

February 23<sup>th</sup>, 2024

Re: Discussion and Analysis of Financial Position and Operating Performance

To: Director and Manager of the Stock Exchange of Thailand

Better World Green Public Company Limited and subsidiaries hereby (the "Company") clarify the operating performance for the Year ended December 31<sup>st</sup>, 2023, as detailed below:

#### Operating Performance Analysis

##### Industrial waste disposal business:

For the Year, the Company's group had a policy to focus on the quality of service. Thus, there was an increase in the amount of industrial waste disposal accounting for 1 percent which the average industrial waste disposal service rate per ton was similar as the same period last year. Also, the Company was able to sell industrial waste that were used as Solid Refused Fuel (SRF) to customers beside the Company's group with an increase of 54,984 tons due to the increasing of customers' demands to use its as alternative fuel for the main energy. In addition, the selling price per ton depends on heating value, moisture content and scale of work according to the needs of each customer. In this year, the average selling price per ton increased by 325 baht, resulting in an increased revenue in sales to external customers of 90 million baht compared to the same period last year.

Moreover, there are significant variable costs which are landfill expenses, transportation costs, fuel costs and compensation for the Department of Works and has fixed costs that include salary, employee compensation, and depreciation expense. The cost of fuel for transportation has increased due to the increase in fuel prices, maintenance costs for industrial waste fuel generators (SRF), and raw materials costs of chemical that have been adjusted according to market prices. The cost was 91 percent compared to the same quarter of the previous year which accounted for 92 percent.

Overall operating performance for the Year ended December 31<sup>st</sup>, 2023

( Unit : Baht )

Statements of Income	31 Dec 23	percent	31 Dec 22	percent	Increase(decrease)	percent
<b>Total Income</b>	<b>2,509,055,224</b>	<b>100%</b>	<b>2,544,637,750</b>	<b>100%</b>	<b>(35,582,526)</b>	<b>-1%</b>
Sales and services income	1,680,275,561	67%	1,573,778,778	62%	106,496,783	7%
Electricity income	708,385,378	28%	738,267,483	29%	(29,882,105)	-4%
Construction income	57,766,486.00	0.02	191,153,743	8%	(133,387,257)	100%
<b>Total Revenues</b>	<b>2,446,427,425</b>	<b>98%</b>	<b>2,503,200,004</b>	<b>98%</b>	<b>(56,772,579)</b>	<b>-2%</b>
Cost of sale and service	(1,524,741,363)	-91%	(1,454,055,645)	-92%	70,685,718	5%
Cost of electricity	(485,984,312)	-69%	(467,524,084)	-63%	18,460,228	4%
Cost of construction	(35,574,829)	-	(182,327,624)	-95%	(146,752,795)	100%
<b>Total Costs</b>	<b>(2,046,300,504)</b>	<b>-84%</b>	<b>(2,103,907,353)</b>	<b>-84%</b>	<b>(57,606,849)</b>	<b>-3%</b>
<b>Gross Profit</b>	<b>400,126,921</b>	<b>24%</b>	<b>399,292,651</b>	<b>25%</b>	<b>834,270</b>	<b>0%</b>
Other income	62,627,799	3%	41,437,746	2%	21,190,053	51%
<b>Profit before expenses</b>	<b>462,754,720</b>	<b>18%</b>	<b>440,730,397</b>	<b>17%</b>	<b>22,024,323</b>	<b>5%</b>
Service expenses	(30,663,409)	-1%	(38,994,442)	-2%	-8,331,033	-21%
Administrative expenses	(260,514,917)	-10%	(244,891,570)	-10%	15,623,347	6%
Executive compensation	(85,869,478)	-3%	(73,509,615)	-3%	12,359,863	17%
<b>Total Expenses</b>	<b>(377,047,804)</b>	<b>-15%</b>	<b>(357,395,627)</b>	<b>-14%</b>	<b>19,652,177</b>	<b>-5%</b>
<b>Profit from operating</b>	<b>85,706,916</b>	<b>3%</b>	<b>83,334,770</b>	<b>3%</b>	<b>2,372,146</b>	<b>3%</b>
Finance costs	(210,525,708)	-8%	(121,437,774)	-5%	89,087,934	73%
<b>Profit before income tax expense</b>	<b>(124,818,792)</b>	<b>-5%</b>	<b>(38,103,004)</b>	<b>-1%</b>	<b>-86,715,788</b>	<b>228%</b>
Income tax expense	(10,724,241)	-0.43%	(13,224,678)	-0.52%	-2,500,437	-19%
<b>Net profit (loss) for the period</b>	<b>(135,543,033)</b>	<b>-5%</b>	<b>(51,327,682)</b>	<b>-2%</b>	<b>-84,215,351</b>	<b>164%</b>
Profit (loss) attributable to the parent c	(164,620,150)	-7%	(144,233,128)	-6%	-20,387,022	14%

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

#### Electricity production and distribution business:

A total of 3 power plants, the group of subsidiaries which produces and sells electricity from industrial waste, were able to sell electricity in the amount of 110 million units compared to the same period of prior year that produced 116 million units, accounting for an income of 708 million baht and 738 million baht, respectively. The reason for the reduction was due to the maintenance according to the machine maintenance plan.

In addition, there are variable costs and semi-variable costs include fuel costs, consumables costs, maintenance costs and fixed costs comprising of salary, employee compensation, and depreciation expense. For the Year ended, costs were accounted for 69 percent of revenue, increasing from the same period of last year that had a rate of 63 percent compared to revenue. This was due to the maintenance of all 3 power plants in the similar period.

#### Construction business:

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 205 million Baht and duration of 300 working days which the contract began on February 1<sup>st</sup>, 2022. The project has already been delivered and the cost is recognized according to project cost estimates. And in 2023, there is income from project work in Ratchaburi Province, with a work value of 56 million baht (before VAT).

#### Other Income:

Other incomes were mainly from other services and interest income. Other income amounted to 63 million baht, a increase of 21 million baht compared to the same period last year. This income was only 3 percent of the total income.

#### Service and Administrative expenses and Executive compensation:

In the Year ended, most of these expenses are sales support expenses, salaries, office workers benefits, office management expenses, and office depreciation expenses. The total expenses increased by 20 million baht compared to the same period last year and accounted for 15 percent of total revenue. The reason of an increase was because in the past period, the subsidiary group has paid more expenses in this area in order to prepare for the expansion of power plant projects amounting 10 power plant which have been passed the consideration of the Energy Regulatory Commission.

#### Finance Cost:

Finance costs was accounted for 211 million baht, an increase of 89 million baht from the same period last year due to the increase in interest on debentures. There was issuance of debentures to prepare for the investment in the new power plant projects of the subsidiaries and the issuance of debentures of the parent company to support future expansion. This expense was accounted for 8 percent of total income.

### Net Profit (loss):

From the above reasons As a result, the company and its subsidiaries have a loss this year of 136 million baht.

### Financial Position Analysis

Overall financial position as at December 31<sup>st</sup>, 2023

( Unit : Baht )

Statement of financial position	31 Dec 23	percent	31 Dec 22	percent	Increase(decrease)	percent
Total Asset	9,945,352,363	100.00%	8,581,814,972	100.00%	1,363,537,391	15.89%
Total Liabilities	4,340,955,286	43.65%	3,201,843,893	37.31%	1,139,111,393	35.58%
Total Shareholder's equity	5,604,397,077	56.35%	5,379,971,079	62.69%	224,425,998	4.17%

### Analysis of Assets:

The total assets as of December 31<sup>st</sup>, 2023, increased by 1,364 million Baht, or 16 percent, mainly due to proceeds from the debentures of the parent company and subsidiaries in the amount of 1,493 million baht, deducted by 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 1,836 million Baht, or 18 percent of total assets.

The property, plants, and equipment 6,061 million Baht or 61 percent of total assets.

### Analysis of Liabilities:

The total liabilities as of December 31<sup>st</sup>, 2023, increased by 4,341 million Baht or 44 percent, due to business expansion.

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

Loans from financial institutions accounted for 1,055 million Baht, or 11 percent of total assets, decreased from the beginning of the year in the amount of 589 million Baht.

Debentures accounted for 1,987 million Baht, or 20 percent of total assets.

A significant increase in liabilities is the issuance of debentures of the parent company in the amount of 800 million baht and subsidiaries in the amount of 702 million baht to support future business expansion.

Analysis of Shareholder's equity:

The Company's total shareholder's equity as of December 31<sup>st</sup>, 2023, increased from the beginning of the year in the amount of 224 million baht or 4 percent due to the proceeds received from the capital increase through a general mandate in the amount of 368 million baht, less dividends paid to the general shareholders of the subsidiary amounting 5 million baht and the loss from operations in the year.

Please be informed accordingly.

Sincerely yours,

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(Mr. Suthat Boonyaudomsart)

Director and Vice Managing Director of Accounting & Finance Controller