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11 August 2023

Subject Management discussion and analysis for operating results in the third quarter ended as of 30 June 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 second quarter of 2023 (“Q2/2023”) ended as of 30 June 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 | Q1 | Q2 | | YTD | |
|---------------------------------------|--------------|--------------|--------------|--------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 |
| Revenue from Sale and Service | 2,100.9 | 1,703.5 | 2,096.8 | 3,177.9 | 4,197.6 |
| Gross Profit Margin | 38.3% | 27.2% | 38.6% | 28.3% | 38.4% |
| Gross Profit | 804.8 | 462.8 | 808.5 | 899.5 | 1,613.2 |
| Share of profit from associate and JV | 6.3 | 21.2 | 7.7 | 41.1 | 14.0 |
| Other Incomes | 55.0 | 8.8 | 23.6 | 33.8 | 78.5 |
| SG&A | (127.9) | (128.6) | (177.2) | (240.3) | (305.1) |
| Financing Cost | (82.1) | (64.4) | (85.4) | (119.9) | (167.4) |
| Gain/Loss on Exchange Rate | 21.7 | (64.0) | (31.3) | (56.6) | (9.6) |
| Earnings Before Tax | 677.8 | 235.8 | 545.9 | 557.6 | 1,223.6 |
| Corporate Income Tax | (64.7) | (23.5) | (48.5) | (43.1) | (113.2) |
| Net Profit | 613.1 | 212.4 | 497.4 | 514.6 | 1,110.4 |
| EBITDA | 1,073.61 | 570.4 | 956.4 | 1,182.5 | 2,030.0 |
| Earnings Per Share (Baht/Share) | 0.23 | 0.08 | 0.19 | 0.19 | 0.42 |

The result of the Company's business restructuring since the acquisition of Truth Maritime Co., Ltd. In Q2/2021 led the Company enable to steadily generate higher revenue and gross profit proven by revenue and gross profit of Q2/2023 were still in the same level as Q1/2023 although the FSU business slowed down in Q2/2023 in line with the global market situation. When compared the operating performance to the same quarter of the previous year, the company's gross profit and net profit of Q2/2023 were higher than Q2/2022 by 74.7% and 134.2% respectively.

2. Operating's Results Analysis by Business Units in Q2/2023

2.1 Domestic Oil and Petrochemical Tanker Business (Domestic Trading)

| Unit: Million Baht | Section A: Domestic Trading | | | | | | |
|----------------------------|-----------------------------|-----------|-------|---------|---------|---------|---------|
| | Quarter 1/2023 | Quarter 2 | | %Change | YTD | | %Change |
| | | 2022 | 2023 | | 2022 | 2023 | |
| Revenue | 810.2 | 759.9 | 843.4 | 11.0% | 1,475.0 | 1,653.6 | 12.1% |
| Gross Profit (Loss) | 212.6 | 135.4 | 207.1 | 52.9% | 293.6 | 419.7 | 42.9% |
| Gross Profit (Loss) Margin | 26.2% | 17.8% | 24.5% | | 19.9% | 25.4% | |
| No. of Vessels at end of Q | 36 | 35 | 37 | | 35 | 37 | |

Revenue and gross profit of the domestic trading business in Q2/2023 improved from Q2/2022 due to higher domestic oil consumption after the government eased the travel control measures to prevent the spread of the COVID-19 virus. Moreover, the Company also benefited by the investment of 2 additional vessels, the first vessels commenced operation in the 3rd quarter of 2022 and the second vessel started service in the 2nd quarter of 2023.

Operating income in Q2/2023 improved from Q1/2023 due to more vessels and higher transportation volumes of liquefied petrochemical cargo. However, gross profit slightly decreased as in Q2/2023 there were more ships under maintenance than in Q1/2023.

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

| Unit: Million Baht | Section B: International Trading | | | | | | |
|----------------------------|----------------------------------|-----------|-------|---------|-------|-------|---------|
| | Quarter 1/2023 | Quarter 2 | | %Change | YTD | | %Change |
| | | 2022 | 2023 | | 2022 | 2023 | |
| Revenue | 449.8 | 163.6 | 488.8 | 198.8% | 246.5 | 938.6 | 280.7% |
| Gross Profit (Loss) | 180.1 | 49.4 | 200.6 | 306.3% | 49.4 | 380.7 | 670.0% |
| Gross Profit (Loss) Margin | 40.0% | 30.2% | 41.0% | | 20.1% | 40.6% | |
| No. of Aframax at end of Q | 1 | 1 | 1 | | 1 | 1 | |
| No. of VLCC at end of Q | 3 | 2 | 3 | | 2 | 3 | |

Revenue and gross profit in in Q2/2023 significantly increased from Q2/2022 owing to the full service of all 3 VLCC vessels since September 2022 as planned. Whereas in Q2/2022, the 1st VLCC was partially in service due to the vessel was temporarily off hired for dry docking during the quarter and the 2nd VLCC operated only 1 month due to the vessel commenced service in June 2022.

The operating performance of Q2/2023 also improved from Q1/2023 from the operation of Aframax under the new Time Charter contract since April 2023 led to the revenue and utilization rate of Aframax in Q2/2023 was higher than the previous quarter.

2.3 Floating Storage Unit Business (“FSU Business”)

| Unit: Million Baht | FSU Business | | | | | | |
|----------------------------|-------------------|-----------|-------|---------|---------|---------|---------|
| | Quarter 1/2023 | Quarter 2 | | %Change | YTD | | %Change |
| | | 2022 | 2023 | | 2022 | 2023 | |
| Revenue | 708.8 | 539.9 | 589.4 | 9.2% | 1,045.3 | 1,298.3 | 24.2% |
| Gross Profit (Loss) | 378.7 | 185.6 | 339.4 | 82.8% | 399.2 | 718.0 | 79.9% |
| Gross Profit (Loss) Margin | 53.4% | 34.4% | 57.6% | | 38.2% | 55.3% | |
| No. of Vessels at end of Q | 6 | 6 | 5 | | 6 | 5 | |

Gross profit margin of FSU business in Q2/2023 increased from Q2/2022 since the market recovered when compared to Q2/2022. The Company also benefited by the lower price of low sulfur fuel oil used for engine operations which decreased from 849.49 USD per ton in Q2/2022 to 605.76 USD per ton in Q2/2023.

Revenue and gross profit of Q2/2023 decreased from Q1/2023 as one FSU (named “Crystal Star”) was under drydocking throughout the quarter. The gross profit margin increased from the Q1/2023 due to the Company planned to sell the vessel in Q3/2023 after completion of drydocking. Therefore, the depreciation of the available for sale vessel during the quarter was recorded as an administrative expense in the amount of THB 15.7 million Baht.

2.4 Offshore Support Vessels Business (“Offshore Support”)

| Unit: Million Baht | Offshore Support | | | | | | |
|------------------------------|-------------------|-----------|-------|---------|-------|-------|---------|
| | Quarter 1/2023 | Quarter 2 | | %Change | YTD | | %Change |
| | | 2022 | 2023 | | 2022 | 2023 | |
| Revenue | 106.2 | 150.3 | 145.9 | (2.9%) | 252.3 | 252.1 | (0.1%) |
| Gross Profit (Loss) | 31.4 | 55.8 | 58.3 | 4.5% | 89.9 | 89.7 | (0.2%) |
| Gross Profit (Loss) Margin | 29.5% | 37.1% | 40.0% | | 35.6% | 35.6% | |
| No. of AWB at end of Q | 1 | 2 | 1 | | 2 | 1 | |
| No. of Crew Boat at end of Q | 13 | 13 | 13 | | 13 | 13 | |

Revenue and gross profit of Offshore Support BU in Q2/2023 were similar to Q2/2022. In Q2/2022, the Company operated 13 crew boats under long-term contracts, operated one AWB vessels which owned by the Company under a long-term contract which due in February 2023 and there was also a second AWB which the Company chartered to support short-term service from June to December 2022. While in Q2/2023, all 13 Crew Boats were still in service

under long-term contracts and the AWB which owned by the Company successfully entered into the new Time Charter contract with higher rates and has been in operation since mid-April 2023, in line with the higher activities in crude exploration and production in the Gulf of Thailand.

In Q2/2023, revenue and gross profit improved from Q1/2023 due to the number of AWB operating days in Q2/2023 was higher than in Q1/2023.

2.5 Ship Management and Shipping/Ship Agent Business

| Unit: Million Baht | Ship Management and Shipping/Ship Agent Business | | | | | | |
|----------------------------------|--|-----------|-------|---------|-------|------|---------|
| | Quarter 1/2023 | Quarter 2 | | %Change | YTD | | %Change |
| | | 2022 | 2023 | | 2022 | 2023 | |
| Revenue from Ship Mangment | 5.0 | 58.1 | 4.5 | (92.3%) | 106.9 | 9.5 | (91.1%) |
| Revenue from Shipping/Ship Agent | 20.8 | 31.8 | 24.8 | (22.0%) | 51.8 | 45.6 | (12.0%) |
| Gross Profit (Loss) | 2.0 | 36.7 | 3.1 | (91.9%) | 67.4 | 5.2 | (92.3%) |
| Gross Profit Margin | 7.9% | 40.8% | 10.7% | | 42.5% | 9.4% | |
| No. of third-party Vessels | 2 | 4 | 2 | | 4 | 2 | |

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

In Q2/2023, the Company managed 2 third-party vessels, decreased from 4 third-party vessels in Q2/2022. Two of the terminated vessels were FSUs which were larger and generated a higher gross profit compared to Domestic oil tankers.

3. Share of profit from associate and JV

In Q2/2023, the company generated share of profit from investments in associates and joint ventures amounting to THB 7.7 million, decreased by THB 13.5 million from Q2/2022 due to the service for the Bongkot Star vessel finished since Q3/2022.

4. Other Income

Other income of Q2/2023 increased THB 14.8 million from Q2/2022 because the company earned higher interest income. But other income decreased from Q1/2023 since the Company got demurrage charge income of Aframax and FSU vessels amounting to THB 42.6 million at the time.

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

SG&A in the Q2/2023 amount of THB 177.2 million increased from Q2/2022 by THB 48.6 million since the depreciation of the available for sale vessel was accounted as administrative expenses in the amount of THB 15.7 million. SG&A also increased in line with the bigger business size and increasing revenues.

In addition, SG&A in the Q2/2023 amount of THB 177.2 million included the annual employee rewards and the depreciation of the available for sale vessel as mentioned above. Therefore, SG&A increased from Q1/2023 in the amount of THB 49.2 million.

6. Finance Cost

Finance costs of Q2/2023 increased THB 21.0 million from Q2/2022 due mainly to the recognition of finance costs for all 3 VLCC vessels from September 2022 onwards. While in Q2/2022, the company recognized finance costs from only 2 VLCC vessels according to the working period of each vessel.

7. Gain/(Loss) of Exchange rate

Loss on foreign exchange amount of THB 31.3 million was due mainly to the depreciation of THB against USD from 34.1783 baht per US dollar at the end of Q1/2023 to 35.5893 baht per US dollar at the end of Q2/2023. During the 2nd quarter of 2023, the company made a repayment of Foreign currency loan amount of USD 12.1 million while the outstanding of foreign currency loan as of June 30, 2023 was USD 24.1 million.

8. Balance Sheet

| Assets (Unit: million Baht) | 30/6/2023 | 31/12/2022 | Change | Liabilities (Unit: million Baht) | 30/6/2023 | 31/12/2022 | Change |
|---------------------------------------|-----------------|-----------------|----------------|--|----------------|----------------|----------------|
| Cash and cash equivalents | 3,437.7 | 3,407.9 | 29.8 | ST Loan and Current portion of L/T loans | 1,542.2 | 1,076.4 | 465.8 |
| Other current assets | 1,828.7 | 1,021.5 | 807.1 | Other current liabilities | 1,607.3 | 1,569.7 | 37.6 |
| Total current assets | 5,266.4 | 4,429.5 | 836.9 | Total current liabilities | 3,149.5 | 2,646.1 | 503.4 |
| Property, plant and vessels | 8,963.5 | 9,441.0 | (477.4) | Long-term loans | 2,068.9 | 2,650.5 | (581.6) |
| Right of use asset | 4,500.5 | 4,625.1 | (124.6) | Lease liabilities | 4,083.7 | 4,208.8 | (125.1) |
| Other non-current assets | 2,085.4 | 2,079.8 | 5.6 | Other non-current liabilities | 161.5 | 257.8 | (96.3) |
| Total non-current assets | 15,549.4 | 16,145.8 | (596.4) | Total non-current liabilities | 6,314.1 | 7,117.1 | (802.9) |
| Total assets | 20,815.8 | 20,575.3 | 240.5 | Total liabilities | 9,463.6 | 9,763.2 | (299.5) |

| Key Financial Ratios | YTD 2023 | FY 2022 |
|------------------------|----------|---------|
| Current ratio (times) | 1.67 | 1.67 |
| D/E ratio (times) | 0.87 | 0.94 |
| Return on assets (ROA) | 6.72% | 14.64% |
| Return on equity (ROE) | 9.83% | 23.08% |

| Total equity (Unit: million Baht) | 30/6/2023 | 31/12/2022 | Change |
|--------------------------------------|-----------|------------|--------|
| Total equity | 11,352.1 | 10,812.1 | 540.0 |
| Total liabilities and equity | 20,815.7 | 20,575.3 | 240.5 |

- As of 30 June 2023, cash and cash equivalents increased by THB 29.8 million due mainly to cash from operating results offset by dividend payment and loan repayment.
- 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.
- Other current assets increased by THB 807.1 million from the end of 2022 from the transfer of the vessel named "Crystal Star" from Property, Plant and vessels to Current assets to prepare for sales in the third quarter of 2023.
- Property, plant, and vessels decreased by THB 447.4 million from the investment in an additional vessel in Q1/2023 netted by the transfer of the vessel named "Crystal Star" to current assets as previous mentioned.
- Long-term loans decreased by THB 581.6 million from loan repayment to financial institution.
- Total equity increased by THB 540.0 million mostly from operating profit deducted by dividend payment.

Please be informed accordingly.

Sincerely Yours,

Prima Marine Public Company Limited

Mr. Prompong Chairsrisawatsuk

Chief Executive Officer

Mr. Pachara Rodsomboon

Finance and Investor Relations Department

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