

27 February 2023

To: The President of the Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the 4Q/2022 and the Year 2022

**Thoresen Thai Agencies Public Company Limited (“TTA”)**

**Consolidated Performance**

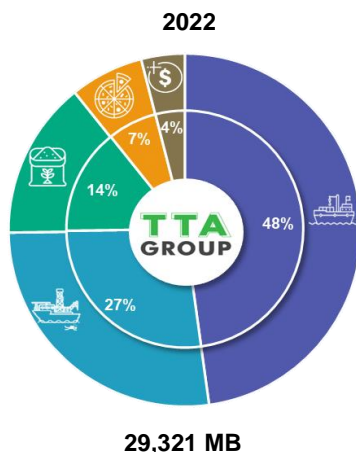


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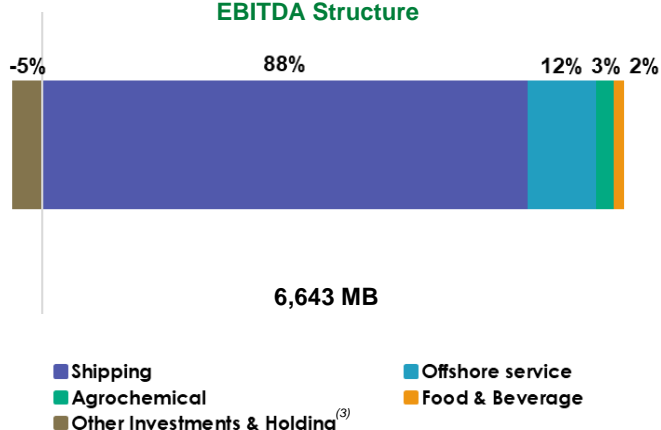
**TTA reported a decade-high normalized net profits of Baht 4,459.1 million mainly due to increasing Shipping TCE rate and Offshore Service turnaround to profitability.**

In 2022, TTA reported a decade-high revenues of Baht 29,320.6 million, an increase of 33%YoY from all business segments, mainly from Shipping and Offshore Service. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 48%, 27%, 14%, 7%, and 4% to the consolidated revenues, respectively. Cost of sales and providing services<sup>(1)</sup> increased 36%YoY to Baht 20,552.2 million in line with growing revenues mainly from Offshore Service due to service expansion. Gross profits increased 25%YoY to Baht 8,768.4 million while gross margin slightly declined from 32% in 2021 to 30% in 2022 due to less margin from Shipping segment resulting from the shipping rate normalization. On the other hand, SG&A increased 20%YoY mainly from increasing transportation expenses from escalating fertilizer export volume of Agrochemical segment and from increasing operating expenses following branch expansion of Food & Beverage segment. In addition, there were net realized/unrealized losses from an investment amounting to Baht 300.5 million, mostly from unrealized losses due to decreasing market value of the investment in line with global economic conditions. However, there were net realized/unrealized gains on a derivative of Baht 164.0 million. As a result, EBITDA increased 22%YoY to Baht 6,643.2 million. Finance costs increased 23%YoY to Baht 510.6 million primarily due to increasing lease liabilities from a long-term charterer vessel for Offshore Service and the rising interest rate of newly issued debentures and loans from financial institutions. In addition, there were realized/unrealized losses from foreign exchanges of Baht 113.6 million mainly from unrealized losses on loans in US Dollars to related parties in September and October 2022, while the Thai Baht was stronger against US Dollar at the year-end, and net non-recurring losses of Baht 1,190.3 million mainly from impairment of investment due to asset devaluation of a joint venture under Other Investments segment and mark to market losses in digital assets. In this year, Shipping's time charter equivalent (TCE)<sup>(2)</sup> rate slightly rose 2%YoY from an average of US\$ 24,226 per day in 2021 to US\$ 24,763 per day in 2022, with gains from both owned and chartered-in vessels. Offshore Service segment successfully turnaround its performance with a remaining high order book at US\$ 321 million at year-end. Agrochemical segment maintained profitable despite decreasing fertilizer sales volume due to increased gross margin. In summary, TTA reported a decade-high normalized net profit of Baht 4,459.1 million, increasing 11%YoY, and net profits of Baht 3,269.2 million, decreasing 15%YoY mainly from the extraordinary and non-cash loss per above- mentioned.

**Revenue Structure**



**EBITDA Structure**



**Note:**

<sup>(1)</sup> Including amortization of vessel drydocking but excluding depreciation and other amortization

<sup>(2)</sup> Thoresen TCE Rate comprises owned fleet TCE rate and gain (loss) from chartered-in vessels including net realized gain (loss) from the change in fair value of derivatives from the chartered-in business.

<sup>(3)</sup> Holding and elimination

In 4Q/22, TTA reported revenues of Baht 7,121.7 million, which decreased 6%YoY and 12%QoQ mainly from Shipping and Agrochemical segments in line with declining TCE rate and reducing fertilizer sales volume. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 42%, 32%, 15%, 7%, and 4% to the consolidated revenues, respectively. Gross profits decreased 12%YoY and 14%QoQ to Baht 2,045.0 million mainly from a lower Shipping TCE rate earlier mentioned. However, the gross profit margin slightly declined YoY and QoQ from 31% in 4Q/21 and 30% in 3Q/22 to 29% in 4Q/22. SG&A increased 14%YoY due to the higher operating expenses from 17 new Food & Beverage stores taking its total stores to 205 stores in 2022 but decreasing 6%QoQ. Consequently, EBITDA by decreased 21%YoY and 10%QoQ to Baht 1,585.7 million. In addition, there were realized/unrealized losses from foreign exchange of Baht 648.9 million due to unrealized losses from loans in US Dollars to subsidiaries due to the appreciation of Thai Baht against US Dollar and dividend cash received from subsidiaries in US Dollars. In addition, TTA incurred extraordinary net non-cash losses of Baht 553.9 million, mainly from mark-to-market and impairment loss of digital assets. Therefore, TTA reported net losses of Baht 194.1 million, decreasing 113%YoY and 113%QoQ. However, after eliminating of losses from non-recurring items, the normalized net profits to TTA posted at Baht 357.5 million in 4Q/22.

### Performance by Key Business Segments

**Shipping segment reported a record high net profits to TTA of Baht 5,193.1 million in more than a decade with the higher TCE rate of US\$ 24,763 per day in 2022.**

For 2022, Shipping segment's freight revenues were reported at Baht 14,016.7 million, which increased 20%YoY due to higher freight rates, increasing operating days of the owned fleet, and the depreciation of the Thai Baht against the US Dollar. Supramax freight rate averaged US\$ 22,152 per day in 2022, which decreased 17%YoY from an average of US\$ 26,770 per day in 2021. Based on the time charter equivalent rate (TCE) as an indicator to measure dry bulk per-day performance, Shipping segment TCE rate slightly rose 2%YoY to US\$ 24,763 per day on average in 2022. Additionally, the TCE rate continued to outperform the net Supramax market rate of US\$ 21,045 by 18%. TCE rate comprised owned fleet TCE rate of US\$ 24,611 per day, which increased by 9%YoY due to the effective in-house fleet management and gains from the chartered-in vessels (including realized gains/losses on bunker hedging) of US\$ 152 per day. The owned fleet continued full utilization at 100%, with the highest TCE rate at US\$ 49,972 per-day. For chartered-in business, Shipping segment maintained profitable from the chartered-in business since 2019 with a gain of US\$152 per-day in 2022, decreasing 91%YoY mainly due to lesser equivalent numbers of chartered-in vessels of 8.3 in 2022 from 13.9 in 2021. Meanwhile, vessel operating expenses (OPEX) remained low at US\$ 3,936 per day, 14% lower than industry OPEX<sup>(1)</sup> of US\$ 4,588 per day. Due to a higher TCE rate and consistently low OPEX, gross profits increased 14%YoY to Baht 5,983.0 million with a stable per-day gross profit margin at 81%. In addition, there were net realized/unrealized gains from the change in fair value of the derivative of Baht 164.0 million. Therefore, EBITDA increased 19%YoY to Baht 5,869.7 million. In summary, Shipping segment delivered record-high net profits to TTA in more than a decade of Baht 5,193.1 million, increasing 20%YoY in 2022. At year-end, Shipping segment owned 24 vessels (22 Supramaxes and 2 Ultramax) with an average size of 55,913 DWT and an average age of 14.7 years.

In 4Q/22, Shipping segment's freight revenues were reported at Baht 2,994.7 million, which decreased 21%YoY and 14%QoQ due to the declined market freight rate from the exceptionally high rate in 2021 and seasonal long-holidays. Supramax TC rate averaged US\$ 14,837 per-day which has been normalized from easing port congestion and weak world economic conditions impacted by numerous factors such as the Russia-Ukraine disruption. Shipping's TCE rate was US\$ 19,457 per day on average, comprising owned fleet TCE rate of US\$ 19,274 per day and gains from the chartered-in vessels (including realized gains/losses on bunker hedging) of US\$ 183 per day, outperforming the net market rate by 38%. Owned fleet TCE rate decreased 36%YoY and 20%QoQ in line with the decreasing market freight rate, while the utilization rate remained high at 100%. The chartered-in business performance also decreased YoY due to the lower number of days for the chartered-in vessel. In addition, OPEX slightly increased 1%YoY and 4%QoQ to US\$ 3,898 per-day primarily due to higher technical expenses related to repairing and maintenance but remained 15%

**Note:**

<sup>(1)</sup> Latest Industry OPEX for Supramax at US\$ 4,588 per day, issued in November 2022. (compiled by BDO, formerly known as Moore Stephens)

below the industry OPEX. As a result, the per-day gross profit margin decreased from 86% in 4Q/21 and 81% in 3Q/22 to 76% in 4Q/22. The gross profits accordingly declined 39%YoY and 21%QoQ to Baht 1,169.4 million. Therefore, Shipping's EBITDA decreased by 39%YoY and 18%QoQ to Baht 1,129.8 million. In summary, Shipping segment delivered net profits to TTA of Baht 918.9 million, which reduced 45%YoY and 24%QoQ in 4Q/22.

**Offshore Service successfully turnaround contributing net profits to TTA in amount of Baht 8.6 million in 2022 with the remaining high order book of US\$ 321 million at the year-end.**

**For 2022, Offshore Service segment's revenues were recorded at Baht 7,905.8 million**, which increased 119%YoY from all service segments. Revenues from the decommissioning and transportation & installation (T&I) business and the cable laying business increased significantly due to service expansion and accounted for 49% of Offshore Service segment's revenues. Meanwhile, revenues from subsea-IRM<sup>(1)</sup> also rose 38%YoY due to an increasing subsea non-vessel project, a higher day rate, and a higher performing subsea-IRM vessel utilization rate of 79% in 2022 compared to 66% in 2021. On the other hand, the cost of services proportionally increased 101%YoY in line with the revenue growth. As a result, gross profits strongly increased 364%YoY to Baht 1,160.2 million, mainly from a larger margin of cable laying projects, and decommissioning and T&I projects. In addition, there were share profits of Baht 100.2 million, increasing 432%YoY from a joint venture under Offshore Service segment. SG&A increased 12%YoY to support the service expansion. Therefore, Offshore Service segment's EBITDA significantly grew by 639%YoY to Baht 817.8 million, compared to a negative EBITDA of Baht 151.8 million in the previous year. Finance costs increased 127%YoY to Baht 118.2 million due to lease liabilities from a long-term chartered-in vessel for T&I projects. In conclusion, Offshore Service segment successfully generated a turnaround net profit of Baht 34.2 million, which increased 107%YoY, and a net profit to TTA of Baht 8.6 million in 2022. The order book at the year-end remained strong at US\$ 321 million, increased 10% YoY.

**In 4Q/22, Offshore Service segment's revenues were recorded at Baht 2,285.0 million**, which increased 61%YoY mainly from the increasing decommissioning and T&I projects but slightly decreased 5%QoQ mainly from lower revenues from non-vessel subsea-IRM projects. All three performing subsea-IRM vessels were fully utilized at 100% in 4Q/22 increasing from 64% in 4Q/21 and 75% in 3Q/22. Meanwhile, the cost of services changed in the same direction as revenues with a smaller magnitude. Hence, gross profit increased 39,043%YoY and slightly decreased 1%QoQ to Baht 472.5 million. Likewise, the gross profit margin increased from -0.1% in 4Q/21 and 20% in 3Q/22 to 21% in 4Q/22. Offshore Service's EBITDA was posted at Baht 394.6 million, increasing 611%YoY and remaining stable QoQ. Besides, there were realized/unrealized losses from foreign exchanges of Baht 39.5 million. In summary, the Offshore Service segment reported net profits for the period of Baht 100.0 million and net profits to TTA of Baht 53.1 million in 4Q/22, which improved 165%YoY.

**Agrochemical segment continued to be profitable due to recovery of export volume and ability to maintain gross profit margin.**

**For 2022, Agrochemical segment's revenues amounted to Baht 4,246.3 million**, which increased 8%YoY from all products and services. In 2022, revenues from fertilizer increased 5%YoY due to rising in fertilizer selling prices. However, the total fertilizer sales volume decreased by 36%YoY from 224.2 Ktons in 2021 to 143.3 Ktons in 2022 because of the decrease in domestic sales volume in Vietnam. Domestic fertilizer sales volume accounted for 66% of total fertilizer sales volume, amounting to 94.4 Ktons, which decreased 49%YoY due to softened domestic demand affected by the rising selling price. However, export fertilizer sales volume increased 22%YoY to 48.9 Ktons since export volume to the Philippines expanded, while export volume to main customers in Africa still pressured by high container freight rates. According to sales volume by product, single fertilizer sales volume decreased 67%YoY to 25.1 Ktons, and NPK fertilizer sales volume also declined 20%YoY to 118.2 Ktons due to lower domestic demand earlier mentioned. In addition, sales revenue of pesticides increased 43%YoY due to the successful promotion of substituted products to glyphosate. Service income from factory management also increased 25%YoY to Baht 75.0 million due to the successful acquisition of a 10,000 square-meter warehouse and right-to-use land in Vietnam and higher demand. Cost

**Note:**  
<sup>(1)</sup> IRM = Inspection, Repair, and Maintenance

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Ref No. COR: EL23004e/KS

of sales and services increased 6%YoY mainly from rising fertilizer costs due to limited fertilizer raw material impacted by the Russia-Ukraine conflict and China fertilizer export restriction. However, Agrochemical segment has been able to adjust the fertilizer selling price and maintained the gross profit margin at 14% in 2022. As a result, gross profits increased by 19%YoY to Baht 583.0 million. SG&A increased by 37% due to higher transportation expenses from the growing export volume and higher marketing expenses. Thus, Agrochemical segment EBITDA was Baht 212.9 million decreasing 6%YoY. Moreover, there were net realized/unrealized foreign exchange gains of Baht 1.4 million in 2022, which reduced from gains of Baht 27.0 million in 2021. In summary, Agrochemical segment reported net profits of Baht 78.1 million and net profits to TTA of Baht 53.5 million, decreasing 41%YoY.

**In 4Q/22, Agrochemical segment's revenues amounted to Baht 1,088.0 million**, which decreased 35%YoY mainly due to pressure on fertilizer demand in Vietnam from high prices and 23%QoQ due to a decline in fertilizer export volume, while revenues from pesticides and area management increased. Revenues from fertilizer decreased by 39%YoY and 25%QoQ from lower domestic and export volume. Total fertilizer sales volume recorded at 34.3 Ktons decreasing 60%YoY and 26%QoQ from the aforementioned reasons. Domestic fertilizer sales volume accounted for 84% of total fertilizer sales volume, totalling 28.7 Ktons, which decreased 57%YoY due to increasing selling price but increased 26%QoQ due to the recovery of domestic demand in the high season. Likewise, fertilizer export volume decreased 69%YoY and 76%QoQ to 5.6 Ktons because the Philippines customers slowed down their orders during this quarter. Another reason was the intense competition from Chinese producers after the Chinese government eased their export restrictions in the second half of 2022. As for sales volume by product, single fertilizer sales volume decreased by 78%YoY and 42%QoQ to 4.7 Ktons, and premium NPK-fertilizer sales volume also reduced by 53%YoY and 22%QoQ to 29.5 Ktons. However, sales revenue from pesticides increased 20%YoY and maintained QoQ at Baht 83.6 million due to the successful promotion of substituted products to glyphosate. Service income from factory area management also increased by 21%YoY to Baht 25.6 million because of the acquisition of a 10,000 square meter warehouse and right-to-use land in Vietnam and higher demand. Cost of sales and services decreased 38%YoY and 24%QoQ in line with the reduced revenues from fertilizer. Therefore, gross profits declined 13%YoY and 20%QoQ to Baht 158.0 million. However, the gross profit margin has slightly improved from 11% in 4Q/21 and 14% in 3Q/22 to 15% in 4Q/22. Meanwhile, SG&A increased 15%YoY due to higher marketing expenses and traveling activities in this quarter. As a result, Agrochemical segment's EBITDA decreased 37%YoY and 24%QoQ to Baht 62.3 million. In summary, Agrochemical segment continued to be profitable at Baht 19.4 million and net profits to TTA of Baht 13.3 million, decreasing 69%YoY and 53%QoQ.

### Significant Events/ Changes in 2022

- Shipping segment was awarded the 3<sup>rd</sup> rank in the global listed dry bulk company performance survey in 2021 by Lianguard & Roschmenn, Maritime Advisors.
- TTA listed in 'Thailand Sustainability Investment (THSI) 2022' in the 'Services' category.
- TTA attained the CG score of "Excellent" (5 stars) recognition level in 2022 for the fourth consecutive year.
- Tris Rating upgrades the company rating on TTA and its outstanding senior unsecured debentures from BBB with a stable outlook to BBB+ with a stable outlook on 8 September 2022. Tris Rating affirms the company rating on TTA and its outstanding senior unsecured debentures at BBB+ with a stable outlook on 25 November 2022.
- TTA redeemed debentures of Baht 1,500 million at maturity in January 2022.
- Offshore Service purchase an offshore construction vessel of US\$ 7.0 million in January 2022 to expand decommissioning business and other subsea services.
- Agrochemical segment successfully acquired the asset consisting of warehouse and land from Yara Vietnam Co., Ltd. (Yara) and secured a 5 years contract with Yara for its warehousing, packaging, and logistics.

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### Key Financial Data <sup>(1)</sup>

in million Baht	4Q/21	3Q/22	4Q/22	YoY	QoQ	2020	2021	2022	YoY	4Q/21	3Q/22	4Q/22	2020	2021	2022
<b>Total Revenues</b>	<b>7,607.3</b>	<b>8,072.7</b>	<b>7,121.7</b>	<b>-6%</b>	<b>-12%</b>	<b>12,829.8</b>	<b>22,128.1</b>	<b>29,320.6</b>	<b>33%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Shipping	3,814.4	3,480.6	2,994.7	-21%	-14%	4,747.7	11,718.5	14,016.7	20%	50%	43%	42%	37%	53%	48%
Offshore Service	1,418.9	2,396.3	2,285.0	61%	-5%	2,616.7	3,605.3	7,905.8	119%	19%	30%	32%	20%	16%	27%
Agrochemical	1,682.8	1,420.2	1,088.0	-35%	-23%	2,829.1	3,932.5	4,246.3	8%	22%	17%	15%	22%	18%	14%
Food & Beverage	439.3	459.8	481.8	10%	5%	2,009.5	1,934.7	1,979.7	2.3%	6%	6%	7%	16%	9%	7%
Other Investments	252.0	315.8	272.2	8%	-14%	626.8	937.1	1,172.0	25%	3%	4%	4%	5%	4%	4%
<b>Total Costs of Sales and Services <sup>(2)</sup></b>	<b>5,286.4</b>	<b>5,682.8</b>	<b>5,076.8</b>	<b>-4%</b>	<b>-11%</b>	<b>10,120.1</b>	<b>15,121.5</b>	<b>20,552.2</b>	<b>36%</b>	<b>69%</b>	<b>70%</b>	<b>71%</b>	<b>79%</b>	<b>68%</b>	<b>70%</b>
Shipping	1,905.6	2,008.3	1,825.3	-4%	-9%	3,491.0	6,490.5	8,033.8	24%	50%	58%	61%	74%	55%	57%
Offshore service	1,420.1	1,919.9	1,812.6	28%	-6%	2,645.1	3,355.4	6,745.6	101%	100%	80%	79%	101%	93%	85%
Agrochemical	1,502.0	1,221.9	930.0	-38%	-24%	2,366.8	3,440.8	3,663.3	6%	89%	86%	85%	84%	87%	86%
Food & Beverage	272.2	287.0	296.1	9%	3%	1,207.7	1,161.0	1,217.4	5%	62%	62%	61%	60%	60%	61%
Other Investments	186.6	245.7	212.8	14%	-13%	409.5	673.9	892.1	32%	74%	78%	78%	65%	72%	76%
<b>Gross Profits/(Losses)</b>	<b>2,320.9</b>	<b>2,389.9</b>	<b>2,045.0</b>	<b>-12%</b>	<b>-14%</b>	<b>2,709.8</b>	<b>7,006.6</b>	<b>8,768.4</b>	<b>25%</b>	<b>31%</b>	<b>30%</b>	<b>29%</b>	<b>21%</b>	<b>32%</b>	<b>30%</b>
Shipping	1,908.8	1,472.3	1,169.4	-39%	-21%	1,256.7	5,228.0	5,983.0	14%	50%	42%	39%	26%	45%	43%
Offshore Service	(1.2)	476.4	472.5	39,043%	-1%	(28.4)	249.8	1,160.2	364%	-0.1%	20%	21%	-1%	7%	15%
Agrochemical	180.8	198.3	158.0	-13%	-20%	462.3	491.7	583.0	19%	11%	14%	15%	16%	13%	14%
Food & Beverage	167.1	172.8	185.8	11%	7%	801.8	773.8	762.3	-1%	38%	38%	39%	40%	40%	39%
Other Investments and Holding*	65.4	70.1	59.4	-9%	-15%	217.3	263.2	279.9	6%	26%	22%	22%	35%	28%	24%
<b>EBITDA <sup>(3)</sup></b>	<b>2,011.7</b>	<b>1,757.1</b>	<b>1,585.7</b>	<b>-21%</b>	<b>-10%</b>	<b>704.2</b>	<b>5,454.7</b>	<b>6,643.2</b>	<b>22%</b>	<b>26%</b>	<b>22%</b>	<b>22%</b>	<b>5%</b>	<b>25%</b>	<b>23%</b>
Shipping	1,845.9	1,373.8	1,129.8	-39%	-18%	949.4	4,945.2	5,869.7	19%	48%	39%	38%	20%	42%	42%
Offshore Service	(77.2)	397.1	394.6	611%	-1%	(481.4)	(151.8)	817.8	639%	-5%	17%	17%	-18%	-4%	10%
Agrochemical	98.4	82.4	62.3	-37%	-24%	202.2	226.2	212.9	-6%	6%	6%	6%	7%	6%	5%
Food & Beverage	50.0	23.4	8.8	-82%	-62%	200.8	192.7	102.9	-47%	11%	5%	2%	10%	10%	5%
Other Investments and Holding*	94.6	(119.6)	(9.9)	-110%	92%	(166.9)	242.4	(360.1)	-249%	38%	-38%	-4%	-27%	26%	-31%
<b>Net Profits/(Losses) to TTA</b>	<b>1,524.8</b>	<b>1,448.7</b>	<b>(194.1)</b>	<b>-113%</b>	<b>-113%</b>	<b>(1,944.6)</b>	<b>3,858.7</b>	<b>3,269.2</b>	<b>-15%</b>	<b>20%</b>	<b>18%</b>	<b>-3%</b>	<b>-15%</b>	<b>17%</b>	<b>11%</b>
Shipping	1,683.8	1,214.1	918.9	-45%	-24%	390.9	4,329.8	5,193.1	20%	44%	35%	31%	8%	37%	37%
Offshore Service	(81.7)	61.8	53.1	165%	-14%	(2,000.5)	(294.4)	8.6	103%	-6%	3%	2%	-76%	-8%	%
Agrochemical	42.7	28.0	13.3	-69%	-53%	64.3	91.3	53.5	-41%	3%	2%	1%	2%	2%	1%
Food & Beverage	(0.4)	(24.4)	(35.3)	-7,941%	-45%	(20.3)	(22.4)	(86.7)	-288%	-0.1%	-5%	-7%	-1%	-1%	-4%
Other Investments and Holding*	(119.6)	169.2	(1,144.1)	-857%	-776%	(379.0)	(245.8)	(1,899.4)	-673%	-47%	54%	-420%	-60%	-26%	-162%
<b>Normalized Net Profits/(Losses) to TTA <sup>(4)</sup></b>	<b>1,538.6</b>	<b>1,448.6</b>	<b>357.5</b>	<b>-77%</b>	<b>-75%</b>	<b>(503.1)</b>	<b>4,030.0</b>	<b>4,459.1</b>	<b>11%</b>	<b>20%</b>	<b>18%</b>	<b>5%</b>	<b>-4%</b>	<b>18%</b>	<b>15%</b>
Shipping	1,685.3	1,214.1	919.5	-45%	-24%	374.8	4,331.4	5,193.7	20%	44%	35%	31%	8%	37%	37%
Offshore Service	(104.8)	61.7	53.1	151%	-14%	(538.6)	(331.7)	7.0	102%	-7%	3%	2%	-21%	-9%	%
Agrochemical	42.7	27.9	13.2	-69%	-53%	64.2	91.3	53.3	-42%	3%	2%	1%	2%	2%	1%
Food & Beverage	(0.4)	(24.1)	(35.3)	-7,839%	-47%	(20.1)	(19.1)	(86.1)	-350%	-0.1%	-5%	-7%	-1%	-1%	-4%
Other Investments and Holding*	(84.2)	168.9	(592.9)	-604%	-451%	(383.4)	(41.9)	(708.9)	-1,593%	-33%	53%	-218%	-61%	-4%	-60%
<b>Number of Shares and Paid-up Shares (million Shares)</b>	<b>1,822.5</b>	<b>1,822.5</b>	<b>1,822.5</b>			<b>1,822.5</b>	<b>1,822.5</b>	<b>1,822.5</b>							
<b>Basic earnings per share (in Baht)</b>	<b>0.84</b>	<b>0.79</b>	<b>(0.11)</b>	<b>-113%</b>	<b>-113%</b>	<b>(1.07)</b>	<b>2.12</b>	<b>1.79</b>	<b>-15%</b>						

**Note:**

\* Holding and elimination

<sup>(1)</sup> As consolidated on TTA's P&L

<sup>(2)</sup> Including amortization of vessel drydocking but excluding depreciation and other amortization

<sup>(3)</sup> Earnings before interest, tax, depreciation, and amortization (excluding extraordinary items)

<sup>(4)</sup> Normalized net profits/(losses) = net profits/(losses) - non-recurring items

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Ref No. COR: EL23004e/KS

### Key Operational Data

	Units	4Q/21	3Q/22	4Q/22	%YoY	%QoQ	12M/20	12M/21	12M/22	%YoY
Exchange rate (1USD : THB)	Baht	33.38	36.41	36.38	9%	0%	31.29	31.98	35.06	10%
<b>Shipping Segment:</b>										
BDI Index	Point	3,498	1,655	1,523	-56%	-8%	1,066	2,943	1,934	-34%
BSI Index	Point	2,771	1,793	1,349	-51%	-25%	744	2,434	2,014	-17%
Net Supramax TC rate <sup>(1)</sup>	USD/Day	28,956	18,741	14,095	-51%	-25%	7,779	25,432	21,045	-17%
Calendar days for owned fleet <sup>(2)</sup>	Days	2,208	2,208	2,208	0%	0%	7,990	8,740	8,760	0%
Available service days for owned fleet <sup>(3)</sup>	Days	2,140	2,208	2,165	1%	-2%	7,845	8,394	8,628	3%
Operating days for owned fleet <sup>(4)</sup>	Days	2,140	2,208	2,165	1%	-2%	7,845	8,394	8,628	3%
Owned fleet utilization <sup>(5)</sup>	%	100%	100%	100%	0%	0%	100%	100%	100%	0%
Voyage days for chartered-in fleet	Days	1,024	657	715	-30%	9%	2,885	5,086	3,036	-40%
TC (%)	%	51%	46%	42%			54%	53%	41%	
VC/COA (%)	%	49%	54%	58%			46%	47%	59%	
Average DWT	Dwt	55,913	55,913	55,913	0%	0%	55,686	55,913	55,913	0%
Number of owned vessels at the ending period	Vessels	24	24	24	0%	0%	23	24	24	0%
Average number of vessels <sup>(6)</sup>	Vessel	34.4	31.1	31.3	-9%	1%	21.4	36.9	32.0	-13%
Average age of owned fleet	Years	13.7	14.5	14.7			7.9	13.7	14.7	
<b>Per Day Data <sup>(7)</sup>:</b>										
Highest TCE rate of owned fleet	USD/day	53,755	46,144	32,077	-40%	-30%	20,983	53,755	49,972	-7%
Thoresen TCE rate <sup>(8)</sup>	USD/day	31,340	23,169	19,457	-38%	-16%	9,386	24,226	24,763	2%
TCE rate of owned fleet	USD/day	29,948	23,957	19,274	-36%	-20%	8,638	22,575	24,611	9%
Gain/(loss) from chartered-in vessels (include bunker hedge)	USD/day	1,392	(788)	183	-87%	123%	748	1,651	152	-91%
Gain/(loss) from chartered-in vessels (exclude bunker hedge)	USD/day	1,274	(1,133)	221	-83%	119%	879	1,500	(198)	-113%
Vessel operating expenses (owner's expenses)	USD/day	3,868	3,764	3,898	1%	4%	3,709	3,991	3,936	-1%
Cash costs	USD/day	5,485	5,671	5,599	2%	-1%	5,356	5,724	5,764	1%
Total costs	USD/day	7,703	7,927	7,897	3%	0%	7,679	8,014	8,009	0%
Per-day gross profit margin <sup>(9)</sup>	%	86%	81%	76%			53%	81%	81%	
Per-day EBITDA margin	%	82%	76%	71%			43%	76%	77%	
Per-day Net operating profit margin	%	75%	66%	59%			18%	67%	68%	
<b>Offshore Service Segment:</b>										
Utilization rate (performing subsea-IRM vessels)	%	64%	75%	100%			85%	66%	79%	
Utilization rate (performing cable laying vessels) <sup>(10)</sup>	%	-	100%	100%			-	-	96%	
Order book	mUSD	292	329	321	10%	-3%	190	292	321	10%
<b>Agrochemical Segment:</b>										
Total fertilizer sales volume	KTons	84.7	46.0	34.3	-60%	-26%	206.6	224.2	143.3	-36%
Fertilizer sales volume by geography										
- Domestic (in Vietnam)	KTons	66.6	22.7	28.7	-57%	26%	141.3	184.0	94.4	-49%
- Export	KTons	18.1	23.3	5.6	-69%	-76%	65.3	40.1	48.9	22%
Fertilizer sales volume by product										
- NPK fertilizer	KTons	63.0	37.8	29.5	-53%	-22%	153.1	147.9	118.2	-20%
- Single fertilizer	KTons	21.7	8.2	4.7	-78%	-42%	53.6	76.2	25.1	-67%
<b>Food &amp; Beverage Segment:</b>										
No. of outlets of Pizza Hut	Outlets	177	187	193	9%	3%		177	193	9%
No. of outlets of Taco Bell	Outlets	11	12	12	9%	0%		11	12	9%

**Note:**

<sup>(1)</sup> Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with planned major repairs, dry dockings, or special or intermediate surveys.

<sup>(2)</sup> Available service days are calendar days<sup>(1)</sup> less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

<sup>(3)</sup> Operating days are the available service days<sup>(2)</sup> less unplanned off-hire days, which occurred during the service voyage.

<sup>(4)</sup> Fleet utilization is the percentage of time that our vessels generated revenues and is determined by dividing operating days<sup>(3)</sup> by available service days<sup>(2)</sup> for the relevant period.

<sup>(5)</sup> Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.

<sup>(6)</sup> Gross Market (Supramax) TC rate net of commission. Based on BSI-52 index up through 4Q/18 and BSI-58 index from 1Q/19 onwards.

<sup>(7)</sup> The per day basis is calculated based on available service days for owned fleet.

<sup>(8)</sup> Thoresen TCE Rate comprises owned fleet TCE rate and gain (loss) from chartered-in vessels, including net realized/unrealized gain (loss) from the change in fair value of derivatives from the chartered-in business.

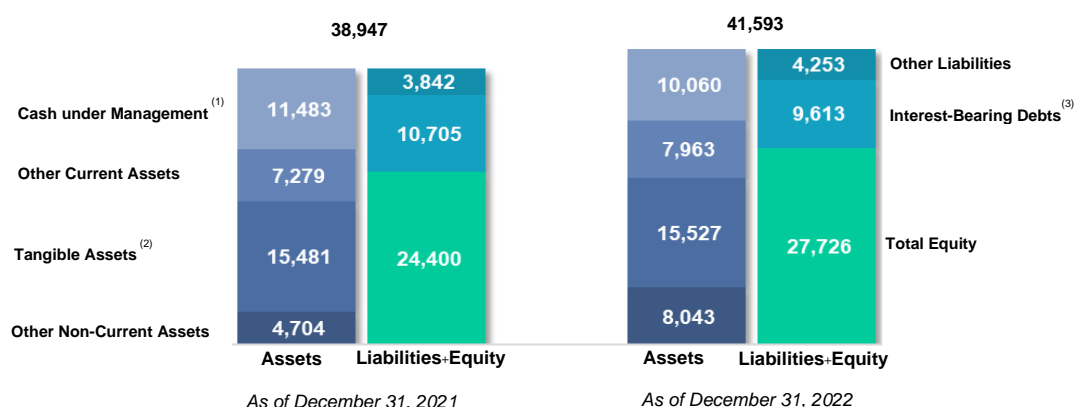
<sup>(9)</sup> Per-Day Gross Profit Margin (%) = (Thoresen TCE Rate<sup>(8)</sup> - Vessel Operating Expenses - Dry-Docking Expense) / Thoresen TCE Rate<sup>(8)</sup>

TC Rate = Time-Charter Equivalent Rate      BDI = The Baltic Exchange Dry Index

TC Rate = Time-Charter Rate                      BSI = The Baltic Exchange Supramax Index

<sup>(10)</sup> Offshore Service segment's a new joint venture with a 50% share acquired a cable laying vessel in 4Q/21.

## Financial Position



**Financial position remained strong with cash under management of Baht 10.1 billion.**

### 1) Assets

As of 31 December 2022, TTA had total assets of Baht 41,592.7 million, which increased by Baht 2,645.6 million or 7% from the end of 2021, mainly due to an increase in digital assets, right-of-use assets, trade receivables, and other non-current assets. Digital assets increased by Baht 1,521.3 million from investment in digital assets in Q3/22. Moreover, right-of-use assets also increased by 415% to Baht 1,271.1 million from a long-term charter-in vessel for Offshore Service business. Meanwhile, trade receivables increased by Baht 409.1 million or 13%YoY to Baht 3,610.9 million largely from Offshore Service and Agrochemical segments following the growing revenues. On the other hand, other current financial assets decreased 49% from Baht 3,209.4 million in 2021 to Baht 1,629.9 million in 2022 due to asset sales for repaying debentures amounted to Baht 1,500 million at maturity in January 2022. Investments in joint ventures also declined 32% to Baht 1,148.7 million from impairment loss on investments due to asset devaluation of a joint venture under Other Investments segment.

### 2) Liabilities and Equity

As of 31 December 2022, total liabilities decreased by Baht 680.2 million or 5% from the end of 2021 to Baht 13,866.6 million, mainly due to a decrease in debentures and long-term borrowings. Debentures decreased 26% from Baht 5,672.2 million in 2021 to Baht 4,191.8 million in 2022 because there was a repayment in January 2022 at Baht 1,500 million. Long-term borrowings also decreased by 24% to Baht 3,387.3 million from Baht 4,430.4 million in 2021 due to the loan repayment schedule. However, there was an increase in the lease liabilities by Baht 1,046.3 million in line with the increase in right-of-use assets from vessel chartering as previously mentioned. Bank overdrafts and short-term borrowings from financial institutions also increased by Baht 385.4 million or 111% mainly from an increase in the short-term from financial institutions of Agrochemical segment for working capital in line with rising raw material fertilizer prices. Total equity increased by Baht 3,325.8 million or 14% from the end of 2021 to Baht 27,726.1 million, mainly from net profits in this year.

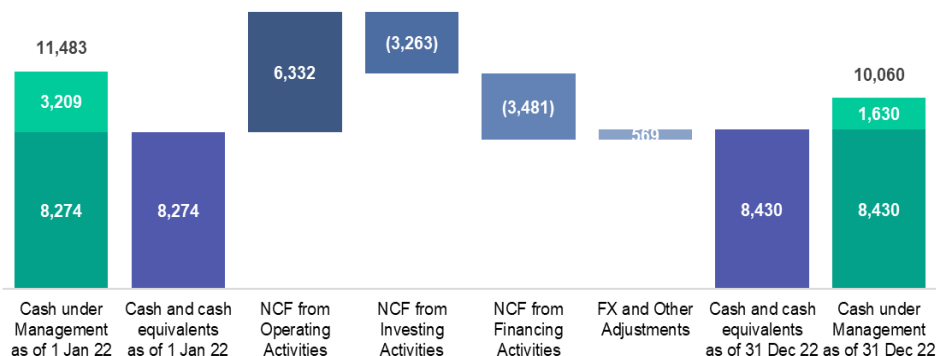
**Note:**

<sup>(1)</sup> Cash, cash equivalents, and other current financial assets

<sup>(2)</sup> Property, plant, equipment, and investment properties

<sup>(3)</sup> Including lease liabilities

## Cash Flow



### 1) Cash Flow

**Net cash flow from operating activities increased by of Baht 6,332.0 million in 2022.**

As of 31 December 2022, TTA had net cash and cash equivalent of Baht 8,430.3 million, reflecting an increase of Baht 156.7 million from the beginning of the year. In 2022, net cash flow from operating activities amounted to Baht 6,332.0 million mainly from the operating profits of all business segments, especially Shipping, Offshore Service, and Agrochemical. TTA's net cash used in investing activities was Baht 3,262.7 million, mainly for the purchase of digital assets of Baht 2,092.5 million and the acquisition of Offshore construction vessel and intangible assets of Baht 1,320.4 million. Meanwhile, net cash used from financing activities was Baht 3,481.1 million largely from repayment of debentures at maturity in January 2022, repayments of long-term borrowings, and finance lease liabilities. In addition, there were dividends paid to shareholders of Baht 400.9 million. Therefore, including gains from the effect of exchange rates of Baht 568.6 million due to the weakening Thai Baht against the US Dollar, the net increase in cash and cash equivalents amounted to Baht 156.7 million in 2022.

### 2) Liquidity

**The current ratio was 2.17 times, indicating adequate liquidity with surplus cash under management over interest-bearing debts.**

As of 31 December 2022, TTA had cash under management of Baht 10,060.2 million, which combined with cash and cash equivalents of Baht 8,430.3 million and other current financial assets Baht 1,629.9 million. In addition, the capital structure remained strong and was represented by the low interest-bearing debt to total equity ratio of 0.35 times at this year. The net interest-bearing debt ratio<sup>(1)</sup> <sup>(2)</sup> was negative at 0.06 times, reflecting surplus cash under management over interest-bearing debts while the current ratio was 2.17 times, where the current ratio above 1 time reflects adequate liquidity. TTA maintains an appropriate level of cash under management and capital structure, as well as builds and maintains good relationships with financial institutions to ensure adequate liquidity and funding for future operations and investments, as well as debt repayment.

**Note:**

<sup>(1)</sup> Financial Covenant for TTA's Debenture TTA233A, TTA239A, TTA252A, TTA265A, TTA160A, and TTA281A Debentures, of which the threshold is 2.0 times.

<sup>(2)</sup> Negative ratio reflects surplus cash under management over interest-bearing debts



# Thoresen Thai Agencies Public Company Limited

## Management Discussion and Analysis for 4Q/2022 and the Year 2022

Ref No. COR: EL23004e/KS

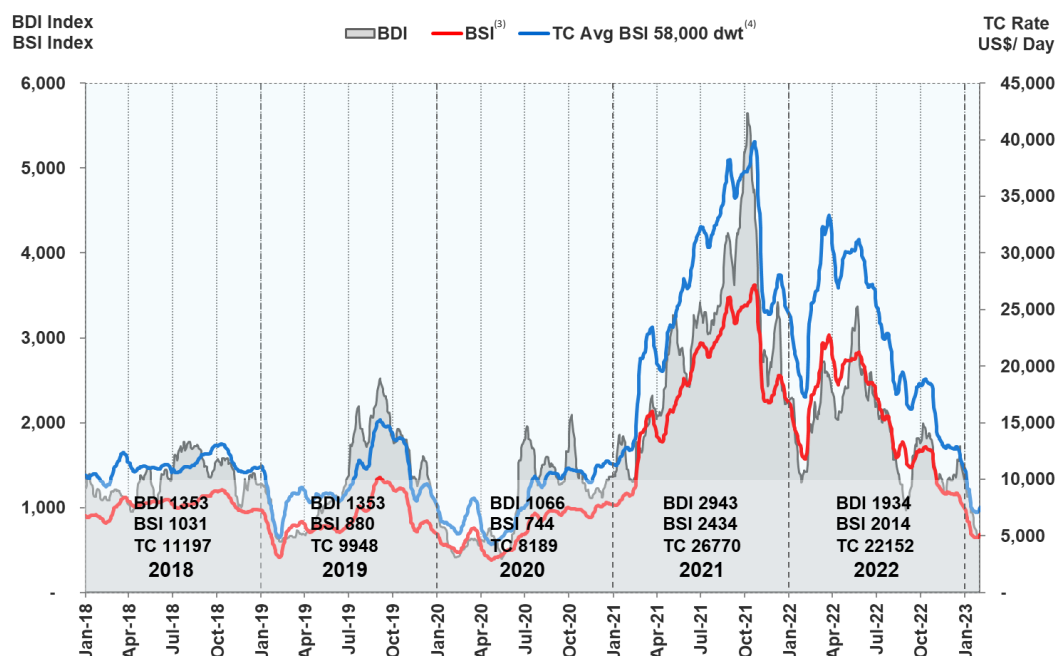
### Key Financial Ratios

Financial Ratios - Consolidated	Unit	4Q/21	3Q/22	4Q/22	2020	2021	2022
Gross Profit Margin	%	30.5%	29.6%	28.7%	21.1%	31.7%	29.9%
EBITDA Margin	%	26.4%	21.8%	22.3%	5.5%	24.7%	22.7%
Net Profit Margin (to TTA)	%	20.0%	17.9%	-2.7%	-15.2%	17.4%	11.1%
Net Profit Margin	%	19.6%	18.6%	-2.2%	-26.3%	16.7%	11.1%
Return on Assets*	%	10.5%	12.1%	8.1%	-10.4%	10.5%	8.1%
Return on Equity* (to TTA)	%	20.6%	21.5%	14.3%	-11.3%	20.6%	14.3%
Current Ratio	times	2.83	2.25	2.13	2.25	2.83	2.13
Debt to Equity Ratio	times	0.60	0.54	0.50	0.62	0.60	0.50
Interest-Bearing Debt to Equity	times	0.44	0.35	0.35	0.50	0.44	0.35
Net Interest-Bearing Debt to Equity <sup>(1) (2)</sup>	times	(0.04)	(0.13)	(0.06)	0.08	(0.04)	(0.06)

Gross margin	=	Gross profits (excluding depreciation and amortization)/ Revenues from sales and services
EBITDA margin	=	EBITDA/ Revenues from sales and services
Net profit margin (to TTA)	=	Attributable net profits (losses) / Revenues from sales and services
Net profit margin	=	Net profits (losses) / Revenues from sales and services
Return on assets	=	Net profits (losses) / Average total assets
Return on equity (to TTA)	=	Attributable net profits (losses) / Average attributable shareholder's equity
Current ratio	=	Current assets/ Current liabilities
Debt to equity	=	Total liabilities / Total shareholder's equity
Interest-bearing debt to equity	=	(Interest bearing debt including lease liabilities) / Total shareholder's equity
Net interest bearing debt to equity	=	(Interest bearing debt excluding lease liabilities - cash and cash equivalents - other current financial assets) / Total shareholder's equity

### Industry Outlook: Shipping

#### Dry Bulk Market Index



**Baltic Supramax Index (BSI<sup>(3)</sup>) averaged 2,014 points in 2022**, decreasing from an average of 2,434 points in 2021 due to pressure from weak economic conditions, the impact of the Russia-Ukraine conflict, and easing port congestion. The Supramax TC rate decreased by 17% from the remarkable level of an average of US\$ 26,770 per day in 2021 to US\$ 22,152 per day in 2022. In 2022, the TC rate peaked at US\$ 33,366 per

#### Note:

<sup>(1)</sup> Financial Covenant for TTA's Debenture TTA233A, TTA239A, TTA252A, and TTA265A Debentures, of which the threshold is 2.0 times.

<sup>(2)</sup> Negative ratio reflects surplus cash under management over interest-bearing debts

<sup>(3)</sup> BSI referred to 52,000 dwt bulk carrier basis for the period before 3 April 2017 and 58,000 dwt bulk carrier basis for the period starting 3 April 2017.

<sup>(4)</sup> TC Average BSI is based on BSI-52 index up through 4Q/18 and BSI-58 index from 1Q/19 onwards, to be comparable with the fleet size of Shipping segment.

day in March and began to normalize in 3Q/22 towards the end of the year due to weaker dry bulk trade demand, easing port congestion and seasonal long-holidays. For the full-year 2022, dry bulk trade is estimated to decrease by 145 million tons, reflecting a decrease of 2.7% in tons or 1.9% in ton-miles. The softer dry bulk trade was mainly due to the decline in minor bulk trade (-4%) impacted by weak steel demand in China, global economic conditions, and reduced fertilizer trade caused by the Russia-Ukraine disruption. Global-seaborne grain trade (-4%) was also affected by the Russia-Ukraine conflict, which resulted in a loss of export volume from Ukraine, while China's soybean imports decreased due to rising soybean prices. Amid the property sector situation in China and high energy prices in other major import regions such as Europe, Japan, and South Korea putting pressure on steel production caused a decrease in global seaborne iron ore trade (-2%). Coal trade (-0.1%), on the other hand, was flat due to the mixed effect of higher energy prices and the Russia-Ukraine disruption. Meanwhile, fleet expansion in 2022 is estimated to expand by 2.8% in the deadweight ton (DWT) with a record low order book of 7% of total fleet capacity in 30 years as deliveries declined on the back of weaker market conditions and the implementation of new environmental regulations. Looking further to 2023, Clarksons Research forecasts growth of dry bulk trade of 1.3% in tons or 2.0% in ton-miles. Grain (+5%) is projected to firmly rebound supported by solid demand from key import regions and potentially normalized Ukraine exports. Coal (+2%) is forecasted to grow, driven by emerging market economies and European energy demand shifting away from Russia. Minor bulk (+0.6%) and iron ore (+0.1%) were projected to be moderate. The dry bulk supply landscape in 2023 appears to be favorable, with the order book at a near 30-year low of 7% of fleet capacity and 1.8% of fleet growth projected. Meanwhile, new emissions regulations, EEXI and CII, may help absorb some supply through slower speeds and retrofit time. With balanced underlying fundamentals, the market outlook remains positive. However, uncertainty remains.

Source: Clarksons Research, January 2023

Note: Thoresen Shipping fleet is categorized as small vessels and can be benchmarked with BSI-58, although its fleet size is smaller than the benchmark of a standard 58K DWT bulk carrier.

## Sustainability

TTA gives priority to good corporate governance, transparency, and sustainable development as detailed below:

- Appointment of the Corporate Governance (CG) Committee to review the CG policy and to monitor compliance with the policy and practices.
- Appointment of the Sustainable Development Committee to ensure that sustainable development will be implemented throughout TTA and implements a sustainable development framework covers the responsibilities of the SD Committee, which includes establishing policies, formulating strategies, and carrying out a sustainable development plan in accordance with the business operation in view of economic, social, and environmental aspects.
- Grant of the opportunity to shareholders to propose the agenda and director candidates for AGM.
- The certified member of Thailand's Private Sector Collective Action Against Corruption (CAC).
- TTA listed in 'Thailand Sustainability Investment (THSI) 2022' in the 'Services' category.
- "Excellent" (5-star) in the Corporate Governance Report of Thai Listed Companies (CGR) in 2022 for the fourth consecutive year.

## Key Social Projects/ Activities

**Supervision of Occupational Safety, Health and Working environment:** TTA values occupational health in terms of safety, health care and hygiene of employees. There is a measurement and control of the workplace environment to be in a better working environment to reduce the impact on the health of employees. For example, Shipping conducts Workplace Hazardous Materials Information System to prevent accidents and hazards that may occur during the operation of crews on board. The guideline complies with various regulations and conventions determined by the International Maritime Organization (IMO) rules and regulations, enforced Both on board and at the head office to meet international standards.

## Key Environmental Projects/ Activities

**Carbon Dioxide Emissions Plan:** Shipping segment determines a carbon emissions reduction plan of about 2% per year. Shipping closely monitors all environmental regulations and assigns a specialized team to prepare operational plans in accordance with regulations for maximum efficiency and effectiveness in operations. It also continues to strive to develop and improve environmentally friendly fleet management by raising awareness of the environment for ship crews. In addition, Shipping has installed equipment to adjust the engine speed to reduce the fuel consumption rate considering the safety of navigation, the appropriate speed, and the ability to respond to the needs of customers efficiently. Furthermore, Shipping has switched to use Low Sulfur Fuel Oils (LSFO), which reduced sulfur emissions from 3.5% to 0.5%.

**Key Economic Projects/ Activities**

**Data Privacy and Cyber Security:** The adoption of more technology may create information technology risks. For this reason, TTA communicates about cybersecurity to employees via pop-up and portal systems so that employees can study and be aware of cybersecurity that may happen to the company along with action guidelines to prevent various events related to cyber security. In addition, as a standard to protect organizations and abusive users, TTA does not have a policy to store any personal information for commercial use or other than necessary use only. Plus, TTA must receive permission from the owner of such information first.

**For additional information:**

**Financial statements**



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**Corporate governance**



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Yours faithfully,

**Thoresen Thai Agencies Public Company Limited**

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Mr. Chalermchai Mahagitsiri  
President & Chief Executive Officer

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Mr. Katarat Suksawang  
Executive Vice President & Group CFO