



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5, โทรสาร 0-2254-8749

41 Asoke-Dindaeng Road, Makkasan Bangkok 10400 Thailand TEL. (662) 254-6604-5, FAX (662) 254-8749

No. 17/2023

10 November 2023

Subject Management Discussion and Analysis for Operating Results for the three-month and nine-month periods ended 30 September 2023

To President
The Stock Exchange of Thailand

V.L. Enterprise Public Company limited ("the Company") would like to clarify the operating results of the Company for the three-month and nine-month periods ended 30 September 2023 as follows:

The operating results for 3Q23 and 9M23 mainly derived from the oil tanker fleet transportation service business.

1. The financial performance comparison for the three-month periods ended 30 September 2023 and 2022

(Unit : Million Baht)

| Statement of Comprehensive Income | 30.09.2023 | % | 30.09.2022 | % | Increase / (Decrease) | % |
|---|------------|-------|------------|-------|--------------------------|---------|
| Freight charges | 184.4 | 99.5 | 218.9 | 98.8 | (34.5) | (15.8) |
| Gain on exchange rate | 0.1 | 0.1 | - | - | 0.1 | - |
| Gain from forward foreign exchange buying contract | - | - | 2.5 | 1.1 | (2.5) | (100.0) |
| Other revenues | 0.9 | 0.5 | 0.2 | 0.1 | 0.7 | 350.0 |
| Total revenues | 185.4 | 100.0 | 221.6 | 100.0 | (36.2) | (16.3) |
| Cost of freight | 165.9 | 89.5 | 170.1 | 76.8 | (4.2) | (2.5) |
| Gross Profit | 18.5 | 10.0 | 48.8 | 22.0 | (30.3) | (62.1) |
| Administrative expenses | 6.5 | 3.5 | 10.2 | 4.6 | (3.7) | (36.3) |
| Management benefit expenses | 4.8 | 2.6 | 4.7 | 2.1 | 0.1 | 2.1 |
| Loss on exchange rate | - | - | 0.6 | 0.3 | (0.6) | (100.0) |
| Loss from forward foreign exchange buying contract | - | - | - | - | - | - |
| Income before finance costs and Income tax expenses | 8.2 | 4.4 | 36.0 | 16.2 | (27.8) | (77.2) |
| Finance costs | 10.0 | 5.4 | 8.7 | 3.9 | 1.3 | 14.9 |
| Income before income tax expenses | (1.8) | (1.0) | 27.3 | 12.3 | (29.1) | (106.6) |
| Income tax expenses (revenues) | (0.3) | (0.2) | 2.2 | 1.0 | (2.5) | (113.6) |
| Income for the period | (1.5) | (0.8) | 25.1 | 11.3 | (26.6) | (106.0) |
| Actuarial gain (loss) from defined benefit plans | - | - | - | - | - | - |
| Total comprehensive income for the period | (1.5) | (0.8) | 25.1 | 11.3 | (26.6) | (106.0) |

Remark : Percentage in statement of comprehensive income derived from total revenues, while percentage of cost of freight and gross profit related to freight charges



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2. The financial performance comparison for the nine-month periods ended 30 September 2023 and 2022

(Unit : Million Baht)

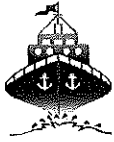
| Statement of Comprehensive Income | 30.09.2023 | % | 30.09.2022 | % | Increase / (Decrease) | % |
|--|--------------|--------------|--------------|--------------|--------------------------|---------------|
| Freight charges | 525.1 | 98.0 | 557.4 | 99.8 | (32.3) | (5.8) |
| Gain on exchange rate | 8.3 | 1.5 | - | - | 8.3 | - |
| Gain from forward foreign exchange buying contract | - | - | - | - | - | - |
| Other revenues | 2.6 | 0.5 | 1.3 | 0.2 | 1.3 | 100.0 |
| Total revenues | 536.0 | 100.0 | 558.7 | 100.0 | (22.7) | (4.1) |
| Cost of freight | 463.2 | 86.4 | 464.4 | 83.1 | (1.2) | (0.3) |
| Gross Profit | 61.9 | 11.5 | 93.0 | 16.6 | (31.1) | (33.4) |
| Administrative expenses | 19.7 | 3.7 | 24.5 | 4.4 | (4.8) | (19.6) |
| Management benefit expenses | 14.3 | 2.7 | 13.8 | 2.5 | 0.5 | 3.6 |
| Loss on exchange rate | - | - | 0.5 | 0.1 | (0.5) | (100.0) |
| Loss from forward foreign exchange buying contract | 5.2 | 1.0 | 3.4 | 0.6 | 1.8 | 52.9 |
| Income before finance costs and income tax expenses | 33.6 | 6.3 | 52.1 | 9.3 | (18.5) | (35.5) |
| Finance costs | 27.7 | 5.2 | 26.9 | 4.8 | 0.8 | 3.0 |
| Income before income tax expenses | 5.9 | 1.1 | 25.2 | 4.5 | (19.3) | (76.6) |
| Income tax expenses (revenues) | 0.4 | 0.1 | 3.3 | 0.6 | (2.9) | (87.9) |
| Income for the period | 5.5 | 1.0 | 21.9 | 3.9 | (16.4) | (74.9) |
| Actuarial gain (loss) from defined benefit plans | - | - | - | - | - | - |
| Total comprehensive income for the period | 5.5 | 1.0 | 21.9 | 3.9 | (16.4) | (74.9) |

Remark : Percentage in statement of comprehensive income derived from total revenues, while percentage of cost of freight and gross profit related to freight charges

Total revenues

For 3Q23, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 184.4 million, Baht 0.1 million, and Baht 0.9 million from the freight charges, gain on exchange rate, and other revenues, respectively.

For 9M23, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 525.1 million, Baht 8.3 million, and Baht 2.6 million from the freight charges, gain on exchange rate, and other revenues, respectively.



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The proportion of freight charges can be classified as follows:

For 3Q23 and 3Q22

(Unit : Million Baht)

| Statement of | 30.09.2023 | % | 30.09.2022 | % | Increase / | % |
|-----------------------|------------|-------|------------|-------|------------|---------|
| Comprehensive Income | | | | | (Decrease) | |
| Freight charges | | | | | | |
| - Domestic | 138.2 | 74.9 | 138.8 | 63.4 | (0.6) | (0.4) |
| - International | 38.3 | 20.8 | 79.8 | 36.5 | (41.5) | (52.0) |
| Other freight charges | 7.9 | 4.3 | 0.3 | 0.1 | 7.6 | 2,533.3 |
| Total freight charges | 184.4 | 100.0 | 218.9 | 100.0 | (34.5) | (15.8) |

For 3Q23, the total freight charges of the Company was Baht 184.4 million, an decreased of Baht 34.5 million compared to 3Q22 or decreased 15.8%.

This was caused by an decreased in the domestic and international freight charges, this was due to

- Domestic freight charges had decreased 0.4% due to
 - In 3Q23, there was an increase of revenue of two vessels, namely the newly acquired "V.L. 24" , and the V.L. 23 that had adjusted the strategy of fleet management from the international voyage to domestic voyage.
 - In 3Q23, there was 1 vessel in the dry-docking for maintenance, V.L. 20 and 1 vessel for repair, V.L. 17.
- International freight charges had decreased 52% due to the number of vessels of the international fleet has decreased, as a result of the management had adjusted the strategy of fleet management for one vessel (V.L. 23).

For 9M23 and 9M22

(Unit : Million Baht)

| Statement of | 30.09.2023 | % | 30.09.2022 | % | Increase / | % |
|-----------------------|------------|-------|------------|-------|------------|--------|
| Comprehensive Income | | | | | (Decrease) | |
| Freight charges | | | | | | |
| - Domestic | 412.3 | 78.5 | 380.8 | 68.3 | 31.5 | 8.3 |
| - International | 101.1 | 19.3 | 170.7 | 30.6 | (69.6) | (40.8) |
| Other freight charges | 11.7 | 2.2 | 5.9 | 1.1 | 5.8 | 98.3 |
| Total freight charges | 525.1 | 100.0 | 557.4 | 100.0 | (32.3) | (5.8) |



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For 9M23, the total freight charges of the Company was Baht 525.1 million, an decrease of Baht 32.3 million compared to 9M22 or increased 5.8%.

Gain on exchange rate

For 9M23, gain on exchange rate of the Company was Baht 8.3 million, an increase compared to 9M22 due to the Company recognized the realized gain on exchange rate from the acquisition of a new vessel, which paid to the foreign currency by using of forward contract.

Cost of freight

For 3Q23, cost of freight of the Company was Baht 165.9 million, an decrease of Baht 4.2 million compared to 3Q22 or decreased 2.5% and for 9M23, cost of freight of the Company was Baht 463.2 million, an decrease of Baht 1.2 million compared to 9M22 or decreased 0.3% according to decreased freight charges.

Gross profit

For 3Q23, gross profit of the Company was Baht 18.5 million or gross profit margin of 10.0% of total freight charges, an decrease of Baht 30.3 million compared to 3Q22 or decreased 62.1%. This was a result of the total freight charges to increase.

Income for the period

For 3Q23, income for the period of the Company was Baht 1.5 million, an decrease of Baht 26.6 million compared to 3Q22 and for 9M23, income for the period of the Company was Baht 5.5 million, an decrease of Baht 16.4 million compared to 9M22.



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3. Statement of financial position (abbreviated)

| | 30 September | 31 December | Change | | 30 September | 31 December | Change |
|-------------------------------------|----------------|----------------|---------------|---|----------------|----------------|--------------|
| | 2023 | 2022 | | | 2023 | 2022 | |
| | (Million Baht) | | % | | (Million Baht) | | % |
| Current Assets | | | | Non-interest bearing debt | | | |
| Cash and cash equivalents | 126.0 | 193.1 | (34.7) | Trade and other current payables | 58.8 | 62.5 | (5.9) |
| Trade and other current receivables | 89.9 | 76.5 | 17.5 | Purchase of fixed assets payable | 18.3 | 14.0 | 30.7 |
| Supplies and spare parts | 24.5 | 26.9 | (8.9) | Other liabilities | 22.0 | 27.8 | (20.9) |
| Other current financial assets | 80.2 | 100.6 | (20.3) | Total non-interest bearing debt | 99.1 | 104.3 | (5.0) |
| Other current assets | 1.9 | 0.9 | 111.1 | Interest-bearing debt | | | |
| Total Current Assets | 322.5 | 398.0 | (19.0) | Lease liabilities | 14.0 | 15.1 | (7.3) |
| Non-current Assets | | | | Long-term loans | 620.5 | 624.9 | (0.5) |
| Vessels and equipment | 1,592.2 | 1,467.2 | 8.5 | Total interest bearing debt | 634.5 | 640.0 | (0.7) |
| Right-of-use assets | 11.7 | 13.1 | (10.7) | Total Liabilities | 933.6 | 944.3 | (1.1) |
| Other non-current assets | 3.4 | 3.8 | (10.5) | Total Shareholders' Equity | 996.2 | 937.8 | 6.2 |
| Total Non-current Assets | 1,607.3 | 1,484.1 | 8.3 | | | | |
| Total Assets | 1,929.8 | 1,882.1 | 2.5 | Total Liabilities and Shareholders' Equity | 1,929.8 | 1,882.1 | 2.5 |

Assets

As of 30 September 2023, the Company reported total assets of Baht 1,929.8 million, an increase of Baht 47.7 million compared to 31 December 2022 or increased 2.5% due to

- Decrease in other current financial assets amounted to Baht 75.5 million because of the Company sold such financial assets to payment for acquisition of a new vessel in whole amount.
- Vessels and equipment has increased in the amount of Baht 125 million because of in the 2Q23 the Company purchase a new vessel in the amount of Baht 180 million and there is depreciation of vessel and equipment contained in the account.



Liabilities

As of 30 September 2023, the Company reported total liabilities of Baht 933.6 million, an decrease of Baht 10.7 million compared to 31 December 2022 or decreased 1.1% due to

- Decrease in the total interest-bearing debt amounting to Baht 5.5 million, in caused of the borrowing of loans from a financial institution for the purchase of a new vessel of Baht 115.0 million and the repayment of loans from financial institutions which is in accordance with the agreed contract of Baht 119.3 million.



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Shareholders' Equity

As of 30 September 2023, the Company reported total shareholders' equity of Baht 996.2 million, an increase of Baht 58.4 million compared to 31 December 2022 or increased 6.2% due to there was an income for the year 9M23 amounting to Baht 5.5 million and in 3Q23 he Company had received the increase capital in the amount of Baht 52.8 million from the exercise of warrants.

4. Significant financial ratio

| | 3Q23 | 2022 | 2021 |
|-----------------------------|------|------|------|
| Current Ratio (Time) | 1.19 | 1.63 | 1.92 |
| Debt to Equity Ratio (Time) | 0.94 | 1.01 | 1.18 |
| Return of Assets (ROA) (%) | 2.28 | 3.24 | 3.57 |
| Return of Equity (ROE) (%) | 0.72 | 2.55 | 2.67 |

Please be informed accordingly.

Sincerely Yours,

(Mrs. Chutipra Klinsuwan)

Chief Executive Officer

