

No.AKP-MD 015/2023

November10, 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 3 and Nine-Month period ended September 30, 2023 as detailed below:

### Operating Performance Analysis

Overall operating results for the Quarter 3 ended September 30, 2023

(Unit : Thousand Baht)

| Statements of income                         | 30-Sep-23 | percent | 30-Sep-22 | percent | increase(decrease) | percent |
|--|-----------|---------|-----------|---------|--------------------|---------|
| Services revenue                             | 92,896    | 96.42%  | 109,295   | 97.62%  | (16,399)           | -15.00% |
| Other income                                 | 3,453     | 3.58%   | 2,665     | 2.38%   | 788                | 29.57%  |
| Total income                                 | 96,349    | 100.00% | 111,960   | 100.00% | (15,611)           | -13.94% |
| Cost of service                              | (74,867)  | -80.59% | (71,768)  | -65.66% | (3,099)            | 4.32%   |
| Gross Margin                                 | 18,029    | 19.41%  | 37,527    | 34.34%  | (19,498)           | -51.96% |
| Services expenses                            | (1,613)   | -1.67%  | (1,946)   | -1.74%  | 333                | -17.11% |
| Administrative expenses                      | (7,633)   | -7.92%  | (8,308)   | -7.42%  | 675                | -8.12%  |
| Executive compensation                       | (4,158)   | -4.32%  | (4,045)   | -3.61%  | (113)              | 2.79%   |
| Total Expenses                               | (13,404)  | -13.91% | (14,299)  | -12.77% | 895                | -6.26%  |
| EBIT   | 8,078     | 8.38%   | 25,893    | 23.13%  | (17,815)           | -68.80% |
| Finance costs                                | (1,038)   | -1.08%  | (1,118)   | -1.00%  | 80                 | -7.16%  |
| Profit before share investment in associates | 7,040     | 7.31%   | 24,775    | 22.13%  | (17,735)           | -71.58% |
| Share of profit investment in associates     | 1,014     | 1.05%   | 2,912     | 2.60%   | (1,898)            | 100.00% |
| Profit (loss) before income tax expense      | 8,054     | 8.36%   | 27,687    | 24.73%  | (19,633)           | -70.91% |
| Inome tax expense                            | (978)     | -1.02%  | (4,282)   | -3.82%  | 3,304              | -77.16% |
| Net profit (loss) for the period             | 7,076     | 7.34%   | 23,405    | 20.90%  | (16,329)           | -69.77% |

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 Nine-Monthperiod ended September30, 2023 ( Unit : Thousand Baht)

| Statements of income                         | 30-Sep-23 | percent | 30-Sep-22 | percent | ncrease(decrease) | percent |
|--|-----------|---------|-----------|---------|-------------------|---------|
| Services revenue                             | 261,649   | 97.41%  | 273,184   | 97.19%  | (11,535)          | -4.22%  |
| Other income                                 | 6,952     | 2.59%   | 7,889     | 2.81%   | (937)             | -11.88% |
| Total income                                 | 268,601   | 100.00% | 281,073   | 100.00% | (12,472)          | -4.44%  |
| Cost of service                              | (219,781) | -84.00% | (213,080) | -78.00% | (6,701)           | 3.14%   |
| Gross Margin                                 | 41,868    | 16.00%  | 60,104    | 22.00%  | (18,236)          | -30.34% |
| Services expenses                            | (3,925)   | -1.46%  | (4,727)   | -1.68%  | 802               | -16.97% |
| Administrative expenses                      | (25,887)  | -9.64%  | (27,369)  | -9.74%  | 1,482             | -5.41%  |
| Executive compensation                       | (12,901)  | -4.80%  | (12,566)  | -4.47%  | (335)             | 2.67%   |
| Total Expenses                               | (42,713)  | -15.90% | (44,662)  | -15.89% | 1,949             | -4.36%  |
| EBIT   | 6,107     | 2.27%   | 23,331    | 8.30%   | (17,224)          | -73.82% |
| Finance costs                                | (3,165)   | -1.18%  | (3,555)   | -1.26%  | 390               | -10.97% |
| Profit before share investment in associates | 2,942     | 1.10%   | 19,776    | 7.04%   | (16,834)          | -85.12% |
| Share of profit investment in associates     | 1,295     | 0.48%   | 10,933    | 3.89%   | (9,638)           | 100.00% |
| Profit (loss) before income tax expense      | 4,237     | 1.58%   | 30,709    | 10.93%  | (26,472)          | -86.20% |
| Inome tax expense                            | (1,031)   | -0.38%  | (4,243)   | -1.51%  | 3,212             | -75.70% |
| Net profit (loss) for the period             | 3,206     | 1.19%   | 26,466    | 9.42%   | (23,260)          | -87.89% |

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 Nine-monthperioddecreased from the same period previous year in the amount of 12 million baht or 4 percent due to the average service fee per ton was similar to the same period prior year and the amount of industrial waste disposal decreased by 6 percent compared to the same period of last yeardue to marketing conditions.

#### **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 includingsalaries 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 1 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 Nine-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 Nine-Month period, share of profit from investment in associates was 1 million baht.

**Profit (loss) for the six-month period:**

From above reasons, as a result, the Company had a net loss of 3 million baht for Nine-Month period.

**Financial Position Analysis**

Overall financial position as at 30 September 2023

(Unit : Thousand Baht)

| Statement of financial position | 30 Sep 23 | percent | 31 Dec 22 | percent | Increase(decrease) | percent |
|---------------------------------|-----------|---------|-----------|---------|--------------------|---------|
| Total assets                    | 703,720   | 100.00% | 727,531   | 100.00% | (23,811)           | -3.27%  |
| Total liabilities               | 107,274   | 15.24%  | 124,204   | 17.07%  | (16,930)           | -13.63% |
| Total shareholders' equity      | 596,446   | 84.76%  | 603,327   | 82.93%  | (6,881)            | -1.14%  |

**Analysis of asset**

The total assets as at September 30, 2023 decreased by 24 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 September 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 September 30, 2023 decreased by 7 million baht which results from operating performance.

Please be informed accordingly.

Sincerely yours,

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(Mr. Vanchai Luengviriya)  
President & CEO