

No. FTI-2565/015

August 10, 2022

Re: Management Discussion and Analysis for the Second 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 second quarter ended June 30, 2022 which was reviewed by a certified public accountant (CPA) as follows:

The operating results for the Second quarter of 2022, the Company has total revenue Baht 357.81 million, decreased by Baht 8.56 million or 2.34 percent and the profit for the period Baht 21.03 million, increased Baht 3.78 million or 21.94 percent, mainly are from as follows:

Operating Results	Second Quarter of 2022		Second Quarter of 2021		Movement	
	Amount	%	Amount	%	Amount	%
Revenues from sales and services	357.81	100.00%	366.37	100.00%	(8.56)	-2.34%
Cost of sales and services	255.07	71.29%	259.93	70.95%	(4.86)	-1.87%
Gross profit	102.74	28.71%	106.44	29.05%	(3.70)	-3.48%
Other revenues	0.96	0.27%	1.60	0.44%	(0.64)	-39.96%
Distribution cost	34.35	9.60%	36.96	10.09%	(2.61)	-7.07%
Administrative expenses	44.93	12.56%	48.15	13.14%	(3.22)	-6.69%
Financial cost - Interest	1.33	0.37%	1.35	0.37%	(0.02)	-1.81%
Profit before income tax expenses	23.09	6.45%	21.58	5.89%	1.52	7.03%
Income tax expenses	2.06	0.58%	4.32	1.18%	(2.26)	-52.31%
Profi for the Period	21.03	5.88%	17.25	4.71%	3.78	21.94%
Other cpmprehensive income	21.03	5.88%	20.30	5.54%	0.73	3.62%

Revenues from sales and services

In the second quarter of 2022, the Company has revenues from sales and services Baht 357.81 million, decreased from the same period of the previous year Baht 8.56 million or 2.34 percent from the impact of household customers decreased 28 percent drop in consumer purchasing power. but the income of Commercial and industrial customer increased 25 percent due to the easing of the Covid-19 epidemic.

Cost of sales and services

In the second quarter of 2022, the Company has cost of sales and services Baht 255.07 million, decreased from the same period of the previous year Baht 4.86 million, in line with the decrease in revenues.

Gross Profit

In the second quarter of 2022, the Company has gross profit Baht 102.74 million, decreased from the same period of the previous year Baht 3.70 million, in line with the decrease in revenues.

Distribution cost

In the first quarter of 2022, the Company has distribution cost Baht 34.35 million decreased from the same period of the previous year Baht 2.61 million or 7.07 percent because of the amortization of Water Store decoration due in 2021 and the decrease in Warehouse expense.

Administrative expenses

In the first quarter of 2022, the Company has administrative expenses Baht 44.93 million decreased from the same period of the previous year Baht 3.22 million or 6.69 percent because of the decrease in employee expense.

Profit

In the second quarter of 2022, The Company has profit for the period at Baht 21.03 million increased Baht 3.78 million or 21.94 percent.

Financial position

Total assets

As at June 30, 2022, the Company has total assets Baht 887.98 million, increased Baht 320.23 million or 56.40 percent from the end of pervious year at percent, mainly from the increase Cash and cash equivalents Baht 240 million, Trade and other current receivables Baht 8 million, Inventories Baht 51 million, and the property, plant and equipment. Baht 25 million,

Total liabilities

As at June 30, 2022, the Company has total liabilities Baht 198.63 million, decreased from the end of previous year at Baht 13.17 million or 6.22 percent, mainly from making payment of short-term loan from financial institutions.

Shareholder's equity

As at June 30, 2022, the Company has shareholder's equity Baht 689.35 million, increased from the end of previous year at Baht 333.40 Million or 93.67 percent, mainly from the increase of the Share capital Baht 325 Million in May 2022 (with share premium, net of Baht 182.37 million) and profit from operation

Please be informed accordingly.

Yours sincerely,

(Mr. Kaweewat Siriwongmongkol)

Chief Financial Officer