

- Translation -

13 August 2020

Subject: Management's Discussion and Analysis for the Operating Results of the Second 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 second quarter ended June 30th, 2020, which have been reviewed by the independent auditor. The Company's net profit increased by 560.82% or equal to Baht 91.92 million as compared to the same quarter of 2019 which was recorded at Baht 13.91 million. During the 1H20, the Company recorded the net profit of Baht 139.23 million, which increased by 70.67%, as compared to the 1H19's net profit which was Baht 81.58 million. The clarification, along with a summary of the Company's operating results is shown in the table below:

Income Statement (million Baht)	2Q19	1Q20	2Q20	% YoY	% QoQ	1H19	1H20	% YoY
Revenue from sale of goods	210.14	272.46	339.34	61.48%	24.55%	512.36	611.80	19.41%
Cost of sale of goods	(142.60)	(180.53)	(197.36)	38.40%	9.32%	(323.41)	(377.89)	16.85%
Gross profit	67.54	91.93	141.98	110.22%	54.44%	188.95	233.91	23.79%
Selling expenses	(17.99)	(15.80)	(17.17)	-4.56%	8.67%	(36.24)	(32.97)	-9.02%
Administrative expenses	(35.84)	(30.36)	(29.00)	-19.08%	-4.48%	(68.13)	(59.36)	-12.87%
Operating profit	13.71	45.77	95.81	598.83%	109.33%	84.58	141.58	67.39%
Net foreign exchange gain/(loss)	(0.16)	1.66	(1.41)	781.25%	-184.94%	(0.51)	0.25	-149.02%
Other income	1.22	1.69	0.77	-36.89%	-54.44%	2.14	2.46	14.95%
Earnings before Interest and taxes	14.77	49.12	95.17	544.35%	93.75%	86.21	144.29	67.37%
Financial expense	(0.61)	(0.56)	(0.38)	-37.70%	-32.14%	(1.11)	(0.94)	-15.32%
Profit before income tax expense	14.16	48.56	94.79	569.42%	95.20%	85.10	143.35	68.45%
Income tax expense	(0.25)	(1.25)	(2.87)	1048.00%	129.60%	(3.52)	(4.12)	17.05%
Profit for the period	13.91	47.31	91.92	560.82%	94.29%	81.58	139.23	70.67%

Revenue from Sales

In 2Q20, the Company's total revenue from sales was Baht 339.34 million, which increased by Baht 129.20 million or 61.48% when compared with the same period in 2019. Such increase in the revenue from sales was mainly due to an increase in sales volume of seasoning and dipping sauce sold in Europe.

The total revenue from sales during 1H20 was recorded at Baht 611.80 million which resulted in an increase of Baht 99.44 million or 19.41%. Due to the recent outbreak of COVID-19, consumers were

staying at home and cook foods more frequently causing the demand for sauces and condiments to increase.

	2Q19	1Q20	2Q20	%YoY	%QoQ	1H19	1H20	%YoY
Sales volume (Ton)								
- Euro	333	251	275	-17.42%	9.56%	715	526	-26.43%
- United States dollar	524	550	637	21.56%	15.82%	1,146	1,187	3.58%
- Thailand baht	2,033	2,534	3,197	57.26%	26.16%	4,773	5,731	20.07%
Total sales volume (Ton)	2,890	3,335	4,109	42.18%	23.21%	6,634	7,444	12.21%
Average FX								
- THB/EUR	35.08	34.10	34.74	-0.97%	1.88%	35.30	34.41	-2.52%
- THB/USD	31.38	31.07	31.73	1.12%	2.12%	31.40	31.39	-0.03%

Cost of Sales

Cost of sales in 2Q20 was Baht 197.36 million which increased by Baht 54.76 million or 38.40% as compared to the same period in 2019. Such increase was in line with an increase in sales volume.

During 1H20, the Company recorded the cost of sales in the amount of Baht 377.89 million which increased by Baht 54.48 million or 16.85%. Such increase was in line with an increase in sales volume.

Gross Profit Margin

Gross profit margin has increased to 41.84% in 2Q20 as compared to the same period of last year including 1Q20. 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.

In 1H20, the Company's gross profit margin was 38.23%, which increased from 1H19 (at 36.88%). 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.

Selling Expenses

Selling expenses in 2Q20 were in the amount of Baht 17.17 million which decreased by Baht 0.82 million or 4.56% as compared to the same period in 2019 due to a decrease in promotional activities. However, selling expenses in 2Q20 increased by Baht 1.37 million or 8.67% as compared to previous quarter (1Q20). Such increase was in line with an increase in sales volume.

In 1H20, the Company's selling expenses were in the amount of Baht 32.97 million which decreased by Baht 3.27 million or 9.02% when compared with 1H19. Such decrease stemmed from a decrease in promotional activities.

Administrative Expenses

Administrative expenses in 2Q20 were Baht 29 million, which decreased by Baht 6.84 million or 19.08% as compared to the same quarter of last year. This is due to the cancellation of the reclassification of fixed costs at the new factory that incurred as a result of lower-than-normal production capacity. Compared with the administrative expenses in 1Q20, a decrease of Baht 1.36 million or 4.48% is observed, and this is mainly due to a decrease in staff cost.

In 1H20, the administrative expenses were Bath 59.36 million, which decreased by Baht 8.77 million or 12.87% as compared to 1H19. Such decrease was due to 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 in 2Q20 was Baht 91.92 million, which increased by 560.82% when compared with 2Q19. Comparing with the net profit in 1Q20, net profit increased by Baht 44.61 million or 94.29%. This increase stemmed from an increase in revenue from sales and gross profit margin, along with a decrease in administrative expenses.

In 1H20, the Company's net profit was Baht 139.23 million, which increased by 70.67% when compared with 1H19. Such increase stemmed from an increase in revenue from sales and gross profit margin, along with a decrease in selling and administrative expenses.

Please be informed accordingly.

Sincerely yours,

-Signed-

(Mr.Jittiporn Jantarach)
Managing Director