

At BWG-CFO 002/2024

May 14th, 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 Quarter1 ended March 31st, 2024, as detailed below:

Industrial Waste Disposal Business:

For this quarter, the Company's group had a policy to focus on the quality of service. Thus, there was an increase in the average industrial waste disposal service rate per ton accounting for 6 percent and a decrease in the amount of industrial waste disposal representing a rate of 8 percent. Also, the Company was able to sell industrial waste that were used as Solid Refused Fuel (SRF) with an increase of 238 percent due to the increasing of customers' demands to use 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 quarter, the average selling price per ton decreased by 3 percent, with income in this area increasing by 33.39 million baht or 228 percent compared to the same period last year. This income was accounted for 11 percent of the sales and services income.

Moreover, there were significant variable costs which were landfill expenses, transportation costs, fuel costs and compensation for the Department of Works and had fixed costs that include salary, employee compensation, depreciation expense, maintenance costs for industrial waste fuel generators (SRF), and raw materials costs of chemical. In this quarter, the sales and services cost were accounted for 81 percent decreased from the same quarter last year.

Operating Performance Analysis

Overall operating performance for the Quarter 1 ended March 31st, 2024

(Unit : Thousand Baht)

Statements of Income	31 Mar 24	percent	31 Mar 23	percent	Increase(decrease)	percent
Total Income	662,409	100%	577,833	100%	84,576	15%
Sales and services income	449,205	68%	394,635	68%	54,570	14%
Electricity income	182,519	28%	175,635	30%	6,884	3.92%
Construction income	23,259	4%	-	-	23,259	100%
Total Revenues	654,983	99%	570,270	99%	84,713	15%
Cost of sale and service	(365,231)	-81%	(370,983)	-94%	(5,752)	-2%
Cost of electricity	(127,803)	-70%	(129,144)	-74%	(1,341)	-1%
Cost of construction	(19,422)	-	-	-	19,422	100%
Total Costs	(512,456)	-78%	(500,127)	-88%	12,329	2%
Gross Profit	142,527	32%	70,143	18%	72,384	103%
Other income	7,426	1%	7,563	1%	(137)	-2%
Profit before expenses	149,953	23%	77,706	13%	72,247	93%
Service expenses	(7,485)	-1%	(8,018)	-1%	(533)	-7%
Administrative expenses	(66,453)	-10%	(56,587)	-10%	9,866	17%
Management benefit expenses	(24,055)	-4%	(20,645)	-4%	3,410	17%
Total Expenses	(97,993)	-15%	(85,250)	-15%	12,743	-15%
Profit from operating	51,960	8%	(7,544)	-1%	59,504	-789%
Finance costs	(56,149)	-8%	(44,280)	-8%	11,869	27%
Profit before income tax expense	(4,189)	-1%	(51,824)	-9%	47,635	-92%
Income tax expense	(3,799)	-0.57%	(538)	-0.09%	3,261	606%
Net profit (loss) for the period	(7,988)	-1%	(52,362)	-9%	44,374	-85%
Profit (loss) attribute to the parent	(5,991)	-0.90%	(50,993)	-8.82%	45,002	-88%

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:

The Company and its subsidiaries (all 3 power plants) were able to produce and sell “electricity units” in the Quarter 1 of 2024 increasing by 3 percent of production and sales capacity compared to the Quarter 1 of 2023. This represents an increase of 6.9 million baht or 4 percent compared to the same quarter of the prior year.

In addition, there were variable costs and semi-variable costs include fuel costs, consumables costs, maintenance costs and fixed costs comprising of salary, employee compensation, and depreciation expense. In this quarter, costs were accounted for 70 percent of revenue, decreasing from the same quarter last year that had a rate of 74 percent compared to revenue.

Construction Business:

It was a contract for the disposal/treatment of waste or unused materials and chemical waste that remain in the particular area of a company, which the Department of Industrial Works was the employer. The project value was 55.84 million baht with duration of 210 working days which the contract began on September 1st, 2023 and ended on March 29th, 2024. The project had already been delivered.

Other Income:

Other incomes were mainly from other services and interest income. In this quarter, other income was accounted for 7.43 million baht, similar to the same period last year. This income was only 1 percent of the total income.

Service and Administrative expenses and Executive compensation:

Most of these expenses were sales support expenses, salaries, office workers benefits, office management expenses, and office depreciation expenses. The total expenses in this section accounted for 15 percent of total revenue, similar to the same period last year.

Finance Cost:

Finance costs were accounted for 56 million baht, an increase of 12 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 and causes, as a result, the Company and its subsidiaries had a loss of 8 million baht in this Quarter.

Financial Position Analysis

Overall financial position as at March 31st, 2024

(Unit : Thousand Baht)

Statement of financial position	31 Mar 24	percent	31 Dec 23	percent	Increase(decrease)	percent
Total Asset	10,152,122	100.00%	9,945,353	100.00%	206,769	2.08%
Total Liabilities	4,317,237	42.53%	4,340,955	43.65%	(23,718)	-0.55%
Total Shareholder's equity	5,834,885	57.47%	5,604,398	56.35%	230,487	4.11%

Analysis of Assets:

The total assets as of March 31st, 2024, increased by 207 million baht, or 2 percent, mainly due to the issuance of additional ordinary shares under the general mandateto private placement of the parent company in the amount of 239 million baht, with no material changes in assets.

Assets with value over 10 percent of total assets are as follows:

Cash and cash equivalents 2,220 million baht, or 22 percent of total assets.

The property, plants, and equipment 6,059 million baht or 60 percent of total assets.

Analysis of Liabilities:

The total liabilities as of March 31st, 2024, decreased by 24 million baht or 0.55 percent, due to business expansion.

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

Loans from financial institutions accounted for 1,036 million baht, or 10 percent of total assets, decreased from the beginning of the year in the amount of 19 million baht.

Debentures accounted for 1,989 million baht, or 20 percent of total assets.

Analysis of Shareholder's equity:

The Company's total shareholder's equity as of March 31st, 2024increased from the beginning of the year in the amount of 231 million baht or 4 percent due to cash received from issuance of additional ordinary shares under the general mandate to private placement in the amount of 239 million baht, less the loss from the operation in the quarteramounting 8 million baht.

Please be informed accordingly.

Sincerely yours,

(Mr. Suthat Boonyaudomsart)

Director and Vice Managing Director of Accounting & Finance Controller