

14 November 2023

To: The President of the Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the 3Q/2023

Thoresen Thai Agencies Public Company Limited (“TTA”)

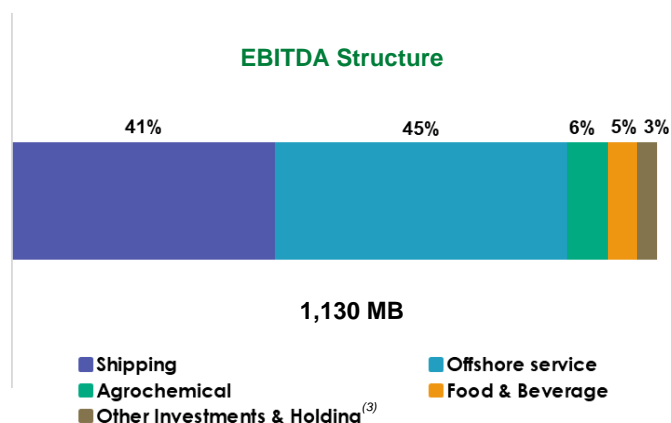
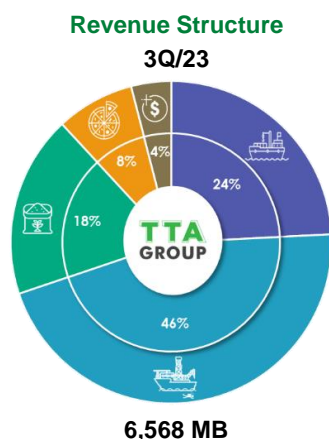
Consolidated Performance



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TTA reported net profits of Baht 374.8 million mainly from Shipping segment and Offshore Service segment in 3Q/23.

In 3Q/23, TTA reported revenues of Baht 6,567.7 million, which decreased 19%YoY mainly due to the declined TCE rate of Shipping segment but increased 9%QoQ driven by the significant growth in Offshore Service segment and Agrochemical segment. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 24%, 46%, 18%, 8%, and 4% to the consolidated revenues, respectively. Cost of sales and providing services⁽¹⁾ dropped by 12%YoY to Baht 4,992.6 million in line with the declining Shipping TCE rate but increased by 10%QoQ in line with growing revenues mainly from Offshore Service due to the services expansion and increasing fertilizer sales from Agrochemical segment. Consequently, gross profits decreased 34%YoY but increased 9%QoQ to Baht 1,575.1 million. The gross profit margin also declined from 30% in 3Q/22 mainly from a lower Shipping TCE rate earlier mentioned but remained stable QoQ at 24% in 3Q/23. Meanwhile, SG&A increased by 6%YoY primarily due to service expansion of Offshore Service segment and increased slightly by 2%QoQ due to increasing transportation expenses from the higher fertilizer export volume of Agrochemical segment. Accordingly, EBITDA decreased 36%YoY but increased 18%QoQ to Baht 1,129.9 million. In addition, there were realized/unrealized gains from foreign exchange of Baht 175.6 million from unrealized gains on loans to related parties in US Dollar due to the depreciation of Thai Baht against US Dollar. On the other hand, TTA recognized net non-recurring losses to TTA of Baht 37.1 million mainly from asset impairment due to inventory devaluation under Other Investments segment. In this quarter, Shipping segment’s TCE⁽²⁾ rate averaged at US\$ 12,143 per day and outperformed the net market rate by 27%, with gains from both owned and chartered-in vessels. Offshore Service segment continued to be profitable with a decade-high order book at US\$ 696.9 million at the quarter-end. Agrochemical segment’s fertilizer sales volume had recovered and affirmed the segment’s net profits. In summary, TTA reported net profits of Baht 374.8 million and normalized net profit of Baht 411.9 million.



In 9M/23, TTA reported revenues of Baht 17,334.4 million, which decreased 22%YoY mainly due to the declining Shipping TCE rate. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 33%, 38%, 15%, 9%, and 5% to the consolidated revenues, respectively. Gross profits reported at Baht 4,119.8 million, decreased 39%YoY in line with Shipping TCE rate. On the other hand, SG&A slightly increased by 3% mainly from consultant fees for bidding on new projects under Offshore

Note:

⁽¹⁾ Including amortization of vessel drydocking but excluding depreciation and other amortization

⁽²⁾ Thoresen TCE Rate comprises owned fleet TCE rate and gain (loss) from chartered-in vessels, including net realized gain (loss) from bunker hedge.

⁽³⁾ Holding and elimination

Service segment. As a result, EBITDA decreased by 47%YoY to Baht 2,678.9 million. In addition, there were realized/unrealized gains from foreign exchange of Baht 347.0 million due to unrealized gains mainly from loans to related parties and short-term investment in US dollar due to the depreciation of Thai Baht against US Dollar. Besides, there were net extraordinary gains to TTA of Baht 338.4 million mainly from a reversal of the provision of digital assets and gain from sales of investment under Other Investments segment. In summary, net profits to TTA were reported at Baht 1,219.6 million, decreasing 65%YoY in 9M/23.

Performance by Key Business Segments

Shipping segment continued to be profitable with the outperformed net Supramax TC rate by 27% in 3Q/23.

Shipping segment's freight revenues in 3Q/23 were reported at Baht 1,590.1 million, which decreased 54%YoY and 25%QoQ from the lower TCE rate in line with the declined market freight rate. Supramax freight rate averaged US\$ 10,028 per day in 3Q/23, which decreased 49%YoY from extraordinary high rate in 2022 due to less disruption from port congestion and 7%QoQ due to macroeconomic pressure and uneven Chinese economic recovery. Based on the time charter equivalent rate (TCE) as an indicator to measure dry bulk per-day performance, Shipping segment TCE rate decreased 48%YoY and 17%QoQ to an average of US\$ 12,143 per day. However, it continued outperforming the net Supramax TC rate of US\$ 9,527 by 27%. TCE rate comprised owned fleet TCE rate of US\$ 11,626 per day and gains from the chartered-in vessels of US\$ 517 per day in 3Q/23. Own fleet TCE rate decreased 52%YoY and 19%QoQ in line with the decreasing Supramax TC rate earlier mentioned. Full utilization rate at 100% with the highest TCE rate of US\$ 22,191 per day. For chartered-in business, most services for Contracts of Affreightment (COA) are usually booked in advance; the performance in this quarter took advantage of the declined market freight rate with gains from chartered-in vessels increased 166%YoY and 42%QoQ. Meanwhile, vessel operating expenses (OPEX) were recorded at US\$ 4,420 per day, which increased 17%YoY mainly from higher crew expenses but slightly decreased by 2%QoQ primarily due to decreasing technical expenses, but OPEX remained 4% below the industry OPEX⁽¹⁾. As a result, the per-day gross profit margin decreased from 81% in 3Q/22 and 64% in 2Q/23 to 56% in 3Q/23. Accordingly, gross profits was Baht 505.6 million, which declined 66%YoY and 23%QoQ. EBITDA also decreased 67%YoY and 24%QoQ to Baht 459.8 million. In summary, Shipping segment delivered net profits to TTA of Baht 275.5 million, decreasing 77%YoY and 37%QoQ in 3Q/23. At quarter-end, Shipping segment owned 24 vessels (22 Supramaxes and 2 Ultramax) with an average size of 55,913 DWT and an average age of 15.5 years.

In 9M/23, Shipping segment's freight revenues were reported at Baht 5,778.7 million, which decreased 48%YoY due to the declined market freight rate. Supramax freight rate averaged US\$ 10,311 per day in 9M/23, which decreased 58%YoY. Shipping segment TCE rate decreased 50%YoY to US\$ 13,511 per day, but outperformed the net Supramax TC rate of US\$ 9,796 by 38%. TCE rate comprised owned fleet TCE rate of US\$ 13,126 per day, declined 51%YoY from extraordinary high rate in 2022, and gains from the chartered-in vessels of US\$ 385 per day, increased 130%YoY, in 9M/23. In addition, the owned fleet utilization rate remained high at 100%. Meanwhile, OPEX increased 13%YoY to US\$ 4,406 per day due to higher crew expenses and technical expenses related to spare parts, but OPEX remained 4% below the industry OPEX. As a result, the per-day gross profit margin decreased from 83% in 9M/22 to 61% in 9M/23 in line with the decreasing TCE rate. The gross profits accordingly declined 63%YoY to Baht 1,794.2 million. Therefore, Shipping's EBITDA decreased by 65%YoY to Baht 1,664.5 million. In summary, Shipping segment delivered net profits to TTA of Baht 1,134.7 million, which reduced 73%YoY in 9M/23.

Offshore Service delivered solid net profits to TTA of Baht 141.7 million with a record high order book at US\$ 696.9 million in more than a decade in 3Q/23.

In 3Q/23, Offshore Service segment's revenues were recorded at Baht 2,996.4 million, which increased 25%YoY and 40%QoQ from most of services especially, subsea-IRM⁽²⁾ and decommissioning and installation (T&I) business. Revenues from subsea-IRM, decommissioning, and T&I, and cable laying accounted for 60%, 30%, and 10% of Offshore Service segment's revenues, respectively. Revenues from subsea-IRM rose 72%YoY and 32%QoQ largely from additional short-term chartered-in vessels and non-vessel projects. Meanwhile, the performing subsea-IRM vessel utilization rate remained high at 99.5% in 3Q/23, which

Note:

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

⁽²⁾ IRM = Inspection, Repair, and Maintenance

increased from 75% in 3Q/22 but slightly decreased from 100% in 2Q/23. Cost of services increased 22%YoY and 41%QoQ in line with the revenue growth. As a result, gross profits increased 36%YoY and 37%QoQ to Baht 645.5 million with the increasing gross profits margin from 20% in 3Q/22 to 22% in 2Q/23 and 3Q/23. SG&A increased 51%YoY and 6%QoQ to Baht 172.3 million to support the service expansion and increasing number of projects. Therefore, Offshore Service segment's EBITDA was reported at Baht 512.8 million, increasing 29%YoY and 48%QoQ. Finance costs increased 21%YoY and 10%QoQ to Baht 50.6 million due to increasing loans from parent company as working capital for additional projects. Therefore, Offshore Service segment reported solid net profits of Baht 243.8 million and net profits to TTA of Baht 141.7 million in 3Q/23, which significantly increased 129%YoY and 121%QoQ. Moreover, Offshore Service reported a record high order book at US\$ 696.9 million in more than a decade at the quarter-end.

In 9M/23, Offshore Service segment's revenues were recorded at Baht 6,613.9 million, which increased 18%YoY mainly from the increasing subsea-IRM revenues due to increasing short-term chartered-in vessels and non-vessel projects and higher performing subsea-IRM vessel utilization rate of 99% in 9M/23 from 72% in 9M/22. The improvement of subsea-IRM utilization was from the planned maintenance for one and a half month in 9M/22 while there was only intermediated maintenance in 9M/23. Cost of services increased 8%YoY in line with the service expansion. Consequently, gross profits rose 87%YoY to Baht 1,287.4 million. Likewise, the gross profit margin increased to 19% in 9M/23 from 12% in 9M/22. SG&A increased 31%YoY to support the business growth. As a result, Offshore Service's EBITDA was posted at Baht 909.8 million, increasing 115%YoY. Besides, finance costs increased 87%YoY to Baht 140.2 million due to increasing reference interest rates from bank loan and increasing loans from parent company for working capital and interest from long-term vessel chartering. In summary, Offshore Service segment generated turnaround net profits of Baht 189.7 million and net profits to TTA of Baht 109.6 million in this period, which increased 346%YoY.

Agrochemical segment delivered solid net profits to TTA of Baht 23.5 million supported by an increase in fertilizer sales volume in 3Q/23.

Agrochemical segment's revenues in 3Q/23 were reported at Baht 1,200.0 million, which decreased 16%YoY due to decreased fertilizer and pesticides sales, but increased 26%QoQ from an increase in fertilizer sales volume. Revenues from fertilizer decreased by 16%YoY due to decreasing fertilizer selling price despite the higher sales volume but increased by 32%QoQ due to an increase in fertilizer sales volume both domestic and export volume. Total fertilizer sales volume was recorded at 57.6 Ktons, increasing 25%YoY from the recovery of domestic fertilizer sales volume following the decreasing fertilizer selling prices and increasing 33%QoQ from the aforementioned reason. Domestic fertilizer sales volume totalled 48.3 Ktons, which increased 113%YoY and 34%QoQ. Meanwhile, export fertilizer sales volume decreased 60%YoY to 9.3 Ktons mainly from lower export volume to customers in the Philippines but increased 29%QoQ due to increasing export volume to customers in Africa. As for sales volume by product, single fertilizer sales volume increased by 99%YoY and 39%QoQ to 16.3 Ktons, and premium NPK-fertilizer sales volume also increased by 9%YoY and 31%QoQ to 41.3 Ktons. Meanwhile, sales revenue from pesticides decreased 20%YoY and 28%QoQ to Baht 67.1 million. In addition, Service income from factory area management increased by 1%YoY and increased 9%QoQ to Baht 28.1 million from higher warehousing demand. Cost of sales and services decreased by 14%YoY in line with the decreasing fertilizer selling prices but increased 20%QoQ from increasing the fertilizer sales volume. Consequently, gross profits declined 24%YoY but increased 82%QoQ to Baht 150.9 million with the gross profit margin at 13% in 3Q/23. SG&A decreased 29%YoY but increased 43%QoQ mainly due to transportation expenses, which were in line with the export volume. As a result, EBITDA was reported at Baht 71.3 million, decreasing 14%YoY but significantly increasing 152%QoQ. In summary, Agrochemical segment delivered solid net profits of Baht 34.3 million and net profit to TTA of Baht 23.5 million, which decreased 16%YoY but strongly increased 998%QoQ in 3Q/23.

In 9M/23, Agrochemical segment's revenues amounted to Baht 2,565.9 million, which decreased 19%YoY mainly from lower fertilizer sales. Revenues from fertilizer decreased by 20%YoY due to decreasing fertilizer prices despite the higher sales volume. Total fertilizer sales volume in 9M/23 recorded at 114.9 Ktons, increasing 5%YoY because of the increase in domestic sales volume in Vietnam. Domestic fertilizer sales volume accounted for 83% of total fertilizer sales volume, totalling 95.0 Ktons, which increased 44%YoY from

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fertilizer demand recovery while fertilizer price declined. On the other hand, fertilizer export volume decreased 54%YoY to 19.9 Ktons mainly from lower export volume to the Philippines after Chinese supplier resume their export. Regarding sales volume by product, single fertilizer sales volume increased 49%YoY to 30.4 Ktons due to stock management during the downtrend of fertilizer price, while NPK fertilizer sales volume decreased 5%YoY to 84.5 Ktons. Moreover, sales revenue of pesticides also decreased 9%YoY to Baht 195.4 million. However, Service income from factory management increased 10%YoY to Baht 82.5 million resulting from the additional warehouse and higher warehousing demand. As a result, gross profits decreased 38%YoY to Baht 264.1 million and gross profit margin decreased from 13% in 9M/22 to 10% in 9M/23. Meanwhile, SG&A reduced by 37%YoY to Baht 175.0 million from lower transportation expenses in line with the decrease in fertilizer export volume. Consequently, Agrochemical segment's EBITDA was Baht 91.7 million, which decreased by 39%YoY. Moreover, there were realized/unrealized gains from foreign exchange of Baht 9.8 million mainly from unrealized gains on loans to related parties in US dollar due to the depreciation of Thai Baht against US Dollar. In summary, Agrochemical segment reported net losses of Baht 1.4 million and net losses to TTA of Baht 0.9 million in 9M/23.

Key Financial Data ⁽¹⁾

in million Baht	3Q/22	2Q/23	3Q/23	YoY	QoQ	9M22	9M23	YoY	3Q/22	2Q/23	3Q/23	9M22	9M23	
Total Revenues	8,072.7	6,001.0	6,567.7	-19%	9%	22,198.8	17,334.4	-22%	100%	100%	100%	100%	100%	Revenue Structure
Shipping	3,480.6	2,111.3	1,590.1	-54%	-25%	11,022.0	5,778.7	-48%	43%	35%	24%	50%	33%	
Offshore Service	2,396.3	2,138.6	2,996.4	25%	40%	5,620.7	6,613.9	18%	30%	36%	46%	25%	38%	
Agrochemical	1,420.2	954.0	1,200.0	-16%	26%	3,158.3	2,565.9	-19%	17%	16%	18%	14%	15%	
Food & Beverage	459.8	497.6	516.9	12%	4%	1,497.9	1,517.3	1%	6%	8%	8%	7%	9%	
Other Investments	315.8	299.5	264.4	-16%	-12%	899.8	858.6	-5%	4%	5%	4%	4%	5%	
Total Costs of Sales and Services ⁽²⁾	5,682.8	4,550.1	4,992.6	-12%	10%	15,475.4	13,214.6	-15%	70%	76%	76%	70%	76%	Cost to Revenues
Shipping	2,008.3	1,456.7	1,084.5	-46%	-26%	6,208.5	3,984.5	-36%	58%	69%	68%	56%	69%	
Offshore service	1,919.9	1,668.0	2,350.9	22%	41%	4,933.0	5,326.5	8%	80%	78%	78%	88%	81%	
Agrochemical	1,221.9	871.2	1,049.1	-14%	20%	2,733.3	2,301.8	-16%	86%	91%	87%	87%	90%	
Food & Beverage	287.0	322.8	305.6	6%	-5%	921.3	945.2	3%	62%	65%	59%	62%	62%	
Other Investments	245.7	231.4	202.6	-18%	-12%	679.2	656.6	-3%	78%	77%	77%	75%	76%	
Gross Profits/(Losses)	2,389.9	1,450.9	1,575.1	-34%	9%	6,723.4	4,119.8	-39%	30%	24%	24%	30%	24%	Gross Profit Margin
Shipping	1,472.3	654.6	505.6	-66%	-23%	4,813.5	1,794.2	-63%	42%	31%	32%	44%	31%	
Offshore Service	476.4	470.6	645.5	36%	37%	687.7	1,287.4	87%	20%	22%	22%	12%	19%	
Agrochemical	198.3	82.8	150.9	-24%	82%	425.0	264.1	-38%	14%	9%	13%	13%	10%	
Food & Beverage	172.8	174.7	211.3	22%	21%	576.6	572.1	-1%	38%	35%	41%	38%	38%	
Other Investments and Holding*	70.1	68.2	61.7	-12%	-9%	220.6	202.0	-8%	22%	23%	23%	25%	24%	
EBITDA ⁽³⁾	1,757.1	956.7	1,129.9	-36%	18%	5,057.5	2,678.9	-47%	22%	16%	17%	23%	15%	EBITDA Margin
Shipping	1,373.8	608.9	459.8	-67%	-24%	4,739.9	1,664.5	-65%	39%	29%	29%	43%	29%	
Offshore Service	397.1	347.1	512.8	29%	48%	423.1	909.8	115%	17%	16%	17%	8%	14%	
Agrochemical	82.4	28.3	71.3	-14%	152%	150.6	91.7	-39%	6%	3%	6%	5%	4%	
Food & Beverage	23.4	12.9	51.4	120%	298%	94.1	82.9	-12%	5%	3%	10%	6%	5%	
Other Investments and Holding*	(119.6)	(40.5)	34.7	129%	186%	(350.2)	(70.0)	80%	-38%	-14%	13%	-39%	-8%	
Net Profits/(Losses) to TTA	1,448.7	629.9	374.8	-74%	-40%	3,463.2	1,219.6	-65%	18%	10%	6%	16%	7%	Net Profit (to TTA) Margin
Shipping	1,214.1	437.9	275.5	-77%	-37%	4,274.2	1,134.7	-73%	35%	21%	17%	39%	20%	
Offshore Service	61.8	64.0	141.7	129%	121%	(44.5)	109.6	346%	3%	3%	5%	-1%	2%	
Agrochemical	28.0	2.1	23.5	-16%	998%	40.2	(0.9)	-102%	2%	0.2%	2%	1%	-0.04%	
Food & Beverage	(24.4)	(38.2)	(13.3)	45%	65%	(51.4)	(78.5)	-53%	-5%	-8%	-3%	-3%	-5%	
Other Investments and Holding*	169.2	164.1	(52.6)	-131%	-132%	(755.3)	54.8	107%	54%	55%	-20%	-84%	6%	
Normalized Net Profits/(Losses) to TTA ⁽⁴⁾	1,448.6	476.6	411.9	-72%	-14%	4,101.5	881.3	-79%	18%	7.9%	6%	18%	5%	Normalized Net Profit (to TTA) Margin
Shipping	1,214.1	437.9	275.5	-77%	-37%	4,274.2	1,134.7	-73%	35%	21%	17%	39%	20%	
Offshore Service	61.7	64.9	141.6	129%	118%	(46.2)	110.5	339%	3%	3%	5%	-1%	2%	
Agrochemical	27.9	2.0	23.5	-16%	1,047%	40.2	(1.0)	-103%	2%	0.2%	2%	1%	-0.04%	
Food & Beverage	(24.1)	(38.1)	(11.8)	51%	69%	(50.7)	(75.8)	-50%	-5%	-8%	-2%	-3%	-5%	
Other Investments and Holding*	168.9	9.9	(17.0)	-110%	-272%	(115.9)	(287.0)	-148%	53%	3%	-6%	-13%	-33%	
Number of Shares and Paid-up Shares (million Shares)	1,822.5	1,822.5	1,822.5			1,822.5	1,822.5							
Basic earnings per share (in Baht)	0.79	0.35	0.21	-74%	-40%	1.90	0.67	-65%						

Note:

* Holding and elimination

⁽¹⁾ As consolidated on TTA's P&L

⁽²⁾ Including amortization of vessel drydocking but excluding depreciation and other amortization

⁽³⁾ Earnings before interest, tax, depreciation, and amortization (excluding extraordinary items)

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

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Key Operational Data

	Units	3Q/22	2Q/23	3Q/23	%YoY	%QoQ	9M/22	9M/23	%YoY
Exchange rate (1USD : THB)	Baht	36.41	34.48	35.17	-3%	2%	34.62	34.52	-0.3%
Shipping Segment:									
BDI Index	Point	1,655	1,313	1,194	-28%	-9%	2,066	1,169	-43%
BSI Index	Point	1,793	978	912	-49%	-7%	2,227	937	-58%
Net Supramax TC rate ⁽¹⁾	USD/Day	18,741	10,225	9,527	-49%	-7%	23,275	9,796	-58%
Calendar days for owned fleet ⁽²⁾	Days	2,208	2,184	2,208	0%	1%	6,552	6,552	0%
Available service days for owned fleet ⁽³⁾	Days	2,208	2,072	2,154	-2%	4%	6,462	6,376	-1%
Operating days for owned fleet ⁽⁴⁾	Days	2,208	2,072	2,154	-2%	4%	6,462	6,376	-1%
Owned fleet utilization ⁽⁵⁾	%	100%	100%	100%	0%	0%	100%	100%	0%
Voyage days for chartered-in fleet	Days	657	699	449	-32%	-36%	2,321	1,850	-20%
TC (%)	%	46%	50%	55%			41%	49%	
VC/COA (%)	%	54%	50%	45%			59%	51%	
Average DWT	Dwt	55,913	55,913	55,913	0%	0%	55,913	55,913	0%
Number of owned vessels at the ending period	Vessels	24	24	24	0%	0%	24	24	0%
Average number of vessels ⁽⁶⁾	Vessel	31.1	30.4	28.3	-9%	-7%	32.2	30.1	-6%
Average age of owned fleet	Years	14.5	15.2	15.5			14.5	15.5	
Per Day Data ⁽⁷⁾:									
Highest TCE rate of owned fleet	USD/day	46,144	28,023	22,191	-52%	-21%	49,972	28,023	-44%
Thoresen TCE rate ⁽⁸⁾	USD/day	23,448	14,719	12,143	-48%	-17%	26,920	13,511	-50%
TCE rate of owned fleet (include bunker hedge)	USD/day	24,231	14,355	11,626	-52%	-19%	26,752	13,126	-51%
Gain/(loss) from chartered-in vessels (include bunker hedge)	USD/day	(783)	363	517	166%	42%	167	385	130%
Vessel operating expenses (owner's expenses)	USD/day	3,763	4,500	4,420	17%	-2%	3,898	4,406	13%
Cash costs	USD/day	6,090	6,758	6,648	9%	-2%	6,097	6,645	9%
Total costs	USD/day	7,927	8,584	8,630	9%	1%	7,936	8,480	7%
Per-day gross profit margin ⁽⁹⁾	%	81%	64%	56%			83%	61%	
Per-day EBITDA margin	%	76%	58%	49%			79%	54%	
Per-day Net operating profit margin	%	66%	42%	29%			71%	37%	
Offshore Service Segment:									
Utilization rate (performing subsea-IRM vessels)	%	75%	100%	99.5%			72%	99%	
Utilization rate (performing cable laying vessels) ⁽¹⁰⁾	%	100%	100%	93%			94%	92%	
Order book	mUSD	329	337	697	112%	107%	329	697	112%
Agrochemical Segment:									
Total fertilizer sales volume	KTons	46.0	43.2	57.6	25%	33%	109.0	114.9	5%
Fertilizer sales volume by geography									
- Domestic (in Vietnam)	KTons	22.7	36.0	48.3	113%	34%	65.8	95.0	44%
- Export	KTons	23.3	7.2	9.3	-60%	29%	43.3	19.9	-54%
Fertilizer sales volume by product									
- NPK fertilizer	KTons	37.8	31.5	41.3	9%	31%	88.7	84.5	-5%
- Single fertilizer	KTons	8.2	11.7	16.3	99%	39%	20.4	30.4	49%
Food & Beverage Segment:									
No. of outlets of Pizza Hut	Outlets	187	191	186	-1%	-3%	187	186	-1%
No. of outlets of Taco Bell	Outlets	12	16	18	50%	13%	12	18	50%

Note:

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Available service days are calendar days⁽¹⁾ less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

⁽⁴⁾ Operating days are the available service days⁽²⁾ less unplanned off-hire days, which occurred during the service voyage.

⁽⁵⁾ Fleet utilization is the percentage of time that our vessels generated revenues and is determined by dividing operating days⁽³⁾ by available service days⁽²⁾ for the relevant period.

⁽⁶⁾ 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.

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

⁽⁸⁾ Thoresen TCE Rate comprises owned fleet TCE rate and gain (loss) from chartered-in vessels, including net realized gain (loss) from bunker hedge.

⁽⁹⁾ Per-Day Gross Profit Margin (%) = (Thoresen TCE Rate⁽⁸⁾ - Vessel Operating Expenses - Dry-Docking Expense) / Thoresen TCE Rate⁽⁸⁾
TCE Rate = Time-Charter Equivalent Rate BDI = The Baltic Exchange Dry Index
TC Rate = Time-Charter Rate BSI = The Baltic Exchange Supramax Index

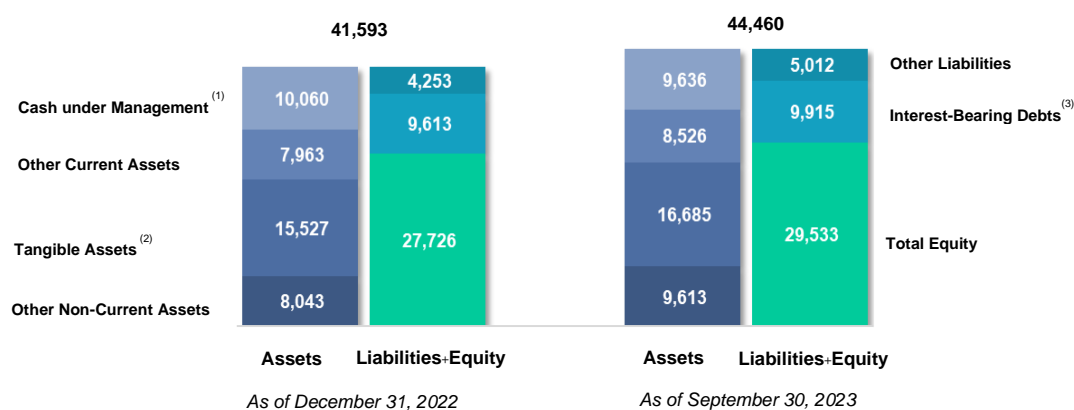
⁽¹⁰⁾ Offshore Service segment's a new joint venture with a 50% share acquired a cable laying vessel in 4Q/21.

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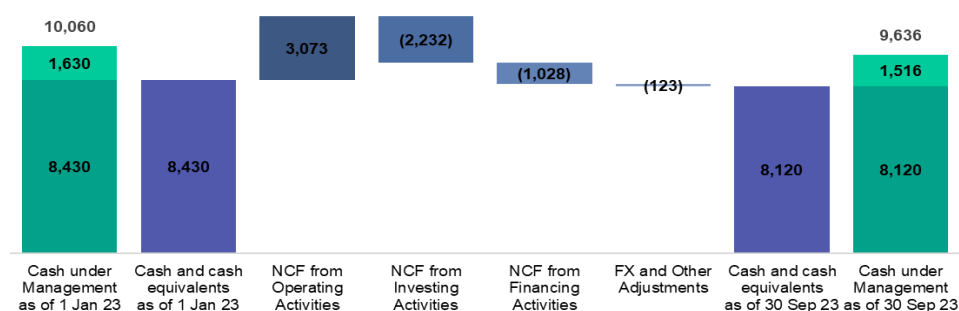
Financial Position



Financial position remained strong with cash under management of Baht 9.6 billion and low IBD/E at 0.34 times.

As of 30 September 2023, TTA had total assets of Baht 44,459.5 million, which increased by Baht 2,866.8 million or 7% from the year-end 2022, mainly due to an increase in trade receivables, property, plant, and equipment, and digital assets. Trade receivables increased by Baht 1,172.4 million or 32% to Baht 4,783.3 million in line with higher revenue from Offshore Service. Property, plant, and equipment increased by Baht 1,166.1 million or 8% to Baht 16,517.4 million mainly from acquiring petroleum tankers, dry docking and construction of new warehouse under Agrochemical segment. Moreover, digital assets increased by Baht 1,108.0 million or 73% to Baht 2,629.3 million from additional investment in digital assets in this year and the reversal of provision of digital assets due to market price rebound. On the other hand, cash and cash equivalents decreased Baht 310.4 million or 4% to Baht 8,119.9 million mainly due to the acquisition of fixed assets and a repayment debenture and long-term loans in 2023. Vessel suppliers and spare parts, which are used for Shipping segment and its supply depending on the usage of spare parts for maintenance, also decreased Baht 321.9 million or 49% to Baht 340.6 million. Inventory also decreased by Baht 259.1 million or 23% to Baht 883.4 million due to higher fertilizer sales volume from Agrochemical segment. Total liabilities increased by Baht 1,060.2 million or 8% from the year-end 2022 to Baht 14,926.8 million, largely from an increase in debentures. Debentures increased by Baht 1,535.9 million or 37% to Baht 5,727.7 million after an issue of new debentures in the amount of Baht 3,772.5 million netting with debenture repayment of Baht 2,216.2 million. Meanwhile, long-term borrowings decreased by Baht 723.5 million or 21% to Baht 2,663.8 million resulting from loan repayment. Bank overdrafts and short-term borrowings from financial institutions also decreased by Baht 463.1 million or 63% to Baht 270.4 million from a decrease in the short-term from financial institutions of Agrochemical segment. Total equity increased by Baht 1,806.6 million or 7% to Baht 29,532.7 million mainly from net profits of 9M/23. In addition, TTA's capital structure remained strong and was represented by the low interest-bearing debt to total equity ratio of 0.34 times at the quarter-end.

Cash Flow



Note:

⁽¹⁾ Cash, cash equivalents, and other current financial assets

⁽²⁾ Property, plant, equipment, and investment properties

⁽³⁾ Including lease liabilities

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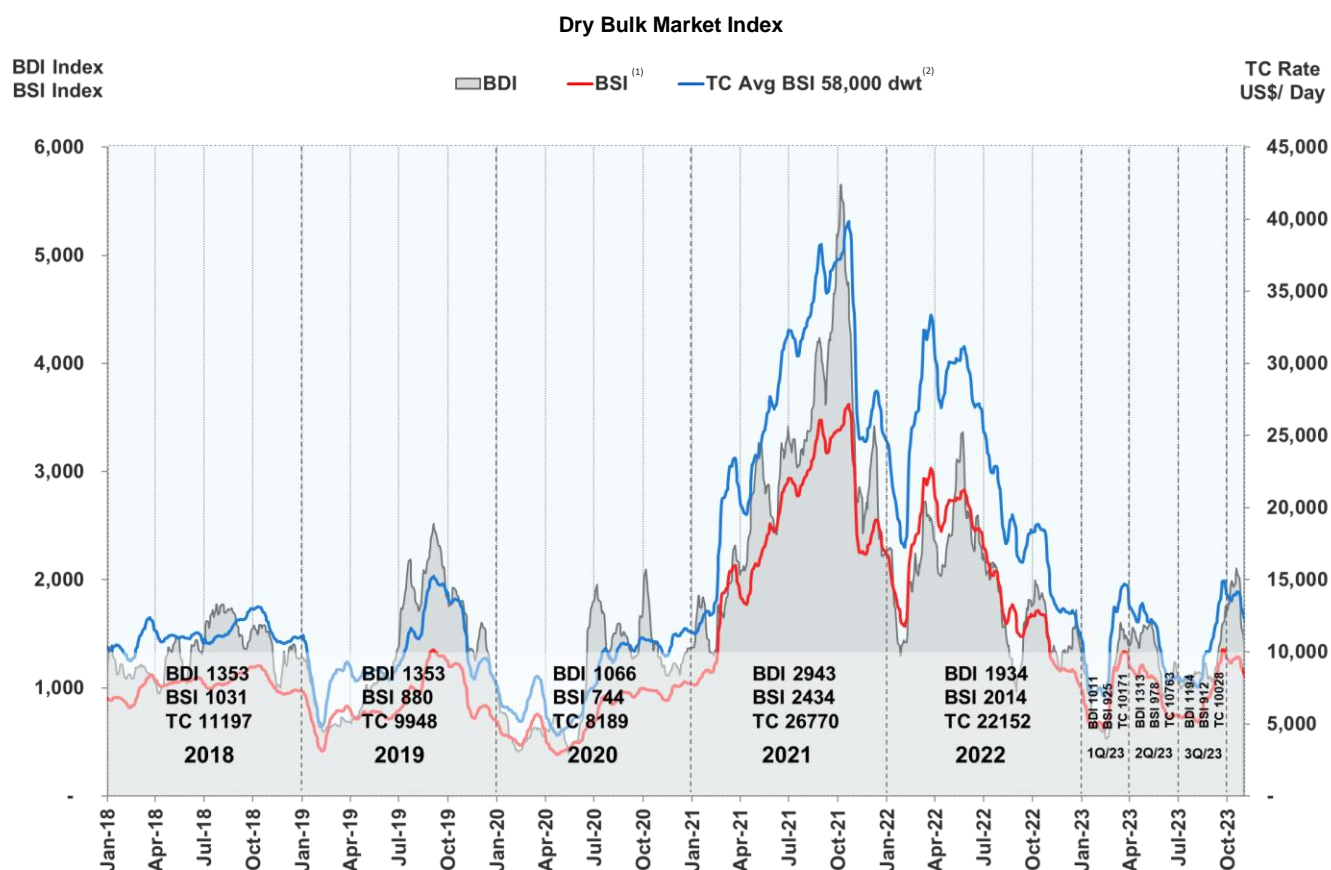
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Net cash in flow from operating activities amounted to Baht 3,072.6 million in 9M/23.

As of 30 September 2023, TTA had net cash and cash equivalent of Baht 8,119.9 million, reflecting a decrease of Baht 310.4 million from the beginning of the year. In this period, net cash flow from operating activities amounted to Baht 3,072.6 million, mainly from operating profit from Shipping segment and Offshore Service segment in 9M/23. TTA's net cash used in investing activities was Baht 2,232.2 million, mainly from the acquisition of petroleum tankers for tanker chartering business, additional investment in digital assets, drydocking, and construction of new warehouse for Agrochemical segment. Meanwhile, net cash used in financing activities was Baht 1,028.1 million largely from due to a repayment debenture amount of Baht 2,216.2 million, repayment of short and long term loans from financial institutions of Baht 1,664.5 million, finance cost paid Baht 484.6 million and dividend payment of Baht 410.5 million offset by the cash received from new debenture issuance of Baht 3,734.3 million in 2023. Besides, there was loss from the effect of exchange rates of Baht 122.7 million, therefore, the net decrease in cash and cash equivalents amounted to Baht 310.4 million in 9M/23. 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.

Industry Outlook: Shipping



Baltic Supramax Index (BSI) averaged 912 points in 3Q/23, decreased from an average of 1,793 points in 3Q/22 and from an average of 978 points in 2Q/23 due to less disruption from port congestion and weak macroeconomic conditions. However, the rebound of BSI Index has been seen since late August. Therefore, TC rate of Supramax reached its high at US\$ 14,906 per day in late September and averaged US\$ 10,028 per day in 3Q/23. The periods of upside in 4Q/23 can be expected while overall market conditions are expected to remain moderate. The outlook for the full-year 2023, Clarksons Research forecasts dry bulk trade growth at 3.7% in tons or 4.6% in ton-mile and fleet expansion of 2.9% in deadweight tons (DWT). The rise of the dry bulk trade has been primarily driven by changing trade patterns (including the ongoing effects of Russia-Ukraine) that have increased average haul gains across a range of commodities and Chinese seaborne dry bulk imports have been

Note:
⁽¹⁾ 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.
⁽²⁾ 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.

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particularly strong since China's post-Covid economic reopening. Global seaborne coal trade is projected to strongly increase (+6.0%), supported by the significant increase in thermal coal import driven by Chinese's strong energy demand and by the demand of coking coal on the back of improving steel production in Asia. Iron ore trade is estimated to grow (+3.9%) supported by stable supply and firm Chinese steel demand from the infrastructure and export sectors. In addition, grain trade is projected to rise (+3.8%) due to improving supply from Brazil following a robust harvest, while uncertainty remains around Black Sea trade. Meanwhile, minor bulk trade is forecasted to increase (+1.9%), supported by improved trends in China and easing headwinds in other key regions. On the other hand, bulker supply backdrop appears fairly supportive overall, with the orderbook consistent at a close to 30-year low of under 8% of fleet capacity, partly reflecting uncertainty in the new ship design in compliance with the new environmental regulations. Compliance with emissions regulations (e.g. EEXI, CII) could reduce available bulker supply by an estimated 1.5-2.0% p.a. across 2023-25 through slower speeds and retrofit time. Looking to 2024, the outlook for the bulker market appears relatively moderate, though there is scope for gradual improvements. Dry bulk ton-mile demand is initially projected to grow by 1.8%, while total fleet capacity growth is estimated at 2.2%, given the low order book and potentially increased demolition.

Source: Clarksons Research, October 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.

Significant Events/ Changes in 3Q/2023

- Tris Rating affirms the company rating on TTA at BBB+ with a stable outlook on 27 September 2023.
- TTA redeemed debentures of Baht 1,500.0 million at maturity in September 2023.
- MML recorded a decade-high order book at US\$ 696.9 million at the quarter-end. MML has secured multiple new offshore project awards with the combined value of approximately US\$ 485 million. The projects start in 2023 and are expected to be completed in 2025.

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 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

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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



[Please scan QR Code or Click here](#)

Corporate governance



[Please scan QR Code or Click here](#)

Yours faithfully,

Thoresen Thai Agencies Public Company Limited

Mr. Chalermchai Mahagitsiri
President & Chief Executive Officer

Mr. Katarat Suksawang
Executive Vice President & Group CFO