



LTR.SEA 134/2023

13 November 2023

Subject: Management Discussion and Analysis for Quarter 3 and for 9 month ended 30 September 2023

ATTN: The Director and Manager
The Stock Exchange of Thailand

Sea Oil Public Company Limited (the "Company") would like to clarify operating results of the Company and subsidiaries for Quarter 3/2023 and for 9 month ended 30 September 2023 as follow:

Unit: Million Baht

| Statement of Comprehensive Income (Unit: Million Baht) | For Quarter 3 | | | For 9 months period | | |
|-----------------------------------------------------------|---------------|---------------|-------------------------|---------------------|---------------|-------------------------|
| | 2023 | 2022 | % Increase / (Decrease) | 2023 | 2022 | % Increase / (Decrease) |
| Revenue from sales services and rental | 2,346.61 | 5,788.19 | (59.46) | 11,485.77 | 16,226.60 | (29.22) |
| Gross Profit | 76.62 | 138.02 | (44.49) | 327.14 | 266.87 | 22.58 |
| Other Income | 4.46 | 3.92 | 13.78 | 8.60 | 13.79 | (37.64) |
| Selling and Administrative Expenses | (62.34) | (83.02) | (24.91) | (238.59) | (273.67) | (12.82) |
| Other Gains (losses), net | 9.38 | (34.53) | 127.16 | 8.54 | 36.53 | (76.62) |
| Finance costs | (1.33) | (6.10) | (78.20) | (12.10) | (15.48) | (21.83) |
| Share of profit from a joint venture | 77.15 | 114.14 | (32.41) | 205.38 | 365.94 | (43.88) |
| Profit for the period | 101.50 | 120.44 | (15.73) | 284.97 | 379.71 | (24.95) |
| Profit (loss) attributable to: | | | | | | |
| Owners of the Company | 104.52 | 116.86 | (10.56) | 288.19 | 370.19 | (22.15) |
| Non-controlling interests | (3.02) | 3.58 | (184.36) | (3.22) | 9.52 | (133.82) |

Overview of the Business Operation of Quarter 3 ended 30 September 2023

The Statement of Comprehensive Income of the Company and its subsidiaries had a net profit of Baht 101.50 million, an decreased by 15.73%, compared to the same quarter of the previous year which consisted of the net profit of owners of the Company of Baht 104.52 million and net loss of non-controlling interests of Baht 3.02 million. The main reasons were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized shares of profit from the joint venture, Pan Orient Energy (Siam) Limited, of Baht 77.15 million, decreased by 32.41% compared to the same quarter of the previous year. Due to the decrease revenue of crude oil trading and world crude oil price by average 86 USD/Barrel in the Q3/2023 of decreased by 15% compared to the same quarter of the previous year. (average 101 USD/barrel)

Revenue

The Company and its subsidiaries had total revenue from sales, services, and rental income of Baht 2,346.61 million, decreased by 59.46%, compared to the same quarter of the previous year, mainly resulting from the decrease of oil trading, catering & service revenue. the decrease in oil trading revenue resulted from oversea customer groups, including continually decreased in oil price compared to the same quarter of the previous year, the decrease in catering & service revenue by 50.37% compared to the same quarter of the previous year due to the two of catering & service contracts expired.

Gross profit

The Company and its subsidiaries had a Total Gross profit of Baht 76.62 million, decreased by 44.49%, compared to the same quarter of the previous year. However the gross profit margin increased compared to the same quarter of the previous year.

Selling and Administrative Expenses

The Company and its subsidiaries had selling and administrative expenses of Baht 62.34 million, decreased 24.91% compared to the same quarter of the previous year mainly due to the decrease from staff and marketing expenses of oversea subsidiary.

Financial costs

The Company and its subsidiaries had financial costs of baht 1.33 million, decreased of 78.20% compared to the same period of the previous year. Due to repayment loans from financial institutions, resulting in reduced interest expenses.

Other Gains (losses), net

The Company and its subsidiaries had other gains, a net of Baht 9.38 million increased 127.16% compared to the same quarter of the previous year from the oil derivatives of oversea subsidiary.

Overview of the Business Operation for the nine-month period ended 30 September 2023

The Statement of Comprehensive Income of the Company and its subsidiaries had a net profit of Baht 284.97 million, decreased by 24.95%, compared to the same period of the previous year which consisted of the net profit of

owners of the Company of Baht 288.19 million and net loss of non-controlling interests at the of Baht 3.22 million. The main causes were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized shares of profit from the joint venture, Pan Orient Energy (Siam) Limited, of Baht 205.38 million, decreased by 43.88% compared to the same period of the previous year. Due to the decreased in world crude oil price as a result, the selling price of oil decreased by an average of 22.97% compared to the same period of the previous year. This causes income from selling crude oil to decrease.

Revenue

The Company and its subsidiaries had total revenue from sales, services, and rental of Baht 11,485.77 million, or decreased by 29.22%, compared to the same period the previous year, mainly resulting from the decrease in oil trading revenue of oversea customers and the decrease in market oil prices. However, income from oil trading revenue and volume in the domestic market increased by 54.85% and 88.82% respectively, compared to the same period last year. and the revenue from Catering & Service decreased, due to the expiration of the service contract.

Gross profit

The Company and its subsidiaries had a total Gross profit of Baht 327.14 million, increased 22.58 % compared to the same period of the previous year mainly from the oil business due to the increasing sales volume in the domestic market. The gross profit margin increased compared to the same period last year from both marine and land customer groups.

Other gains (losses), net

The Company and its subsidiaries had other gains net of Baht 8.54 million, decreased by 27.99% compared to the same period of the previous year from the oil derivatives of overseas subsidiary.

Selling and Administrative Expenses

The Company and its subsidiaries had selling and administrative expenses of Baht 238.59 million decreased by 12.82% compared to the same period of the previous year mainly from decrease of staff and marketing expenses of overseas subsidiaries.

Statement of Financial Position

| Statement of Financial Position (Unit: Million Baht) | Consolidated FS | | |
|---------------------------------------------------------|-------------------|------------------|----------------------------|
| | 30 September 2023 | 31 December 2022 | % Increase / (Decrease) |
| Current assets | 1,750.85 | 2,384.84 | (26.58) |
| Non-current assets | 1,253.02 | 1,179.32 | 6.25 |
| Total assets | 3,003.87 | 3,564.16 | (15.72) |
| Current liabilities | 562.50 | 1,412.83 | (60.19) |
| Non-current liabilities | 39.15 | 30.06 | 30.24 |
| Total liabilities | 601.65 | 1,442.89 | (58.30) |
| Equity attributable to owners of the Company | 2,389.16 | 2,097.54 | 13.90 |
| Non-controlling interests | 13.06 | 23.73 | (44.96) |
| Total Owner's Equity | 2,402.22 | 2,121.27 | 13.24 |

Assets

The Company and its subsidiaries had total assets of Baht 3,003.87 million, decreasing by 560.29 million or 15.72% compared to ended of year 2022, due to an decrease of Current assets at the amount of 633.99 million or 26.58%, from decreasing of Trade and other receivables of overseas subsidiary.

Liabilities

The Company and its subsidiaries had total liabilities of Baht 601.65 million, decreased by 841.24 million or 58.30% compared to ended of year 2022 due to an decrease in Current liabilities from decreasing in trade accounts payable and short-term loans from financial institutions

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries of Baht 2,402.22 million, consisting of the owners of the company of 2,389.16 million and non-controlling interests of 13.06 million. The total shareholders' equity increased from ended of 2022 to 280.95 million or 13.24% from the increase of common share capital from stock dividend and total increased comprehensive income of the period.

Please be informed accordingly,

Sincerely Yours,

(Miss Neeracha Panboonhom)
President and Chief Executive Officer