1Q23. This is mainly due to an increase in travelling expenses.

In 1H23, the administrative expenses were Bath 100.96 million, which increased by Baht 27.56 million or 37.55% as compared to 1H22. Such increase was due to an increase in staff costs, expenses related to ERP system, and travelling expenses.

#### **Other Losses**

Other losses in 2Q23 and 1H23 was Baht 6.83 million and Baht 19.45 million, respectively. Such losses derived from fair value adjustments of investments in unit trusts.

#### **Net Profit**

The Company's 2Q23 net profit was Baht 212.84 million, which increased by 124.49% when compared with 2Q22. Comparing with the net profit in 1Q23, net profit increased by Baht 116.37 million or 120.63%. Such increase stemmed from an increase in revenue from sales and gross profit margin.

In 1H23, the Company's net profit was Baht 309.31 million, which increased by 62.82% when compared with 1H22. 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