

No. AKP-MD 011/2023

August 11, 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 2 and Six-Month period ended June 30, 2023 as detailed below:

Operating Performance Analysis

Overall operating results for the Quarter 2 ended June 30, 2023

(Unit : Thousand Baht)

Statements of income	30-Jun-23	percent	30-Jun-22	percent	Increase(decrease)	percent
Services revenue	86,665	97.62%	88,072	97.78%	(1,407)	-1.60%
Other income	2,112	2.38%	2,004	2.22%	108	5.39%
Total income	88,777	100.00%	90,076	100.00%	(1,299)	-1.44%
Cost of service	(71,655)	-82.68%	(76,885)	-87.30%	5,230	-6.80%
Gross Margin	15,010	17.32%	11,187	12.70%	3,823	34.17%
Services expenses	(965)	-1.09%	(1,509)	-1.68%	544	-36.05%
Administrative expenses	(9,497)	-10.70%	(8,165)	-9.06%	(1,332)	16.31%
Executive compensation	(4,584)	-5.16%	(4,462)	-4.95%	(122)	2.73%
Total Expenses	(15,046)	-16.95%	(14,136)	-15.69%	(910)	6.44%
EBIT	2,076	2.34%	(945)	-1.05%	3,021	-319.68%
Finance costs	(1,055)	-1.19%	(1,106)	-1.23%	51	-4.61%
Profit before share investment in associates	1,021	1.15%	(2,051)	-2.28%	3,072	-149.78%
Share of profit investment in associates	211	0.24%	4,679	5.19%	(4,468)	100.00%
Profit (loss) before income tax expense	1,232	1.39%	2,628	2.92%	(1,396)	-53.12%
Income tax expense	(34)	-0.04%	26	0.03%	(60)	-230.77%
Net profit (loss) for the period	1,198	1.35%	2,654	2.95%	(1,456)	-54.86%

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.

Overall operating results for the Six-month period ended June 30, 2023

(Unit : Thousand Baht)

Statements of income	30-Jun-23	percent	30-Jun-22	percent	Increase(decrease)	percent
Services revenue	168,752	97.97%	163,889	96.91%	4,863	2.97%
Other income	3,499	2.03%	5,224	3.09%	(1,725)	-33.02%
Total income	172,251	100.00%	169,113	100.00%	3,138	1.86%
Cost of service	(144,915)	-85.87%	(141,311)	-86.22%	(3,604)	2.55%
Gross Margin	23,837	14.13%	22,578	13.78%	1,259	5.58%
Services expenses	(2,312)	-1.34%	(2,781)	-1.64%	469	-16.86%
Administrative expenses	(18,253)	-10.60%	(19,276)	-11.40%	1,023	-5.31%
Executive compensation	(8,742)	-5.08%	(8,521)	-5.04%	(221)	2.59%
Total Expenses	(29,307)	-17.01%	(30,578)	-18.08%	1,271	-4.16%
EBIT	(1,971)	-1.14%	(2,776)	-1.64%	805	-29.00%
Finance costs	(2,127)	-1.23%	(2,223)	-1.31%	96	-4.32%
Profit before share investment in associates	(4,098)	-2.38%	(4,999)	-2.96%	901	-18.02%
Share of profit investment in associates	281	0.16%	8,021	4.74%	(7,740)	100.00%
Profit (loss) before income tax expense	(3,817)	-2.22%	3,022	1.79%	(6,839)	-226.31%
Inome tax expense	(53)	-0.03%	38	0.02%	(91)	-239.47%
Net profit (loss) for the period	(3,870)	-2.25%	3,060	1.81%	(6,930)	-226.47%

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 Six-month period increased from the same period previous year in the amount of 5 million baht or 3 percent due to the average service fee per ton was similar to the same period prior year and the amount of industrial waste disposal increased by 4 percent compared to the same period of last year. The reason of the increase was 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 include in salaries and employee benefits, depreciation of machinery and equipment, and depreciation of vehicle for transportation. The service cost rate compared to service revenue was similar to the same period previous year.

Other income:

Other incomes derived from other services and interest income which decreased from the same period 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 Six-Month period, the expenses were similar to the same period 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 Six-Month period, share of profit from investment in associates was 300,000 baht.

Profit (loss) for the six-month period:

From above reasons, as a result, the Company had a net loss of 4 million baht for Six-Month period, compared to the same period last year with a net profit of 3 million baht.

Financial Position Analysis

Overall financial position as at 30 June 2023

(Unit : Thousand Baht)

Statement of financial position	30 Jun 23	percent	31 Dec 22	percent	increase(decrease)	percent
Total assets	708,012	100.00%	727,531	100.00%	(19,519)	-2.68%
Total liabilities	118,642	16.76%	124,204	17.07%	(5,562)	-4.48%
Total shareholders' equity	589,370	83.24%	603,327	82.93%	(13,957)	-2.31%

Analysis of asset

The total assets as at June 30, 2023 decreased by 20 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 June 30, 2023 decreased by 6 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 June 30, 2023 decreased by 14 million baht which results from operating performance.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)
President & CEO