

No. AKP-MD 008/2024

13th August, 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 2 and 6-Months period ended 30th June 2024 as detailed below:

Operating Performance Analysis

Overall operating results for the Quarter 2 ended 30th June 2024

(Unit: Thousand Baht)

Statements of income	30-Jun-24	percent	30-Jun-23	percent	Increase(decrease)	percent
Services revenue	86,094	96.41%	86,665	97.62%	(571)	-0.66%
Other income	3,208	3.59%	2,112	2.38%	1,096	51.89%
Total income	89,302	100.00%	88,777	100.00%	525	0.59%
Cost of service	(62,040)	-72.06%	(71,655)	-82.68%	9,615	-13.42%
Gross Margin	24,054	27.94%	15,010	17.32%	9,044	60.25%
Services expenses	(1,167)	-1.31%	(965)	-1.09%	(202)	20.93%
Administrative expenses	(10,367)	-11.61%	(9,497)	-10.70%	(870)	9.16%
Executive compensation	(3,307)	-3.70%	(4,584)	-5.16%	1,277	-27.86%
Total Expenses	(14,841)	-16.62%	(15,046)	-16.95%	205	-1.36%
EBIT	12,421	13.91%	2,076	2.34%	10,345	498.31%
Finance costs	(901)	-1.01%	(1,055)	-1.19%	154	-14.60%
Profit before share investment in associates	11,520	12.90%	1,021	1.15%	10,499	1028.31%
Share of profit investment in associates	4,186	4.69%	211	0.24%	3,975	100.00%
Profit (loss) before income tax expense	15,706	17.59%	1,232	1.39%	14,474	1174.84%
Inome tax expense	(2,370)	-2.65%	(34)	-0.04%	(2,336)	6870.59%
Net profit (loss) for the period	13,336	14.93%	1,198	1.35%	12,138	1013.19%

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 6-Month ended 30th June 2024

(Unit:Thousand Baht)

Statements of income	30-Jun-24	percent	30-Jun-23	percent	Increase(decrease)	percent
Services revenue	164,131	95.80%	168,752	97.97%	(4,621)	-2.74%
Other income	7,203	4.20%	3,499	2.03%	3,704	105.86%
Total income	171,334	100.00%	172,251	100.00%	(917)	-0.53%
Cost of service	(126,861)	-77.29%	(144,915)	-85.87%	18,054	-12.46%
Gross Margin	37,270	22.71%	23,837	14.13%	13,433	56.35%
Services expenses	(2,788)	-1.63%	(2,312)	-1.34%	(476)	20.59%
Administrative expenses	(19,105)	-11.15%	(18,253)	-10.60%	(852)	4.67%
Executive compensation	(6,638)	-3.87%	(8,742)	-5.08%	2,104	-24.07%
Total Expenses	(28,531)	-16.65%	(29,307)	-17.01%	776	-2.65%
EBIT	15,942	9.30%	(1,971)	-1.14%	17,913	-908.83%
Finance costs	(1,813)	-1.06%	(2,127)	-1.23%	314	-14.76%
Profit before share investment in associates	14,129	8.25%	(4,098)	-2.38%	18,227	-444.78%
Share of profit investment in associates	3,751	2.19%	281	0.16%	3,470	100.00%
Profit (loss) before income tax expense	17,880	10.44%	(3,817)	-2.22%	21,697	-568.43%
Inome tax expense	(3,072)	-1.79%	(53)	-0.03%	(3,019)	5696.23%
Net profit (loss) for the period	14,808	8.64%	(3,870)	-2.25%	18,678	-482.64%

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 6-Months decreased by 4.62 million baht or 2.74 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 31 percent compared to the same period prior year, which caused the reduced amount of industrial waste that is received for disposal. In this 6-Month, the amount of industrial waste received for disposal decreased by 27 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 3.70 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 6-Months, share of profit from investment in associates was 3.75 million baht.

Profit (loss) for the Quarter and 6-Months:

From the above, the company had a net profit of 13.34 million baht for the second quarter and 14.81 million baht for the 6-months period.

Financial Position Analysis

Overall financial position as at 30th June 2024

(Unit: Thousand Baht)

Statement of financial position	30 Jun 24	percent	31 Dec 23	percent	increase(decrease)	percent
Total assets	717,188	100.00%	716,554	100.00%	634	0.09%
Total liabilities	92,820	12.94%	106,994	14.93%	(14,174)	-13.25%
Total shareholders' equity	624,368	87.06%	609,560	85.07%	14,808	2.43%

Analysis of asset

The total assets as at June 30, 2024 increased by 0.63 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 June 30, 2024 decreased by 14.17 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 June 30, 2024 increased by 14.81 million baht which resulted from operating performance.

Please be informed accordingly.

Sincerely yours,

(Mrs.Wannarat Khumngern)

Vice President (Accounting And Finance)