

15 May 2024

To: The President of the Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the 1Q/2024

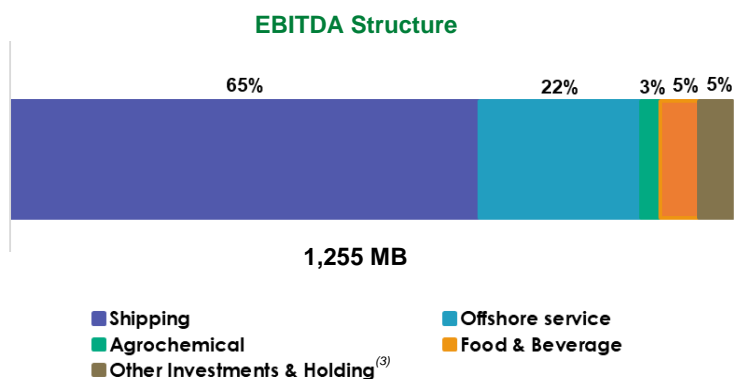
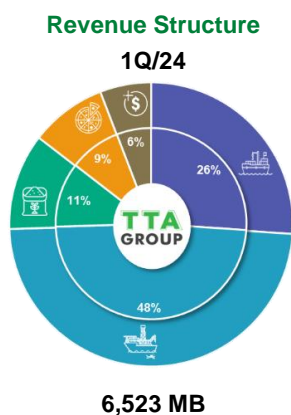
### Thoresen Thai Agencies Public Company Limited (“TTA”)

#### Consolidated Performance



**TTA reported strong net profits of Baht 1,116.0 million driven by Shipping segment in 1Q/24.**

In 1Q/24, TTA reported revenues of Baht 6,523.1 million, which increased 37%YoY mainly from Offshore Service segment and Agrochemical segment but revenues slightly decreased 2%QoQ due to lower fertilizer sales from Agrochemical segment. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 26%, 48%, 11%, 9%, and 6% to the consolidated revenues respectively. Cost of sales and providing services<sup>(1)</sup> increased 30%YoY to Baht 4,765.4 million in line with revenue growth but decreased 3%QoQ. As a result, gross profit increased 61%YoY and 2%QoQ to Baht 1,757.7 million. The gross profit margin also increased from 23% in 1Q/23 and 26% in 4Q/23 to 27% in 1Q/24 due to the improved margin of Shipping segment resulting from the higher TCE<sup>(2)</sup> rate. Meanwhile, there were realized/unrealized gains on investment of Baht 68.0 million which mainly from unrealized gains on investment in marketable securities. SG&A increased 14%YoY mainly from employee expenses and transportation expenses of Agrochemical segment but decreased 7%QoQ. Accordingly, EBITDA increased 112%YoY and 7%QoQ to Baht 1,255.2 million. Finance costs increased 3%YoY and 20%QoQ to Baht 185.1 million due to the issuance of new debentures in the amount of Baht 3,500.0 million in February 2024. In addition, there were realized/unrealized gains from foreign exchange of Baht 624.2 million mainly from unrealized gains from US dollar loans to related parties and US dollar short-term investment following US dollar appreciation against Thai Baht. In this quarter, Shipping segment’s TCE rate increased 16%YoY and 14%QoQ to US\$ 15,932 per day in 1Q/24, with gains from both owned and chartered-in vessels. Offshore Service segment continues delivering positive net profit to TTA with a strong order book of US\$ 734.5 million at the quarter-end. Agrochemical segment maintained profitability despite the low season. In summary, TTA reported strong net profits of Baht 1,116.0 million, significantly increased by 419%YoY and 43,857%QoQ in 1Q/24.



#### Performance by Key Business Segments

**Shipping segment delivered solid net profits of Baht 656.4 million with TCE rate of US 15,932 per day outperforming the net Supramax rate by 29% in 1Q/24.**

In 1Q/24, Shipping segment’s freight revenues were reported at Baht 1,690.4 million, which decreased 19%YoY due to reduced equivalent numbers of chartered-in vessels but increased 6%QoQ due to rising Shipping TCE rate. The market Supramax freight rate averaged US\$ 12,961 per day in 1Q/24, which increased 27%YoY but decreased 8%QoQ. Based on the time charter equivalent rate (TCE) as an indicator to measure dry bulk per-day performance, Shipping segment TCE rate rose 16%YoY and 14%QoQ to US\$ 15,932 per day on average in 1Q/24. Additionally, the TCE rate continued to outperform the net Supramax market rate of US\$ 12,312 per day by 29%. TCE rate comprised owned fleet TCE rate of US\$ 15,882 per

**Note:**

<sup>(1)</sup> Including amortization of vessel drydocking but excluding depreciation and other amortization

<sup>(2)</sup> Thoresen TCE Rate comprises owned fleet TCE rate and gain (loss) from chartered-in vessels including net realized gain (loss) from the change in fair value of derivatives

<sup>(3)</sup> Holding and elimination

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day, which increased 18%YoY and 14%QoQ and gains from the chartered-in vessels of US\$ 49 per day, decreasing 82%YoY mainly due to reduced equivalent numbers of chartered-in vessel of 7.8 in 1Q/23 to 1.3 in 1Q/24 but increasing 441%QoQ. The owned fleet continued full utilization at 100% with the highest TCE rate of US\$ 36,343 per day. Meanwhile, vessel operating expenses (OPEX) were recorded at US\$ 4,113 per day, which decreased 4%YoY but increased by 8%QoQ primarily from technical expenses related to spare parts and other supplies. However, OPEX remained 20% below the industry OPEX <sup>(1)(2)</sup>. As a result, the per day gross profit margin increased from 63% in 1Q/23 and 66% in 4Q/23 to 69% in 1Q/24. The gross profits accordingly increased 35%YoY and 25%QoQ to Baht 854.5 million. EBITDA also increased 37%YoY and 35%QoQ to Baht 815.5 million. In summary, Shipping segment delivered net profits to TTA of Baht 656.4 million, significantly improved 56%YoY and 67%QoQ in 1Q/24. 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 16.0 years.

**Offshore Service continued to deliver net profits to TTA with a high order book of US\$ 734.5 million in 1Q/24.**

**In 1Q/24, Offshore Service segment's revenues were recorded at Baht 3,139.0 million**, which increased by 112%YoY largely from subsea-IRM<sup>(3)</sup> and decommissioning and T&I projects and slightly increased 4%QoQ. Revenues from subsea-IRM, decommissioning, and T&I, and cable laying accounted for 52%, 34%, and 14% respectively to Offshore Service revenues. Revenues from subsea-IRM significantly grew by 88%YoY mainly from more non-vessel projects and increased 11%QoQ from a higher vessel utilization rate. The performing subsea-IRM vessel utilization rate increased to 83% in 1Q/24 from 67% in 4Q/23 but slightly decreased from 97% in 1Q/23. In addition, revenues from decommissioning and T&I business, and cable laying business significantly increased 119%YoY mainly due to the decommissioning service expansion in Thailand but slightly decreased 2%QoQ mainly from the dry docking of 3 vessels in this period. Meanwhile, cost of services increased 103%YoY and 7%QoQ in line with the revenue growth. As a result, gross profits strongly increased 180%YoY to Baht 479.2 million mainly from the increasing non-vessel margin, higher day rate of subsea-IRM, and the improved margin of cable laying business but decreased 11%QoQ. Gross profit margin accordingly increased from 12% in 1Q/23 to 15% in 1Q/24 but decreased from 18% in 4Q/23. In addition, there were share losses of Baht 42.1 million from decreasing revenues following the vessels' dry docking as above mentioned. SG&A increased 7%YoY and 4%QoQ mainly from employee expenses and consulting project fees to support revenue and service expansion. Therefore, Offshore Service's EBITDA significantly rose by 463%YoY to Baht 281.3 million but decreased 39%QoQ. Finance costs increased 87%YoY and 45%QoQ to Baht 81.6 million due to additional working capital loans from TTA. Meanwhile, there were realized/unrealized gains from foreign exchange in the amount of Baht 27.1 million mainly due to payment to suppliers in Thai Baht during the depreciation of Thai Baht against the US Dollar. In conclusion, Offshore Service segment reported net profits of Baht 16.2 million and net profits to TTA of Baht 6.9 million which significantly increased 107%YoY but decreased 92%QoQ, with the remained strong order book at US\$ 734.5 million in 1Q/24.

**Agrochemical segment continued to be profitable with YoY growth in both domestic and export volume in 1Q/24.**

**In 1Q/24, Agrochemical segment's revenues amounted to Baht 711.7 million**, which increased 73%YoY mainly from increasing fertilizer sales but decreased 41%QoQ due to seasonal factors. Fertilizer sales revenues increased by 87%YoY due to an increase in fertilizer sales volume both domestic and export volume but decreased by 41%QoQ from lower fertilizer sales volume during the low season. Total fertilizer sales volume recorded at 32.3 Ktons, increasing 130%YoY from the recovery of domestic demand resulting from reduced fertilizer selling price but decreasing 41%QoQ. Domestic fertilizer, in Vietnam, sales volume accounted for 79% of total fertilizer sales volume amounting to 25.6 Ktons, increasing 140%YoY driven by demand recovery earlier mentioned but decreasing 42%QoQ. Meanwhile, export fertilizer sales volume increased by 98%YoY to 6.8 Ktons since export volume to Southeast Asia expanded but decreased by 34%QoQ. According to sales volume by product, single fertilizer sales volume was recorded at 5.1 Ktons, which increased 110%YoY but decreased 55%QoQ, and NPK fertilizer sales volume also increased

**Note:**

<sup>(1)</sup> Latest Industry OPEX for Supramax at US\$ 5,172 per day for the 1<sup>st</sup> quarter (issued in April 2024)

<sup>(2)</sup> Source: Baltic Exchange (Baltic Exchange Operating Expense Index)

<sup>(3)</sup> IRM = Inspection, Repair, and Maintenance

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134%YoY to 27.3 Ktons but decreased 37%QoQ. On the other hand, sales of pesticides decreased 6%YoY and 64%QoQ to Baht 32.7 million. Service income from factory management also decreased 6%YoY to Baht 27.1 million due to the lower warehousing activities and remaining stable QoQ. Cost of sales and services increased 60%YoY but decreased 39%QoQ in line with the fertilizer sales volume. Therefore, gross profits increased by 229%YoY to Baht 99.9 million but decreased 52%QoQ with the gross profit margin at 14% in 1Q/24. SG&A increased by 76%YoY mainly from increasing transportation expenses in line with the fertilizer sales volume growth but decreased by 30%QoQ. Thus, EBITDA was Baht 32.1 million, improving 511%YoY but decreasing 71%QoQ. Finance costs decreased by 32%YoY and 4%QoQ to Baht 9.5 million due to a decrease in short-term borrowings from financial institutions for working capital in line with the lower fertilizer raw material prices and a lower interest rate. In addition, there were realized/unrealized gains from foreign exchange of Baht 3.8 million due to dividends receivable from subsidiaries in the US Dollar during the depreciation of Thai Baht against the US Dollar. In summary, Agrochemical segment reported net profits of Baht 4.6 million and net profits to TTA of Baht 3.1 million, increasing 112% but decreasing 92%QoQ in 1Q/24.

### Key Financial Data <sup>(1)</sup>

In million Baht	1Q/23	4Q/23	1Q/24	YoY	QoQ	1Q/23	4Q/23	1Q/24	
<b>Total Revenues</b>	<b>4,765.8</b>	<b>6,641.1</b>	<b>6,523.1</b>	<b>37%</b>	<b>-2%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	Revenue Structure
Shipping	2,077.3	1,590.9	1,690.4	-19%	6%	44%	24%	26%	
Offshore Service	1,479.0	3,014.6	3,139.0	112%	4%	31%	45%	48%	
Agrochemical	411.9	1,212.9	711.7	73%	-41%	9%	18%	11%	
Food & Beverage	502.8	556.5	565.0	12%	2%	11%	8%	9%	
Other Investments	294.7	266.1	417.0	41%	57%	6%	4%	6%	
<b>Total Costs of Sales and Services <sup>(2)</sup></b>	<b>3,671.9</b>	<b>4,921.1</b>	<b>4,765.4</b>	<b>30%</b>	<b>-3%</b>	<b>77%</b>	<b>74%</b>	<b>73%</b>	Cost to Revenues
Shipping	1,443.3	909.9	836.0	-42%	-8%	69%	57%	49%	
Offshore service	1,307.7	2,476.2	2,659.9	103%	7%	88%	82%	85%	
Agrochemical	381.5	1,005.0	611.7	60%	-39%	93%	83%	86%	
Food & Beverage	316.8	323.2	335.7	6%	4%	63%	58%	59%	
Other Investments	222.6	206.9	322.1	45%	56%	76%	78%	77%	
<b>Gross Profits/(Losses)</b>	<b>1,093.9</b>	<b>1,719.9</b>	<b>1,757.7</b>	<b>61%</b>	<b>2%</b>	<b>23%</b>	<b>26%</b>	<b>27%</b>	Gross Profit Margin
Shipping	634.0	681.0	854.5	35%	25%	31%	43%	51%	
Offshore Service	171.3	538.4	479.2	180%	-11%	12%	18%	15%	
Agrochemical	30.4	207.8	99.9	229%	-52%	7%	17%	14%	
Food & Beverage	186.0	233.3	229.3	23%	-2%	37%	42%	41%	
Other Investments and Holding*	72.1	59.3	94.8	32%	60%	24%	22%	23%	
<b>EBITDA <sup>(3)</sup></b>	<b>592.3</b>	<b>1,175.9</b>	<b>1,255.2</b>	<b>112%</b>	<b>7%</b>	<b>12%</b>	<b>18%</b>	<b>19%</b>	EBITDA Margin
Shipping	595.7	603.8	815.5	37%	35%	29%	38%	48%	
Offshore Service	50.0	458.9	281.3	463%	-39%	3%	15%	9%	
Agrochemical	(7.8)	110.6	32.1	511%	-71%	-2%	9%	5%	
Food & Beverage	18.5	55.8	67.9	266%	22%	4%	10%	12%	
Other Investments and Holding*	(64.2)	(53.1)	58.4	191%	210%	-22%	-20%	14%	
<b>Net Profits/(Losses) to TTA</b>	<b>215.0</b>	<b>(2.6)</b>	<b>1,116.0</b>	<b>419%</b>	<b>43,857%</b>	<b>5%</b>	<b>-0.04%</b>	<b>17%</b>	Net Profit (to TTA) Margin
Shipping	421.3	393.7	656.4	56%	67%	20%	25%	39%	
Offshore Service	(96.1)	90.3	6.9	107%	-92%	-6%	3%	0.2%	
Agrochemical	(26.6)	40.8	3.1	112%	-92%	-6%	3%	0.4%	
Food & Beverage	(26.9)	19.8	(0.8)	97%	-104%	-5%	4%	-0.1%	
Other Investments and Holding*	(56.8)	(547.2)	450.4	893%	182%	-19%	-206%	108%	
<b>Normalized Net Profits/(Losses) to TTA <sup>(4)</sup></b>	<b>(7.2)</b>	<b>(137.4)</b>	<b>1,099.8</b>	<b>15,319%</b>	<b>901%</b>	<b>-0.2%</b>	<b>-2%</b>	<b>17%</b>	Normalized Net Profit (to TTA) Margin
Shipping	421.3	394.4	656.4	56%	66%	20%	25%	39%	
Offshore Service	(96.1)	84.8	6.8	107%	-92%	-6%	3%	0.2%	
Agrochemical	(26.6)	40.8	3.1	112%	-92%	-6%	3%	0.4%	
Food & Beverage	(26.0)	(9.5)	(0.9)	96%	90%	-5%	-2%	-0.2%	
Other Investments and Holding*	(279.9)	(647.8)	434.4	255%	167%	-95%	-243%	104%	
<b>Number of Shares and Paid-up Shares (million Shares)</b>	<b>1,822.5</b>	<b>1,822.5</b>	<b>1,822.5</b>						
<b>Basic earnings per share (in Baht)</b>	<b>0.12</b>	<b>(0.00)</b>	<b>0.61</b>	<b>419%</b>	<b>43,857%</b>				

**Note:**

\* Holding and elimination

<sup>(1)</sup> As consolidated on TTA's P&L

<sup>(2)</sup> Including amortization of vessel drydocking but excluding depreciation and other amortization

<sup>(3)</sup> Earnings before interest, tax, depreciation, and amortization (excluding extraordinary items)

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

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Ref No. COR: EL240008e/AA

### Key Operational Data

	Units	1Q/23	4Q/23	1Q/24	%YoY	%QoQ
Exchange rate (1USD : THB)	Baht	33.91	35.65	35.66	5%	0%
<b>Shipping Segment:</b>						
BDI Index	Point	1,011	2,033	1,824	80%	-10%
BSI Index	Point	925	1,286	1,178	27%	-8%
Net Supramax TC rate <sup>(1)</sup>	USD/Day	9,662	13,441	12,312	27%	-8%
Calendar days for owned fleet <sup>(2)</sup>	Days	2,160	2,208	2,184	1%	-1%
Available service days for owned fleet <sup>(3)</sup>	Days	2,150	2,137	2,177	1%	2%
Operating days for owned fleet <sup>(4)</sup>	Days	2,150	2,137	2,177	1%	2%
Owned fleet utilization <sup>(5)</sup>	%	100%	100%	100%	0%	0%
Voyage days for chartered-in fleet	Days	702	188	119	-83%	-36%
TC (%)	%	42%	61%	52%		
VC/COA (%)	%	58%	39%	48%		
Average DWT	Dwt	55,913	55,913	55,913	0%	0%
Number of owned vessels at the ending period	Vessels	24	24	24	0%	0%
Average number of vessels <sup>(6)</sup>	Vessel	31.7	25.3	25.2	-20%	0%
Average age of owned fleet	Years	15.0	15.7	16.0		
<b>Per Day Data <sup>(7)</sup>:</b>						
Highest TCE rate of owned fleet	USD/day	27,250	25,852	36,343	33%	41%
Thoresen TCE rate <sup>(8)</sup>	USD/day	13,718	13,914	15,932	16%	14%
TCE rate of owned fleet (include bunker hedge)	USD/day	13,445	13,929	15,882	18%	14%
Gain/(loss) from chartered-in vessels (include bunker hedge)	USD/day	273	(15)	49	-82%	441%
Vessel operating expenses (owner's expenses)	USD/day	4,296	3,817	4,113	-4%	8%
Cash costs	USD/day	6,529	5,969	6,189	-5%	4%
Total costs	USD/day	8,223	7,948	8,044	-2%	1%
Per-day gross profit margin <sup>(9)</sup>	%	63%	66%	69%		
Per-day EBITDA margin	%	56%	60%	63%		
Per-day Net operating profit margin	%	40%	43%	50%		
<b>Offshore Service Segment:</b>						
Utilization rate (performing subsea-IRM vessels)	%	97%	67%	83%		
Utilization rate (performing cable laying vessels) <sup>(10)</sup>	%	82%	100%	-		
Utilization rate (performing T&I and decommissioning vessels) <sup>(11)</sup>	%	31%	69%	84%		
Order book	mUSD	320	734	735	130%	0%
<b>Agrochemical Segment:</b>						
Total fertilizer sales volume	KTons	14.1	54.4	32.3	130%	-41%
Fertilizer sales volume by geography						
- Domestic (in Vietnam)	KTons	10.7	44.1	25.6	140%	-42%
- Export	KTons	3.4	10.3	6.8	98%	-34%
Fertilizer sales volume by product						
- NPK fertilizer	KTons	11.7	43.2	27.3	134%	-37%
- Single fertilizer	KTons	2.4	11.2	5.1	110%	-55%
<b>Food &amp; Beverage Segment:</b>						
No. of outlets of Pizza Hut	Outlets	191	185	186	-3%	1%
No. of outlets of Taco Bell	Outlets	14	25	26	86%	4%

**Note:**

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

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

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

<sup>(6)</sup> 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.

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

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

<sup>(9)</sup> Per-Day Gross Profit Margin (%) = (Thoresen TCE Rate<sup>(8)</sup> - Vessel Operating Expenses - Dry-Docking Expense) / Thoresen TCE Rate<sup>(8)</sup>

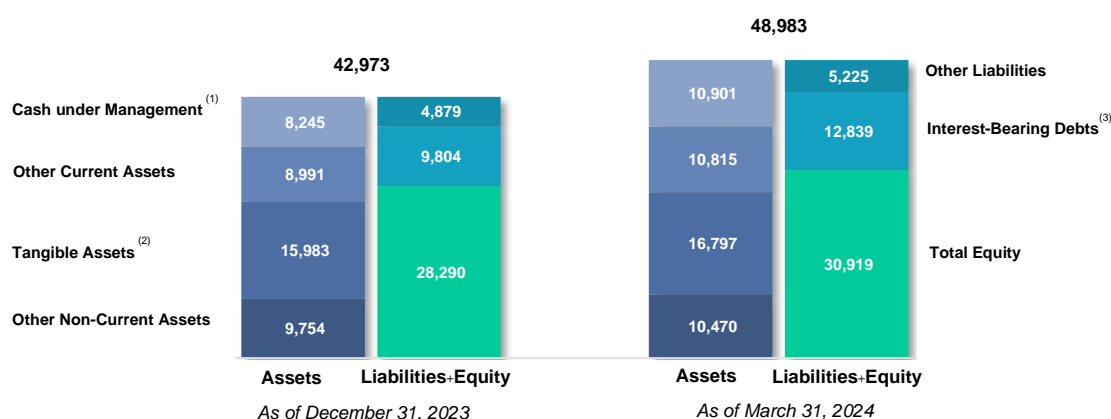
    TCE Rate = Time-Charter Equivalent Rate      BDI = The Baltic Exchange Dry Index

    TC Rate = Time-Charter Rate                      BSI = The Baltic Exchange Supramax Index

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

<sup>(11)</sup> One owned vessel acquired in 4Q/21 and one long-term chartered vessel in 1Q/22.

## Financial Position



**Financial position remained strong with cash under management of Baht 10.9 billion and low IBD/E at 0.42 times.**

### 1) Assets

As of 31 March 2024, TTA had total assets of Baht 48,983.1 million, which increased by Baht 6,010.1 million or 14% from the year-end 2023, mainly due to an increase in cash and cash equivalents, trade and other receivables, other non-current financial assets, and property, plant, and equipment. Cash and cash equivalents increased by Baht 2,558.7 million or 36% to Baht 9,626.6 million mainly from the newly issued debentures of Baht 3,500.0 million in February 2024. Trade and other receivables increased by Baht 1,237.4 million or 23% to Baht 6,595.4 million largely from Offshore Service segment following the growing revenues. Other non-current financial assets increased by Baht 981.8 million or 74% to Baht 2,300.6 million due to mark-to-market gains in equity investment in Valeura Energy Inc., a Canada-incorporated upstream oil company listed on the Toronto Stock Exchange. Moreover, property, plant, and equipment increased by Baht 815.9 million or 5% to Baht 16,635.7 million mainly from the increasing of vessel value of Shipping and Offshore segments due to the depreciation of Thai Baht against the US Dollar and dry docking of Offshore Service. On the other hand, other non-current assets decreased by Baht 336.0 million or 25% to Baht 995.1 million from decreasing restricted deposits to a financial institution due to loan repayment of Offshore Service segment. Deferred tax assets also declined by Baht 300.6 million or 74% to Baht 105.1 million due to utilized losses carried forward from foreign exchange gains.

### 2) Liabilities and Equity

Meanwhile, total liabilities increased by Baht 3,380.9 million or 23% from the year-end 2023 to Baht 18,064.1 million mainly from an increase in debentures and trade payables. Debentures increased by Baht 3,469.2 million or 61% to Baht 9,200.8 million due to new debentures of Baht 3,500.0 million as earlier mentioned. Trade payables increased by Baht 266.6 million or 14% to Baht 2,105.6 million mainly from Offshore service segment. However, long-term borrowings decreased by Baht 237.5 million or 10% to Baht 2,128.0 million mainly due to the loan repayment to financial institutions of Offshore Service and Shipping segments. Bank overdrafts and short-term borrowings from financial institutions also decreased by Baht 138.7 million or 25% to Baht 410.0 million mainly from a decrease in the short-term loan from a financial institution of Agrochemical segment. Total equity increased by Baht 2,629.2 million or 9% to Baht 30,919.0 million mainly from net profits in 1Q/24 and exchange gains on transaction financial statements. In addition, TTA's capital structure remained strong and was represented by the low interest-bearing debt to total equity ratio of 0.42 times during this period.

**Note:**

<sup>(1)</sup> Cash, cash equivalents, and other current financial assets

<sup>(2)</sup> Property, plant, equipment, and investment properties

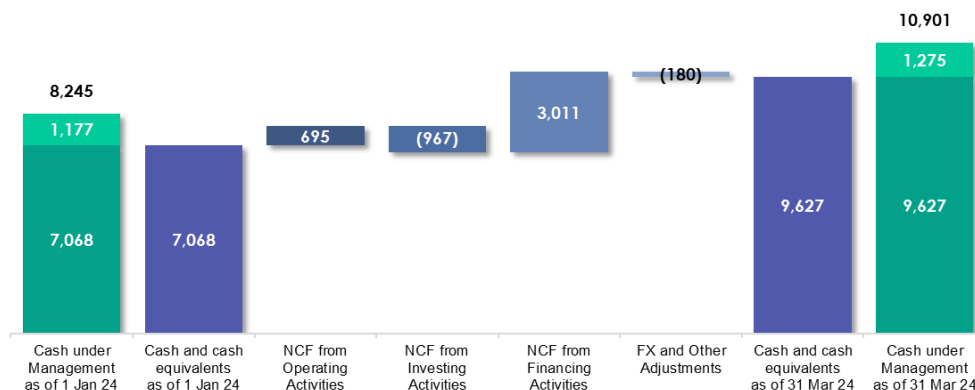
<sup>(3)</sup> Including lease liabilities

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### Cash Flow

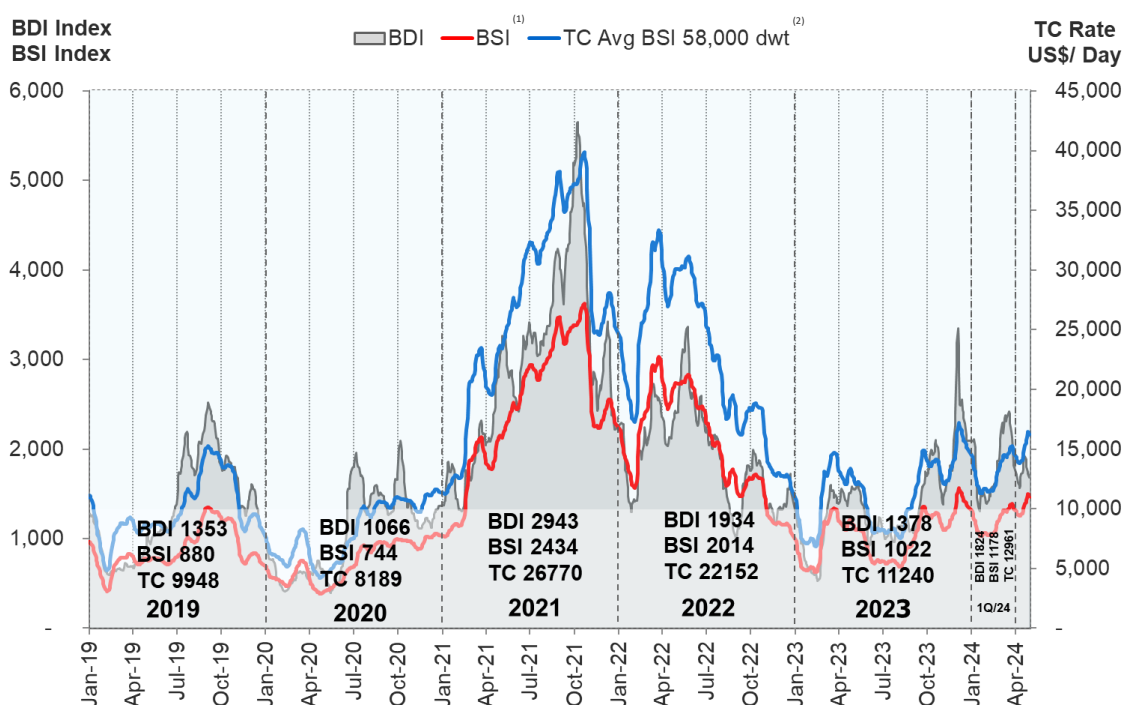


**Net cash inflow from operating activities amounted to Baht 694.7 million in 3M/2024.**

As of 31 March 2024, TTA had net cash and cash equivalent of Baht 9,626.6 million, reflecting an increase of Baht 2,558.7 million from the beginning of the year. In this period, net cash inflow from operating activities amounted to Baht 694.7 million mainly from the operating profit of Shipping segment. TTA's net cash used in investing activities was Baht 967.3 million mainly from dry docking of Offshore Service and additional short-term loans to related parties. Meanwhile, net cash from financing activities was Baht 3,011.4 million largely from the issue of new debentures amounting to Baht 3,500.0 million in February 2024. While there was a net repayment of short-term and long-term borrowings of Baht 549.3 million. Therefore, including losses from the effect of exchange rates of Baht 180.2 million, the net increase in cash and cash equivalents amounted to Baht 2,558.7 million in 1Q/2024. 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

#### Dry Bulk Market Index



**Note:**

<sup>(1)</sup> 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.  
<sup>(2)</sup> 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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## Management Discussion and Analysis for 1Q/2024

Ref No. COR: EL240008e/AA

**Baltic Supramax Index (BSI) averaged 1,178 points in 1Q/24**, increased from an average of 925 points in 1Q/23 due to a strong export of key commodities and the re-routing of vessels away from the Red Sea driving the dry bulk carrier demand but decreased from 1,286 points in 4Q/23 primarily due to the typical seasonal Lunar New Year celebration. However, the rebound of the BSI Index has been seen since March. TC rate of Supramax reached its high at US\$ 15,248 per day in late March and averaged US\$ 12,961 per day in 1Q/24. The outlook for the full year 2024, Clarksons Research forecasts dry bulk trade growth of 1.6% in tons or 2.4% in ton-miles, while fleet expansion is projected at 2.9% in deadweight ton (DWT). Minor bulk trade, main Supramax carried, is projected to grow (+3.7%) driven by a rebound in industrial activities as macroeconomic challenges ease in key economies such as Europe and Japan though potential risks concerning interest rates and uncertainty in the Chinese property sector. Meanwhile, grain trade is projected to increase (+2.1%) supported by strong exports from Ukraine and the US. Iron ore trade is projected to remain stable (0.0%) with the recovery of steel production in Japan and Europe, while Chinese demand is expected to decrease. Global seaborne coal trade was projected to slightly declined (-0.2%) due to a decline in the purchase of thermal coal from China. However, the global seaborne coking coal trade is projected to grow supported by steel-producing economies. On the other hand, the bulker supply (+2.9%) appears moderately balanced, with the limited order book at 9% of fleet capacity. Additionally, compliance with emissions regulations (e.g. EEXI, CII) is expected to continue shaping the bulker supply, with 25% of bulker fleet capacity estimated to have received a D or E rating for CII in 2023. This could lead to the adoption of slower operating speeds, higher retrofitting, and increased demolition of older ships. Looking ahead to 2025, the bulk carrier sector supply-demand balance initially appears slightly softer. Dry bulk trade is projected to grow by 1.5% in ton-miles (assuming Red Sea disruption has eased by the end of this year), but fleet growth is estimated at 2.4%, given slower speeds and other impacts from environmental regulations.

**Source:** Clarksons Research, April 2024

**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 1Q/2024 and After Reporting Date

- Shipping segment was awarded the 3<sup>rd</sup> rank in the global listed dry bulk company performance survey in 2023 by Lienguard & Roschmenn, Maritime Advisors.
- TTA issued debentures of Baht 3,500.0 million in February 2024 for working capital or investment as follows:
  - Tranche 1: TTA262A has a two-year tenor and an interest rate of 4.60%.
  - Tranche 2: TTA278A has a three-year and six-month tenor and an interest rate of 5.20%.
- At the Annual General Meeting held on 26 April 2024, shareholders approved to pay an annual dividend of 0.18 Baht/share, totaling Baht 328.0 million on 13 May 2024.

### 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 "SET ESG Rating" of sustainable stocks, former name Thailand Sustainability Investment (THSI), at the level of "AA" in the 'Service' industry for the year 2023.
- "Excellent" (5-star) in the Corporate Governance Report of Thai Listed Companies (CGR) in 2023 for the fifth consecutive year.

### Key Social Projects/ Activities

**BuddyThai Application Helps Children Who are Being Bullied:** TTA developed the "BuddyThai" application as a platform to help children and youth who are being bullied in Thai society. The Company has joined with government agencies to organize the activity "Buddy Thai: and mental well-being. By enhancing their comprehension of bullying behaviors, emotional intelligence, and strategies for preventing violence across all dimensions, including promoting knowledge and understanding, youngsters can be equipped with the means to seek assistance from various agencies when confronted with bullying situations. Leveraging the capabilities of the "BuddyThai" application stands poised to Get Bullied, Come

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to Buddy” under the project “CYC Plus: Know Love in School Students” which aims to create awareness of the importance of preventing acts of violence and share useful information for young people to protecting themselves and helping others. Through training and consciousness-raising efforts, children and youth can become cognizant of social, environmental, and cultural challenges that may impact their physical facilitate this essential process.

### Key Environmental Projects/ Activities

**Carbon Dioxide Emissions Plan:** Shipping segment has set a target for reducing carbon dioxide (CO<sub>2</sub>) emissions in accordance with International Maritime Organization (IMO) standards. As of January 1, 2023, IMO's environmental regulations, including the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Index (CII), have been implemented to combat air pollution. Presently, Shipping's owned fleet has adopted technical enhancements to lower CO<sub>2</sub> emissions by adjusting engine power and ship speed, ensuring compliance with EEXI standards across the entire fleet. Among the 24 ships, 8 can operate at maximum speed, while the remaining 16 adhere to specified Engine Power Limitation (EPL) speeds. In terms of CII, the Shipping fleet received passing grades according to standard criteria, categorized from levels A to C. This year, the Company successfully reduced CO<sub>2</sub> emissions from 340,487 tons of carbon (tCO<sub>2</sub>) in 2022 to 303,009 tCO<sub>2</sub>, surpassing the targeted reduction of 2% with an 11% decrease. Shipping remains steadfast in upholding standards, enhancing fleet technical efficiency, and delivering maximum service efficiency to customers.

### Key Economic Projects/ Activities

**Electric Motorcycles for Pizza Hut Delivery:** Pizza Hut revolutionizes the food delivery sector by teaming up with riders to introduce electric motorcycles for delivering food to customers, under the banner of 'Eco-friendly Delivery'. This initiative aligns with the ethos of environmental consciousness, emphasizing the importance of clean energy usage and eco-friendliness. It serves as a pioneering step in integrating electric vehicle (EV) technology to curb carbon dioxide emissions and mitigate greenhouse gases. Pizza Hut opts for the P80 Go brand of electric motorcycles, specifically designed for rider convenience, boasting impressive performance metrics including a top speed of 100 kilometers/hour. This move not only reduces the environmental footprint but also eases the burden on riders amidst escalating fuel prices.

### For additional information:

#### Financial statements



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

#### Corporate governance



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Yours faithfully,

**Thoresen Thai Agencies Public Company Limited**

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Mr. Chalermchai Mahagitsiri  
President & Chief Executive Officer

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Mr. Katarat Suksawang  
Executive Vice President & Group CFO