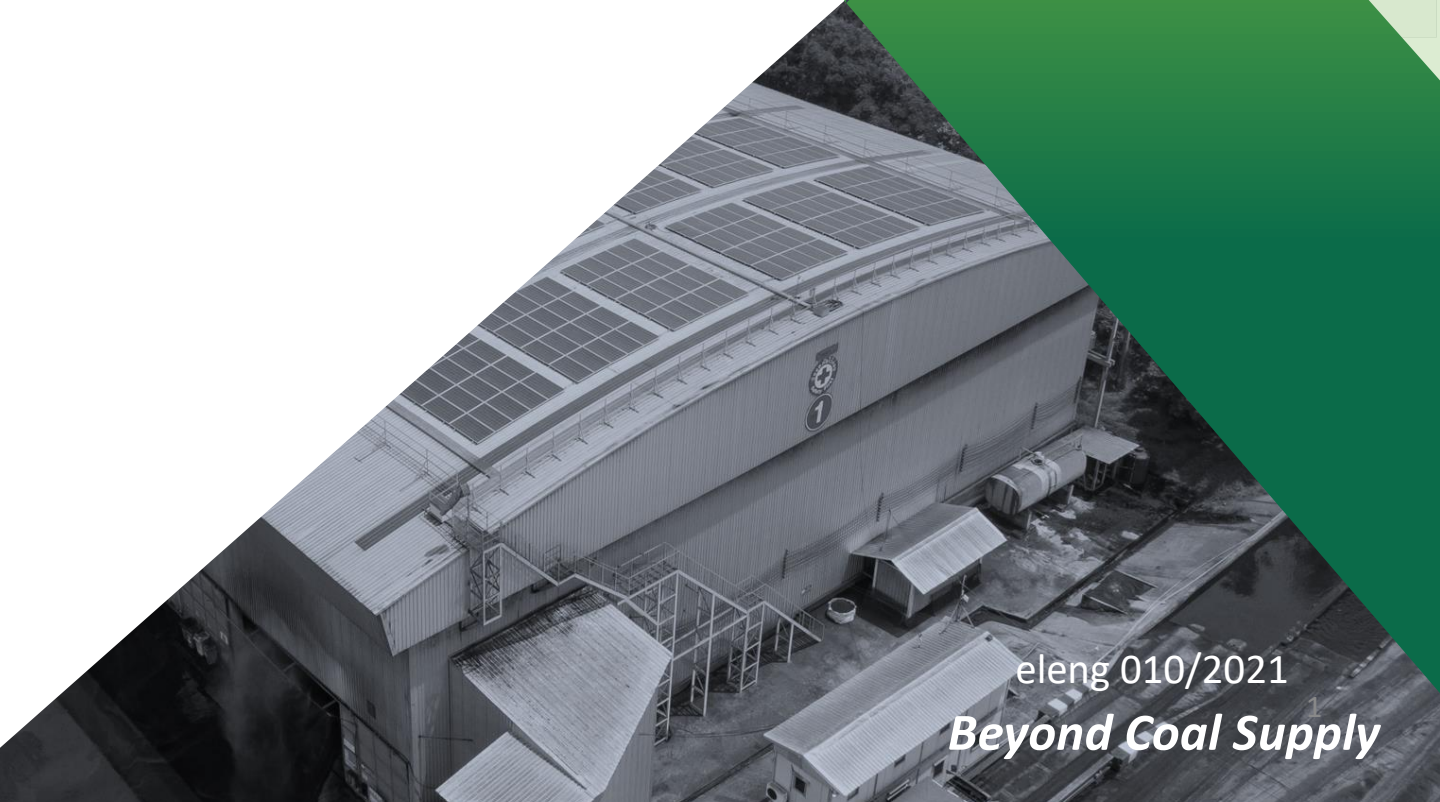


**ASIA GREEN ENERGY**  
Public Company Limited

**MANAGEMENT  
DISCUSSION  
AND ANALYSIS  
Q2/2021**



eleng 010/2021

*Beyond Coal Supply*

Operating Highlights	Q2/20	Q1/21	Q2/21	Change +/-		6M/20	6M/21	Change +/-
Unit: Million THB				%YoY	%QoQ			%YoY
<b>Operating Revenue</b>	<b>1,342.7</b>	<b>2,846.7</b>	<b>2,960.8</b>	<b>120.5%</b>	<b>4.0%</b>	<b>3,388.6</b>	<b>5,807.5</b>	<b>71.4%</b>
Gross Profit	145.0	344.4	194.4	34.1%	(43.6%)	348.1	538.8	54.8%
EBITDA	52.4	195.0	61.6	17.6%	(68.4%)	139.6	256.6	83.8%
<b>Net Profit (Loss)</b>	<b>11.0</b>	<b>121.6</b>	<b>1.1</b>	<b>(90.0%)</b>	<b>(99.1%)</b>	<b>53.2</b>	<b>122.8</b>	<b>130.8%</b>
Gross Profit Margin (%)	10.8%	12.1%	6.6%	(4.2%)	(5.5%)	10.3%	9.3%	(1.0%)
EBITDA Margin (%)	3.9%	6.9%	2.1%	(1.8%)	(4.8%)	4.1%	4.4%	0.3%
Net Profit Margin (%)	0.8%	4.3%	0.04%	(0.8%)	(4.2%)	1.6%	2.1%	0.5%

## Executive Summary

### YoY : Q2/2021 vs Q2/2020

- In Q2/2021, Asia Green Energy Public Company Limited and its subsidiaries (“the Group”) reported consolidated operating revenue of Baht 2,960.8 million, increased by Baht 1,618.1 million or 120.5% from Q2/2020, mainly due to the increase in revenues from domestic coal sales
- Gross Profit** was Baht 194.4 million, increased by Baht 49.4 million or 34.1% from Q2/2020 corresponding to the higher operating revenue
- Gross Profit Margin** was 6.6%, decreased from 10.8% in Q2/2020, mainly due to the higher average cost of coal, as the Group’s coal selling price can be adjusted slower than the increase in coal price index. However, the Group will adjust the selling price of the contracts in the upcoming quarters. In addition, the lower margin was also a result of the higher proportion of Direct Shipment sales, which have relatively lower margin
- Net Profit** was Baht 1.1 million, decreased by Baht 9.9 million or 90.0% from Q2/2020, as a result of the lower margin between the Group’s selling prices and the average costs of coal, which will be adjusted in the upcoming quarters, as well as the increase in administrative expenses and higher finance costs
- Net Profit Margin** was 0.04%, decreased from 0.8% in Q2/2020, mainly as a result of the lower margin between the Group’s selling prices and costs of coal, which adjusts with the coal price index

### QoQ : Q2/2021 vs Q1/2021

- In Q2/2021, the Group reported consolidated operating revenue of Baht 2,960.8 million, increased by Baht 114.1 million or 4.0% from Q1/2021, mainly due to the increase in revenues from domestic coal sales
- Gross Profit** was Baht 194.4 million, decreased by Baht 150.0 million or 43.6% from Q1/2021, mainly due to the significant increase in average costs of coal which adjusts with the coal price index. However, the Group will adjust the selling price of the contracts in the upcoming quarters. The lower gross profit was also a result of the increase in factory overhead costs
- Gross Profit Margin** was 6.6%, decreased from 12.1% in Q1/2021, mainly due to the higher average cost of coal and increase in factory overhead costs
- Net Profit** was Baht 1.1 million, decreased by Baht 120.5 million or 99.1% from Q1/2021, as a result of the increase in average costs of coal. However, the Group will adjust the selling price in the upcoming quarters. The lower net profit is also a result of the increase in selling and administrative expenses, and the higher finance costs
- Net Profit Margin** was 0.04%, decreased from 4.3% in Q1/2021, mainly as a result of the lower margin between the Group’s selling prices and costs of coal

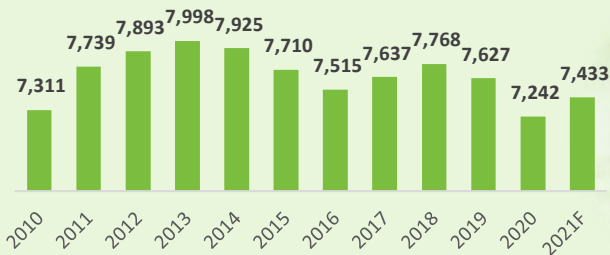
### YoY : 6M/2021 vs 6M/2020

- During 6M/2021, the Group reported consolidated operating revenue of Baht 5,807.5 million, increased by Baht 2,418.9 million or 71.4% from 6M/2020, as a result of growth from both domestic and oversea coal trading business, and the expansion of logistics service business
- Gross Profit** was Baht 538.8 million, increased by Baht 190.7 million or 54.8% from 6M/2020, corresponding to the increase in operating revenue
- Gross Profit Margin** was 9.3%, decreased from 10.3% in 6M/2020, mainly due to the decreased margin between cost of coal and selling price, as well as the higher proportion of Direct Shipment sales which generates a lower gross profit margin
- Net Profit** was Baht 122.8 million, increased by Baht 69.6 million or 130.8% from 6M/2020, mainly due to the increased gross profit which corresponded with the higher operating revenue
- Net Profit Margin** was 2.1%, improved from 1.6% in 6M/2020, as result of the increase in operating revenue in a higher proportion than the increase in selling and administrative expenses

## Industry Updates

### Global Coal Consumption

Unit: Million Ton



- Global coal consumption is forecasted to rebound 2.6% to 7,433 million ton from 2020's drop as a result of the COVID-19 pandemic. The growth will be mainly driven by the rapid increase in coal-fired generation in Asia in 2021 with increasing demand from China, India and Southeast Asia
- Gas prices are also expected to increase in 2021 leading to some switch back to coal mainly in the US and EU

### Newcastle Index

Unit: USD/Tons



- Coal prices are surging highest since 2011 impacted largely from growth of Asia economies
- China as the first major economy to rebound from covid-19, factories has resumed with strong demand for electricity
- Australian coal futures are surging despite the Chinese import ban as there as been rising demand from Japan, South Korea and Taiwan
- Indonesia, currently the No. 1 source of coal for Asia's largest economy, has been hit by heavy rainfall

## Q2/2021 Key Highlights

### Successfully Expanded to Become a Fully Integrated Logistics Provider



In order to support the Group's vision to be a Fully Integrated Logistics provider and to support the rising demand of customers, the Group has proactively invested to expand the port and warehousing business. This investment is executed in the form of Joint Venture with Suvarn Gleaw Thong Company Limited, who has expertise and experience in operating the Agricultural Business Center, with registered capital of Baht 90 million entering into a lease agreement with the Agricultural Co-operatives Association of Thailand, Ltd. This agreement will include 3 ports and 5 warehouses on a total area of 31 rai, located in Nakhon Luang District, Phra Nakhon, Si Ayutthaya. This investment will allow the Group to increase in capacity to 7 million tons per year from the current 3 million tons per year, increasing the warehouse storage area, as well as allowing to expand the customer base into more product range including agricultural products, cement, fertilizers, iron ore, etc.

### Enhance the Potential of the Land Transportation Business through Truck Fleet Expansion

In the first half of 2021, the Group successfully purchased 20 trucks with values over Baht 68 million, which is in-line with the target of the Group to increase an addition of 50 trucks within 2021. The increase in trucks is the implementation of one of the Group's major strategy to become a fully integrated logistics service provider, which focuses on raising capabilities of both in-land and marine transportation to support coal business, extend services to new customers and expand its distribution service area to become an integrated logistics service provider covering all areas in Thailand.



### Continuous Compassion Towards Society During Pandemic

With rising numbers of COVID-19 cases in the country, the Group continues to take proactive and strict measures to prevent the spread of COVID-19 for both the employees, customers and for the continuity of business operation. the Group has paid close attention to the society with several projects to help the community including donations of PPE, hand sanitizer, masks and thermometer to hospitals, schools, rescue centers, and temples, mainly to facilitate volunteers and personnel who work in the high-risk areas. In addition, the Group volunteered to facilitate the preparation of the Community Isolation Center at the Mae La Subdistrict Administrative Organization to support the COVID-19 patients in the area.

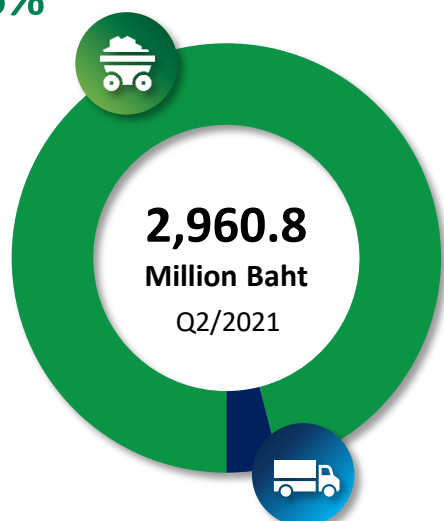
Operating Results	Q2/20	Q1/21	Q2/21	Change +/-		6M/20	6M/21	Change +/-
Unit: Million THB				%YoY	%QoQ			%YoY
<b>Operating Revenue</b>	<b>1,342.7</b>	<b>2,846.7</b>	<b>2,960.8</b>	<b>120.5%</b>	<b>4.0%</b>	<b>3,388.6</b>	<b>5,807.5</b>	<b>71.4%</b>
Cost of Sales and Service	(1,197.7)	(2,502.3)	(2,766.4)	131.0%	10.6%	(3,040.5)	(5,268.7)	73.3%
<b>Gross profit</b>	<b>145.0</b>	<b>344.4</b>	<b>194.4</b>	<b>34.1%</b>	<b>(43.6%)</b>	<b>348.1</b>	<b>538.8</b>	<b>54.8%</b>
Other income	8.2	9.5	2.8	(65.9%)	(70.5%)	11.3	12.3	8.8%
Selling and distribution expenses	(75.1)	(121.9)	(148.7)	98.0%	21.9%	(180.5)	(270.6)	49.9%
Administrative expenses	(46.3)	(52.6)	(55.4)	19.7%	5.3%	(105.9)	(108.0)	2.0%
Gain (losses) on exchange	(16.9)	(19.3)	21.1	224.9%	209.3%	3.6	1.8	(51.4%)
Share of profit (loss) from investment in joint venture	(1.0)	0.3	0.2	120.0%	(33.3%)	(1.8)	0.5	127.8%
<b>EBIT</b>	<b>13.9</b>	<b>160.4</b>	<b>14.4</b>	<b>3.6%</b>	<b>(91.0%)</b>	<b>74.8</b>	<b>174.8</b>	<b>133.7%</b>
Finance costs	(11.1)	(11.3)	(16.1)	45.0%	42.5%	(22.2)	(27.4)	23.4%
Income tax benefits (expenses)	8.2	(27.5)	2.8	(65.9%)	(110.2%)	0.6	(24.7)	(4,216.7%)
<b>Net profit (loss)</b>	<b>11.0</b>	<b>121.6</b>	<b>1.1</b>	<b>(90.0%)</b>	<b>(99.1%)</b>	<b>53.2</b>	<b>122.8</b>	<b>130.8%</b>

Notes: Values may differ by one decimal point due to rounding

## Q2/2021 Operating Revenue Structure

the Group operating revenue can be divided into 2 business units as follows:

### Coal Trading 96%



### Logistics Chain Service 4%

### Revenue from Coal Trading Business

- Domestic Coal Trading Business (93%)** classified by sales type:
  - Direct Shipment (17% of domestic revenue)
  - Mixed Size (52% of domestic revenue)
  - Screened Size (31% of domestic revenue)
- Overseas Coal Trading Business (7%)** to countries such as Vietnam, China and Taiwan

### Revenue from Logistics Chain Service Provider

- Land Logistics
- Marine Logistics
- Coal Screening
- Terminal & Warehouse
- Gas Station (Retail and Wholesale of oil)

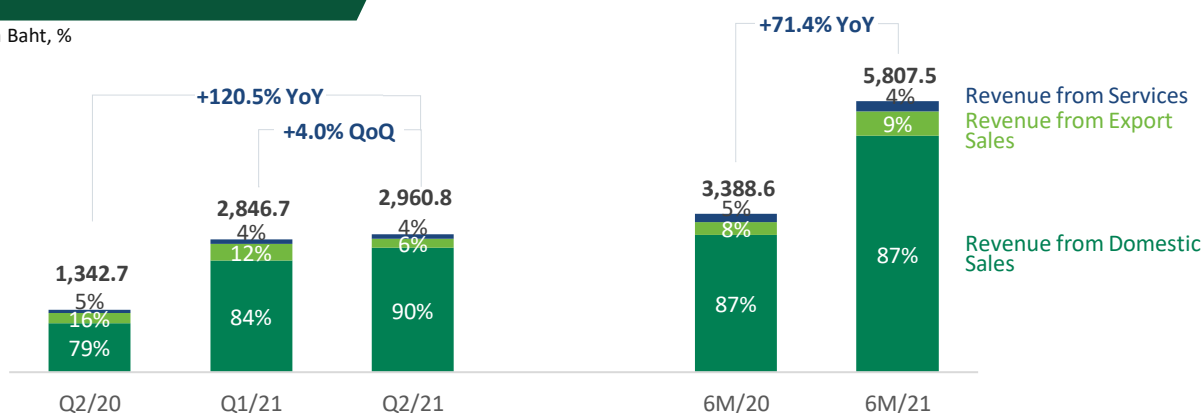


Revenue Structure	Q2/20	Q1/21	Q2/21	Change +/-		6M/20	6M/21	Change +/-
Unit: Million THB				%YoY	%QoQ			%YoY
<b>Revenue from Coal Trading</b>								
Revenue from Domestic Sales	1,051.6	2,398.9	2,666.5	153.6%	11.2%	2,940.3	5,065.3	72.3%
Revenue from Export Sales	217.6	344.9	187.4	(13.9%)	(45.7%)	279.6	532.3	90.4%
<b>Total Revenue from Coal Trading</b>	<b>1,269.2</b>	<b>2,743.8</b>	<b>2,853.9</b>	<b>124.9%</b>	<b>4.0%</b>	<b>3,219.9</b>	<b>5,597.7</b>	<b>73.8%</b>
<b>Total Revenue from Logistics Service</b>	<b>73.5</b>	<b>102.9</b>	<b>106.9</b>	<b>45.5%</b>	<b>3.9%</b>	<b>168.7</b>	<b>209.9</b>	<b>24.4%</b>
<b>Total Operating Revenue</b>	<b>1,342.7</b>	<b>2,846.7</b>	<b>2,960.8</b>	<b>120.5%</b>	<b>4.0%</b>	<b>3,388.6</b>	<b>5,807.5</b>	<b>71.4%</b>
Other Income	8.2	9.5	2.8	(65.9%)	(70.5%)	11.3	12.3	8.8%
<b>Total Revenue</b>	<b>1,350.9</b>	<b>2,856.2</b>	<b>2,963.6</b>	<b>119.4%</b>	<b>3.8%</b>	<b>3,399.9</b>	<b>5,819.8</b>	<b>71.2%</b>

Notes: Values may differ by one decimal point due to rounding

## 1. Operating Revenue

Unit: Million Baht, %



### YoY : Q2/2021 vs Q2/2020

In Q2/2021, the Group reported consolidated operating revenue of Baht 2,960.8 million, increased by Baht 1,618.1 million or 120.5% from Q2/2020, mainly due to:

- **Revenue from Domestic Sales:** increased by 153.6% as a result of the increase in sales of coal by 0.7 million tons and the increase in average price of coal. The major increase in sales was from the sales of Mixed Size Coal
- **Revenue from Export Sales:** decreased by 13.9% due to lower sales of coal in Vietnam
- **Revenue from Logistics Services:** increased by 45.5% as a result of better performance from all logistics services, especially retail and wholesale of oil, and the growth of 'Lighter' service for marine logistics

### QoQ : Q2/2021 vs Q1/2021

In Q2/2021, the Group reported consolidated operating revenue of Baht 2,960.8 million, increased by Baht 114.1 million or 4.0% from Q1/2021, mainly due to:

- **Revenue from Domestic Sales:** increased by 11.2% mainly from the sales of Mixed Size Coal
- **Revenue from Export Sales:** decreased by 45.7% due to the lower sales of coal in Vietnam and the sales to Philippines
- **Revenue from Logistics Services:** increased by 3.9% mainly from the Terminal and Warehouse service, corresponding to the customers' project and demand which varies by quarter

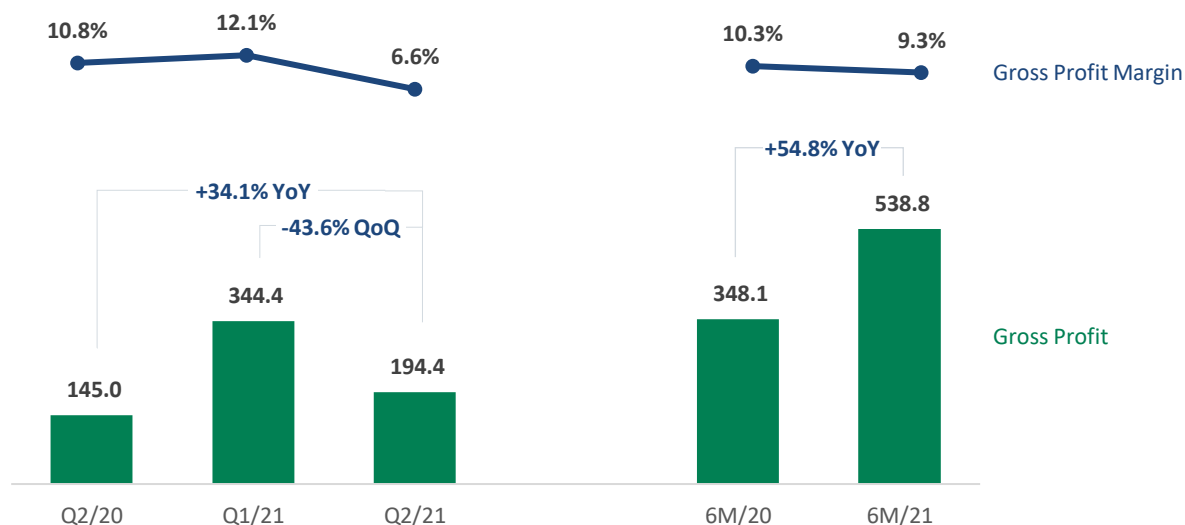
### YoY : 6M/2021 vs 6M/2020

During 6M/2021, the Group reported consolidated operating revenue of Baht 5,807.5 million, increased by Baht 2,418.9 million or 71.4% from 6M/2020, mainly due to:

- **Revenue from Domestic Sales:** increased by 72.3% as a result of the increase in sales of coal by more than 1 million tons and the increase in average price of coal. The major increase in sales was from Direct Shipment and the sales of Mixed Size Coal
- **Revenue from Export Sales:** increased by 90.4% mainly from the growth in exports to China, Philippines and Taiwan
- **Revenue from Logistics Services:** increased by 24.4% as a result of better performance from all logistics services, especially retail and wholesale of oil

### 2. Gross Profit and Gross Profit Margin

Unit: Million Baht, %



#### YoY : Q2/2021 vs Q2/2020

In Q2/2021, the Group recorded Gross Profit of Baht 194.4 million, increased by Baht 49.4 million or 34.1% compared to Q2/2020, corresponding to the significantly higher operating revenue

Gross Profit Margin was 6.6% in Q2/2021, decreased from 10.8% in Q2/2020 mainly due to the higher average cost of coal, as the Group's coal selling price can be adjusted slower than the increase in coal price index. However, the Group will adjust the selling price of the contracts in the upcoming quarters to reflect the coal price index. In addition, the lower margin was also a result from the higher proportion of Direct Shipment sales, which have relatively lower margin, and the increase in factory overhead costs, especially staff-related expenses and the costs associated to heavy machineries

#### QoQ : Q2/2021 vs Q1/2021

In Q2/2021, the Group recorded Gross Profit of Baht 194.4 million, decreased by Baht 150.0 million or 43.6% compared to Q1/2021, mainly due to the significantly higher average cost of coal which adjusts with the coal price index. However, the Group will adjust the selling price of the contracts in the upcoming quarters. In addition, the gross profit also decreased from the increase in factory overhead costs, especially staff-related expenses and the expenses associated to heavy machineries

Gross Profit Margin was 6.6% in Q2/2021, decreased from 12.1% in Q1/2021 due to decrease in margin between the Group's selling price and the average cost of coal, as well as the increase in factory overhead costs

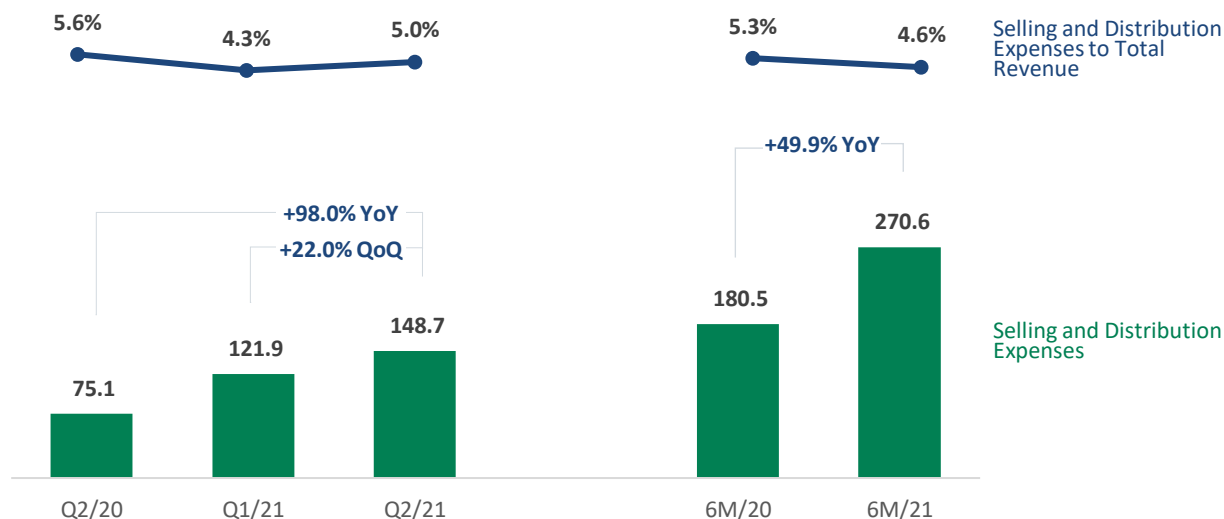
#### YoY : 6M/2021 vs 6M/2020

During 6M/2021, the Group recorded Gross Profit of Baht 538.8 million, increased by Baht 190.7 million or 54.8% compared to 6M/2020, mainly due to the increase in revenues from both coal trading and logistics business

Gross Profit Margin was 9.3% in 6M/2021, decreased from 10.3% in 6M/2020 due to decrease in margin between the Group's selling price and the average cost of coal; However, the Group will adjust the selling price of the contracts in the upcoming quarters. In addition, the decrease in gross profit margin was also a result from the increase in proportion of Direct Shipment Sales which has a relatively lower gross margin than the sales of Mixed Size Coal or Screened Size Coal

### 3. Selling and Distribution Expenses

Unit: Million Baht, %



Selling and Distribution Expenses consist of Outbound Transportation Costs, Products Analysis Fee, Costs to Support Customers and Marketing Fee such as ash removing services

#### YoY : Q2/2021 vs Q2/2020

In Q2/2021, the Group recorded selling and distribution expenses of Baht 148.7 million, increased by Baht 73.6 million or 98.0% compared to Q2/2020, mainly due to the increase in expenses related to in-land transportation as a result of the higher number of trips corresponding to the increase in sales of coal

Selling and distribution expenses to total revenue was 5.0% in Q2/2021, improved from 5.6% in Q2/2020 as result of the increase in operating revenue in a higher proportion than the increase in selling and distribution expenses

#### QoQ : Q2/2021 vs Q1/2021

In Q2/2021, the Group recorded selling and distribution expenses of Baht 148.7 million, increased by Baht 26.8 million or 22.0% compared to Q1/2021, mainly due to the increase in expenses related to in-land transportation as a result of the higher number of trips

Selling and distribution expenses to total revenue was 5.0% in Q2/2021, increased from 4.3% in Q1/2021 as result of the increase in operating revenue in a lower proportion than the increase in selling and distribution expenses

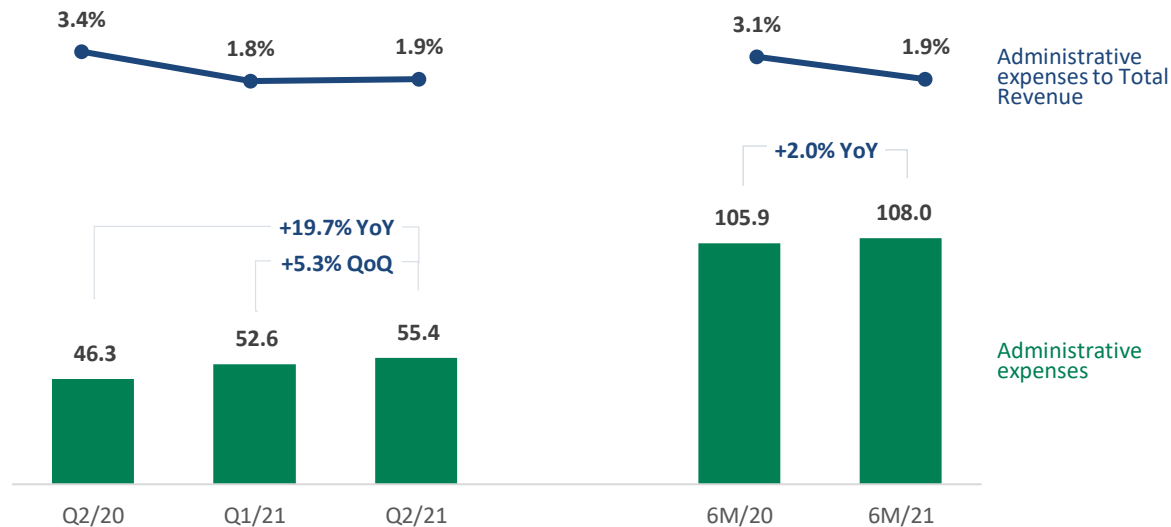
#### YoY : 6M/2021 vs 6M/2020

During 6M/2021, the Group recorded selling and distribution expenses of Baht 270.6 million, increased by Baht 90.1 million or 49.9% compared to 6M/2020, mainly due to the increase in expenses related to in-land transportation as a result of the increase in truck usage, corresponding to the increase in domestic sales of coal.

Selling and distribution expenses to total revenue was 4.6% in the 6M/2021, improved from 5.3% in 6M/2020 as result of the increase in operating revenue in a higher proportion than the increase in selling and in-land distribution expenses

### 4. Administrative Expenses

Unit: Million Baht, %



Administrative expenses consist of Employee-related expenses, Consulting Fee, Utilities Expenses, Costs related to travelling, Other fees, etc.

#### YoY : Q2/2021 vs Q2/2020

In Q2/2021, the Group recorded administrative expenses of Baht 55.4 million, increased by Baht 9.1 million or 19.7% compared to Q2/2020, mainly due to the increase in legal consulting fee and the increase in employee-related expenses, especially to support the growth plan of the 2 subsidiaries, Multi Energy Trading (2020) Co. Ltd. and Grand Power (2019) Co., Ltd.

Administrative expenses to total revenue was 1.9% in Q2/2021, improved from 3.4% in Q2/2020 mainly due to the efficient cost management, and at the same time, generating a significant increase in operating revenue

#### QoQ : Q2/2021 vs Q1/2021

In Q2/2021, the Group recorded administrative expenses of Baht 55.4 million, increased by Baht 2.8 million or 5.3% compared to Q1/2021, mainly due to the increase in legal consulting fee

Administrative expenses to total revenue was 1.9% in Q2/2021, slightly increased from 1.8% in Q1/2021 as result of the increase in operating revenue in a lower proportion than the increase in administrative expenses

#### YoY : 6M/2021 vs 6M/2020

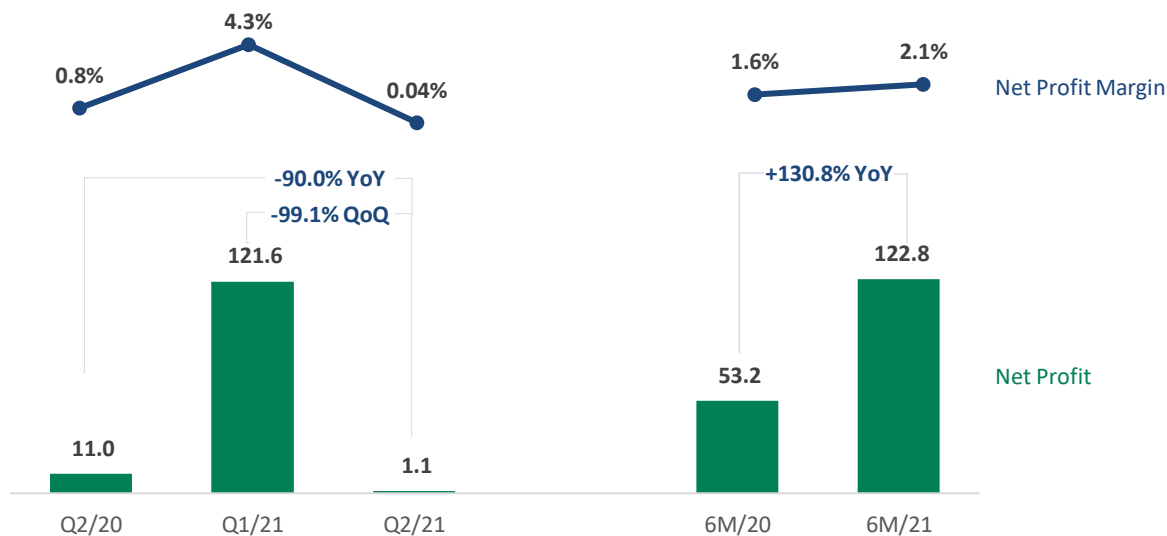
During 6M/2021, the Group recorded administrative expenses of Baht 108.0 million, increased by Baht 2.1 million or 2.0% compared to the 6M/2020, mainly due to the increase in legal consulting fee and the increase in employee-related expenses, especially to support the growth plan of the 2 subsidiaries

Administrative expenses to total revenue was 1.9% in 6M/2021, improved from 3.1% in 6M/2020 mainly due to the efficient cost management and the increase in operating revenue



## 5. Net Profit and Net Profit Margin

Unit: Million Baht, %



### YoY : Q2/2021 vs Q2/2020

In Q2/2021, the Group recorded net profit of Baht 1.1 million, decreased by Baht 9.9 million or 90.0% compared to Q2/2020, mainly due to the lower margin between the Group's selling prices and average costs of coal, which adjusts with the coal price index. However, the Group will adjust the price of the contracts in the upcoming quarters to reflect the coal price index. In addition, the Group has also experienced an increase in administrative expenses and higher finance costs from short-term loan from financial institutions

Net profit margin was 0.04% in Q2/2021, decreased from 0.8% in Q2/2020 as a result of the lower margin between the Group's selling prices and costs of coal, which increased with the coal price index

### QoQ : Q2/2021 vs Q1/2021

In Q2/2021, the Group recorded net profit of Baht 1.1 million, decreased by Baht 120.5 million or 99.1% compared to Q1/2021, mainly due to the significant increase in average cost of coal which adjusts with the coal price index. However, the Group will adjust the price of the contracts in the upcoming quarters to reflect the coal price index. In addition, the Group has also experienced an increase in selling and administrative expenses, as well as the higher finance costs from short-term loan from financial institutions

Net profit margin was 0.04% in Q2/2021, decreased from 4.3% in Q1/2021 as a result of the lower margin between the Group's selling prices and costs of coal, which increased significantly with the coal price index compared to Q1/2021

### YoY : 6M/2021 vs 6M/2020

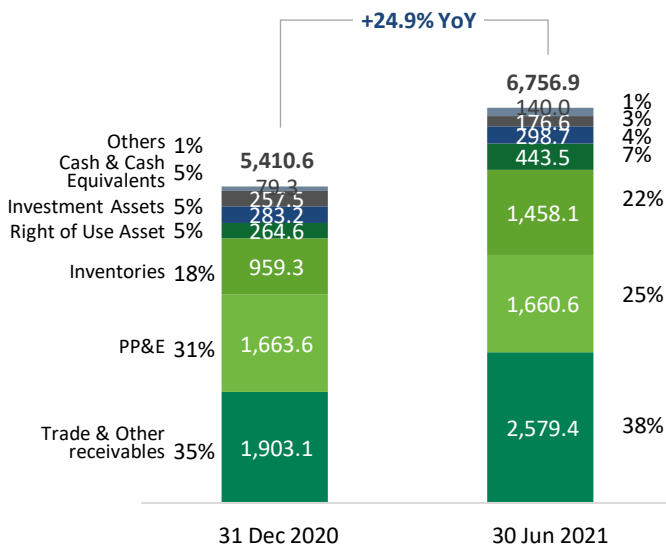
During 6M/2021, the Group recorded net profit of Baht 122.8 million, increased by Baht 69.6 million or 130.8% compared to the 6M/2020 due to the higher gross profit corresponding to the increase in operating revenue

Net profit margin was 2.1% in 6M/2021, increased from 1.6% in 6M/2020 mainly due to the increase in operating revenue and the more efficient cost management for selling and administrative expenses

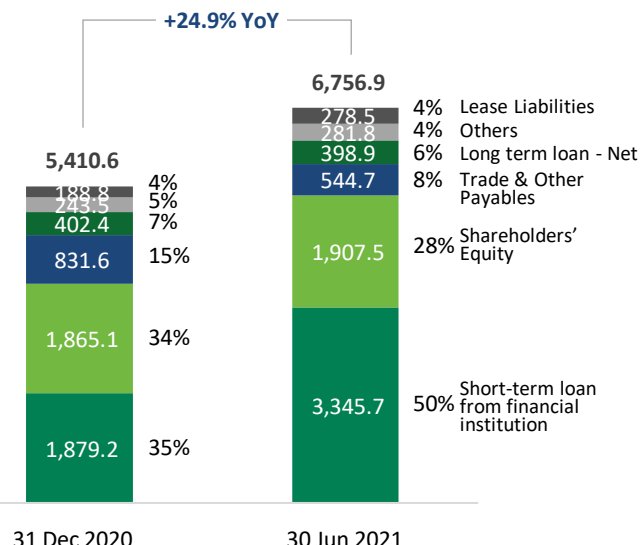
### Statement of Financial Position

Unit: Million Baht, %

#### Assets



#### Liabilities and Equity



#### Total Assets

As of 30 June 2021, the total assets of the Group were Baht 6,756.9 million, increased by Baht 1,346.3 million or 24.9% from 31 December 2020 mainly due to:

- **Trade & Other Receivables:** increased by Baht 676.3 million due to the increase in sales revenue
- **Inventories:** increased by Baht 498.8 million due to the increase average cost of coal by 35% corresponding to the coal price index in Q2/2021 and the increase in coal reserves to support sales in the upcoming quarters
- **Right of Use Assets:** increased by Baht 178.9 million due to contract to lease additional trucks, as well as the recognition of the right-of-use of the new port, in order to support the Group's growth plan

#### Total Liabilities

As of 30 June 2021, the total liabilities of the Group were Baht 4,849.6 million, increased by Baht 1,304.1 million or 36.8% from 31 December 2020 mainly due to:

- **Short-term loan from financial institution:** increased by Baht 1,466.5 million due to the additional short-term loan to enhance the Group's working capital liquidity to support the Group's growth plan
- **Trade and Other Payables:** decreased by Baht 286.9 million due to the payment of coal according to the accounting period
- **Lease Liabilities:** increased by Baht 89.7 million due to lease contract from the truck purchase as well as the recognition of the right-of-use of the new port following the TFRS 16

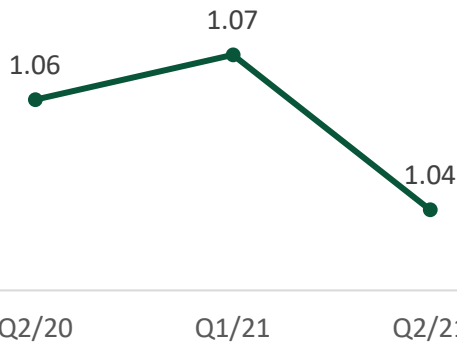
#### Total Shareholders' Equity

As of 30 June 2021, the total equity of the Group was Baht 1,907.3 million, increased by Baht 42.2 million or 2.3% from 31 December 2020, mainly due to the recognition of net profit from the first and second quarter of 2021. However, the Group has also paid dividend for the year 2020 in Q2/2021 totaling Baht 96.7 million, and has additional investments in subsidiaries

### Key Financial Ratios

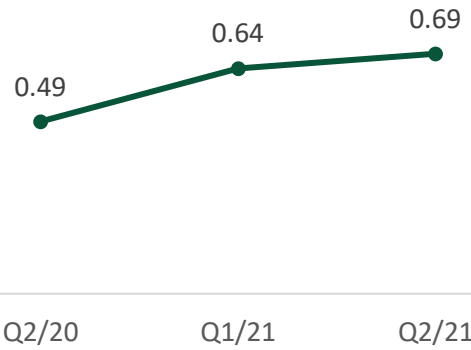
#### Current Ratio

Unit: Times



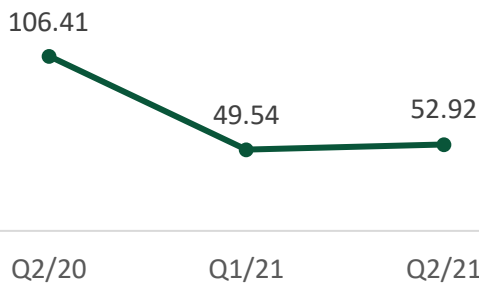
#### Quick Ratio

Unit: Times



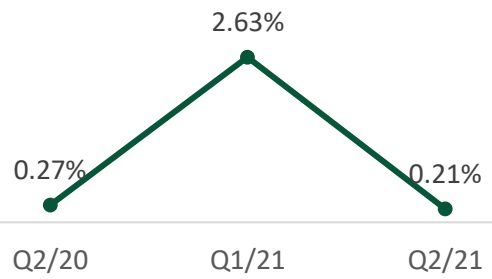
#### Inventory Turnover

Unit: Days



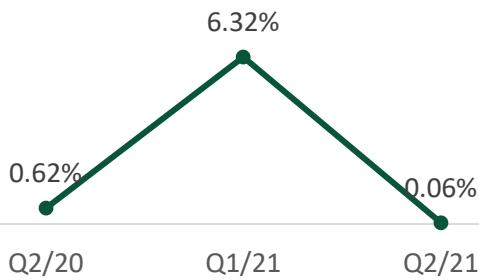
#### ROA

Unit: %



#### ROE

Unit: %



#### D/E Ratio

Unit: Times

