

No. AKP-MD003/2023

February 24th, 2022

Re: Discussion and Analysis of Financial Position and Results of Operations

To: President

Stock Exchange of Thailand

AkkhiePrakarn Public Company Limited (“the Company”) hereby clarifies the operating performance for Year ended December 31st, 2022 as detailed below:

Performance Analysis

Overall operating results for the Year ended December 31st, 2022

(Unit : Baht)

Statements of income	31-Dec-22	percent	31-Dec-21	percent	Increase(decrease)	percent
Services revenue	375,144,142	97.64%	375,266,387	95.86%	(122,245)	-0.03%
Other income	9,049,152	2.36%	16,189,129	4.14%	(7,139,977)	-44.10%
Total income	384,193,294	100.00%	391,455,516	100.00%	(7,262,222)	-1.86%
Cost of service	(293,447,781)	-78.22%	(288,557,858)	-76.89%	(4,889,923)	1.69%
Gross Margin	81,696,361	21.78%	86,708,529	23.11%	(5,012,168)	-5.78%
Services expenses	(6,136,348)	-1.60%	(5,720,026)	-1.46%	(416,322)	7.28%
Administrative expenses	(36,602,831)	-9.53%	(31,702,809)	-8.10%	(4,900,022)	15.46%
Management compensation	(17,852,013)	-4.65%	(18,164,040)	-4.64%	312,027	-1.72%
Total Expenses	(60,591,192)	-15.77%	(55,586,875)	-14.20%	(5,004,317)	9.00%
EBIT	30,154,321	7.85%	47,310,783	12.09%	(17,156,462)	-36.26%
Finance costs	(4,682,793)	-1.22%	(5,016,656)	-1.28%	333,863	-6.66%
Profit before share investment in associates	25,471,528	6.63%	42,294,127	10.80%	(16,822,599)	-39.78%
Share of profit investment in associates	9,358,151	2.44%	13,377,619	3.42%	(4,019,468)	100.00%
Profit (loss) before income tax expense	34,829,679	9.07%	55,671,746	14.22%	(20,842,067)	-37.44%
Income tax expense	(5,543,472)	-1.44%	(8,830,418)	-2.26%	3,286,946	-37.22%
Net profit (loss) for the period	29,286,207	7.62%	46,841,328	11.97%	(17,555,121)	-37.48%

Remarks: 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.

Service revenue:

Revenue from industrial waste disposal services for 2022 was about the same as 2021, with the average service charge per ton for 2022 down 15 percent compared to the same period last year that caused by the relatively intense price competition by causing the company to adjust its competitive price strategy. As a result, the Company was able to increase the volume of industrial waste disposed of in the year by 18 percent compared to the same period last year. The price reduction does not affect the Company's financial position. Since the Company has relatively adequate cash flow and a small debt burden, there is confidence that in the long run the Company will be able to adjust the price of the service fee.

Cost of Service:

Cost of industrial waste disposal services consists of variable costs including the cost of fuels used in combusting, the cost of transportation and equipment and DIW benefits and fixed costs including salaries and employee benefits, depreciation of machinery and equipment, and depreciation of vehicle for transportation. The service cost rate was similar to the previous year.

Other income:

Other incomes derived from other services and interest income.

Administrative expenses, Executive Compensation and Financial costs:

Most of these expenses are salaries, employee benefits, and office administrative expenses. The Company has adjusted some fixed cost strategies in marketing to be variable costs based on the Company's revenue. For 2022, expenses in this segment have increased slightly compared to last year.

Share of profit from investment in associates:

This is an investment in small scale power plant business. The Company recognizes profit (loss) under the equity method. For this year the profit increased by 9.36 million Baht.

Profit (loss) for the quarter:

For the above reasons The Company's net profit for the year 2022 amounted to 29.28 million baht.

Analysis

Overall financial position as at 31st December 2022

(Unit : Baht)

Statement of financial position	31 Dec 22	percent	31 Dec 21	percent	Increase(decrease)	percent
Total assets	727,530,877	100.00%	724,224,855	100.00%	3,306,022	0.46%
Total liabilities	124,203,722	17.07%	132,588,037	18.31%	(8,384,315)	-6.32%
Total shareholders' equity	603,327,155	82.93%	591,636,818	81.69%	11,690,337	1.98%

Analysis of Asset

The total assets as at December 31st, 2022 increased by 3.30 million Baht due to the general operating results and there is no significant change in assets transaction.

Analysis of liabilities

The total liabilities as at December 31st, 2022 decreased by 8.38 million Baht resulting from the payment of trade payables and general operating liabilities. There is no significant change in liabilities transaction.

Analysis of shareholders' equity

From prior causes, shareholders' equity as of December 31st, 2022, increased by 11.69 million Baht. The result was net profit of 29.28 million baht, with dividend payment to shareholders of 20 million baht.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)

President & CEO