

12th September, 2024

Re: Discussion and Analysis of Financial Position and Operating Results

To: Director and Manager

Stock Exchange of Thailand

Akkhie Prakarn Public Company Limited (the "Company") hereby clarifies the operating performance for the Quarter 3 and 9-Months period ended 30th September 2024 as detailed below:

Operating Performance AnalysisOverall operating results for the Quarter 3 ended 30th September 2024

(Unit Thousand Baht)

Statements of income	30-Sep-24	percent	30-Sep-23	percent	Increase(decrease)	percent
Services revenue	88,162	98.67%	95,335	98.95%	(7,173)	-7.52%
Other income	1,184	1.33%	1,014	1.05%	170	16.77%
Total income	89,346	100.00%	96,349	100.00%	(7,003)	-7.27%
Cost of service	(60,505)	-68.63%	(74,867)	-78.53%	(14,362)	-19.18%
Gross Margin	27,657	31.37%	20,468	21.47%	7,189	35.12%
Services expenses	(1,384)	-1.55%	(1,613)	-1.67%	(229)	-14.20%
Administrative expenses	(10,820)	-12.11%	(7,633)	-7.92%	3,187	41.75%
Executive compensation	(3,295)	-3.69%	(4,158)	-4.32%	(863)	-20.76%
Total Expenses	(15,499)	-17.35%	(13,404)	-13.91%	2,095	15.63%
EBIT	13,342	14.93%	8,078	8.38%	5,264	65.16%
Finance costs	(878)	-0.98%	(1,038)	-1.08%	(160)	-15.41%
Profit before share investment in associates	12,464	13.95%	7,040	7.31%	5,424	77.05%
Share of profit investment in associates	2,005	2.24%	1,014	1.05%	991	100.00%
Profit (loss) before income tax expense	14,469	16.19%	8,054	8.36%	6,415	79.65%
Inome tax expense	(2,759)	-3.09%	(978)	-1.02%	1,781	182.11%
Net profit (loss) for the period	11,710	13.11%	7,076	7.34%	4,634	65.49%

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 9-Month ended 30th September 2024

(Unit Thousand Baht)

Statements of income	30-Sep-24	percent	30-Sep-23	percent	Increase(decrease)	percent
Services revenue	255,952	98.19%	266,642	99.27%	(10,690)	-4.01%
Other income	4,729	1.81%	1,959	0.73%	2,770	141.40%
Total income	260,681	100.00%	268,601	100.00%	(7,920)	-2.95%
Cost of service	(187,366)	-73.20%	(219,781)	-82.43%	(32,415)	-14.75%
Gross Margin	68,586	26.80%	46,861	17.57%	21,725	46.36%
Services expenses	(4,173)	-1.60%	(3,925)	-1.46%	248	6.32%
Administrative expenses	(29,924)	-11.48%	(25,887)	-9.64%	4,037	15.59%
Executive compensation	(9,933)	-3.81%	(12,901)	-4.80%	(2,968)	-23.01%
Total Expenses	(44,030)	-16.89%	(42,713)	-15.90%	1,317	3.08%
EBIT	29,285	11.23%	6,107	2.27%	23,178	379.53%
Finance costs	(2,691)	-1.03%	(3,165)	-1.18%	(474)	-14.98%
Profit before share investment in associates	26,594	10.20%	2,942	1.10%	23,652	803.94%
Share of profit investment in associates	5,756	2.21%	1,295	0.48%	4,461	100.00%
Profit (loss) before income tax expense	32,350	12.41%	4,237	1.58%	28,113	663.51%
Inome tax expense	(5,832)	-2.24%	(1,031)	-0.38%	4,801	465.66%
Net profit (loss) for the period	26,518	10.17%	3,206	1.19%	23,312	727.14%

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 this 9-Months decreased by 10.69 million baht or 4 percent from the same period last year. In this period, the Company had adjusted the service rate according to the new policy. As a result, the average service fee per ton increased by 33 percent compared to the same period prior year, which caused the reduced amount of industrial waste that is received for disposal. In this 9-Month, the amount of industrial waste received for disposal decreased by 30 percent compared to the same period previous year.

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. Since there was a higher service rate, the service cost to profit ratio was lower compared to the same period of the previous year.

Other income:

Other incomes derived from other services and interest income which increased from the same period of the previous year about 2.77 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 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 loss under the equity method. For this 9-Months, share of profit from investment in associates was 5.76 million baht.

Profit (loss) for the Quarter and 9-Months:

From the above, the company had a net profit of 11.71 million baht for the third quarter and 26.52 million baht for the 9-months period.

Financial Position Analysis

Overall financial position as at 30th September 2024

(Unit Thousand Baht)

Statement of financial position	30 Sep 24	percent	31 Dec 23	percent	Increase(decrease)	percent
Total assets	727,156	100.00%	716,554	100.00%	10,602	1.48%
Total liabilities	91,078	12.53%	106,994	14.93%	(15,916)	-14.88%
Total shareholders' equity	636,078	87.47%	609,560	85.07%	26,518	4.35%

Analysis of asset

The total assets as at September 30, 2024 increased by 10.60 million baht due to the general operating results and there was no significant change in assets transaction.

Analysis of liabilities

The total liabilities as at September 30, 2024 decreased by 15.92 million baht resulting from the payment of trade payables and general operating liabilities. There was no significant change in liabilities transaction.

Analysis of shareholders' equity

Shareholders' equity as of September 30, 2024 increased by 26.52 million baht which resulted from operating performance.

Please be informed accordingly.

Sincerely yours,

(Mrs.Wannarat Khumngern)

Vice President (Accounting And Finance)