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14 November 2023

Subject Management discussion and analysis for operating results in the third quarter ended as of 30 September 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 third quarter of 2023 (“Q3/2023”) ended as of 30 September 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 2	Quarter 3		YTD	
	2023	2022	2023	2022	2023
Revenue from Sales and Service	2,096.8	2,149.7	1,835.5	5,327.6	6,033.1
Gross Profit Margin	38.6%	33.3%	29.9%	30.3%	35.8%
<b>Gross Profit</b>	<b>808.5</b>	<b>715.2</b>	<b>549.2</b>	<b>1,614.7</b>	<b>2,162.5</b>
Share of profit from associate and JV	7.7	173.5	8.1	214.6	22.1
Other Incomes	23.6	539.9	15.7	573.7	94.3
SG&A	(177.2)	(133.2)	(127.5)	(373.4)	(432.7)
Financing Cost	(85.4)	(81.1)	(77.5)	(201.0)	(245.0)
Gain/Loss on Exchange Rate	(31.3)	(79.1)	(18.4)	(135.7)	(28.1)
<b>Earnings Before Tax</b>	<b>545.9</b>	<b>1,135.3</b>	<b>349.5</b>	<b>1,692.9</b>	<b>1,573.1</b>
Corporate Income Tax	(48.5)	(49.6)	(15.7)	(92.7)	(128.9)
<b>Net Profit</b>	<b>497.4</b>	<b>1,085.7</b>	<b>333.8</b>	<b>1,600.3</b>	<b>1,444.2</b>
EBITDA	956.4	1,545.3	750.3	2,727.8	2,780.3
Earnings Per Share (Baht/Share)	0.19	0.42	0.13	0.61	0.55

Net profit of Q3/2023 decreased by THB 752 million compared to the same quarter last year due to the recognition of profit from the sale of the VLCC named “Ivory Star” amount of THB 522.9 million in Other Incomes and the recognition of profit sharing from associated companies and Joint venture of Bongkot Marine Services Co., Ltd., amount of THB 165.4 million from profit from the sale of FSU vessel named “Bongkot Star” after Bongkot Marine Services Co., Ltd. finished the service contract since the middle of the Q3/2022. For the 9-month period ending 2023, the company

generated increased revenue of THB 705.6 million, and the gross profit margin rose by 5.5 percent compared to the same period in 2022. The company successfully expanded the Domestic Trading and International Trading businesses to compensate for the slowdown in the FSU business due to backwardation in the oil future market.

## 2. Operating Results Analysis by Business Units in Q3/2023

### 2.1 Domestic Oil and Petrochemical Tanker Business (Domestic Trading)

Unit: Million Baht	Section A: Domestic Trading						
	Quarter 2/2023	Quarter 3		%Change	YTD		%Change
		2022	2023		2022	2023	
Revenue	843.4	739.1	788.0	6.6%	2,214.1	2,441.7	10.3%
Gross Profit (Loss)	207.1	130.5	166.2	27.4%	424.1	585.9	38.1%
Gross Profit (Loss) Margin	24.5%	17.7%	21.1%		19.2%	24.0%	
No. of vessels at the end of Q	37	36	37		36	37	
Average utilization rate	91.6%	82.3%	88.6%		87.8%	90.3%	

In Q3/2023, both revenue and gross profit were higher than the same quarter last year due to the better utilization rate and the commencement of operations of the additional petrochemical tanker sized 11,000 DWT.

When compared to Q2/2023, both revenue and gross profit declined due to the lower transportation volume of refined oil, especially jet fuel and diesel. This decline is attributed to seasonal factors related to the rainy season which is the low season of the tourism industry. Therefore, the company used this opportunity to bring 6 ships into the garage for maintenance while there were only 2 ships that were off hired for maintenance in Q2/2023.

### 2.2 International Oil Tanker Business ("International Trading")

Unit: Million Baht	Section B: International Trading						
	Quarter 2/2023	Quarter 3		%Change	YTD		%Change
		2022	2023		2022	2023	
Revenue	488.8	353.7	463.8	31.1%	600.2	1,402.4	133.7%
Gross Profit (Loss)	200.6	127.4	179.7	41.1%	176.8	560.4	217.0%
Gross Profit (Loss) Margin	41.0%	36.0%	38.8%		29.5%	40.0%	
No. of Aframax at the end of Q	1	1	1		1	1	
Utilization rate of Aframax	77.4%	100%	68.0%		85.6%	72.5%	
No. of VLCC at the end of Q	3	3	3		3	3	
The average utilization rate of VLCC	100%	100%	100%		100%	100%	

The International Trading business performance in Q3/2023 improved significantly due to the full utilization of three VLCC vessels throughout the entire quarter. When compared to Q3/2022, only two VLCC vessels were fully utilized while the third vessel just commenced operations in early September 2022.

Revenue and gross profit of Q3/2023 slightly decreased from Q2/2023 due to the Aframax vessel were off hired for 1 month for drydocking in the quarter. The vessel has resumed normal operation since mid-October 2023.

### 2.3 Floating Storage Unit Business (“FSU Business”)

Unit: Million Baht	FSU Business						
	Quarter 2/2023	Quarter 3		%Change	YTD		%Change
		2022	2023		2022	2023	
Revenue	589.4	791.9	397.3	(49.8%)	1,837.2	1,695.5	(7.7%)
Gross Profit (Loss)	339.4	367.0	135.5	(63.1%)	766.1	853.5	11.4%
Gross Profit (Loss) Margin	57.6%	46.3%	34.1%		41.7%	50.3%	
No. of FSU at the end of Q	5	6	5		6	5	
The average utilization rate of FSU	76.7%	88.8%	51.5%		82.0%	73.1%	

In Q3/2023, both revenue and gross profit declined when compared to Q3/2022 due mainly to one FSU having been taken out of service and designated for sale in Q4/2023. Additionally, the shift to backwardation in the crude futures market has diminished the incentive of Oil Trader to store and blend oil in FSU resulting in a decrease in the utilization rate of FSU.

The performance of the FSU business in Q3/2023 decreased compared to Q2/2023 due to a reduction in the average FSU utilization rate due to the Backwardation of the crude futures market as mentioned earlier and the cost of bunker increased in line with the rise in crude prices in the world market.

### 2.4 Offshore Support Vessels Business (“Offshore Support Business”)

Unit: Million Baht	Offshore Support Business						
	Quarter 2/2023	Quarter 3		%Change	YTD		%Change
		2022	2023		2022	2023	
Revenue	145.9	216.5	153.2	(29.2%)	468.9	405.3	(13.6%)
Gross Profit (Loss)	58.3	83.1	66.1	(20.5%)	173.0	155.8	(9.9%)
Gross Profit (Loss) Margin	40.0%	38.4%	43.1%		36.9%	38.4%	
No. of AWB at the end of Q	1	2	1		2	1	
The average utilization rate of AWB	83.3%	100.0%	100.0%		100%	82.9%	
No. of crew boat at the end of Q	13	13	13		13	13	
The average utilization rate of crew boat	99.8%	100.0%	98.0%		89.1%	98.6%	

The operating results of Q3/2023 decreased compared to Q3/2022 due mainly to fewer AWB vessels under service. In the second half of 2022, the Company operated 2 AWB vessels, one of which was owned by the Company while the another was chartered from an external owner for service under a short-term contract. The chartered AWB finished its service contract in December 2022 while in 2023, the company has operated only 1 AWB.

However, the gross profit of Q3/2023 surpassed that of Q2/2023, as the company successfully increased service fees since mid-April 2023 after the vessel temporarily stopped service from March to mid-April 2023 for maintenance before starting work under the new contract.

## 2.5 Ship Management and Shipping/Ship Agent Business

Unit: Million Baht	Ship Management and Shipping/Ship Agent Business						
	Quarter 2/2023	Quarter 3		%Change	YTD		%Change
		2022	2022		2565	2566	
Revenue from Ship Management	4.5	24.1	5.1	(78.8%)	131.0	24.4	(81.4%)
Revenue from Shipping/Ship Agent	24.8	24.4	28.1	(15.2%)	76.2	63.9	(16.1%)
Gross Profit (Loss)	3.1	7.3	1.7	(76.7%)	74.7	6.9	(90.8%)
Gross Profit Margin	10.7%	15.0%	5.1%		36.0%	7.8%	
No. of third-party vessels	2	3	3		3	3	

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

The performance of ship management, shipping, and ship agent business in Q3/2023 declined compared to Q3/2022 because the company still generated revenue from managing the vessel named Bongkot Star in Q3/2022 before the vessel was sold in August 2022.

In Q3/2023, revenue in this business increased by 13 percent due to the management of one additional third-party vessel. However, the costs associated with training, benefits, and welfare for the shipman crew increased to align with industry standards, leading to a decrease in the gross profit margin compared to the previous quarter.

### 3. Other entries in the profit and loss statement.

- In Q3/2023, the company received a share of profit from associates and joint ventures amount of THB 8.1 million decreased by THB 165.5 million compared to Q3/2022. This reduction is attributed to the cessation of operations of FSU named Bongkot Star. The service contract ended in the 3rd quarter of 2022 and was sold off and recorded a profit from the sale in that quarter.
- Other income in Q3/2023 decreased to THB 15.7 million due mainly to the profit gained from the sale of VLCC amounting to THB 522.9 million in Q3/2022.

- The selling, general, and administrative expenses decreased to THB 127.5 million due mainly to the depreciation of a vessel named Crystal Star during the sale preparation period was recorded in Q2/2023.
- The finance cost of Q3/2023 decreased compared to Q3/2022 and Q2/2023 because the Company decided to close some floating interest rate LT loan at the end of Q2/2023 to control finance cost.
- A loss on the exchange rate, totaling THB 18.5 million resulted from the depreciation of the THB against USD which shifted from 35.5893 THB/USD at the end of Q2/2023 to 36.5090 THB/USD at the end of Q3/2023. As of 30 September 2023, the company maintained a net USD loan amounting to USD 16.7 million.

#### 4. Balance Sheet

<b>Assets</b> (Unit: Million Baht)	30/9/2023	31/12/2022	Change
Cash and cash equivalents	3,595.5	3,407.9	187.6
Other current assets	1,963.1	1,021.6	941.5
<b>Total current assets</b>	<b>5,558.6</b>	<b>4,429.5</b>	<b>1,129.1</b>
Property, plant, and vessels	9,003.1	9,441.0	(437.9)
Right to use assets	4,475.5	4,625.1	(149.6)
Other non-current assets	2,088.3	2,079.8	8.5
<b>Total non-current assets</b>	<b>15,566.9</b>	<b>16,145.8</b>	<b>579.0</b>
<b>Total assets</b>	<b>21,125.5</b>	<b>20,575.3</b>	<b>550.2</b>

<b>Liabilities</b> (Unit: Million Baht)	30/9/2023	31/12/2022	Change
ST Loan and the current portion of L/T loans	1,463.4	1,076.4	387.0
Other current liabilities	1,779.0	1,569.7	209.3
<b>Total current liabilities</b>	<b>3,242.4</b>	<b>2,646.1</b>	<b>596.3</b>
Long-term loans	1,854.3	2,751.7	(897.4)
Lease liabilities	4,076.3	4,208.8	(132.5)
Other non-current liabilities	166.3	156.6	(9.7)
<b>Total non-current liabilities</b>	<b>6,096.9</b>	<b>7,117.1</b>	<b>(1,020.2)</b>
<b>Total liabilities</b>	<b>9,339.3</b>	<b>9,763.2</b>	<b>(423.9)</b>

<b>Key Financial Ratios</b>	YTD 2023	FY 2022
Current ratio (times)	1.71	1.67
D/E ratio (times)	0.82	0.94
Return on assets (ROA)	8.72%	14.64%
Return on equity (ROE)	12.66%	23.08%

<b>Equity</b> (Unit: Million Baht)	30/9/2023	31/12/2022	Change
<b>Total equity</b>	<b>11,786.2</b>	<b>10,812.1</b>	<b>974.1</b>
<b>Total liabilities and equity</b>	<b>21,125.5</b>	<b>20,575.3</b>	<b>550.2</b>

- Cash and cash equivalents increased by THB 187.6 million from operating cash flow after deducting dividend payments and loan repayment.
- Other current assets increased by THB 941.5 million due mainly to the reclassification of the vessel named Crystal Star from fixed assets to held-for-sale assets.
- Property, plant, and vessels decreased by THB 437.9 million due mainly to the transfer of Crystal Star to current assets, offset by the new investment in a liquid petrochemical tanker in Q1/2023.
- Long-term loans decreased by THB 897.4 million as a consequence of the floating interest rate loan closing, offset by the new loan for the acquisition of a liquid petrochemical tanker in Q1/2023.

- Total equity increased by THB 974.1 million derived from the operating profit of the period after deducting dividend payments.

Please be informed accordingly.

Sincerely Yours,  
Prima Marine Public Company Limited

Mr. Prompong Chaisrisawatsuk  
Chief Executive Officer

Mr. Pachara Rodsomboon  
Finance and Investor Relations Department  
Tel (66) 2 016 0190 Ext.601