

No.AKP-MD 009/2023

May12, 2023

Re: Discussion and Analysis of Financial Position and Operating Results

To: Director and Manager

Stock Exchange of Thailand

AkkhiePrakarn Public Company Limited (the "Company") hereby clarifies the operating performance for Quarter 1 ended March 31, 2023 as detailed below:

### Operating Performance Analysis

Overall operating results for the Quarter 1 ended March31, 2023

(Unit : Thousand Baht)

Statements of income	31-Mar-23	percent	31-Mar-22	percent	Increase(decrease)	percent
Services revenue	82,088	98.34%	75,817	95.93%	6,271	8.27%
Other income	1,386	1.66%	3,220	4.07%	(1,834)	-56.96%
Total income	83,474	100.00%	79,037	100.00%	4,437	5.61%
Cost of service	(73,260)	-89.25%	(64,426)	-84.98%	(8,834)	13.71%
Gross Margin	8,828	10.75%	11,391	15.02%	(2,563)	-22.50%
Services expenses	(1,348)	-1.61%	(1,272)	-1.61%	(76)	5.97%
Administrative expenses	(8,756)	-10.49%	(11,112)	-14.06%	2,356	-21.20%
Executive compensation	(4,159)	-4.98%	(4,059)	-5.14%	(100)	2.46%
Total expenses	(14,263)	-17.09%	(16,443)	-20.80%	2,180	-13.26%
EBIT	(4,049)	-4.85%	(1,832)	-2.32%	(2,217)	121.02%
Finance costs	(1,072)	-1.28%	(1,117)	-1.41%	45	-4.03%
Profit before share investment in associates	(5,121)	-6.13%	(2,949)	-3.73%	(2,172)	73.65%
Share of profit form investment in associates	70	0.08%	3,343	4.23%	(3,273)	100.00%
Profit (loss) before income tax expense	(5,051)	-6.05%	394	0.50%	(5,445)	-1381.98%
Inome tax expense	(18)	-0.02%	12	0.02%	(30)	-250.00%
Net profit (loss) for the period	(5,069)	-6.07%	406	0.51%	(5,475)	-1348.52%

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 the quarter increased from the same quarter of the previous year in the amount of 6 million baht or 8 percent due to the average service fee per ton for this quarter increased by 6 percent and the amount of industrial waste disposal increased 5 percent compared to the same quarter of the prior year. The reason of the increased is because the Company has more advantage in operating standards, making them gain trust from customers.

**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 compared to service revenue increased by 4 percent compared to the same quarter of the previous year due to the increased in cost of combustion and transportation.

**Other income:**

Other incomes derived from other services and interest income which decreased from the same quarter of the previous year about 2 million baht.

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

Most of these expenses are salaries, office employee benefits, and office administrative expenses. For this quarter, the Company was able to manage expenses to be decreased by 2 million baht compared to the same quarter of the prior 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 quarter, share of profit from investment in associates was 70,000 baht.

**Profit (loss) for the quarter:**

From above reasons, as a result, the Company had a net loss of 5 million baht for this quarter, compared to the same quarter last year with a net profit of 400,000 baht.

## **Financial Position Analysis**

Overall financial position as at 31 March 2023

(Unit : Thousand Baht)

Statement of financial position	31 Mar 23	percent	31 Dec 22	percent	Increase(decrease)	percent
Total assets	712,619	100.00%	727,531	100.00%	(14,912)	-2.05%
Total liabilities	114,361	16.05%	124,204	17.07%	(9,843)	-7.92%
Total shareholders' equity	598,258	83.95%	603,327	82.93%	(5,069)	-0.84%

### **Analysis of asset**

The total assets as at March 31, 2023 decreased by 15 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 March 31, 2023 decreased by 10 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**

Shareholders' equity as of March 31, 2023 decreased by 5 million baht which results from operating performance.

Please be informed accordingly.

Sincerely yours,

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(Mr.Vanchai Luengviriya)  
President & CEO