



LTR.SEA 044/2023

23 February 2023

Subject: Management Discussion and Analysis for the year ended 31 December 2022

ATTN: The Director and Manager
The Stock Exchange of Thailand

Sea Oil Public Company Limited (the “Company”) would like to clarify operating results of the Company and subsidiaries for the year ended 31 December 2022 as follow:

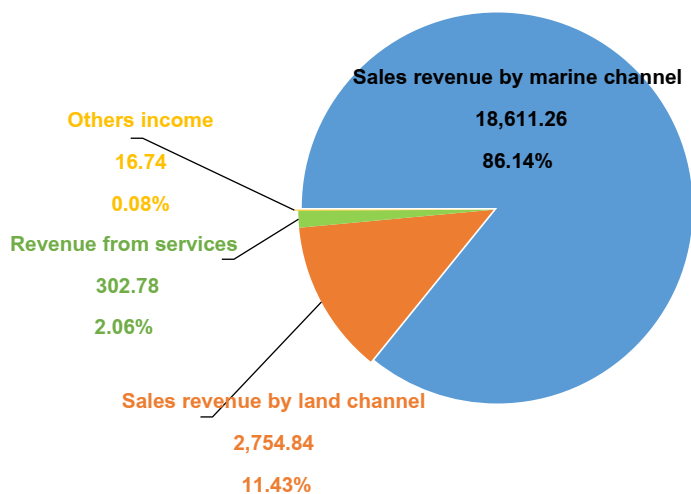
Unit: Million Baht

Statement of Comprehensive Income (Unit: Million Baht)	Consolidated financial statements			Separate financial statements		
	2022	2021	% Increase / (Decrease)	2022	2021	% Increase / (Decrease)
Revenue from sales and services	21,668.88	11,311.45	91.57	3,233.11	2,596.10	24.54
Gross Profit	366.37	259.40	41.24	64.37	67.85	(5.13)
Other Income	16.74	13.79	21.43	135.41	85.06	59.18
Selling and Administrative Expenses	(366.09)	(267.78)	36.71	(154.34)	(128.34)	20.26
(Loss on) Reversal of impairment of financial assets	(9.70)	4.07	338.50	6.87	2.11	(226.35)
Other gains (losses), net	37.50	12.05	211.18	1.05	0.42	151.80
Finance costs	(22.21)	(20.62)	7.75	(6.45)	(15.43)	(58.20)
Share of profit from a joint venture	422.29	257.50	64.00	-	-	-
Profit for the year	450.16	240.03	87.55	45.72	13.09	249.34
Profit (loss) attributable to:						
Owners of the Company	440.60	230.95	90.78	45.72	13.09	249.34
Non-controlling interests	9.56	9.08	5.31	-	-	-

Overview of the Business Operation of the year ended 31 December 2022

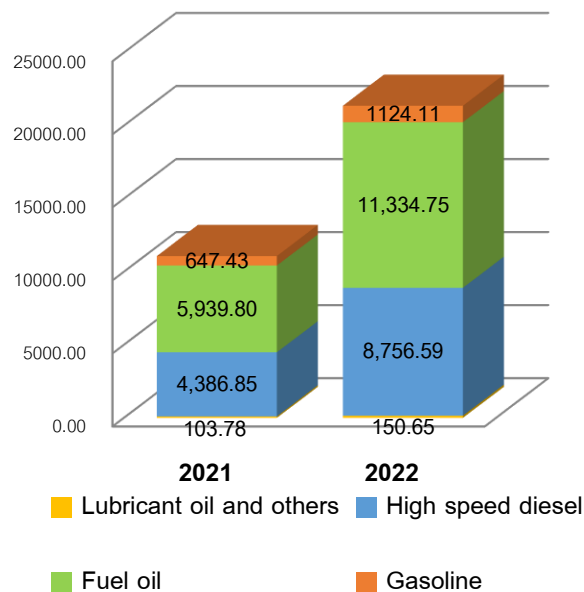
Revenue structure 2022

(Unit: million baht)



Revenue from sales by products 2021-2022

(Unit: million baht)



The Statement of Comprehensive Income

The Company and its subsidiaries had a net profit of Baht 450.16 million, an increased by 210.13 million or 87.55%, compared to the previous year which consisted of the net profit of owners of the Company of Baht 440.60 million and net profit of non-controlling interests of Baht 9.56 million. The main reasons were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized share of profit from the joint venture, Pan Orient Energy (Siam) Limited, of Baht 422.29 million, increased by 64% compared to the previous year. Due to the continual increase of world crude oil price which causes an increase in revenue from crude oil sales.

The average Brent crude oil price in 2022 is about 100 USD per barrel, increase 43% compared to 2021, which averaged about \$70 USD per barrel.

Revenue

The Company and its subsidiaries had total revenue from sales and services income of Baht 21,668.88 million, increased by 91.57%, compared to the previous year, as mainly resulting from the increase of oil trading revenue. The increase in oil trading revenue resulted from a continually increased in oil price, including an oil trading volume increase 17.88% compared to the previous year, mainly from the expansion market both of domestic and international.

The revenue Catering & Services 29.63% compared to the previous year due to the Company getting more contract of Catering service contracts and increased revenue from provision supply services.

Gross profit

The Company and its subsidiaries had a total Gross profit of Baht 366.37 million, increased by 41.24%, compared to the previous year due to the increase of oil trading volume from expanding overseas market. However, the gross margin decreased compared to the previous year due to the high competition in the oil trading market and increased of the oil price in the market, including the increased cost of goods sold from Catering & Services.

Selling and Administrative Expenses

The Company and its subsidiaries had selling and administrative expenses of Baht 366.09 million increased 36.71% compared to the previous year mainly due to the increase from marketing expenses, freight expenses, and employees expenses from expanding domestic and international markets.

Other Gains (losses), net

The Company and its subsidiaries had other gains, net of Baht 37.50 million increased 211.18% compared to the previous year due to the profit from oil derivatives of oversea subsidiary.

Separate financial statements

The Company had a net profit of Baht 45.72 million, increased by 249.34%, compared to the previous year The main reasons were as follows:

Revenue

The Company had revenue from sales of Baht 2,930.33 million, or increased by 24.03 %, compared to the previous year, as mainly resulting from the increase in oil trading revenue. The increase in oil trading revenue resulted from a continually increased in oil price.

The Company had revenues from Catering & Services of Baht 302.78 million, or increased by 29.63% due to the Company getting more contract of Catering service contracts and increased revenue from provision supply services.

Other Income

The Company had other Income of Baht 135.41 million, increased 59.18% compared to the previous year compared to the previous year mainly from management fee and dividend income of subsidiaries.

Selling and Administrative Expenses

The Company had selling and administrative expenses of Baht 154.34 million increased by 20.26% compared to the previous year from freight expenses, and employees expense for business expansion.

Finance costs

The Company had finance costs of Baht 6.45 million decreased by 58.20% compared to the previous year because of decreased in interest expense from repayment short-term borrowings from financial institutions.

Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	Consolidated financial statements			Separate financial statements		
	2022	2021	% Increase / (Decrease)	2021	2022	% Increase / (Decrease)
Current assets	2,384.83	1,740.82	36.99	1,131.20	662.42	70.77
Non-current assets	1,179.32	1,355.78	(13.02)	998.09	1,666.83	(40.12)
Total assets	3,564.15	3,096.60	15.10	2,129.29	2,329.25	(8.58)
Current liabilities	1,412.83	1,369.60	3.16	397.47	634.00	(37.31)
Non-current liabilities	30.05	49.72	(39.55)	20.96	31.57	(33.61)
Total liabilities	1,442.88	1,419.32	1.66	418.43	665.57	(37.13)
Equity attributable to owners of the Company	2,097.54	1,648.01	27.28	1,710.86	1,663.68	2.84
Non-controlling interests	23.73	29.27	(18.93)	-	-	-
Total equity	2,121.27	1,677.28	26.47	1,710.86	1,663.68	2.84

Assets

The Company and its subsidiaries had total assets of Baht 3,564.15 million, increasing by 467.55 million or 15.10% compared to ended of year 2021, due to an increase of Current assets at the amount of 644.01 million or 36.99%, from increasing of Trade and other receivables and cash in line with the expansion of the oil trading business and classification of subsidiary assets as held for sale.

Liabilities

The Company and its subsidiaries had total liabilities of Bah 1,442.88 million, increased by 23.56 million or 1.66% compared to ended of year 2021 due to an increase in Current liabilities from increasing in Trade payables in line with business growth.

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries of Baht 2,121.27 million, consisting of the owners of the company of 2,097.54 million and non-controlling interests of 23.73 million. The total shareholders' equity increased from ended of 2021 to 443.99 million or 26.47% from total increased of comprehensive income of the year.

Please be informed accordingly,

Sincerely Yours,

(Miss Neeracha Panboonhom)

President and Chief Executive Officer