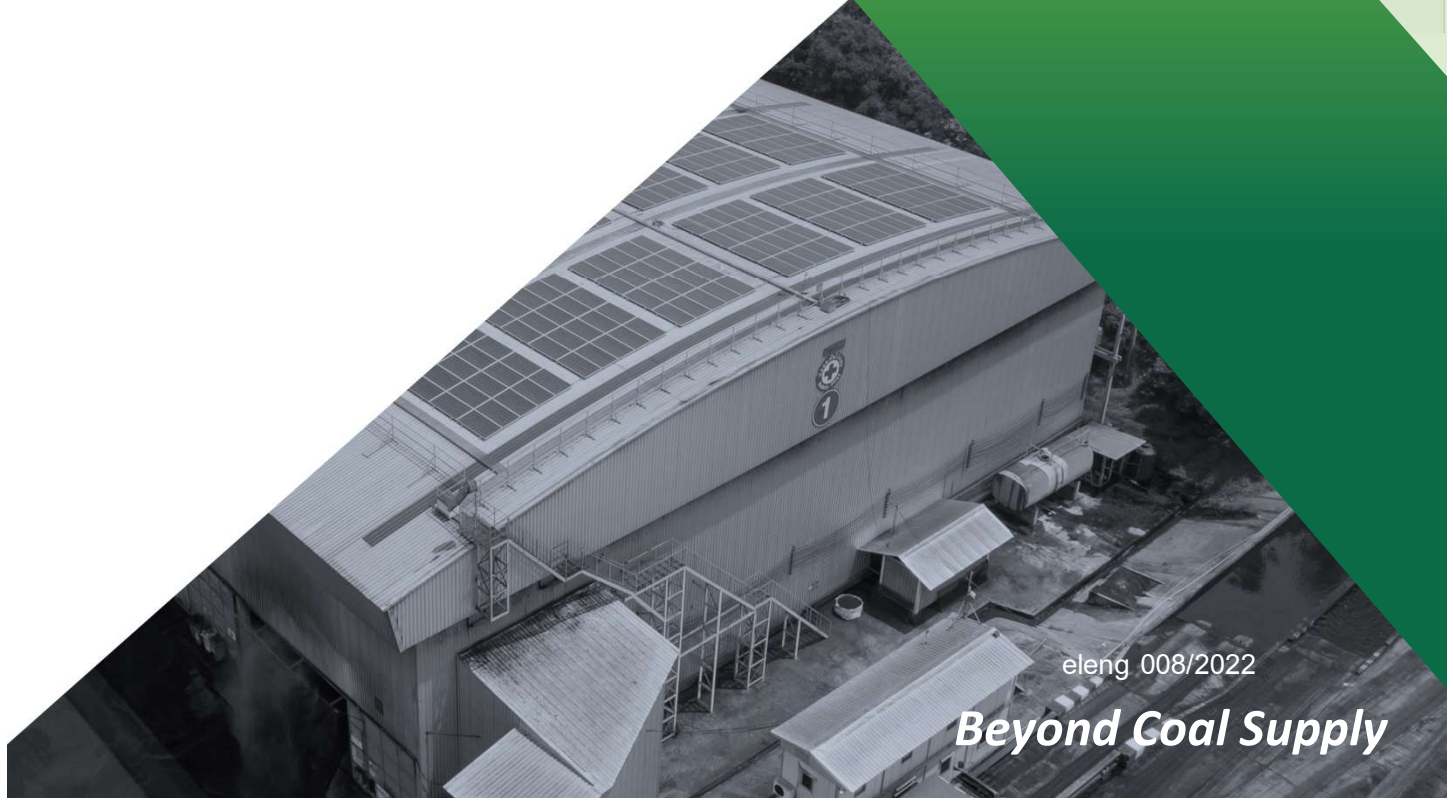


ASIA GREEN ENERGY
Public Company Limited

**MANAGEMENT
DISCUSSION
AND ANALYSIS
Q2/2022**



eleng 008/2022

Beyond Coal Supply

Operating Highlights	Q2/21	Q1/22	Q2/22	Change +/-		6M/21	6M/22	Change +/-
				%YoY	%QoQ			%YoY
Unit: Million THB								
Operating Revenue	2,960.8	3,714.0	4,553.8	53.8%	22.6%	5,807.5	8,267.8	42.4%
Gross Profit	194.4	611.4	679.3	249.4%	11.1%	538.8	1,290.7	139.6%
EBITDA	61.6	481.0	487.7	691.7%	1.2%	256.6	968.7	277.5%
Net Profit (Loss)	1.1	314.7	315.0	28,536.4%	0.1%	122.8	629.7	412.8%
Gross Profit Margin (%)	6.6%	16.5%	14.9%	8.3%	(1.6%)	9.3%	15.6%	6.3%
EBITDA Margin (%)	2.1%	13.0%	10.7%	8.6%	(2.3%)	4.4%	11.7%	7.3%
Net Profit Margin (%)	0.04%	8.5%	6.9%	6.9%	(1.6%)	2.1%	7.6%	5.5%

Executive Summary

YoY : Q2/2022 vs Q2/2021

- In **Q2/2022**, Asia Green Energy Public Company Limited and its subsidiaries (“the Group”) reported consolidated operating revenue of Baht 4,553.8 million, increased by Baht 1,593.0 million or 53.8% from Q2/2021, mainly due to the adjustment in the average coal selling price following the world coal price index and the increase in revenue from Logistics Service business, especially from Land Logistics Services.
- **Gross Profit** was Baht 679.3 million, increased by Baht 484.9 million or 249.4% from Q2/2021, corresponding to the higher total revenue.
- **Gross Profit Margin** was 14.9%, increased from 6.6% in Q2/2021, mainly due to adjustment in the average coal selling price following the world coal price index and able to manage the period time to sell products faster as well as increase revenue from the logistics service business.
- **Net Profit** was Baht 315.0 million, increased by Baht 313.9 million or 28,536.4% from Q2/2021, as a result of the adjustment in coal selling price corresponding to the global coal price index, allowing the Group to maintain margins between the selling price and cost and more effectively, as well as increased revenue from the logistics service business.
- **Net Profit Margin** was 6.9%, increased from 0.04% in Q2/2021, mainly due to the Group’s ability to adjust the selling price following the world coal price index, as well as the Group’s ability to control the selling and distribution expenses efficiently.

QoQ : Q2/2022 vs Q1/2022

- In **Q2/2022**, the Group reported consolidated operating revenue of Baht 4,553.8 million, increased by Baht 839.8 million or 22.6% from Q1/2022, mainly due to the increase in revenue from Domestic coal sales and Logistics Service business, especially from Land Logistics Service.
- **Gross Profit** was Baht 679.3 million, increased by Baht 67.9 million or 11.1% from Q1/2022, mainly due to the increase in coal sales volume.
- **Gross Profit Margin** was 14.9%, decreased from 16.5% in Q1/2022, as a result of the increase in the proportion of Direct Shipment Sales, which has a lower gross profit margin, and Logistics service business gross margins declined due to higher repair costs.
- **Net Profit** was Baht 315.0 million, increased by Baht 0.3 million or 0.1% from Q1/2022, which is immaterial change.
- **Net Profit Margin** was 6.9%, decreased from 8.5% in Q1/2022, as a result of the aforementioned decreasing gross margin

6M : 6M/2022 vs 6M/2021

- During **6M/2022**, the Group reported consolidated operating revenue of Baht 8,267.8 million, increased by Baht 2,460.3 million or 42.4% from 6M/2021, mainly due to the adjustment in the average coal selling price following the world coal price index and the increase in revenue from Logistics Service business, especially from Land Logistics Services.
- **Gross Profit** was Baht 1,290.7 million, increased by Baht 751.9 million or 139.6% from 6M/2021, corresponding to the higher total revenue.
- **Gross Profit Margin** was 15.6%, increased from 9.3% in 6M/2021 mainly due to adjustment in the average coal selling price following the world coal price index, and able to manage the period time to sell products faster as well as increase revenue from the logistics business.
- **Net Profit** was Baht 629.7 million, increased by Baht 506.9 million or 412.8% from 6M/2021, as a result of the adjustment in coal selling price corresponding to the global coal price index, allowing the Group to maintain margins between the selling price and cost and more effectively, As well as higher revenue from the Logistics Service business.
- **Net Profit Margin** was 7.6%, increased from 2.1% in 6M/2021, mainly due to the Group’s ability to adjust the selling price following the world coal price index, as well as the Group’s ability to control the selling and distribution expenses efficiently.

Industry Updates

Coal Price - Newcastle Index

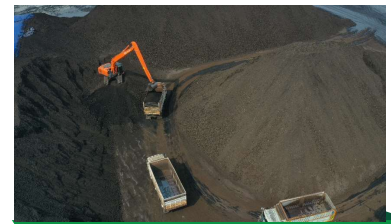


- Coal prices has been remained high as a result of the Russia-Ukraine conflict.
- Russia cut off natural gas exports to Europe. As a result, Europe may need to have plans for alternative energy sources and energy-saving measures in the country.
- The International Energy Agency (IEA) forecasts that global coal consumption is to rise by 0.7% in 2022 to 8 billion tonnes this year. This is the highest level it has held since 2013, under the assumption the Chinese economy recovers as expected in the second half of the year.

Q2/2022 Key Highlights

Company Displays Continuous Growth in both Sales and Services

In Q2/2022, the Company’s operating revenue increased by 22.6% from Q1/2022 and increased by 53.8% from Q2/2021, The increase was mainly from the rise in revenue from sales of coal and the increase in revenue from logistics services, mainly supported by the higher coal prices which have continued to rise from the previous year, as well as the increase in Logistics Business Services.



Interested in stakeholders, Donating sports equipment, Promoting sports skills for students

The Group operates its business concerned all stakeholders, especially in education. In this quarter, the Group provided sports equipment such as volleyball balls, futsal balls, petanque boules, and volleyball nets to replace the original ones that is damaged for use in training to improve sports skills, strengthen health and prepare for school group sports competitions at Nakhon Luang District, Phra Nakhon Si Ayutthaya Province.

Expanding installation space for Solar roofs to save energy and reduce greenhouse gas emissions

The Group has started installing solar roof panels with a size of 230 kWh in 2017, which can help reduce the cost of electricity in the warehouse in Nakhon Luang District, Phra Nakhon Si Ayutthaya Province more than 1 million Baht/year. In 2022, an additional 324 kWh solar roof panels is installed, which is expected to help reduce the cost of electricity by 1.5 million Baht/year and can reduce the amount of greenhouse gas emissions type 2.

2022 Outlook



Continues to Provide Full Logistics Services

The Group continues to provide full logistics services by providing services in land, river, transshipment through ports, and warehouse rental services. The mentioned service is used to support the transportation of cement, sand, glass, and industrial waste products. In 2022, The Group has a plan to invest Baht 130 million, divided into an investment of 20 trucks amount of Baht 80 million, an investment in a warehouse of Baht 40 million, and an investment in IT management systems of Baht 10 million. This is mainly to support the long-term logistics service growth and to enhance the growth of the Group’s overall performance.

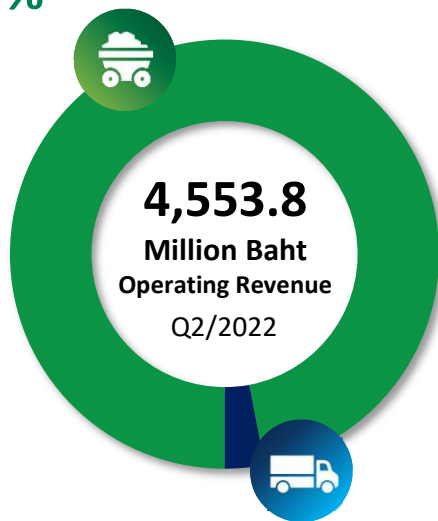
Operating Results	Q2/21	Q1/22	Q2/22	Change +/-		6M/21	6M/22	Change +/-
Unit: Million THB				%YoY	%QoQ			%YoY
Operating Revenue	2,960.8	3,714.0	4,553.8	53.8%	22.6%	5,807.5	8,267.8	42.4%
Cost of Sales and Service	(2,766.4)	(3,102.6)	(3,874.5)	40.1%	24.9%	(5,268.7)	(6,977.1)	32.4%
Gross profit	194.4	611.4	679.3	249.4%	11.1%	538.8	1,290.7	139.5%
Other income	2.8	3.0	2.5	(10.7%)	(16.7%)	12.3	5.5	(55.3%)
Selling and distribution expenses	(148.7)	(121.7)	(168.0)	13.0%	38.0%	(270.6)	(289.7)	7.1%
Administrative expenses	(55.4)	(66.0)	(68.6)	23.8%	3.9%	(108.0)	(134.6)	24.6%
Gain (losses) on exchange	21.1	11.1	(5.3)	(125.1%)	(147.7%)	1.8	5.8	222.2%
Share of profit (loss) from investment in joint venture	0.2	(5.9)	(2.3)	(1,250.0%)	(61.0%)	0.5	(8.2)	(1,740.0%)
EBIT	14.4	431.9	437.6	2,938.9%	1.3%	174.8	869.5	397.1%
Finance costs	(16.1)	(29.4)	(34.7)	115.5%	18.0%	(27.4)	(64.1)	133.9%
Income tax expenses	2.8	(87.8)	(87.9)	(3,239.3%)	0.1%	(24.7)	(175.7)	611.3%
Net profit	1.1	314.7	315.0	28,536.4%	0.1%	122.8	629.7	412.8%

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

Q2/2022 Operating Revenue Structure

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

Coal Trading 97%



Logistics Chain Service and Other Business 3%

Revenue from Coal Trading Business

- Domestic Coal Trading Business (91%)** classified by sales type:
 - Direct Shipment (7% of domestic revenue)
 - Mixed Size (52% of domestic revenue)
 - Screened Size (41% of domestic revenue)
- Overseas Coal Trading Business (9%)** in Cambodia and Vietnam

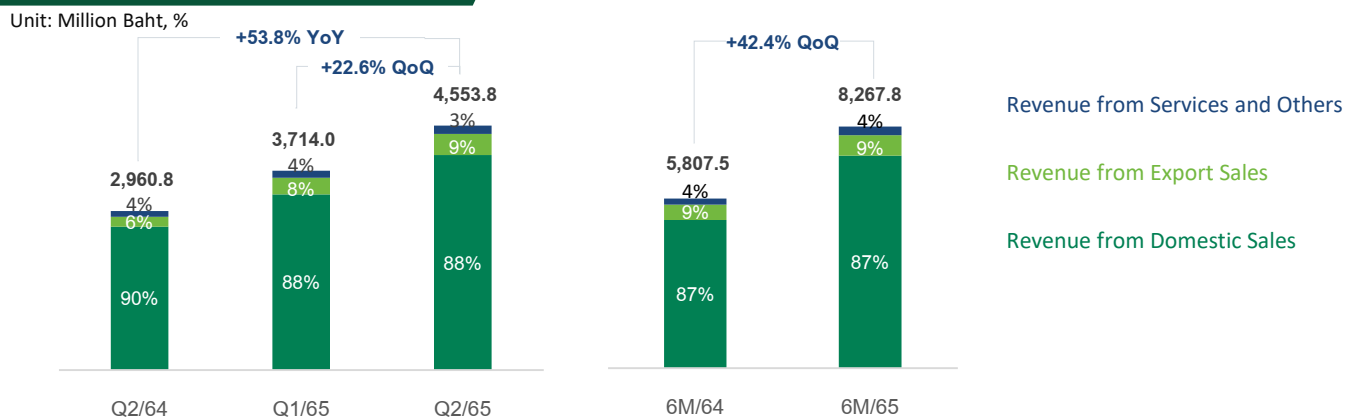
Revenue from Logistics Chain Service Provider and Other Business

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

Revenue Structure	Q2/21	Q1/22	Q2/22	Change +/-		6M/21	6M/22	Change +/-
				%YoY	%QoQ			
Unit: Million THB								
Revenue from Coal Trading								
Revenue from Domestic Sales	2,666.5	3,270.7	4,000.9	50.0%	22.3%	5,065.3	7,271.6	43.6%
Revenue from Export Sales	187.4	306.8	398.0	112.4%	29.7%	532.3	704.8	32.4%
Total Revenue from Coal Trading	2,853.9	3,577.5	4,398.9	54.1%	23.0%	5,597.6	7,976.4	42.5%
Total Revenue from Logistics Service and Others	106.9	136.5	154.9	44.9%	13.5%	209.9	291.4	38.8%
Total Operating Revenue	2,960.8	3,714.0	4,553.8	53.8%	22.6%	5,807.5	8,267.8	42.4%
Other Income	2.8	3.0	2.5	(10.7%)	(16.7%)	12.3	5.5	(55.3%)
Total Revenue	2,963.6	3,717.0	4,556.3	53.7%	22.6%	5,819.8	8,273.3	42.2%

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

1. Operating Revenue



YoY : Q2/2022 vs Q2/2021

In Q2/2022, the Group reported consolidated operating revenue of Baht 4,553.8 million, increased by Baht 1,593.0 million or 53.8% from Q2/2021, mainly due to:

- **Revenue from Domestic Sales:** increased by 50.0% as a result of the increase in the average coal selling price following the world coal price index.
- **Revenue from Export Sales:** increased by 112.4% as a result of the increase in the average coal selling price following the world coal price index.
- **Revenue from Logistics Services and Others:** increased by 44.9% as a result of better performance from all logistics services. The largest increase came from Land Logistics Services which was able to complete a higher number of trips from the increase in trucks and other business.

QoQ : Q2/2022 vs Q1/2022

In Q2/2022, the Group reported consolidated operating revenue of Baht 4,553.8 million, increased by Baht 839.8 million or 22.6% from Q1/2022, mainly due to:

- **Revenue from Domestic Sales:** increased by 22.3% as a result of the increase in domestic coal sales volumes.
- **Revenue from Export Sales:** increased by 29.7% as a result of the increase in the average coal selling price following the world coal price index.
- **Revenue from Logistics Services and Others:** increased by 13.5% from higher revenue in all Logistic Services, especially from the Land Logistics Services and other business.

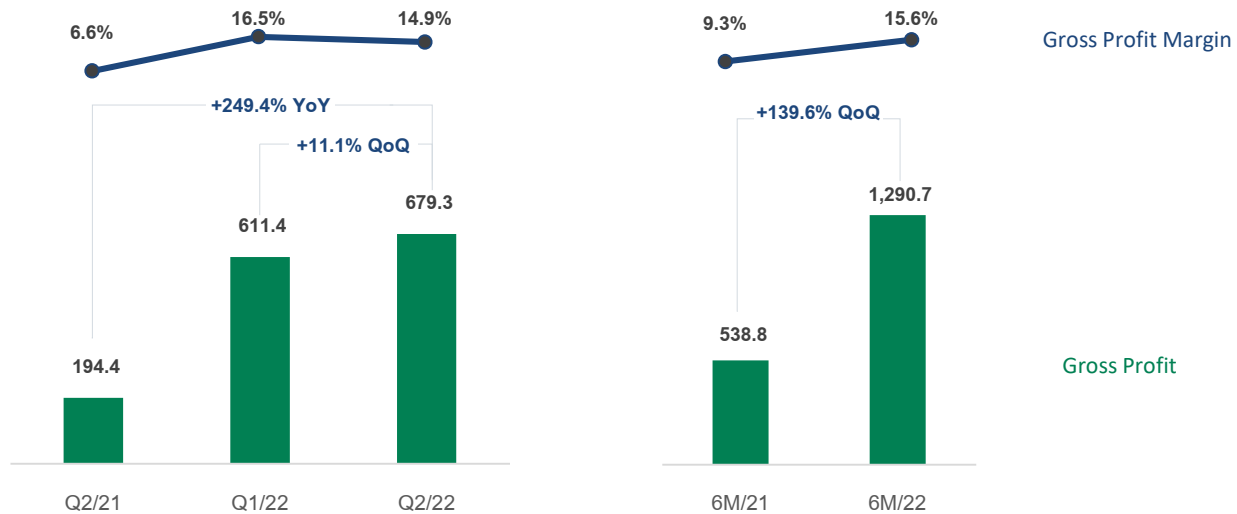
6M : 6M/2022 vs 6M/2021

During 6M/2022, the Group reported consolidated operating revenue of Baht 8,267.8 million, increased by Baht 2,460.3 million or 42.4% from 6M/2021, mainly due to:

- **Revenue from Domestic Sales:** increased by 43.6% as a result of the increase in the average coal selling price following the world coal price index.
- **Revenue from Export Sales:** increased by 32.4% as a result of the increase in the average coal selling price following the world coal price index.
- **Revenue from Logistics Services and Others:** increased by 38.8% as a result of better performance from all logistics services. The largest increase came from Land Logistics Services which was able to complete a higher number of trips from the increase in trucks and other business.

2. Gross Profit and Gross Profit Margin

Unit: Million Baht, %



YoY : Q2/2022 vs Q2/2021

In Q2/2022, the Group recorded a Gross Profit of Baht 679.3 million, increased by Baht 484.9 million or 249.4% compared to Q2/2021, as a result of the adjustment of coal selling price corresponding to the global coal price index, which is in line with the Group's strategy to focus on managing coal costs efficiently. In addition, the Group recognized revenue growth from the Logistics Service business.

Gross Profit Margin was 14.9% in Q2/2022, increased from 6.6% in Q2/2021 mainly due to the adjustment of coal selling price corresponding to the global coal price index as the Group's coal trading business model is to import coals in advance, reserving for domestic demand, by developing the short-term forecast of the coal price index. In addition, the Group can manage the period time to sell products faster and recognize revenue growth from the Logistics Service business which has a relatively higher gross profit margin than the coal business.

QoQ : Q2/2022 vs Q1/2022

In Q2/2022, the Group recorded a Gross Profit of Baht 679.3 million, increased by Baht 484.9 million or 11.1% compared to Q1/2022, mainly due to the increase in coal sales volume.

Gross Profit Margin was 14.9% in Q2/2022, decreased from 16.5% in Q1/2022, as a result of the increase in proportion of Direct Shipment Sales, which has a lower gross profit margin and Logistics gross margins declined due to higher repair costs.

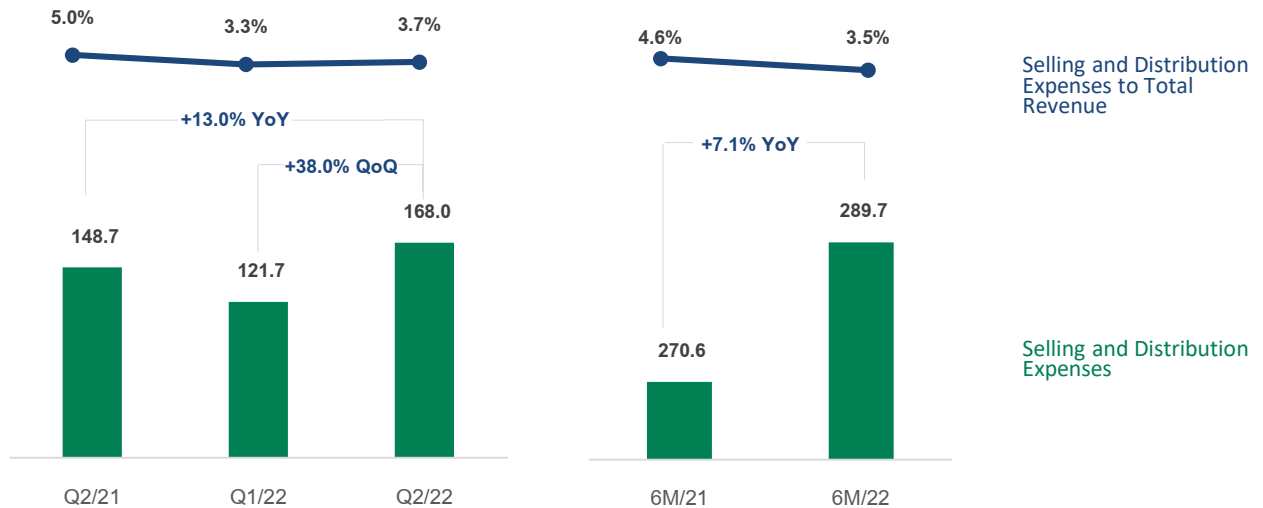
6M : 6M/2022 vs 6M/2021

During 6M/2022, the Group recorded a Gross Profit of Baht 1,290.7 million, increased by Baht 751.9 million or 139.6% compared to 6M/2021, as a result of the adjustment of coal selling price corresponding to the global coal price index, which is in line with the Group's strategy to focus on managing coal costs efficiently. In addition, the Group recognized revenue growth from the Logistics Service business.

Gross Profit Margin was 15.6% in 6M/2022, increased from 9.3% in 6M/2021 mainly due to the adjustment of coal selling price corresponding to the global coal price index as the Group's coal trading business model is to import coals in advance, reserving for domestic demand, by developing the short-term forecast of the coal price index. In addition, the Group can manage the period time to sell products faster and recognize revenue growth from the Logistics Service business which has a relatively higher gross profit margin than the coal business.

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 : Q2/2022 vs Q2/2021

In Q2/2022, the Group recorded selling and distribution expenses of Baht 168.0 million, increased by Baht 19.3 million or 13.0% compared to Q2/2021, 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 domestic sales of coal.

Selling and distribution expenses to total revenue were 3.7% in Q2/2022, improved from 5.0% in Q2/2021, mainly due to the higher operating revenue, as well as the Group's ability to control the selling and distribution expenses efficiently.

QoQ : Q2/2022 vs Q1/2022

In Q2/2022, the Group recorded selling and distribution expenses of Baht 168.0 million, increased by Baht 46.3 million or 38.0% compared to Q1/2022, 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 domestic sales of coal.

Selling and distribution expenses to total revenue were 3.7% in Q2/2022, slightly increased from 3.3% in Q1/2022 as result of the increase in operating revenue in a lower proportion than the increase in selling and distribution expenses.

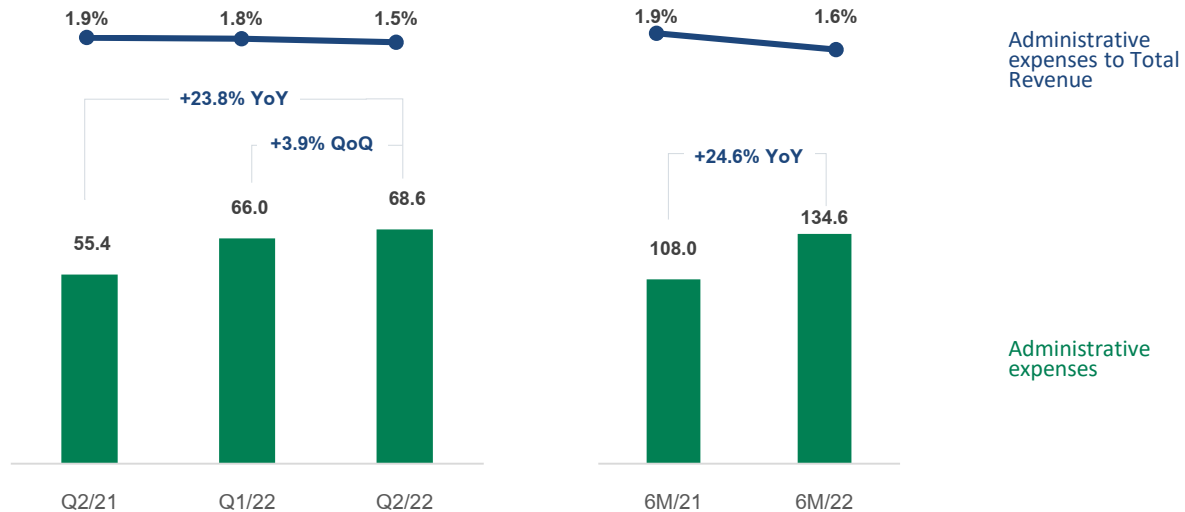
6M : 6M/2022 vs 6M/2021

During 6M/2022, the Group recorded selling and distribution expenses of Baht 289.7 million, increased by Baht 19.1 million or 7.1% compared to 6M/2021, 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 were 3.5% in the 6M/2022, improved from 4.6% in 6M/2021 as a result of increase in operating revenue in a higher proportion than the increase in selling and in-land distribution expense.

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 : Q2/2022 vs Q2/2021

In Q2/2022, the Group recorded administrative expenses of Baht 68.6 million, increased by Baht 13.2 million or 23.8% compared to Q2/2021, mainly due to the rise in employee-related expenses and allowance for doubtful accounts.

Administrative expenses to total revenue were 1.5% in Q2/2022, improved from 1.9% in Q2/2021 mainly due to the higher operating revenue, as well as the Group's ability to control the expenses efficiently.

QoQ : Q2/2022 vs Q1/2022

In Q2/2022, the Group recorded administrative expenses of Baht 68.6 million, increased by Baht 2.6 million or 3.9% compared to Q1/2022, mainly due to the rise in employee-related expenses.

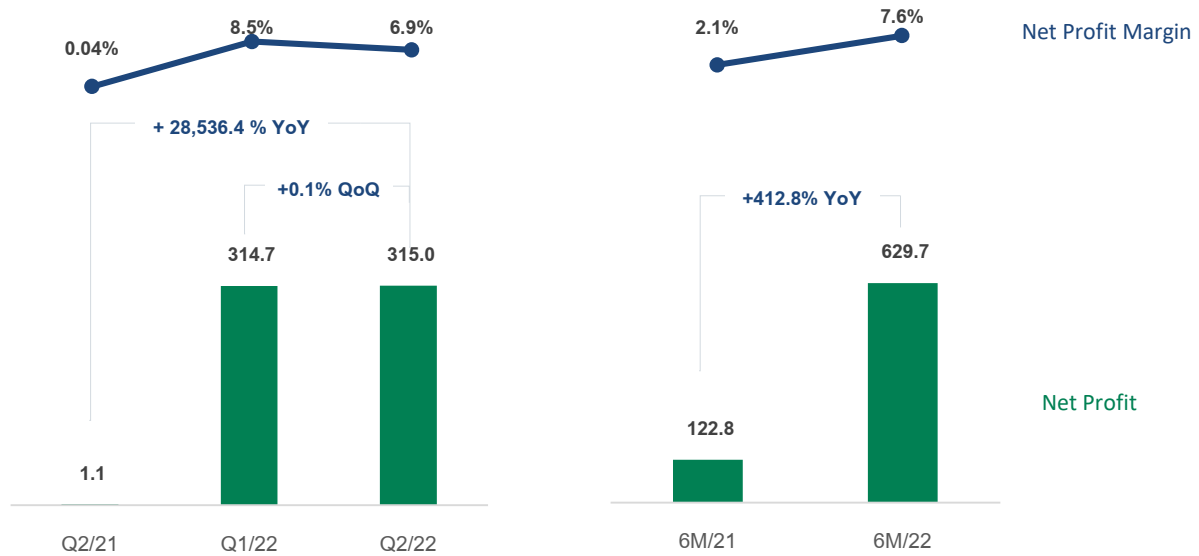
Administrative expenses to total revenue were 1.5% in Q2/2022, improved from 1.8% in Q1/2022 mainly due to the Group's ability to control the expenses efficiently, as well as a significantly increase in operating revenue.

6M : 6M/2022 vs 6M/2021

During 6M/2022, the Group recorded administrative expenses of Baht 134.6 million, increased by Baht 26.6 million or 24.6% compared to the 6M/2021, mainly due to a rise in employee-related expenses.

Administrative expenses to total revenue were 1.6% in 6M/2022, improved from 1.9% in 6M/2021, mainly due to the Group's ability to control the expenses efficiently, as well as a significantly increase in operating revenue.

5. Net Profit and Net Profit Margin



YoY : Q2/2022 vs Q2/2021

In Q2/2022, the Group recorded a net profit of Baht 315.0 million, increased by Baht 313.9 million or 28,536.4% compared to Q2/2021, as a result of the adjustment of coal selling price corresponding to the global coal price index, allowing the Group to maintain margins between the cost and the selling price more effectively. Moreover, able to control selling and administrative expenses, as well as increase revenue from the logistics service business.

Net profit margin was 6.9% in Q2/2022, improved from 0.04% in Q2/2021 as a result of the adjustment of coal selling price corresponding to the global coal price index. Moreover, the more efficient cost management for selling and administrative expenses

QoQ : Q2/2022 vs Q1/2022

In Q2/2022, the Group recorded a net profit of Baht 315.0 million, increased by Baht 0.3 million or 0.1% compared to Q1/2022, which is immaterial change.

Net profit margin was 6.9% in Q2/2022, decreased from 8.5% in Q1/2022 as a result of the aforementioned decreasing gross margin.

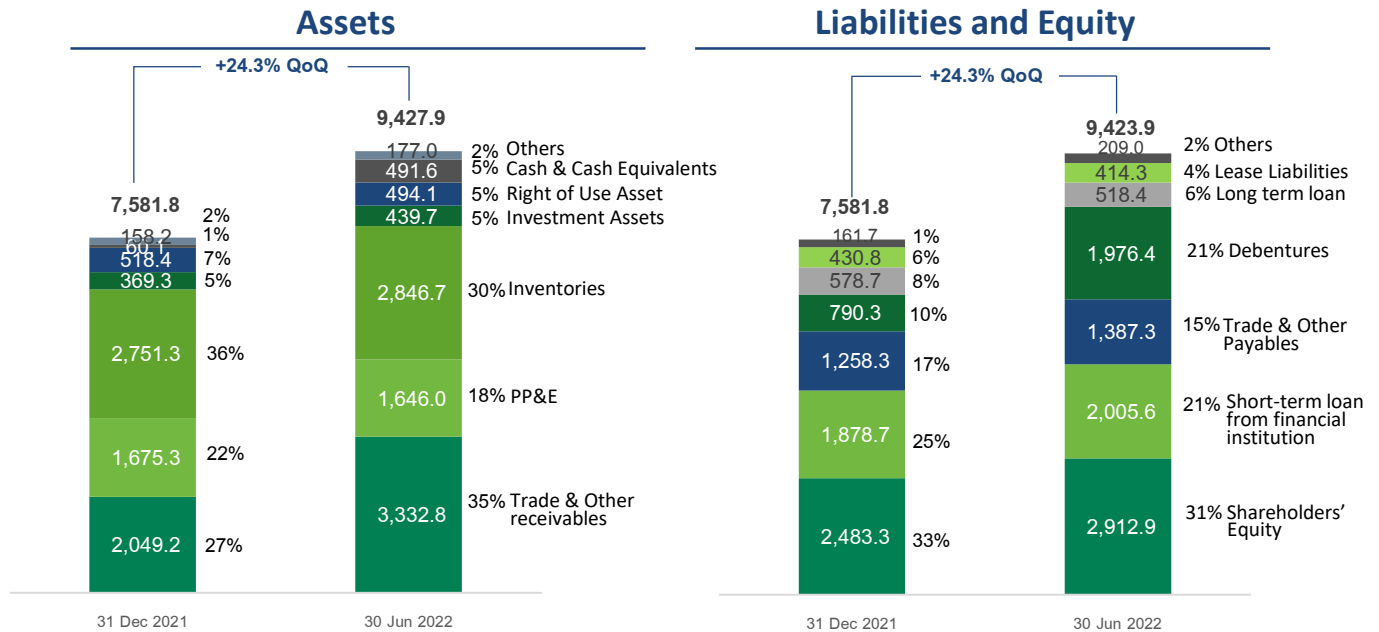
6M : 6M/2022 vs 6M/2021

During 6M/2022, the Group recorded a net profit of Baht 629.7 million, increased by Baht 506.9 million or 412.8% compared to the 6M/2021, as a result of the adjustment of coal selling price corresponding to the global coal price index, allowing the Group to maintain margins between the cost and the selling price more effectively. Moreover, able to control selling and administrative expenses, as well as increase revenue from the logistics service business.

Net profit margin was 7.6% in 6M/2022, improved from 2.1% in 6M/2021 mainly due to the result of the adjustment of coal selling price corresponding to the global coal price index, as well as the more efficient cost management for selling and administrative expenses.

Statement of Financial Position

Unit: Million Baht, %



Total Assets

As of 30 June 2022, the total assets of the Group were Baht 9,423.9 million, increased by Baht 1,842.1 million or 24.3% from 31 December 2021 mainly due to:

- **Cash and cash equivalents:** increased by Baht 431.5 million due to the increase in cash received from debenture and loans from financial institutions.
- **Trade & Other Receivables:** increased by Baht 1,283.6 million due to the increase in revenue from sales.
- **Inventories:** increased by Baht 95.4 million due to the increase in average cost of coal.

Total Liabilities

As of 30 June 2022, the total liabilities of the Group were Baht 6,511.0 million, increased by Baht 1,412.5 million or 27.7% from 31 December 2021 mainly due to:

- **Short-term loan from financial institutions:** increased by Baht 126.9 million due to the additional short-term loan as the Group's working capital to support the Group's growth plan.
- **Trade and Other Payables:** increased by Baht 129.0 million due to the higher volume of coal imports.
- **Debenture:** increased by Baht 1,186.1 million due to the issuance of additional debentures in Q2/2022.

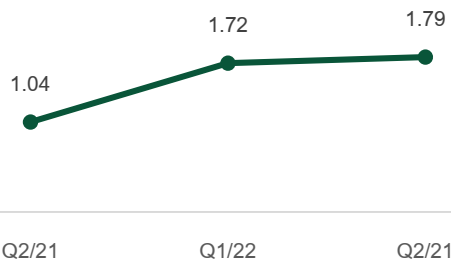
Total Shareholders' Equity

As of 30 June 2022, the total equity of the Group was Baht 2,912.9 million, increased by Baht 429.6 million or 17.3% from 31 December 2021, mainly due to the recognition of net profit from the first and second quarter of 2022. However, the Group has paid dividends by cash for the year 2021 in Q2/2022 totaling Baht 200.1 million.

Key Financial Ratios

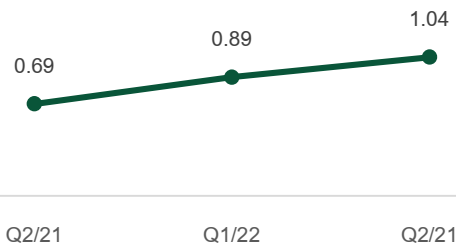
Current Ratio

Unit: Times



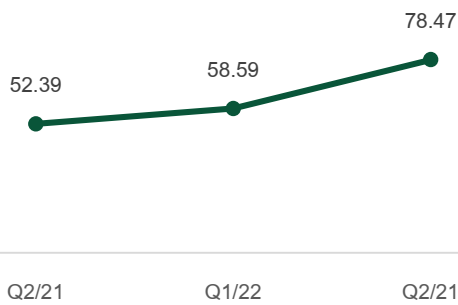
Quick Ratio

Unit: Times



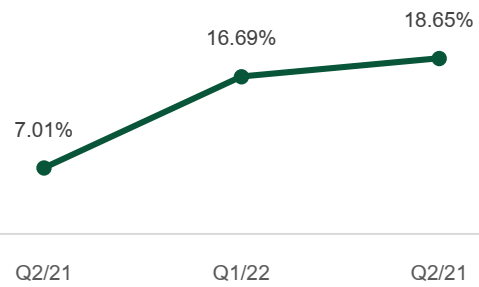
Inventory Turnover

Unit: Days



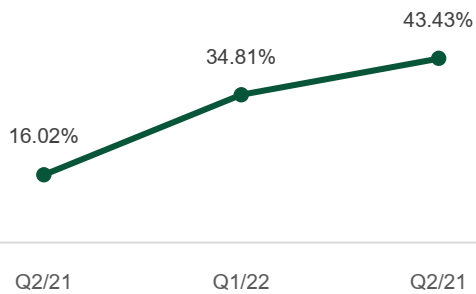
ROA

Unit: %



ROE

Unit: %



D/E Ratio

Unit: Times

