

February 26, 2022

Re: Discussion and Analysis of Financial Position and Operating Performance

To: Director and Manager of Stock Exchange of Thailand

Better World Green Public Company Limited and subsidiaries hereby (the "Company") clarifies the operating performance for the year ended December 31, 2021, as detailed below:

Operating Performance Analysis

Overall operating performance for the Year ended December 31, 2021

(Unit : Baht)

Income Statement	31 Dec 21	percent	31 Dec 20	percent	Increase(decrease)	percent
Total Income	2,212,813,686	100.00%	1,928,495,504	100.00%	284,318,182	14.74%
Sales and services income	1,446,726,034	65.38%	1,222,037,197	63.37%	224,688,837	18.39%
Electricity income	730,211,189	33.00%	670,566,772	34.77%	59,644,417	8.89%
Construction income	5,754,978	0.26%	22,715,492	1.18%	(16,960,514)	-74.66%
Total Revenues	2,182,692,201	98.64%	1,915,319,461	99.32%	267,372,740	13.96%
Cost of sale and service	(1,308,794,302)	-90.47%	(986,806,147)	-80.75%	321,988,155	32.63%
Cost of electricity	(390,877,775)	-53.53%	(312,987,676)	-46.68%	77,890,099	24.89%
Cost of construction	(5,754,978)	-100.00%	(202,959,409)	-893.48%	(197,204,431)	-97.16%
Total Costs	(1,705,427,055)	-78.13%	(1,502,753,232)	-78.46%	202,673,823	13.49%
Gross Profit	477,265,146	32.99%	412,566,229	33.76%	64,698,917	15.68%
Other income	30,121,485	1.36%	13,176,043	0.68%	16,945,442	128.61%
Profit before expenses	507,386,631	22.93%	425,742,272	22.08%	81,644,359	19.18%
Service expenses	(38,360,141)	-1.73%	(25,130,688)	-1.30%	13,229,453	52.64%
Administrative expenses	(285,325,390)	-12.89%	(229,245,769)	-11.89%	56,079,621	24.46%
Executive compensation	(68,592,110)	-3.10%	(67,334,083)	-3.49%	1,258,027	1.87%
Finance costs	(134,273,101)	-6.07%	(130,813,475)	-6.78%	3,459,626	2.64%
Total Expenses	(526,550,742)	-23.80%	(452,524,015)	-23.47%	74,026,727	-16.36%
Profit before income tax expense	(19,164,111)	-0.87%	(26,781,743)	-1.39%	7,617,632	-28.44%
Income tax expense	(13,033,927)	-0.59%	(25,479,110)	-1.32%	(12,445,183)	-48.84%
Net profit (loss) for the period	(32,198,038)	-1.46%	(52,260,853)	-2.71%	20,062,815	-38.39%

Note: The ratio in the income statement is as a percentage of total revenue, except for the cost of sales and services, cost of construction, and gross profit that expressed as a percentage of revenues in each category.

Sales and Services Income:

Due to the marketing strategy of the Company group, the amount of industrial waste that was disposed of was increased at a rate of 38 percent. The company has adjusted the price policy, as a result, the average service fee per ton declined by 14 percent, resulting in an increase in revenue of 225 million Baht or 18 percent compared to the same period of the prior year.

Electricity Income:

The group of subsidiaries, which are the production and distribution of electricity from industrial waste, produced and sold all electricity in this year. Therefore, income from electricity sales increased by 60 million Baht or 9 percent compared to the same period last year.

Construction Income:

Construction revenue is a revenue from the project of rehabilitation at Huay Kliti from Pollution Control Department, Ministry of Natural Resources and Environment with a project value of 408 million Baht and duration of 1,000 working days which the company has delivered the work successfully on February 12, 2021.

Cost of Service:

Cost of industrial waste disposal services have significant variable costs including landfill costs, fuel costs, compensation costs for the Department of Factory and fixed costs which consist of salary expenses, employee compensation costs, and depreciation expenses.

The reason that the cost of service was more than the revenue from service in the separate financial statements:

In this year, during the rainy season, there was a lot of rain in the area which resulted in the collapse of some defensive lines. The downpour has been contaminated with the biological wastewater treatment system (open pond) and some areas of the landfill which caused an increase in the amount of wastewater. The factory has corrected and treated the wastewater that occurred. Some amount of wastewater has been exported for disposal at affiliates and external companies. As a result, the cost of wastewater treatment increased by 103 million Baht.

Cost of Construction:

They are recognized based on the cost of the project.

Other Income:

Other incomes were from the employment of providing other services, interest income, and profit from the sales of assets.

Service and Administrative expenses, Executive compensation, and Finance costs:

Most of these expenses are the sales support expenses, salaries, office employee benefits, administrative expenses, and depreciation of the office. During the end of the year, there were fires at 4 industrial waste sorting buildings with a total damage value of 27 million Baht and has deteriorated assets valued of 6 million Baht, including some buildings that are impaired by independent appraisals, amounting to 37 million Baht. Therefore, the total impact on the buildings was 70 million Baht, representing 5 percent of the net book value of the entire buildings which is in the category of administrative expenses. As a result, the expenses in this segment increased by a total of 56 million Baht.

Net Profit:

From the above reasons and causes, as a result, the company and its subsidiaries had the net loss for the year in the consolidated financial statements amounted to 32 million Baht and the net loss for the year in the separate financial statements amounted to 253 million Baht.

Financial Position Analysis

Overall financial position as at December 31, 2021

(Unit : Baht)

Statement of Financial Position	31 Dec 21	percent	31 Dec 20	percent	Increase(decrease)	percent
Total assets	8,321,560,379	100.00%	8,846,770,104	100.00%	-525,209,725	-5.94%
Total liabilities	2,885,875,490	34.68%	3,670,458,445	41.49%	-784,582,955	-21.38%
Total shareholders' equity	5,435,684,889	65.32%	5,176,311,659	58.51%	259,373,230	5.01%

Analysis of Assets:

The total assets at the end of the year decreased by 525 million Baht or 6 percent, mainly due to the depreciation of assets and amortization expenses with no material changes in assets.

Assets with value over 10 percent of total assets are as follows:

Cash and cash equivalents value 1,677 million Baht or 20 percent of total assets.

The property, plants, and equipment value 5,294 million Baht or 64 percent of total assets.

Analysis of Liabilities:

The total liabilities at the end of the year decreased by 785 million Baht or 22 percent, originated from business expansion.

Liabilities with value exceeding 10 percent of total assets are as follows:

Loans from financial institutions amounted 2,172 million Baht or 26 percent of total assets.

Analysis of Shareholders' equity:

The company had total shareholder's equity at the end of the year increased by 259 million Baht or 5 percent from the beginning of the year due to the specific capital increase of 296 million Baht, less operating losses of 32 million Baht and a dividend payment of 5 million Baht.

Please be informed accordingly.

Sincerely yours,

(Mr. Suthat Boonyaudomsart)

Vice Managing Director of Accounting & Finance Controller