

May 14, 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 Quarter 1, ended March 31, 2022, as detailed below:

Operating Performance Analysis

Overall operating performance for the Quarter 1, ended March 31, 2022

(Unit: Thousand Baht)

Income Statement	31 Mar 22	percent	31 Mar 21	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>591,392</b>	<b>100.00%</b>	<b>528,182</b>	<b>100.00%</b>	<b>63,210</b>	<b>11.97%</b>
Sales and services income	368,071	62.24%	346,781	65.66%	21,290	6.14%
Electricity income	176,046	29.77%	172,637	32.69%	3,409	1.97%
Construction income	38,661	6.54%	5,755	1.09%	32,906	571.78%
<b>Total Revenues</b>	<b>582,778</b>	<b>98.54%</b>	<b>525,173</b>	<b>99.43%</b>	<b>57,605</b>	<b>10.97%</b>
Cost of sale and service	(342,474)	-93.05%	(297,560)	-85.81%	44,914	15.09%
Cost of electricity	(106,706)	-60.61%	(88,174)	-51.07%	18,532	21.02%
Cost of construction	(35,005)	-90.54%	(5,755)	-100.00%	29,250	508.25%
<b>Total Costs</b>	<b>(484,185)</b>	<b>-83.08%</b>	<b>(391,489)</b>	<b>-74.54%</b>	<b>92,696</b>	<b>23.68%</b>
<b>Gross Profit</b>	<b>98,593</b>	<b>26.79%</b>	<b>133,684</b>	<b>38.55%</b>	<b>(35,091)</b>	<b>-26.25%</b>
Other income	8,614	1.46%	3,009	0.57%	5,605	186.27%
<b>Profit before expenses</b>	<b>107,207</b>	<b>18.13%</b>	<b>136,693</b>	<b>25.88%</b>	<b>(29,486)</b>	<b>-21.57%</b>
Service expenses	(13,002)	-2.20%	(8,990)	-1.70%	4,012	44.63%
Administrative expenses	(49,783)	-8.42%	(49,882)	-9.44%	(99)	-0.20%
Executive compensation	(18,200)	-3.08%	(16,578)	-3.14%	1,622	9.78%
Finance costs	(30,918)	-5.23%	(36,561)	-6.92%	(5,643)	-15.43%
<b>Total Expenses</b>	<b>(111,903)</b>	<b>-18.92%</b>	<b>(112,011)</b>	<b>-21.21%</b>	<b>(108)</b>	<b>0.10%</b>
<b>Profit before income tax expense</b>	<b>(4,696)</b>	<b>-0.79%</b>	<b>24,682</b>	<b>4.67%</b>	<b>(29,378)</b>	<b>-119.03%</b>
Income tax expense	(1,088)	-0.18%	(3,841)	-0.73%	(2,753)	-71.67%
<b>Net profit (loss) for the period</b>	<b>(5,784)</b>	<b>-0.98%</b>	<b>20,841</b>	<b>3.95%</b>	<b>(26,625)</b>	<b>-127.75%</b>

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 27 percent. The company has adjusted the price policy, as a result, the average service fee per ton declined by 17 percent, resulting in an increase in revenue of 21 Million Baht or 6 percent compared to the same Quarter of the prior year.

**Electricity Income:**

The group of subsidiaries that produce and distribute electricity from industrial waste gain income from electricity sales which increased by 3.41 Million Baht or 2 percent compared to the same quarter of the 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 205 Million Baht (including VAT) and a working period until the end of 2022.

**Cost of Service:**

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

**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, office administrative expenses, depreciation of the office, and interest expenses for financial institutions.

**Net Profit:**

From the above reasons and causes, as a result, the company and its subsidiaries had the net loss for the Quarter 1 in the consolidated financial statements amounted to 6 Million Baht and the net loss for the year in the separate financial statements amounted to 48 Million Baht.

## Financial Position Analysis

Overall financial position as at March 31, 2021

(Unit: Thousand Baht)

Statement of Financial Position	31 Mar 22	percent	31 Dec 21	percent	Increase(decrease)	percent
Total assets	8,181,137	100.00%	8,321,561	100.00%	(140,424)	-1.69%
Total liabilities	2,751,236	33.63%	2,885,876	34.68%	(134,640)	-4.67%
Total shareholders' equity	5,429,901	66.37%	5,435,685	65.32%	(5,784)	-0.11%

### Analysis of Assets:

The total assets at the end of the Quarter 1 decreased by 140 Million Baht or 2 percent, mainly due to the write-off of assets in the form of depreciation and amortization expenses of 111 Million Baht and there were no material changes in other remaining assets.

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

Cash and cash equivalents value 1,455 Million Baht or 18 percent of total assets.

The property, plants, and equipment value 5,187 Million Baht or 63 percent of total assets.

### Analysis of Liabilities:

The total liabilities at the end of the Quarter 1 decreased by 135 Million Baht or 5 percent, originated from business expansion.

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

Loans from financial institutions amounted 2,027 Million Baht or 74 percent of total liabilities.

### Analysis of Shareholders' equity:

The company's total shareholder's equity at the end of the Quarter 1 decreased by 6 Million Baht or 0.11 percent due to operating losses.

Please be informed accordingly.

Sincerely yours,

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(Mr. Suthat Boonyaudomsart)

Vice Managing Director of Accounting & Finance Controller