

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 3 and the nine months period, ended September 30, 2022, as detailed below:

### Operating Performance Analysis

Overall operating performance for the Quarter 3, ended September 30, 2022

(Unit: Thousand Baht)

Statements of Income	30 Sep 22	percent	30 Sep 21	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>631,796</b>	<b>100.00%</b>	<b>573,222</b>	<b>100.00%</b>	<b>58,574</b>	<b>10.22%</b>
Sales and services income	402,184	63.66%	384,095	67.01%	18,089	4.71%
Electricity income	184,377	29.18%	175,090	30.54%	9,287	5.30%
Construction income	41,952	6.64%	-	-	41,952	100.00%
<b>Total Revenues</b>	<b>628,513</b>	<b>99.48%</b>	<b>559,185</b>	<b>97.55%</b>	<b>69,328</b>	<b>12.40%</b>
Cost of sale and service	-366,675	-91.17%	-351,845	-91.60%	14,830	4.21%
Cost of electricity	-114,458	-62.08%	-100,300	-57.28%	14,158	14.12%
Cost of construction	-43,374	0.00%	-	-	43,374	100.00%
<b>Total Costs</b>	<b>-524,507</b>	<b>-83.45%</b>	<b>-452,145</b>	<b>-80.86%</b>	<b>72,362</b>	<b>16.00%</b>
<b>Gross Profit</b>	<b>104,006</b>	<b>25.86%</b>	<b>107,040</b>	<b>27.87%</b>	<b>-3,034</b>	<b>-2.83%</b>
Other income	3,283	0.52%	14,037	2.45%	-10,754	-76.61%
<b>Profit before expenses</b>	<b>107,289</b>	<b>16.98%</b>	<b>121,077</b>	<b>21.12%</b>	<b>-13,788</b>	<b>-11.39%</b>
Service expenses	-9,443	-1.49%	-11,527	-2.01%	-2,084	-18.08%
Administrative expenses	-43,853	-6.94%	-46,281	-8.07%	-2,428	-5.25%
Management benefit expenses	-19,168	-3.03%	-16,527	-2.88%	2,641	15.98%
<b>Total Expenses</b>	<b>-72,464</b>	<b>-11.47%</b>	<b>-74,335</b>	<b>-12.97%</b>	<b>-1,871</b>	<b>2.52%</b>
<b>Profit from operating</b>	<b>34,825</b>	<b>5.51%</b>	<b>46,742</b>	<b>8.15%</b>	<b>-11,917</b>	<b>-25.50%</b>
Finance costs	-28,759	-4.55%	-32,740	-5.71%	-3,981	-12.16%
<b>Profit before income tax expense</b>	<b>6,066</b>	<b>0.96%</b>	<b>14,002</b>	<b>2.44%</b>	<b>-7,936</b>	<b>-56.68%</b>
Income tax expense	-7,178	-1.14%	-2,902	-0.51%	4,276	147.35%
<b>Net profit (loss) for the period</b>	<b>-1,112</b>	<b>-0.18%</b>	<b>11,100</b>	<b>1.94%</b>	<b>-12,212</b>	<b>-110.02%</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.

Overall operating performance for the nine month period, ended September 30, 2022

(Unit: Thousand Baht)

Statements of Income	30 Sep 22	percent	30 Sep 21	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>1,952,290</b>	<b>100.00%</b>	<b>1,638,016</b>	<b>100.00%</b>	<b>314,274</b>	<b>19.19%</b>
Sales and services income	1,164,740	59.66%	1,074,487	65.60%	90,253	8.40%
Electricity income	554,435	28.40%	537,806	32.83%	16,629	3.09%
Construction income	191,154	9.79%	5,755	0.35%	185,399	3221.53%
<b>Total Revenues</b>	<b>1,910,329</b>	<b>97.85%</b>	<b>1,618,048</b>	<b>98.78%</b>	<b>292,281</b>	<b>18.06%</b>
Cost of sale and service	(1,045,268)	-89.74%	(964,927)	-89.80%	80,341	8.33%
Cost of electricity	(334,043)	-60.25%	(280,675)	-52.19%	53,368	19.01%
Cost of construction	(182,328)	-95.38%	(5,755)	-100.00%	176,573	3068.17%
<b>Total Costs</b>	<b>(1,561,639)</b>	<b>-81.75%</b>	<b>(1,251,357)</b>	<b>-77.34%</b>	<b>310,282</b>	<b>24.80%</b>
<b>Gross Profit</b>	<b>348,690</b>	<b>29.94%</b>	<b>366,691</b>	<b>34.13%</b>	<b>(18,001)</b>	<b>-4.91%</b>
Other income	41,961	2.15%	19,968	1.22%	21,993	110.14%
<b>Profit before expenses</b>	<b>390,651</b>	<b>20.01%</b>	<b>386,659</b>	<b>23.61%</b>	<b>3,992</b>	<b>1.03%</b>
Service expenses	(31,929)	-1.64%	(28,748)	-1.76%	3,181	11.07%
Administrative expenses	(155,951)	-7.99%	(140,163)	-8.56%	15,788	11.26%
Management benefit expenses	(54,878)	-2.81%	(50,187)	-3.06%	4,691	9.35%
<b>Total Expenses</b>	<b>(242,758)</b>	<b>-12.43%</b>	<b>(219,098)</b>	<b>-13.38%</b>	<b>23,660</b>	<b>-10.80%</b>
<b>Profit from operating</b>	<b>147,893</b>	<b>7.58%</b>	<b>167,561</b>	<b>10.23%</b>	<b>(19,668)</b>	<b>-11.74%</b>
Finance costs	(87,197)	-4.47%	(103,806)	-6.34%	(16,609)	-16.00%
<b>Profit before income tax expense</b>	<b>60,696</b>	<b>3.11%</b>	<b>63,755</b>	<b>3.89%</b>	<b>(3,059)</b>	<b>-4.80%</b>
Income tax expense	(11,947)	-0.61%	(10,295)	-0.63%	1,652	16.05%
<b>Net profit (loss) for the period</b>	<b>48,749</b>	<b>2.50%</b>	<b>53,460</b>	<b>3.26%</b>	<b>(4,711)</b>	<b>-8.81%</b>
Profit (loss) attribute to the parent company	(54,447)	-2.79%	(59,645)	-3.64%	5,198	-8.71%

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:

For revenue from sales and services of industrial waste disposal for a nine months period, the company was able to provide service for industrial waste disposal for the amount increased at a rate of 3 percent and the average disposal cost per ton decreased slightly at the rate of 3 percent, resulting in an increase in revenues in this part of 90 million Baht or 8 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 sales of electricity increased by 17 million Baht or 3 percent compared to the same period prior year. The ability to produce and sell electricity increased from 84.31 million KWh to 87.05 million KWh, an increase of 2.74 million KWh 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 Sales and Services:**

Cost of industrial waste disposal services depended on the important variable costs which are landfill amortization cost, fuel cost, remuneration cost of the Department of Labor, and some fixed costs including salaries, employees' benefits, and depreciation. There was an increase in fuel costs for trucks transportation due to an increase in fuel price. Also, there were a maintenance fee in the machinery and equipment of the power plant, a maintenance cost of the fuel generator from industrial waste (SRF), and the cost of chemical raw materials that have been adjusted to be increase according to the market price situation.

**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 and Executive compensation:**

Most of these expenses are the sales support expenses, salaries, office workers benefits, office management expenses, and office depreciation expenses. The expenses in the third quarter and a nine-month period accounted for 13 percent of total revenue, with expenses in this group increasing because an independent financial advisor was hired to prepare the issuance of debentures and independent appraisers was hired to rate credit ratings.

**Finance Cost:**

Decrease from the last year due to the decrease of principal from repayment of loans of financial institutions.

**Net Profit (loss):**

From the above reasons and causes, as a result, the company and its subsidiaries had a loss of 1 million Baht in the Quarter 3 in the consolidated financial statements, Also, it had a net profit for the period of nine months in the consolidated financial statements of 49 million Baht.

## Financial Position Analysis

Overall financial position as at September 30, 2022

(Unit :Thousand Baht)

Statement of financial position	30 Sep 22	percent	31 Dec 21	percent	Increase(decrease)	percent
Total Asset	8,057,460	100.00%	8,321,561	100.00%	-264,101	-3.17%
Total Liabilities	2,582,886	32.06%	2,885,876	34.68%	-302,990	-10.50%
Total Shareholder's equity	5,474,574	67.94%	5,435,685	65.32%	38,889	0.72%

### Analysis of Assets:

The total assets as of September 30, 2022, decreased by 264 million Baht or 3 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 1,281 million Baht or 16 percent of total assets.

The property, plants, and equipment 5,125 million Baht or 64 percent of total assets.

### Analysis of Liabilities:

The total liabilities as of September 30, 2022, decreased by 303 million Baht or 11 percent, originated from business expansion.

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

Loans from financial institutions 1,771 million Baht or 22 percent of total assets.

### Analysis of Shareholder's equity:

The company had total shareholder's equity as of September 30, 2022 increasing from the beginning of the year by 39 million Baht or 1 percent due to the operating results of 49 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