

- Translation -

15 May 2020

Subject: Management's Discussion and Analysis for the Operating Results of the First Quarter of 2020

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 first quarter ended March 31st, 2020, which have been reviewed by the independent auditor. The Company's net profit decreased by 30.09% to Baht 47.31 million from Baht 67.67 million in the comparable quarter of 2019. The clarification of the Company operating results is as follows:

Income Statement (in million Baht)	1Q19	1Q20	% YoY
Revenue from sale of goods	302.22	272.46	-9.85%
Cost of sale of goods	(180.81)	(180.53)	-0.15%
Gross profit	121.41	91.93	-24.28%
Selling expenses	(18.25)	(15.80)	-13.42%
Administrative expenses	(32.29)	(30.36)	-5.98%
Operating profit	70.87	45.77	-35.42%
Net foreign exchange gain/(loss)	(0.35)	1.66	-574.29%
Other income	0.93	1.69	81.72%
Earnings before interest and taxes	71.45	49.12	-31.25%
Finance costs	(0.50)	(0.56)	12.00%
Profit before income tax expense	70.95	48.56	-31.56%
Income tax expense	(3.28)	(1.25)	-61.89%
Profit for the period	67.67	47.31	-30.09%

Revenue from Sales

During the 1st quarter of 2020, the Company booked the total revenue from sales in the amount of Baht 272.46 million, which resulted in a decrease of Baht 29.76 million or 9.85%. Such decrease stemmed from a decrease in sales volume of sauces and condiments in Europe.

	1Q19	1Q20	% YoY
Sales volume (Ton)			
- Euro	382	251	-34.29%
- United States dollar	622	550	-11.58%
- Thailand baht	2,740	2,534	-7.52%
Total sales volume (Ton)	3,744	3,335	-10.92%
Average FX			
- THB/EUR	35.51	34.10	-3.97%
- THB/USD	31.41	31.07	-1.08%

Cost of Sales

Cost of sales for the 1st quarter of 2020 was Baht 180.53 million which decreased in the amount of Baht 0.28 million or 0.15% as compared with the same period of 2019. This decrease was in line with revenue from sales.

Gross Profit Margin

During the 1st quarter of 2020, gross profit margin is equal to 33.74%, which decreased from 40.17% as compared to the same quarter of 2019. This is because the customers' purchase order had declined, and as a result, the overall utilization rate was lowered, and the cancellation of the reclassification of fixed costs at the new factory had incurred as a result of lower-than-normal production capacity to administrative expenses. Consequently, the production cost per unit has increased. In addition, the proportion of revenue from sales of sauces and condiments also decreased.

Selling Expenses

Selling expenses for the 1st quarter of 2020 were Baht 15.80 million, which decreased Baht 2.45 million or 13.42% from the same period of 2019. This decrease was in line with a decrease in revenue from sales.

Administrative Expenses

Administrative expenses for the 1st quarter of 2020 were Baht 30.36 million, which decreased by Baht 1.93 million or 5.98% from the same period of 2019. Such decrease stemmed from the cancellation of the reclassification of fixed costs at the new factory that incurred as a result of lower-than-normal production capacity.

Net Profit

The Company's net profit for the 1st quarter of 2020 was Baht 47.31 million, which decreased by 30.09% from Baht 67.67 million recorded in the same quarter of 2019. Such decrease stemmed from a decrease in revenue from sales and gross profit margin.

Please be informed accordingly.

Sincerely yours,

-Signed-

(Mr. Jittiporn Jantarach)
Managing Director