

25 February 2021

Subject: Management Discussion and Analysis (MD&A) for the 4th Quarter and the year ended 31st December 2020

Attention to: The President of Stock Exchange of Thailand

LEO Global Logistics Public Company Limited (the "Company") and its subsidiaries would like to inform its operation performance for the 4th Quarter and the year 2020 ended 31 December 2020 as the following;

Summary of Financial Performance

High Light: For Q4/2020 the company and its subsidiaries achieved their revenue, gross profit and net profit which were higher than Q4/2019. Net profit YoY basis increased by 86%. For the whole year of 2020, revenue, gross profit and net profit were higher than year 2019. The net profit in 2020 increased 23% from 2019. Overall business performance was not impacted by virus outbreak.

| Unit : Million Baht (MB) | 2020 | | 2019 | % Change | | 2020 | 2019 | % Change |
|-----------------------------------|-------|-------|-------|----------|-------|-----------|-----------|----------|
| | Q4 | Q3 | Q4 | Q-o-Q | Y-o-Y | 12 Months | 12 Months | |
| Revenues-Service and Other income | 338.0 | 253.0 | 249.9 | 34% | 35% | 1,129.1 | 1,047.2 | 8% |
| Gross Profit (GP) | 87.0 | 88.0 | 71.3 | -1% | 22% | 330.3 | 312.4 | 6% |
| Gross Profit Margin (%) | 26% | 35% | 29% | | | 29% | 30% | |
| Net Profit (NP) | 14.4 | 15.1 | 7.8 | -5% | 86% | 57.8 | 47.0 | 23% |
| Net Profit Margin (%) | 4.3% | 6.0% | 3.1% | | | 5.1% | 4.5% | |

In Q4/2020, The Company's total revenues were 338.0 MB. increased by 34% from Q3 /2020 and increased 35% when compared to Q4/2019. For the whole year period comparison between 2020 and 2019, the total revenues increased by 8%.

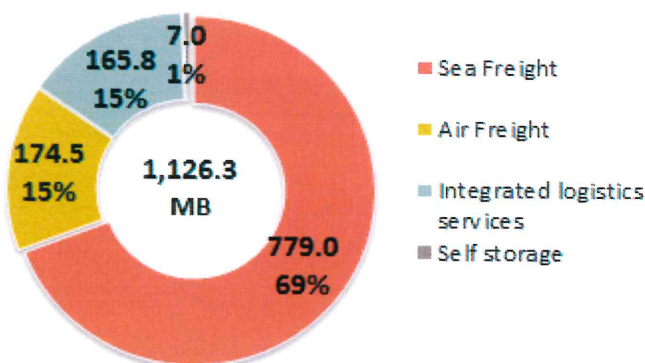
The Company's gross profit in Q4/2020 was 87 MB. decreased 1% from Q3/2020 but increased 22% from Q4/2019. For the whole year period, in 2020 was 6% more than 2019. The gross profit margin for Q4/2020 was lower than Q3/2020 and Q4/2019 because sea freight charges in Q4/2020 were dramatic higher but gross profit could not be increased in the same ratio.

For net profit in Q4/2020, the Company earned 14.4 MB. decreased 5% from Q3/2020 due to extra expenses related to IPO amount 2.2 MB. but significantly increased 86% from Q4/2019 .For the whole year, net profit in 2020 increased 23% when compared to 2019.

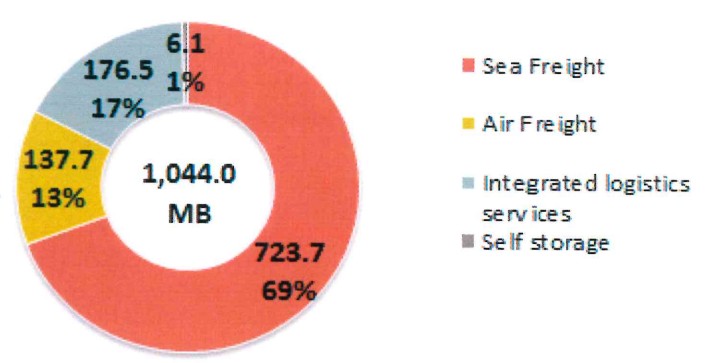
Service income and Gross profit by segment

| Segment | Revenue (MB) | | Portion % Total Revenue | Revenue (MB) | | Portion % Total Revenue |
|----------------------------------|--------------|---------|-------------------------|--------------|------|-------------------------|
| | 2020 | 2019 | | 2020 | 2019 | |
| 1. Sea Freight | 779.0 | 723.7 | 69% | 723.7 | 69% | |
| 2. Air Freight | 174.5 | 137.7 | 15% | 137.7 | 13% | |
| 3. Integrated logistics services | 165.8 | 176.5 | 15% | 176.5 | 17% | |
| 4. Self storage | 7.0 | 6.1 | 1% | 6.1 | 1% | |
| Total | 1,126.3 | 1,044.0 | 100% | 1,044.0 | 100% | |

2020 Revenue (MB)



2019 Revenue (MB)



In 2020, the service income was 1,126.3 MB. which comprised with 4 segments of business unit as the following;

- 1) Sea Freight service:** the company's revenues from sea freight was 779.0 MB. or 69% of total service income.
- 2) Air Freight Services:** the company's revenues from air freight was 174.5 MB. or 15% of total service income.
- 3) Integrated Logistics Services:** the income from these services including local transportation, container depot and container repair service, custom clearance service and others were 165.8 MB. or equivalent to 15% of total service income.
- 4) Self Storage Service:** the Company's income from this business was 7.0 MB. or about 1% of total service income.

Performance Analysis

Sea Freight Service

In Q4/2020, the income from sea freight service increased 53% when compared to Q3/2020 and increased 56% compared to Q4/2019. For the whole year, in 2020 increased about 8% from 2019 because of increasing of the freight rate and the volume of containers which were imported to or exported from Thailand.

Air Freight Service

In Q4/2020, the income from air freight service decreased 16% compared to Q3/2020, because in Q4 the air lines came back to provide more service and air freight charges stepped down. Air freight revenue in Q4/2020 was almost same as in Q4/2019. But when compare for the whole year the revenue in 2020 was 27% more than 2019. The reason of this significant increase from limited of air line service after Covid-19 crisis and the air freight charge increased a lot. The Company arranged special charter flights to fulfill air transportation demand so the air freight revenue of company was highly growing up.

Transportation Services

The income from transportation services in Q4/2020 was 2% increased from Q3/2020 but decreased 5% for the whole year period when compared between 2020 and 2019 due to Covid-19 effect.

Container Depot and Container Repair Services

The income from container depot and container repair services in Q4/2020 was decreased from Q3/2019 due to the shortage of containers back to Thailand. The volume of containers delivered to the yard were lower than normal. For the whole year 2020 was increased 2% from 2019.

Customs Clearance & other Services

The income from customs clearance and other services in Q4/2020 was increased 5% from Q3/2020 and decreased 15% for the whole year when compared 2020 to 2019 due to Covid-19 effect.

Self Storage

The occupancy rate of self storage in 2020 was increased. The revenue from this business was increased by 6% when compared to 2019.

Other income

Mainly from dividend and normal other income. It's not significant change.

Selling and Administrative expenses

The selling and administrative expenses for 2020 was decreased 1.6% from 2019 due to the effective cost control program and suspension of overseas travelling by Covid-19 situation. These SG&A also included the expenses for IPO promotion about 2.2 MB.

Financial Cost

The Company's financial cost in 2020 was increased from 2019 due to the adjustment of financial cost accordance with TFRS 16.

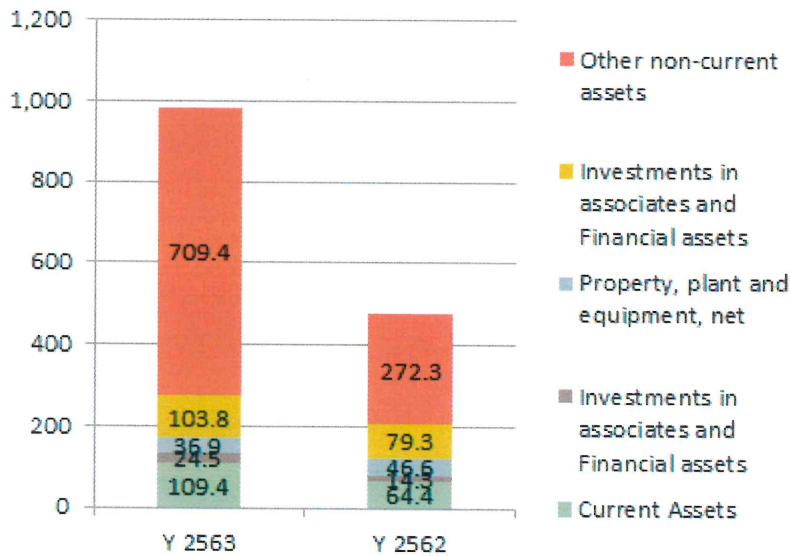
Net Profit

Net profit in 2020 was 57.77 MB. which was 10.7 MB. more than 2019 or 22.8% increased positive impact from covid-19 situation and LEO has a lot of e-commerce, electronics and food customers which have a lot of growth in 2020 while the sea freight export also drastically increase during Q3-Q4 2020 and ability to improve gross profit and effective cost control program.

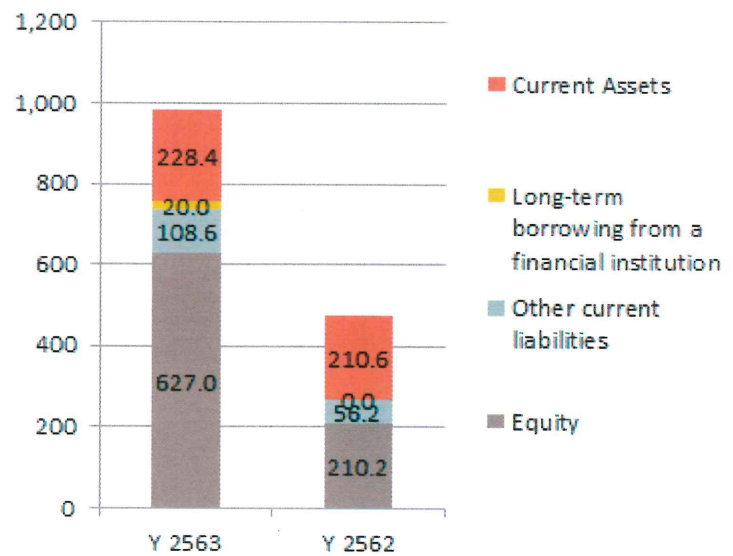
Financial Analysis

Unit: Million Baht

Assets



Liabilities and Equity



Assets

As 31st December 2020, the Company had total assets 984.0 MB. increased 507.0 MB. or 106.3% from 31st December 2019. The increase of assets came from current assets 437.1 MB. such as short term bank deposit 200 MB. and investment in mutual fund 180.3 MB. Additional account receivable increased 108.1 MB. But cash and cash equivalent was decreased 51.9 MB. For the rest of net assets increasing came from non-current assets amount 69.9 MB. as details below;

- Investments in associated companies and long term financial assets increased 24.5 MB. from additional profit sharing from associates companies 11.0 MB. and increased from TFRS 9 adoption by changing the general investment amount 34.3 MB. to financial assets measured at fair value through other comprehensive income amount 47.8 MB.

- Property and equipment-net, decreased 9.7 MB. as a result of adjustments in accordance with TFRS 16 related to Lease agreements which transferred financial lease for vehicles to the right-of-use assets.

- Investment property-net, increased 10.2 MB. from adjustment of TFRS 16 adoption.

- Right-of-use assets-net, increased 61.0 MB. from the operating lease and financial lease which previously classified as non-assets and property respectively. The right-of-use assets were the lease agreements for land and vehicles.

- Other non-current assets reduced by 16.5 MB. from advance payment of rental fee for YJCD which transferred to right-of -use assets and IPO expenses which adjusted to premium on shares.

Liabilities

The Company has the total liabilities at 31st December 2020 amount 357.0 MB. increased 90.2 MB. or 34% from 31st December 2019 as details below;

- Account payable increased 19.5 MB.

- Long term loan from one of financial institution under Government support due to Covid-19 virus outbreak amount 20 MB.

- Lease liabilities increased 57.4 MB. from the items which previously classified as financial lease and operating lease and had been adjusted according to TFRS 16.

- Other non-current liabilities decreased 5.6 MB.

Equity

Total equity at 31st December 2020 was 626.9 MB. increased from 31st December 2019 amount 416.8 MB.as the following;

- Increasing from initial public offering by issued new 120,000,000 shares at 0.50 Baht/share par value and 3.42 Baht/share IPO price. 60 MB. added to paid-up capital and 332.5 MB added to premium on ordinary shares.
- Unappropriated retained earnings increased 15.6 MB.net from yearly net profit and dividend payment during 2020.
- Other component of equity increased 10.2 MB.as a result of the recognition of fair value adjustments for equity investments through other comprehensive income accordance with TAS 32 and TFRS 9.

Liquidity

| Unit : Million Baht | For Year 2020 |
|--|---------------|
| Cash at the beginning of the period | 89.7 |
| Net cash flows from operating activities | -27.2 |
| Net cash flows from investing activities | -388.2 |
| Net cash flows from financing activities | 363.1 |
| Net decrease in cash | -51.9 |
| Cash at the end of the period | 37.8 |

Cash flows from operating activities

The Company and subsidiaries has net cash flow used in operating activities for 2020 equal to 27.2 MB. Generated from net profit before tax 69.1 MB. Used in account receivable increased 115.0 MB. from more sales revenue and freight charge stepped up. Account payable increased 16.4 MB.

Cash flows from investing activities

Net cash flows used in investing activities for 2020 were 388.2 MB. Invested 380 MB. in short term bank deposit and mutual fund. And paid 6.6 MB. for additional fixed assets.

Cash flows from financing activities

Net generated cash flows from financing activities 2020 were 363.1 MB. mainly form IPO amount 392.5 MB. and dividend payment 42.5 MB.

Financial Ratio

| Financial Ratio | 2020 (31/12/20) | 2019 (31/12/19) |
|-------------------------|--------------------|--------------------|
| Gross Profit Margin (%) | 29% | 30% |
| Net Profit Margin (%) | 5.1% | 4.5% |
| Current Ratio (Times) | 3.1 | 1.3 |
| Debt/Equity (Times) | 0.6 | 1.3 |

Please be informed accordingly.



Best Regards,



Mr. Kettivit Sittisoontornwong
(Chief Executive Officer)
LEO Global Logistics Public Company Limited