

## Management Discussion and Analysis

### Quarter 2 Ending 30 June 2022

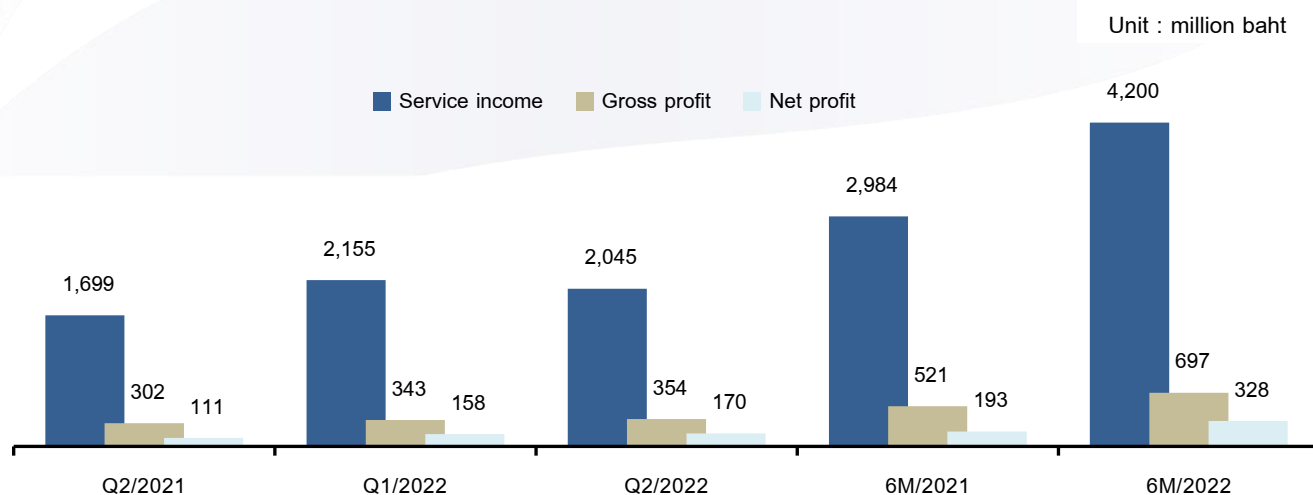
In 2022, the trend of imports and exports of Thai products will continue to grow. Due to the low risk of spreading the novel coronavirus, production and logistics delays in the supply chain have a better direction of recovery. Moreover, despite the global economic slowdown but the trend of product demand in the world market remains stable as usual. And there is a tendency to grow at a high level in some products such as agricultural products and electronic products.

#### Summary of the Company's operating results

Unit : million baht

Profit and Loss	Q2/2021	Q1/2022	Q2/2022	% (YoY)	% (QOQ)	6M/2021	6M/2022	% (YOY)
Service income	1,699	2,155	2,045	20%	-5%	2,984	4,200	41%
Gross profit	302	343	354	17%	3%	521	697	34%
Other income	8	10	18	125%	80%	10	29	190%
Selling expenses	34	37	42	24%	14%	55	80	45%
Administrative expense	108	117	86	-20%	-26%	186	203	9%
Finance cost	5	5	5	-	-	7	10	43%
Income tax expense	35	30	53	51%	77%	55	83	51%
Profit for the period	128	164	186	45%	14%	228	350	54%
<b>Profit attributable to:</b>								
Equity holders of the company	111	158	170	53%	8%	193	328	70%
Non-controlling interests of subsidiaries	17	6	16	-9%	174%	35	22	-37%

Performance in the first half of 2022 The company's growth is in line with its strategic goals. which is growing in the same direction as Thai imports and exports Service income of the Company in the first half of 2022 was at 4,200 million baht, an increase of 41% compared to the same period last year. In particular, Sea Freight services grew 124% compared to the same period last year. And the net profit of the company in the first half of 2022 was at 328 million baht, an increase compared to the same period. Same time last year 70%



the Company's service income for the second quarter of 2022 was 2,045 million baht, an increase of 346 million baht or 20% of the previous year for the same period. And for the first half of 2022, it was 4,200 million baht, an increase of 1,216 million baht or 41% of the previous year for the same period. The increase in revenue resulted in net profit for the second quarter of 2022 equal to 170 million baht, an increase of 59 million baht or 53% of the previous year for the same period. and for the first half of 2022, it was 328 million baht, an increase of 135 million baht or 70% of the previous year for the same period. The reason for the increase in net profit

This is due to the continuous increase in revenue from marine freight forwarding services. Target customers include electronics and automotive parts industry. especially the US

The Company's gross profit for the second quarter of 2022 was 354 million baht, an increase of 52 million baht or 17% of the previous year for the same period. and for the first half of 2022, it was 697 million baht, an increase of 176 million baht or 34% of the previous year for the same period. This was due to an increase in revenue from shipping services by sea. increased in proportion to the increase in revenue and the gross profit margin also increased.

Other income for the second quarter of 2022 was 18 million baht, an increase of 10 million baht or 125% of the previous year for the same period. And for the first half of 2022, it was 29 million baht, an increase of 19 million baht or 190% of the previous year for the same period. resulting from foreign exchange gains from the weak baht situation most of which the company have foreign trade receivables denominated in USD resulting in a relatively high exchange rate profit

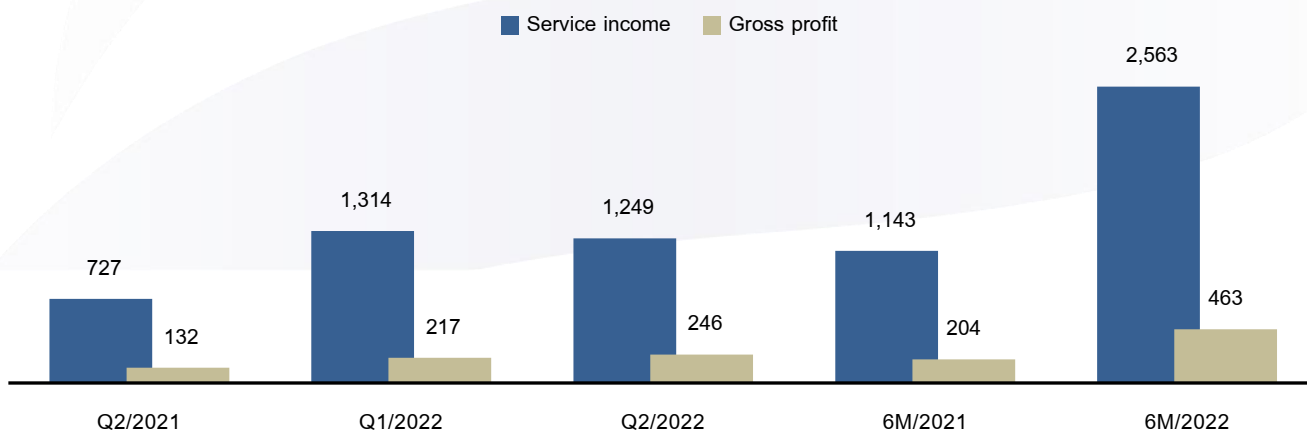
Selling expenses for the second quarter of 2022 was 42 million baht, an increase of 8 million baht or 24% of the previous year for the same period. and for the first half of 2022, it was 80 million baht, an increase of 25 million baht or 45% of the previous year for the same period. increased in line with increased sales and profits

Administrative expenses for the second quarter of 2022 amounted to 86 million baht, a decrease of 22 million baht or 20% of the previous year during the same period. This was due to a decrease in doubtful accounts due to an increase in outstanding debts.

## Performance by segment

### 1. Sea Freight

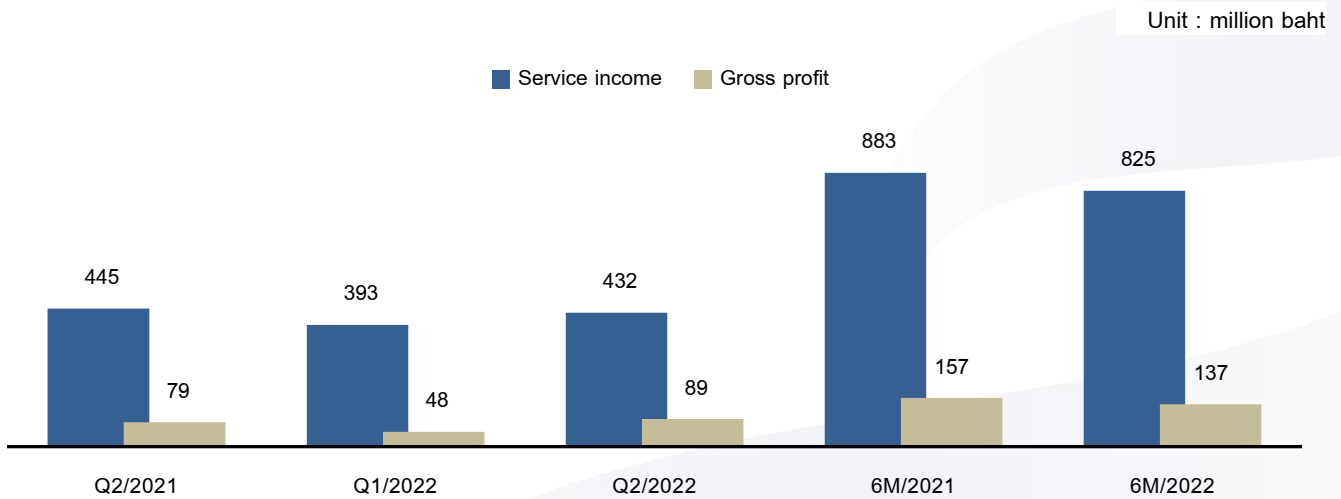
Unit : million baht



Revenue from sea freight for the second quarter of 2022 was 1,249 million baht, an increase of 522 million baht or 72% of the previous year for the same period. And for the first half of 2022, it was 2,563 million baht, an increase of 1,420 million baht or 124% of the previous year for the same period. For sea freight services, the volume of freight services continued to grow from increasing

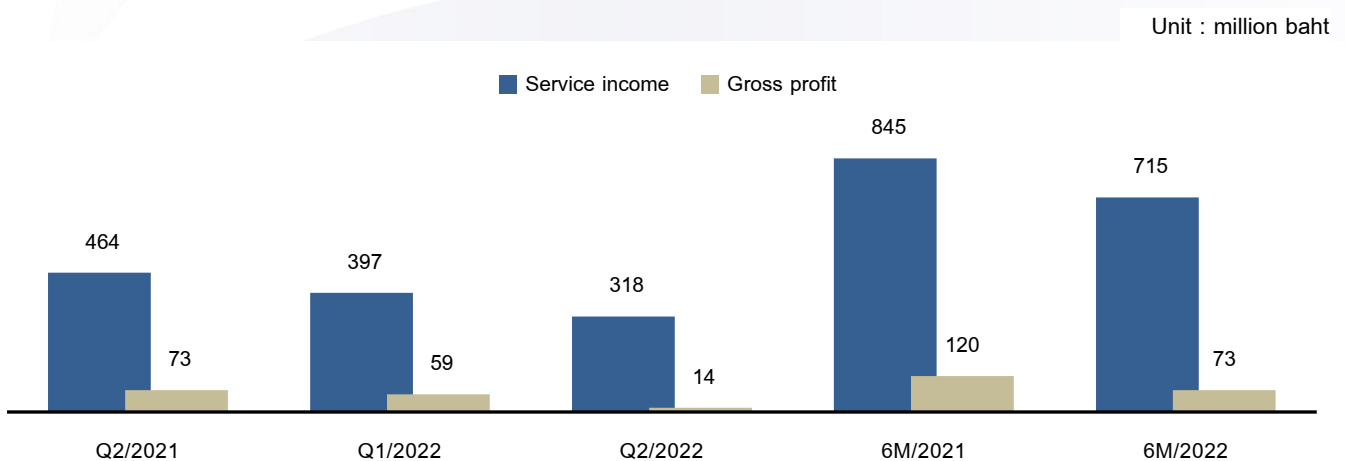
demand The target customers are electronics and automotive parts industry, especially the United States. In the first half of 2022, the cargo capacity of 5,091 TEUS was delivered in line with the Company's strategic goals, enabling the Company to increase the volume of transportation as planned. Gross profit from sea freight for the second quarter of 2022 was 246 million baht, an increase of 114 million baht or 86% of the previous year for the same period. And for the first half of 2022, it was 463 million baht, an increase of 259 million baht or 127% of the previous year for the same period.

## 2. Air Freight



Revenue from air freight for the second quarter of 2022 was 432 million baht, a decrease of 13 million baht or 3% of the previous year for the same period. And for the first half of 2022, it was 825 million baht, a decrease of 58 million baht or 7% of the previous year for the same period. The reason is that in 2020, continuing until the beginning of 2021, the company has made a lot of charter flights. The income and costs are quite high. Compared to this year, air service revenue for the first half of 2022 decreased from the previous year for the same period. Gross profit from air freight for the second quarter of 2022 was 89 million baht, an increase of 10 million baht or 13% of the previous year for the same period and for the first half of 2022, was 137 million baht, a decrease of 20 million baht, accounted for 13% of the previous year for the same period.

## 3. Cross Border Service

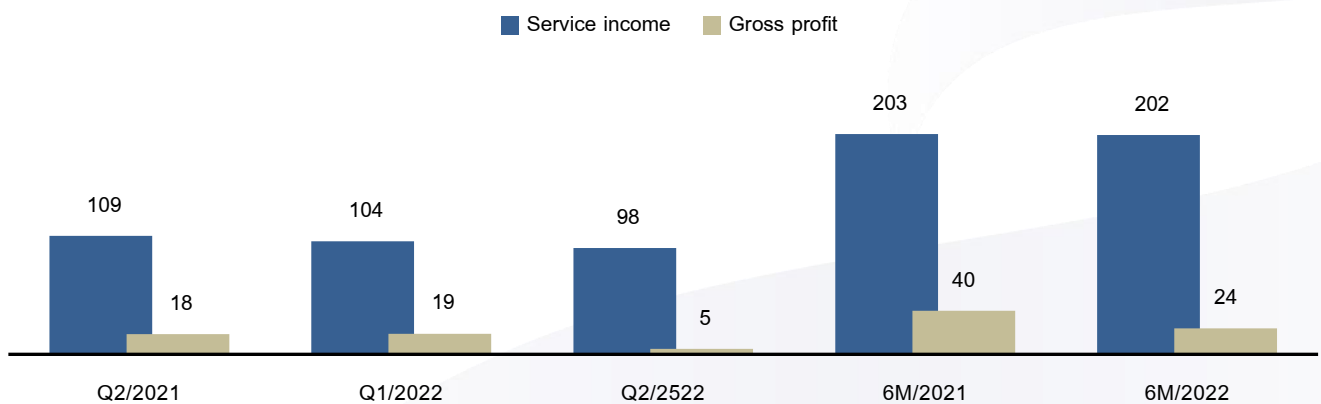


Revenue from cross border service for the second quarter of 2022 was 318 million baht, a decrease of 146 million baht or 32% of the previous year for the same period. And for the first half of 2022, it was 715 million baht, a decrease of 130 million baht or 15% of

the previous year for the same period. This was caused by early 2022, the closure of the border checkpoint in China hindered cross-border land transport. Unable to transport As a result, the revenue decreased. The Company expects that if the situation of China's lockdown measures is eased and the port can be opened, it will affect the Company. There is an increase in the amount of transportation coming back. Because cross-border land transport is still a popular service with customers. Gross profit from cross-border land transportation for the second quarter of 2022 was 14 million baht, a decrease of 59 million baht or 81% of the previous year for the same period. and for the first half of 2022, it was 73 million baht, a decrease of 47 million baht or 39% of the previous year for the same period.

#### 4. Supply Chain Solutions

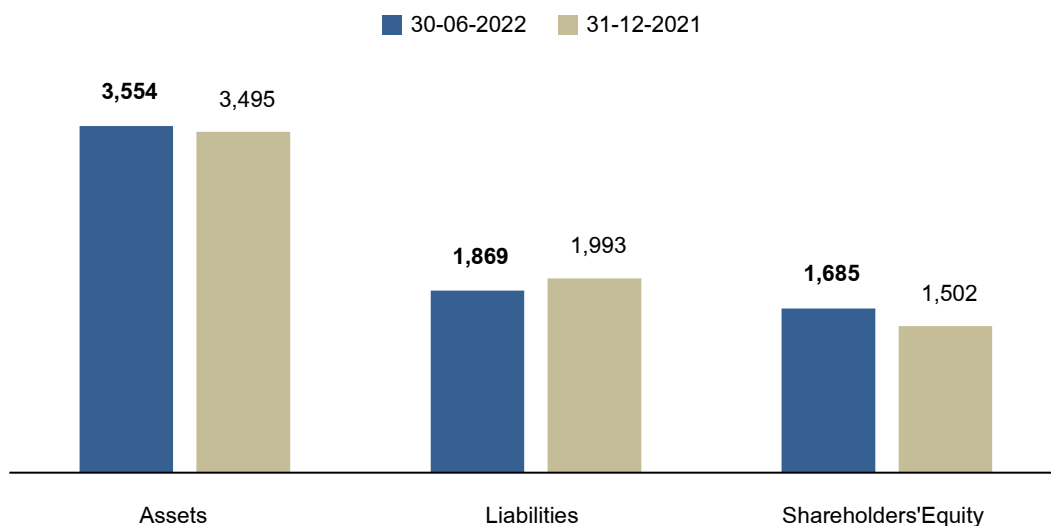
Unit : million baht



Revenue from Supply Chain Solutions for the second quarter of 2022 was 98 million baht, a decrease of 11 million baht or 10% of the previous year for the same period. and for the first half of 2022, it was 202 million baht, a decrease of 1 million baht or 0.5% of the previous year for the same period. caused by Domestic land transport services have reduced the volume of transportation. Gross profit from Supply Chain Solutions for the second quarter of 2022 was 5 million baht, a decrease of 13 million baht or 73% of the previous year for the same period. and for the first half of 2022, it was 24 million baht, a decrease of 16 million baht or 40% of the previous year for the same period.

#### Analysis of financial position

Unit : million baht



The Company's total assets as of June 30, 2022 and December 31, 2021 were equal to 3,554 million baht and 3,495 million baht, respectively, an increase of 59 million baht or 2% due to an increase in cash received from collections from debtor. As a result, trade accounts receivable decreased.

The Company has total liabilities as of June 30, 2022 and December 31, 2021 equal to 1,869 million baht and 1,993 million baht, respectively, a decrease of 124 million baht or 6%, resulting from the loan repayment period, resulting in a reduction in liabilities. go down

#### **Company milestones in the 2nd quarter of 2022**

1. On April 29, 2022, the Annual General Meeting of Shareholders of the Company approved the payment of dividends from the operating results of the year 2021 to shareholders at the rate of 0.23% baht, representing the amount of 149.9 million baht by paying dividends on May 13, 2022
2. On May 18, 2022, Euroasia Total Logistics Public Company Limited invested additionally in Euroasia Total Logistic(M) Sdn Bhd. in the amount of 2.7 million baht (0.3 million Malaysian ringgit). Such capital does not affect the shareholding of Euroasia Total Logistics Public Company Limited in Euroasia Total Logistic(M) Sdn Bhd.
3. On May 24, 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 of Euroasia Total Logistics Public Company Limited resolved to approve as follows:
  - 3.1 Converted from a limited company to a public limited company and changed its name to Euroasia Total Logistics Public Company Limited
  - 3.2 Changing the par value of ordinary shares from 10 baht per share to 0.50 baht per share, causing the ordinary shares of Euroasia Total Logistics Public Company Limited to increase from 12,244,898 shares to 244,897,960 shares.
  - 3.3 Increase registered capital from 122,448,980 baht (244,897,960 ordinary shares with a par value of 0.50 baht) for initial public offering (Initial Public Offering)
  - 3.4 Euroasia Total Logistics Public Company Limited has registered the conversion and capital increase with the Ministry of Commerce on May 25, 2022.

#### **Management's view on trends and strategies for the half of 2022**

The direction of operations in the second half of 2022 has a positive outlook. The company is expected to hit a new record for the third year in a row. There are supporting factors for the introduction of lockdown measures in China. In addition, the United States has considered reducing tariffs on Chinese goods. and the situation of the baht depreciating. As a result, there is an increase in demand for products both domestically and internationally, such as automotive parts. electronic components and home appliances. The company focuses on key drivers such as increasing ocean freight. cross border transport and collaborating with partners to create business growth

1. **Sea Freight Services** There is an increase in demand for transportation from foreign customers. especially the United States. The company has set a target for the amount of transportation. The total amount of 10,000 TEUS, while the cooperation with 9 foreign branches that provide services, namely WICE Logistics (Singapore) Pte.Ltd., WICE Logistics (Malaysia) Sdn.Bhd. (Kuala Lumpur branch, Johor Bahru. and Penang), WICE Logistics (Hong Kong) Ltd. (Hong Kong, Shanghai, Guangzhou, Shenzhen and Ningbo branches) to expand the transport volume between ASEAN-China and China-USA. including supporting the relocation of Chinese production bases back to Thailand resulting in an increase in the number of shipments

2. Air Freight service has a tendency to improve from the relaxation of China's lockdown measures. The company has closely monitored the situation. It is expected that if China opens the country in the 4th quarter of 2022, it will result in an increase in the number of transport flights.
3. Cross Border Service under the management of Euroasia Total Logistics Public Company Limited (ETL). The arrears of goods at the customs checkpoint The company expects that if China's lockdown measures are eased and the port can be opened, the company's transport volume will increase.
4. Supply Chain Solutions Service is managed by Wise Supply Chain Solutions Company Limited. The Siam Cement Public Company Limited, with an area of 15,000 sq m., began to recognize revenue in July 2022. It is an onsite warehouse management service that covers the design of operational procedures. Planning and recruiting manpower including controlling the work within the warehouse In addition, the company In the process of negotiating with distributor partners and managing the integrated e-commerce channel of Southeast Asia

As for the direction of the second half of the year, the Company remains committed to operating as planned and maintaining a good level of profitability. Expected revenue growth as planned for sure.