

At BWG-M012/2022 – MD

August 13, 2022

Re: Discussion and Analysis of Financial Position and Results of Operations  
To: President Stock Exchange of Thailand

Better World Green Public Company Limited and subsidiaries hereby (the "Company") clarifies the operating performance for the Quarter 2 and six months period, ended June 30, 2022, as detailed below:

### Performance Analysis

Overall operating results for the Quarter 2, ended June 30, 2022 (Unit: Thousand Baht)

Statements of Income	30 Jun 22	percent	30 Jun 21	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>729,101</b>	<b>100.00%</b>	<b>536,612</b>	<b>100.00%</b>	<b>192,489</b>	<b>35.87%</b>
Sale and service income	394,484	54.11%	343,611	64.03%	50,873	14.81%
Electricity income	194,012	26.61%	190,079	35.42%	3,933	2.07%
Construction income	110,541	15.16%	-	-	110,541	100.00%
<b>Total Revenues</b>	<b>699,037</b>	<b>95.88%</b>	<b>533,690</b>	<b>99.46%</b>	<b>165,347</b>	<b>30.98%</b>
Cost of sale and service	(337,120)	-85.46%	(315,522)	-91.83%	21,598	6.85%
Cost of electricity	(112,878)	-58.18%	(92,201)	-48.51%	20,677	22.43%
Cost of construction	(102,948)	0.00%	-	-	102,948	100.00%
<b>Total Costs</b>	<b>(552,946)</b>	<b>-79.10%</b>	<b>(407,723)</b>	<b>-76.40%</b>	<b>145,223</b>	<b>35.62%</b>
<b>Gross profit Margin</b>	<b>146,091</b>	<b>37.03%</b>	<b>125,967</b>	<b>36.66%</b>	<b>20,124</b>	<b>15.98%</b>
Other income	30,064	4.12%	2,922	0.54%	27,142	928.88%
<b>Profit before expenses</b>	<b>176,155</b>	<b>24.16%</b>	<b>128,889</b>	<b>24.02%</b>	<b>47,266</b>	<b>36.67%</b>
Service expenses	(9,484)	-1.30%	(8,231)	-1.53%	1,253	15.22%
Administrative expenses	(62,316)	-8.55%	(44,001)	-8.20%	18,315	41.62%
Management benefit expenses	(17,509)	-2.40%	(17,082)	-3.18%	427	2.50%
finance costs	(27,520)	-3.77%	(34,503)	-6.43%	(6,983)	-20.24%
<b>Total expenses</b>	<b>(116,829)</b>	<b>-16.02%</b>	<b>(103,817)</b>	<b>-19.35%</b>	<b>13,012</b>	<b>-12.53%</b>
<b>Profit before income tax expense</b>	<b>59,326</b>	<b>8.14%</b>	<b>25,072</b>	<b>4.67%</b>	<b>34,254</b>	<b>136.62%</b>
Income tax expense	(3,680)	-0.50%	(3,552)	-0.66%	128	3.60%
<b>Net profit for the period</b>	<b>55,646</b>	<b>7.63%</b>	<b>21,520</b>	<b>4.01%</b>	<b>34,126</b>	<b>158.58%</b>
Equity holders of the Company	14,316	1.96%	(23,834)	-4.44%	38,150	-160.07%

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

Overall operating results for six months period, ended June 30, 2022 (Unit: Thousand Baht)

Statements of Income	30 Jun 22	percent	30 Jun 21	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>1,320,494</b>	<b>100.00%</b>	<b>1,064,794</b>	<b>100.00%</b>	<b>255,700</b>	<b>24.01%</b>
Sale and service income	762,556	57.75%	690,392	64.84%	72,164	10.45%
Electricity income	370,058	28.02%	362,716	34.06%	7,342	2.02%
Construction income	149,202	11.30%	5,755	0.54%	143,447	2492.56%
Total Revenues	1,281,816	97.07%	1,058,863	99.44%	222,953	21.06%
Cost of sale and service	(678,594)	-88.99%	(613,082)	-88.80%	65,512	10.69%
Cost of electricity	(219,584)	-59.34%	(180,375)	-49.73%	39,209	21.74%
Cost of construction	(138,954)	-93.13%	(5,755)	-100.00%	133,199	2314.49%
Total Costs	(1,037,132)	-80.91%	(799,212)	-75.48%	237,920	29.77%
<b>Gross profit Margin</b>	<b>244,684</b>	<b>32.09%</b>	<b>259,651</b>	<b>37.61%</b>	<b>(14,967)</b>	<b>-5.76%</b>
Other income	38,678	2.93%	5,931	0.56%	32,747	552.13%
<b>Profit before expenses</b>	<b>283,362</b>	<b>21.46%</b>	<b>265,582</b>	<b>24.94%</b>	<b>17,780</b>	<b>6.69%</b>
Service expenses	(22,486)	-1.70%	(17,222)	-1.62%	5,264	30.57%
Administrative expenses	(112,098)	-8.49%	(93,882)	-8.82%	18,216	19.40%
Management benefit expenses	(35,710)	-2.70%	(33,660)	-3.16%	2,050	6.09%
finance costs	(58,438)	-4.43%	(71,064)	-6.67%	(12,626)	-17.77%
<b>Total expenses</b>	<b>(228,732)</b>	<b>-17.32%</b>	<b>(215,828)</b>	<b>-20.27%</b>	<b>12,904</b>	<b>-5.98%</b>
<b>Profit before income tax expense</b>	<b>54,630</b>	<b>4.14%</b>	<b>49,754</b>	<b>4.67%</b>	<b>4,876</b>	<b>9.80%</b>
Income tax expense	(4,769)	-0.36%	(7,393)	-0.69%	-2,624	-35.49%
<b>Net profit for the period</b>	<b>49,861</b>	<b>3.78%</b>	<b>42,361</b>	<b>3.98%</b>	<b>7,500</b>	<b>17.70%</b>
Equity holders of the Company	(19,317)	-1.46%	(34,591)	-3.25%	15,274	-44.16%

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

### **Sales and Services Income:**

For revenue from sales and service of industrial waste disposal for a six months period, the company has adjusted its marketing strategy which makes it possible to adjust the average service rate to increase by 4 percent. The amount of industrial waste that was disposed of was increased at a rate of 7 percent, resulting in an increase in revenues in this part of 72 million Baht or 10 percent when compared to the same period of prior year.

### **Electricity Income:**

A total of 3 power plants, the group of subsidiaries which produces and distributes electricity from industrial waste, had revenue from electricity sales increased by 7 million Baht or 2 percent compared to the same period prior year. The ability to produce and sell electricity increased from 56.70 million units to 58.34 million units, an increase of 1.64 million units or 3 percent compared to the same period last year.

**Construction Income:**

Construction revenue is a revenue from the project of rehabilitation at Huay Kliti from the Pollution Control Department, Ministry of Natural Resources and Environment with a project value of 204.99 million Baht and duration of 300 working days which the contract started on February 1, 2022.

**Cost of Service:**

Cost of industrial waste disposal services depended on the variable costs of landfill amortization, transportation and equipment fuel, remuneration to the Department of Industrial Works, and some fixed costs of operation including salaries, employees' benefits, and depreciation.

**Cost of Construction:**

They are acknowledged as per the cost of the project.

**Other Income:**

Other incomes were from other services and interest income.

**Service and Administrative expenses, Executive compensation, and Financial costs:**

Most of these expenses are the Sales Support Expenses, Salaries and employee benefits, executive compensation, office depreciation expenses. The expenses in the second quarter and a six-month period accounted for a decrease of 3 percent of total revenue when compared to the prior year.

**Net Profit:**

From the above reasons and causes, as a result, the company and its subsidiaries had a net profit for the Quarter 2 of 55 million Baht in the consolidated financial statements, a profit in the separate financial statements of 2 million Baht. Also, it had a net profit for the period of six months in the consolidated financial statements of 50 million Baht, a loss in the separate financial statements of 46 million Baht.

## **Financial Position Analysis**

Overall financial position as at June 30, 2022

(Unit :Thousand Baht)

Statement of financial position	30 Jun 22	percent	31 Dec 21	percent	increase(decrease)	percent
Total asset	8,169,246	100.00%	8,321,561	100.00%	(152,315)	-1.83%
Total liabilities	2,693,560	32.97%	2,885,876	34.68%	(192,316)	-6.66%
Total equity	5,475,686	67.03%	5,435,685	65.32%	40,001	0.74%

### **Analysis of Assets:**

The total assets as of June 30, 2022, decreased by 152 million Baht or 2 percent, mainly due to the depreciation of assets, amortization expenses, and repayment of investment loans to financial institutions with no material changes in assets.

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

Cash and cash equivalents 1,341 million Baht or 16 percent of total assets.

The property, plants, and equipment 5,150 million Baht or 63 percent of total assets.

### **Analysis of Liabilities:**

The total liabilities as of June 30, 2022, decreased by 192 million Baht or 7 percent, originated from business expansion.

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

Loans from financial institutions 1,907 million Baht or 23 percent of total assets.

### **Analysis of Shareholders' equity:**

The company had total shareholder's equity as of June 30, 2022 increasing from the beginning of the year by 40 million Baht or 1 percent due to the operating results of 50 million Baht and dividend payment of 10 million Baht.

Please be informed accordingly.

Sincerely yours,

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(Mr. Suthat Boonyaudomsart)

Vice Managing Director of Accounting & Finance Controller