

No. FTI-2565/015

May 17, 2022

Re: Management Discussion and Analysis for the First Quarter of 2022

To: The President  
 The Stock Exchange of Thailand

Function International Public Company Limited (the Company) would like to clarify the operating results for the first quarter ended March 31, 2022 which was reviewed by a certified public accountant (CPA) as follows:

The operating results for the first quarter of 2022, the Company has total revenue Baht 178.05 million, decreased by Baht 4.09 million or 2.25 percent and the profit for the period Baht 13.73 million, increased Baht 4.21 million or 44.18 percent, mainly are from as follows:

Operating Results	First Quarter of 2022		First Quarter of 2021		Movement	
	Amount	%	Amount	%	Amount	%
Revenues from sales and services	178.05	100.00	182.14	100.00	(4.09)	(2.25)
Cost of sales and services	125.69	70.59	129.46	71.08	(3.77)	(2.91)
Gross profit	52.36	29.41	52.68	28.92	(0.32)	(0.61)
Other revenues	1.63	0.92	0.58	0.32	1.05	181.73
Distribution cost	16.69	9.37	19.10	10.49	(2.41)	(12.63)
Administrative expenses	19.52	10.96	21.54	11.83	(2.02)	(9.37)
Financial cost - interest	0.65	0.36	0.75	0.41	(0.10)	(12.99)
Profit before income tax expenses	17.13	9.62	11.88	6.52	5.26	44.28
Income tax expenses	3.40	1.91	2.35	1.29	1.05	44.68
Profit for the period	13.73	7.71	9.52	5.23	4.21	44.18
Other comprehensive income	13.73	7.71	12.57	6.90	1.16	9.25

## Revenues from sales and services

In the first quarter of 2022, the Company has revenues from sales and services Baht 178.05 million, decreased from the same period of the previous year Baht 4.09 million or 2.25 percent because the activated carbon suppliers from overseas were affected by Covid-19 pandemic, resulting delayed raw materials. At present, the Company can find other suppliers to provide such raw materials.

## Cost of sales and services

In the first quarter of 2022, the Company has cost of sales and services Baht 125.69 million, decreased from the same period of the previous year Baht 3.77 million, in line with the decrease in revenues.

## Distribution cost

In the first quarter of 2022, the Company has distribution cost Baht 16.69 million or 9.37 percent of revenues from sales and services, decreased from the same period of the previous year Baht 2.41 million or 12.63 percent because of the amortization of Water Store decoration due in 2021 and the decrease in storage expense.

## Administrative expenses

In the first quarter of 2022, the Company has administrative expenses Baht 19.52 million or 10.96 percent of revenues from sales and services, decreased from the same period of the previous year Baht 2.02 million or 9.37 percent because of the decrease in employee expense.

## Profit

In the first quarter of 2022, the Company has gross profit Baht 52.36 million, decreased from the same period of the previous year Baht 0.32 million, in line with the decrease in revenues. Gross

profit margin increased 29.41 percent of revenues from sales and services because of the decrease in manufacturing expense.

The Company has net profit at Baht 13.73 million or 7.71 percent of revenues from sales and services, increased Baht 4.41 million or 44.18 percent.

## Financial position

### Total assets

As at March 31, 2022, the Company has total assets Baht 560.51 million, decreased from the end of pervious year at 1.27 percent, mainly from the decrease in inventories and the depreciation of property, plant and equipment.

### Total liabilities

As at March 31, 2022, the Company has total liabilities Baht 190.83 million, decreased from the end of previous year at 9.90 percent, mainly from making payment of short-term loan from financial institutions.

### Shareholder's equity

As at March 31, 2022, the Company has shareholder's equity Baht 369.68 million, increased from the end of previous year at 3.86 percent, mainly from the increase of the operating profit.

Please be informed accordingly.

Yours sincerely,

(Mr. Kaweewat Siriwongmongkol)

Chief Financial Officer