

No.AKP-MD012/2021

August13, 2021

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

To: President

Stock Exchange of Thailand

AkkhiePrakarn Public Company Limited (the "Company") hereby clarifies the operating performance for Quarter2 and 6 monthsperiod ended June 30, 2021 as detailed below:

Performance Analysis

Overall operating results for the Quarter 2 ended June30, 2021

Unit : Thousand Baht

Statements of income	30-Jun-21	percent	30-Jun-20	percent	Increase(decrease)	percent
Services revenue	92,577	98.13%	67,179	98.60%	25,398	37.81%
Other income	1,763	1.87%	955	1.40%	808	84.61%
Total income	94,340	100.00%	68,134	100.00%	26,206	38.46%
Cost of service	(70,320)	-75.96%	(56,241)	-83.72%	(14,079)	25.03%
Gross Margin	22,257	24.04%	10,938	16.28%	11,319	103.48%
Services expenses	(1,661)	-1.76%	(807)	-1.18%	(854)	105.82%
Administrative expenses	(8,391)	-8.89%	(7,732)	-11.35%	(659)	8.52%
Management compensation	(4,456)	-4.72%	(4,060)	-5.96%	(396)	9.75%
Total Expenses	(14,508)	-15.38%	(12,599)	-18.49%	(1,909)	15.15%
EBIT	9,512	10.08%	(706)	-1.04%	10,218	-1447.31%
Finance costs	(1,205)	-1.28%	(1,352)	-1.98%	147	-10.87%
Profit before share investment in associates	8,307	8.81%	(2,058)	-3.02%	10,365	-503.64%
Share of profit investment in associates	4,604	4.88%	5,811	8.53%	(1,207)	100.00%
Profit (loss) before income tax expense	12,911	13.69%	3,753	5.51%	9,158	244.02%
Inome tax expense	(2,079)	-2.20%	569	0.84%	(2,648)	-465.38%
Net profit (loss) for the period	10,832	11.48%	4,322	6.34%	6,510	150.62%

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 June30, 2021

Unit : Thousand Baht

Statements of income	30-Jun-21	percent	30-Jun-20	percent	Increase(decrease)	percent
Services revenue	193,908	96.64%	155,109	98.96%	38,799	25.01%
Other income	6,739	3.36%	1,628	1.04%	5,111	313.94%
Total income	200,647	100.00%	156,737	100.00%	43,910	28.02%
Cost of service	(146,209)	-75.40%	(136,369)	-87.92%	(9,840)	7.22%
Gross Margin	47,699	24.60%	18,740	12.08%	28,959	154.53%
Services expenses	(3,258)	-1.62%	(4,783)	-3.05%	1,525	-31.88%
Administrative expenses	(16,732)	-8.34%	(14,929)	-9.52%	(1,803)	12.08%
Management compensation	(8,509)	-4.24%	(8,120)	-5.18%	(389)	4.79%
Total Expenses	(28,499)	-14.20%	(27,832)	-17.76%	(667)	2.40%
EBIT	25,939	12.93%	(7,464)	-4.76%	33,403	-447.52%
Finance costs	(2,539)	-1.27%	(2,573)	-1.64%	34	-1.32%
Profit before share investment in associates	23,400	11.66%	(10,037)	-6.40%	33,437	-333.14%
Share of profit investment in associates	7,784	3.88%	8,044	5.13%	(260)	100.00%
Profit (loss) before income tax expense	31,184	15.54%	(1,993)	-1.27%	33,177	-1664.68%
Inome tax expense	(5,999)	-2.99%	(759)	-0.48%	(5,240)	690.38%
Net profit (loss) for the period	25,185	12.55%	(2,752)	-1.76%	27,937	-1015.15%

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 Quarter 2 increased by 25 million Baht or 38 percent and accumulated for six months period increased by 39 million Baht or 25 percent compared to the same period of the prior year. The revenue increased from increasing volume of industrial waste in Quarter 2 by 10 percent and for six months period by 14 percent compared to the same period of the previous year. The average service rate per ton for six months period increased by 7 percent compared to the same period of the previous year which was due to the adjustment of the company in marketing plans and competitive strategies.

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. In this quarter, the company was able to develop the machine operation technique to be able to save more costs. As a result, costs declined by 16.24 percent compared to the same quarter of the prior year.

Other income:

Other incomes derived from other services and interest income.

Administrative expenses, Executive Compensation and Financial costs:

Most of these expenses are salaries, employee benefits, and office administrative expenses. The company has adjusted some fixed cost strategies in marketing to be variable costs based on the company's revenue.

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, the profit rose by 4.60 million Baht. For six-months, the profit increased by 7.78 million Baht.

Profit (loss) for the quarter:

According to the previous causes, the company had the net profit for the Quarter 2 for 11 million Baht and had the net profit for six-month period for 25 million Baht which increased from the same period of the prior year.

Analysis

Overall financial position as at 30 June 2021

Unit : Thousand Baht

Statement of financial position	30 Jun 21	percent	31 Dec 20	percent	Increase(decrease)	percent
Total assets	707,946	100.00%	696,569	100.00%	11,377	1.63%
Total liabilities	137,966	19.49%	142,482	20.45%	(4,516)	-3.17%
Total shareholders' equity	569,980	80.51%	554,087	79.55%	15,893	2.87%

Analysis of Asset

The total assets as at June 30, 2021 increased by 11 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, 2021 decreased by 5 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

From prior causes, shareholders' equity as of June 30, 2021 increased by 16 million Baht.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)

President & CEO