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12 May 2023

Subject Management discussion and analysis for operating results in the third quarter ended as of 31 March 2023

To President,

The Stock Exchange of Thailand

Prima Marine Public Company Limited and its subsidiaries (“the Company”) would like to clarify the operating results in the first quarter of 2023 (“Q1/2023”) ended as of 31 March 2023 as the following details.

1. The Financial Performance of the Company

Table 1: Summary of Financial Performance of the Company (Unit: million Baht)

Profit and Loss Statement	Quarter 4	Quarter 1		Change Q1/2023 – Q1/2022	
	2022	2022	2023	Change	%
Revenue from Sale and Service	2,387.8	1,474.4	2,100.9	626.5	42.5%
Gross Profit Margin	39.7%	29.6%	38.3%		
Gross Profit	946.8	436.7	804.8	368.1	84.3%
Share of profit from associate and JV	1.4	19.9	6.3	(13.6)	-68.3%
Other Incomes	16.9	25.0	55.0	30.0	120.3%
SG&A	(189.9)	(111.6)	(127.9)	16.3	14.6%
Financing Cost	(102.0)	(55.5)	(82.1)	26.5	47.8%
Gain/Loss on Exchange Rate	107.0	7.4	21.7	14.3	194.5%
Earnings Before Tax	780.2	321.8	677.8	356.0	110.6%
Corporate Income Tax	(53.4)	(19.6)	(64.7)	43.1	230.7%
Net Profit	726.8	302.2	613.1	310.8	102.9%
EBITDA	1,263.9	612.1	1,073.61	461.5	75.4%
Earnings Per Share (Baht/Share)	0.28	0.11	0.23		

Financial performance of Q1/2023 significantly grew from Q1/2022 according to the long-term plan of the Company by making an investment in VLCC vessels in the international trading business and expanding the offshore support business which have been operated under 5 – 10 years long-term agreements. Therefore, the Company will be able to secure consistent income and return on investment throughout the contract period. In addition, the Company was able to manage and control administrative expenses and financial costs effectively; therefore, the Company

generated net profit of THB 613.1 million in Q1/2023, increased from the same quarter of the last year amount of THB 310.9 million or increased 102.9% which is equivalent to earnings per share 0.23 Baht.

2. Operating's Results Analysis by Business Units in Q1/2023

2.1 Domestic Oil and Petrochemical Tanker Business (Domestic Trading)

Unit: Million Baht	Domestic Tanker Business			
	Quarter 4/2022	Quarter 1		%Change
		2022	2023	
Revenue	805.9	715.1	810.2	13.3%
Gross Profit (Loss)	199.8	158.3	212.6	34.3%
Gross Profit (Loss) Margin	24.8%	22.1%	26.2%	
No. of PRM Vessels	36	35	36	

The recovery of travel and tourism activities after the government relaxes travel control measures to prevent the spread of the COVID-19 virus, resulting in a continuous increase in domestic oil consumption throughout Q1/2023. Therefore, the Company was able to transport higher volume especially Diesel and Jet A-1 which is a long-route transportation from the refinery to the oil depot in the southern part of Thailand. Moreover, the Company invested in a domestic tanker named "BS Thepa", sized 4,999 DWT which commenced operation in Q3/2022. In addition, the company also benefited from the growth of the petrochemical market led to the Company can expand the business to transport liquid petrochemicals under an additional Time Charter contract. Therefore, gross profit of Q1/2023 was higher than both Q1/2022 and Q4/2022.

2.2 International Oil and Petrochemical Tanker Business ("International Tanker Business")

Unit: Million Baht	International Tanker Business			
	Quarter 4/2022	Quarter 1		%Change
		2022	2023	
Revenue	483.9	82.9	449.8	442.3%
Gross Profit (Loss)	212.4	0.08	180.1	225,408.1%
Gross Profit (Loss) Margin	43.9%	0.1%	40%	
No. of Aframax	1	1	1	
No. of VLCC	3	1	3	

Revenue and gross profit of Q1/2023 increased as planned from the service of all 3 VLCC for Thai Oil Public Company Limited under a 10-year long-term contract while there was only 1 VLCC under operation in Q1/2022. The 2nd

VLCC commenced service in Q2/2022 and the 3rd VLCC started service in Q3/2022. Besides, the company also benefited from the recovery of the tanker market in the global market led to the Company's Aframax vessel utilization rate and service fees increasing compared with Q1/2022.

Gross profit in Q1/2023 declined from 4Q/2022 as the Aframax vessel completed its Time Charter contract at the end of February. During the negotiation for a new Time Charter contract, the Aframax vessel had provided service under Spot Charter in March led to the Company recognized the cost of fuel according to the Spot Charter condition. Besides, the Company accounted revenues during the mooring period of the Aframax vessel as the other incomes (Demurrage Charge) amount of THB 14.69 million in the quarter. When taken the Demurrage Charge into account, it will be found that the gross profit margin in the first quarter of 2023 will be 41.93%, which is close to the gross profit margin in the fourth quarter of 2022.

In addition, the company successfully entered into a new Time Charter contract and started providing service for charterer in Q2/2023.

2.3 Floating Storage Unit Business (“FSU Business”)

Unit: Million Baht	FSU Business			
	Quarter 4/2022	Quarter 1		%Change
		2022	2023	
Revenue	856.3	505.4	708.8	40.2%
Gross Profit (Loss)	458.4	213.5	378.7	77.3%
Gross Profit (Loss) Margin	53.5%	42.2%	53.4%	
No. of PRM Vessels	6	5	6	

Revenue and gross profit of FSU business in Q1/2023 increased significantly from Q1/2022 due to the demand for FSU vessels to store and blend fuel oil has increased due to the relaxation of COVID-19 epidemic control measures, resulting in an increase in demand of fuel oil in the industrial sector and power plants in foreign countries. Moreover, the Company invested in a FSU (named “Harmony Star”) in Q2/2022 to serve the recovery of FSU market.

Revenue and gross margin of the FSU business declined from 4Q/2022 due to the maintenance of one FSU vessel in March and the recording of Demurrage Charge amount of THB 27.9 million of FSU named “Harmony Star” as the other incomes during the quarter. When taken this income into account, the gross profit margin in the first quarter of 2023 will be 57.36%, which is higher than the gross profit margin in the fourth quarter of 2022.

2.4 Offshore Support Vessels Business (“Offshore Support”)

Unit: Million Baht	Offshore Support			
	Quarter 4/2022	Quarter 1		%Change
		2022	2023	
Revenue	213.4	102.0	106.2	4.1%
Gross Profit (Loss)	75.9	34.1	31.4	-8.0%
Gross Profit (Loss) Margin	35.5%	33.4%	29.5%	
No. of AWB	2	1	1	
No. of Crew Boat	13	13	13	

Revenues and gross profit of the Offshore Support business in Q1/2023 was slightly changed from Q1/2022 as the 1st AWB completed its contract on 28 February 2023. After that, the vessel was temporarily off-hired for maintenance and refurbishing to make a preparation for a new contract which commenced on 16 April 2023 while the AWB was in full quarterly service in Q1/2022. On the other hands, the crew boat fleet's utilization rate in Q1/2023 was higher than Q1/2022 due to the Company successfully entered into a long-term contract with a concessionaire of exploration and production in the Gulf of Thailand since mid-Q2/2022.

Revenue and gross profit decreased from Q4/2022 as the 2nd AWB has completed its service contract on 31 December 2022, leaving only 1 AWB (the 1st AWB) in service in Jan - Feb 2023 and the AWB was temporarily off-hired for maintenance since 28 February 2023 as mentioned above.

2.5 Ship Management and Shipping/Ship Agent Business

Unit: Million Baht	Ship Management and Shipping/Ship Agent Business			
	Quarter 4/2022	Quarter 1		%Change
		2022	2023	
Revenue	28.2	68.9	25.8	(62.5%)
Gross Profit	0.3	30.7	2.0	(93.4%)
Gross Profit Margin	1.1%	44.6%	7.9%	
No. of third-party Vessels	2	4	2	

**Remark: the third-party vessels refer to the vessels which are not calculated as the assets in consolidated financial statement*

In Q1/2023, the Company managed 2 third-party vessels, decreased from 4 third-party vessels in Q1/2022. 1 of the terminated vessel was a FSU which was larger and generated a higher gross profit compared to Domestic oil tankers.

3. Share of profit from associate and JV

In the 1st quarter of 2023, the company had a share of profit from associate and JV amount of THB 6.32 million, decreased THB 13.63 million from the Q1/2022 due to the share of profit from associate and JV previously received from Bongkot Marine Service Co., Ltd. finished since Q3/2022 due to the expiration of the JV agreement and the Bongkot Star vessel was disposed at the time.

4. Other Incomes

Other income of Q1/2023 increased from THB 19.94 million in Q1/2022 to THB 54.98 million due to the Company accounted revenue from Demurrage Charge of one FSU and one Aframax Vessel as other incomes.

5. Sales, General and Administrative Expenses (SG&A)

SG&A expenses in Q1/2023 was amount to THB 127.94 million, slightly increased from Q1/2022 in align with the increasing business size and revenues. However, SG&A expenses decreased from Q4/2022 in the amount of THB 62.00 million or decreased 33.64% due to the Company had the annual employee expenses and recorded the impairment of a domestic trading vessel amount of THB 39.5 million in Q4/2022.

6. Finance Cost

Finance cost in Q1/2023 increased by THB 26.52 million from Q1/2022, due mainly to the recognition of finance costs of the leasing agreements of all 3 VLCC vessels since Q4/2022, while in the quarter 1/2022, the Company recognized finance cost from only 1 VLCC vessel.

Finance cost of the 1st quarter of 2023 decreased by THB 19.95 million from the 4th quarter of 2022 because the Company accounted the one-time adjustment of Y2022 financial cost in Q4/2022 and the LT loan outstanding decreased due mainly to loan repayment during the quarter.

7. Gain/(Loss) of Exchange rate

Gain on foreign exchange of THB 21.69 million was due mainly to the conversion of USD loans at the end of the quarter, where the baht appreciated from 34.5624 baht per US dollar at the end of Q4/2022 to 34.1783 baht per US dollar at the end of Q1/2023. The Company has USD loans outstanding as of 31 March 2023 in the amount of USD 36.19 million.

8. Balance Sheet

Assets (Unit: million Baht)	31/3/2023	31/12/2022	% change	Liabilities (Unit: million Baht)	31/3/2023	31/12/2022	% change
Cash and cash equivalents	3,766.6	3,407.9	10.5%	Current portion of L/T loans	1,351.6	1,076.4	25.6%
Other current assets	1,108.9	1,021.5	8.6%	Other current liabilities	1,714.0	1,569.7	9.2%
Total current assets	4,875.5	4,429.5	10.1%	Total current liabilities	3,065.6	2,646.1	15.9%
Property, plant and vessels	9,669.1	9,441.0	2.4%	Long-term loans	2,410.3	2,650.5	-9.1%
Lease assets	4,436.8	4,625.1	-4.1%	Lease liabilities	4,032.1	4,208.8	-4.2%

Other non-current assets	2,106.4	2,079.8	1.3%
Total non-current assets	16,242.3	16,145.8	0.6%
Total assets	21,117.8	20,575.3	2.6%

Other non-current liabilities	270.4	257.8	4.9%
Total non-current liabilities	6,712.9	7,117.1	-5.7%
Total liabilities	9,778.4	9,763.2	0.2%

Key Financial Ratios	31/3/2023	31/12/2022
Current ratio (times)	1.59	1.67
D/E ratio (times)	0.89	0.94
Return on assets (ROA)	3.64%	14.64%
Return on equity (ROE)	5.40%	23.08%

Total equity (Unit: million Baht)	31/3/2023	31/12/2022	% change
Total equity	11,339.4	10,812.1	4.9%
Total liabilities and equity	21,117.8	20,575.3	2.6%

- As of 31 March 2023, cash and cash equivalents increased by THB 358.6 million due mainly to cash from operating results.
- Right of use asset and lease liabilities were from the leasing agreement of 3 VLCC vessels which provided services for Thai Oil PLC. Both items slightly decreased from last year due to amortization.
- Property, plant, and vessels increased by THB 258.2 million from the investment in an additional vessel in Q1/2023 deducted by depreciation and amortization of vessels.
- Long-term loans decreased by THB 34.98 million from the additional loan to acquire the new vessel net by loan repayment to financial institution.
- Total equity increased by THB 542.5 million mostly from operating profit of the quarter.

Please be informed accordingly.

Sincerely Yours,

Prima Marine Public Company Limited

Mr. Prompong Chaisrisawatsuk

Chief Executive Officer

Mr. Pachara Rodsombon

Finance and Investor Relations Department

Tel (66) 2 016 0190 Ext.601