

No. FTI-SET-2566/002

February 24, 2023

Re: Management Discussion and Analysis for Year 2022

To: The President
 The Stock Exchange of Thailand

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

The operating results for year of 2022, the Company has total revenue Baht 696.76 million, decreased by Baht 20.77 million or 3 percent and the profit for the period Baht 36.03 million, decreased Baht 0.36 million or 1 percent, mainly are from as follows:

Operating Results	YE 2022		YE 2021		Movement	
	Amount	%	Amount	%	Amount	%
Revenues from sales and services	696.76	100.00%	717.53	100.00%	(20.77)	-3%
Cost of sales and services	501.21	71.93%	514.83	71.75%	(13.62)	-3%
Gross profit	195.55	28.07%	202.70	28.25%	(7.15)	-4%
Other revenues	3.31	0.48%	3.21	0.45%	0.10	3%
Distribution cost	67.21	9.65%	69.05	9.62%	(1.84)	-3%
Administrative expenses	87.37	12.54%	88.54	12.34%	(1.17)	-1%
Financial cost - Interest	2.37	0.34%	2.84	0.40%	(0.47)	-17%
Profit before income tax expenses	41.91	6.01%	45.48	6.34%	(3.57)	-8%
Income tax expenses	5.88	0.84%	9.09	1.27%	(3.21)	-35%
Profit for the Period	36.03	5.17%	36.39	5.07%	(0.36)	-1%

Revenues from sales and services

In the year 2022, the Company has revenues from sales and services Baht 696.76 million, decreased from the same period of the previous year Baht 20.77 million or 3 percent from the impact household and media & chemical customers decreased 11 percent drop in consumer purchasing power. but the income of Commercial and industrial customer increased 9 percent due to the easing of the Covid-19 epidemic.

Cost of sales and services

In the year 2022, the Company has cost of sales and services Baht 501.21 million, decreased from the same period of the previous year Baht 13.62 million, in line with the decrease in revenues.

Gross Profit

In the year 2022, the Company has gross profit Baht 195.55 million, decreased from the same period of the previous year Baht 7.15 million, in line with the decrease in revenues.

Distribution cost

In the year 2022, the Company has distribution cost Baht 67.21 million decreased from the same period of the previous year Baht 1.84 million or 3 percent because of the amortization of Water Store decoration due in 2021 and the decrease in Warehouse expense.

Administrative expenses

In the year 2022, the Company has administrative expenses Baht 87.37 million decreased from the same period of the previous year Baht 1.17 million or 1 percent because of the decrease in employee expense.

Profit

In the year 2022, The Company has profit for the period at Baht 36.03 million decreased Baht 0.36 million or 1 percent, in line with the decrease in revenues

Financial position

Total assets

As at December 31, 2022, the Company has total assets Baht 870.97 million, increased Baht 303.22 million or 53 percent from the end of pervious year at percent, mainly from the increased Cash and cash equivalents Baht 217.40 million, Inventories Baht 45.74 million, and the property, plant and equipment. Baht 40.22 million.

Total liabilities

As at December 31, 2022, the Company has total liabilities Baht 161.32 million, decreased from the end of previous year at Baht 50.48 million or 24 percent, mainly from making payment of loan from financial institutions.

Shareholder's equity

As at December 31, 2022, the Company has shareholder's equity Baht 709.65 million, increased from the end of previous year at Baht 353.70 Million or 99 percent, mainly from the increase of the Share capital Baht 130 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