

No. AKP-MD 009/2021

May 12, 2021

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

To: President

Stock Exchange of Thailand

Akkhie Prakarn Public Company Limited (the "Company") hereby clarifies the operating results for the First Quarter ended March 31, 2021 as detailed below:

Performance Analysis

Overall operating results for the year ended March 31, 2021

Unit : Thousand Baht

| Statements of income | 31-Mar-21 | percent | 31-Mar-20 | percent | Increase(Decrease) | percent |
|--|-----------|---------|-----------|---------|--------------------|----------|
| Services revenue | 101,332 | 95.32% | 87,930 | 99.24% | 13,402 | 15.24% |
| Other income | 4,976 | 4.68% | 673 | 0.76% | 4,303 | 639.38% |
| Total income | 106,308 | 100.00% | 88,603 | 100.00% | 17,705 | 19.98% |
| Cost of service | (75,889) | -74.89% | (80,128) | -91.13% | 4,239 | -5.29% |
| Gross Margin | 25,443 | 25.11% | 7,802 | 8.87% | 17,641 | 226.11% |
| Services expenses | (1,598) | -1.50% | (3,976) | -4.49% | 2,378 | -59.81% |
| Administrative expenses | (8,340) | -7.85% | (7,196) | -8.12% | (1,144) | 15.90% |
| Management compensation | (4,053) | -3.81% | (4,060) | -4.58% | 7 | -0.17% |
| Total Expenses | (13,991) | -13.16% | (15,232) | -17.19% | 1,241 | -8.15% |
| Ebit | 16,428 | 15.45% | (6,757) | -7.63% | 23,185 | -343.13% |
| Finance costs | (1,334) | -1.25% | (1,221) | -1.38% | (113) | 9.25% |
| Profit before share investment in associates | 15,094 | 14.20% | (7,978) | -9.00% | 23,072 | -289.20% |
| Share of profit investment in associates | 3,180 | 2.99% | 2,232 | 2.52% | 948 | 100.00% |
| Profit (loss) before income tax expense | 18,274 | 17.19% | (5,746) | -6.49% | 24,020 | -418.03% |
| Income tax expense | (3,920) | -3.69% | (1,328) | -1.50% | (2,592) | 195.18% |
| Net profit (loss) for the period | 14,354 | 13.50% | (7,074) | -7.98% | 21,428 | -302.91% |

Remarks: The ratio in the income statement is as a percentage of total revenue, except for the cost of services and gross profit the tax pressed as a percentage of revenues from services.

Service revenue:

Revenue from industrial waste disposal services for the First Quarter of 2021 increased 13.40 million Baht or 15.24 percent compared to the same period of the previous year. The revenue increased from increasing volume of industrial waste by 18.27 percent which the average service rate per ton is close to the previous year when compared with the same period of the previous year. It is because the company has adjusted the marketing plan and the competitive strategy.

Cost of Services:

Cost of industrial waste disposal services consists of variable costs including the cost of fuels used in combusting, the cost of transportation, equipment, and DIW benefit and fixed costs of operation including salaries and employee benefits, depreciation of machinery and equipment, and depreciation of vehicles for transportation. In this quarter, the company was able to develop techniques for machine operation to be able to save costs which the costs decreased by 16.24 percent compared to the same quarter of 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 related to salaries and employee benefits, executive compensation, and office expenses. The company has adjusted some fixed cost strategies in marketing to variable costs according to the company's revenue.

Share of profit from investment in associates:

This is an investment in small scale power plant business, which recognizes profit (loss) under the equity method. For this quarter, the profit increased by 3.18 million Baht.

Profit for the quarter:

According to the previous causes, the company had the net profit of 14.35 million Baht which is an increase when compared to the same quarter of the previous year.

Analysis

Overall financial position as at March 31, 2021

Unit : Thousand Baht

| Statement of financial position | 31 Mar 21 | percent | 31 Dec 20 | percent | increase(decrease) | percent |
|---------------------------------|-----------|---------|-----------|---------|--------------------|---------|
| Total assets | 704,347 | 100.00% | 696,569 | 100.00% | 7,778 | 1.12% |
| Total liabilities | 135,906 | 19.30% | 142,482 | 20.45% | -6,576 | -4.62% |
| Total shareholders equity | 568,441 | 80.70% | 554,087 | 79.55% | 14,354 | 2.59% |

Analysis of Assets

The total assets as at March 31, 2021 increased by 7.78 million Baht from the beginning of the year, mainly due to the quarterly operating results with no material changes in any assets items.

Analysis of liabilities

The total liabilities as at March 31, 2021 decreased by 6.57 million Baht from the beginning of the year, mainly due to the quarterly operating results with no material changes in any liabilities items.

Analysis of shareholders

Shareholders' equity as of March 31, 2021, amounting of 568.44million Baht, increased by 14.35million Baht due to the operating results for the quarter.

Please be informed accordingly.

Best Regards,

(Mr.Vanchai Luengviriya)

President & CEO