

13 August 2024

To: The President of the Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the 2Q/2024

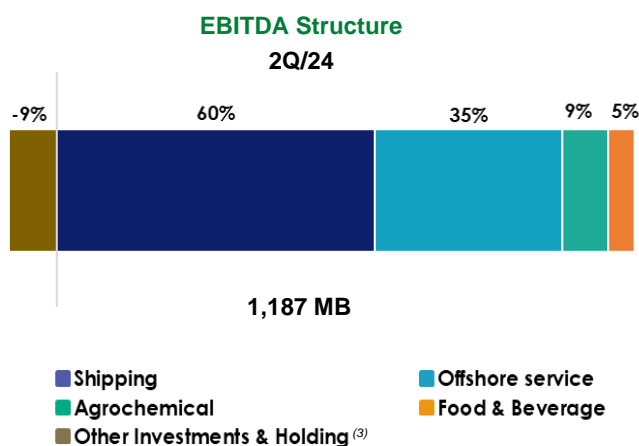
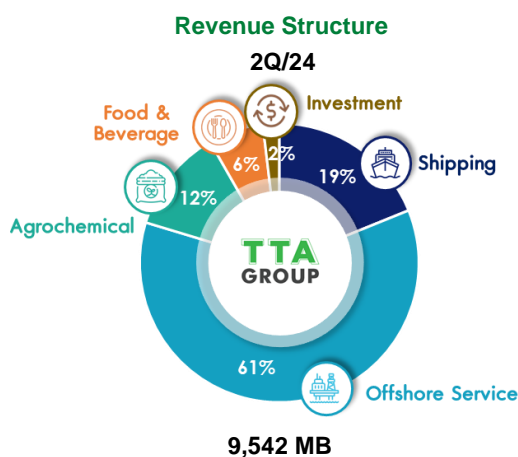
Thoresen Thai Agencies Public Company Limited (“TTA”)



TTA reported net profits of Baht 438.2 million driven by Shipping segment in 2Q/24.

Consolidated Performance

In 2Q/24, TTA reported revenues of Baht 9,541.6 million, reflecting a 59%YoY increase and a 46%QoQ increase. The growth was primarily driven by Offshore Service segment, which has recently commenced operations in offshore a decommissioning, transportation, and installation (T&I) project, as well as the strong fertilizer sales of Agrochemical segment. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 19%, 61%, 12%, 6%, and 2% to the consolidated revenues, respectively. Cost of sales and providing services⁽¹⁾ increased 71%YoY and 63%QoQ to Baht 7,760.1 million, in line with the revenue growth. Consequently, gross profit rose 23%YoY and 1%QoQ to Baht 1,781.6 million. TTA incurred realized/unrealized losses on investment of Baht 28.7 million, mainly from unrealized losses due to price fluctuation of investment securities. SG&A increased 15%YoY and 8%QoQ mainly from employee expenses of Offshore Service segment to support the increased project activities. As a result, EBITDA grew 34%YoY to Baht 1,186.6 million but decreased 5%QoQ. Finance costs slightly increased 1%YoY and 3%QoQ to Baht 189.9 million. In addition, there were realized/unrealized gains from foreign exchange of Baht 74.7 million, mainly due to unrealized gains from US dollar loans to related parties, resulting from the appreciation of the US dollar against the Thai Baht. During this quarter, Shipping segment's time charter equivalent rate (TCE)⁽²⁾ was recorded at US\$ 14,964 per day, with gains from both owned and chartered-in vessels. Offshore Service segment continued net profits to TTA of Baht 59.5 million with the highest order book of US\$ 975.7 million at the quarter-end. Agrochemical segment maintained profitability with growth in fertilizer sales volume YoY and QoQ. In summary, TTA reported net profits of Baht 438.2 million decreased by 30%YoY and 61%QoQ, largely due to significant gains from exchange rate in 2Q/23 and 1Q/24.



In 1H/24, TTA reported revenues of Baht 16,064.7 million, which increased 49%YoY mainly from Offshore Service segment. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Other Investments segments contributed 22%, 56%, 11%, 7%, and 4% to the consolidated revenues, respectively. Cost of sales and providing service accordingly increased 52%YoY to Baht 12,525.4 million. Therefore, gross profits grew 39%YoY to Baht 3,539.3 million. Meanwhile, SG&A increased 14%YoY mainly from employee expenses of Offshore Service segment and marketing expenses of Agrochemical segment. EBITDA reported at Baht 2,441.9 million increased by 65%YoY. In addition, there were realized/unrealized gains from foreign exchange of Baht 698.8 million mainly from unrealized gains on loans to related parties and short-term investment in

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 the change in fair value of derivatives

⁽³⁾ Holding and elimination

the US dollar following an appreciation of the US Dollar against Thai Baht. In summary, net profits to TTA were reported at Baht 1,554.2 million, increasing 84%YoY in 1H/24.

Performance by Key Business Segments

Shipping delivered net profits to TTA of Baht 530.3 million with the TCE of US\$ 14,964 per day outperforming the net Supramax rate by 5% in 2Q/24.

In 2Q/24, Shipping segment's freight revenues were reported at Baht 1,800.9 million, which decreased 15%YoY but increased 7%QoQ mainly driven by changes in revenue from chartered-in vessels aligned with the equivalent number of chartered-in vessels. Meanwhile, the market Supramax freight rate averaged US\$ 15,005 per day in 2Q/24, increasing 39%YoY and 16%QoQ. Based on the time charter equivalent rate (TCE) as an indicator to measure dry bulk per-day performance, Shipping segment TCE rate increased 2%YoY but decreased 6%QoQ to US\$ 14,964 per day on average in 2Q/24. However, the TCE rate continued to outperform the net Supramax market rate of US\$ 14,255 per day by 5%. TCE rate comprised owned fleet TCE rate of US\$ 14,802 per day, increasing 3%YoY but decreasing 7%QoQ, and gains from the chartered-in vessels of US\$ 162 per day, decreasing 55%YoY mainly due to reduced equivalent numbers of chartered-in vessel of 7.7 in 2Q/23 to 1.7 in 2Q/24 but increasing 227%QoQ. The owned fleet continued full utilization at 100% with the highest TCE rate of US\$ 21,985 per day. On the other hand, vessel operating expenses (OPEX) were recorded at US\$ 4,157 per day, which decreased 8%YoY but slightly increased 1%QoQ from the change in technical expenses related to spare parts and other supplies. OPEX remained below the industry OPEX⁽¹⁾⁽²⁾ by 20%. Consequently, the per day gross profit margin increased from 64% in 2Q/23 to 67% in 2Q/24 but decreased from 69% in 1Q/24. The gross profits accordingly increased 16%YoY but decreased 11%QoQ to Baht 757.9 million. EBITDA was reported at Baht 708.2 million, increasing 16%YoY but decreasing 13%QoQ. Thus, Shipping segment delivered net profits to TTA of Baht 530.3 million, which grew 21%YoY but decreased 19%QoQ in 2Q/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 16.2 years.

In 1H/24, Shipping segment's freight revenues were reported at Baht 3,491.3 million, which decreased 17%YoY due to the lower equivalent number of chartered-in vessels despite the increasing freight rate. The market Supramax freight rate averaged US\$ 13,975 per day in 1H/24, increasing 34%YoY. Shipping segment's TCE rate increased 9%YoY to US\$ 15,457 per day and continued outperforming the net Supramax TC rate of US\$ 13,276 by 16%. TCE rate comprised owned fleet TCE rate of US\$ 15,352 per day, increasing 11%YoY in line with the market rate, and gains from the chartered-in vessels of US\$ 105 per day. Besides, the owned fleet utilization rate remained high at 100%. Meanwhile, OPEX decreased 6%YoY to US\$ 4,135 per day mainly due to lower technical cost associated with spare parts and other supplies, and OPEX remained 20% below the industry OPEX. As a result, the per-day gross profit margin increased from 64% in 1H/23 to 68% in 1H/24. The gross profits accordingly increased 25%YoY to Baht 1,612.3 million. Shipping's EBITDA also increased 26%YoY to Baht 1,523.7 million. In summary, Shipping segment delivered net profits to TTA of Baht 1,186.7 million, increasing 38%YoY in 1H/24.

Offshore Service continued to deliver net profits to TTA of Baht 59.5 million with the highest order book of US\$ 975.7 million in 2Q/24.

In 2Q/24, Offshore Service segment's revenues were recorded at Baht 5,801.0 million, which increased by 171%YoY and 85%QoQ largely from a new decommissioning and T&I project. Revenues from decommissioning, and T&I, subsea-IRM⁽³⁾, and cable laying accounted for 60%, 30%, and 10% respectively of Offshore Service revenues. Revenues from decommissioning and T&I significantly increased 709%YoY and 224%QoQ was primarily driven by the commencement of a decommissioning and T&I project in the Gulf of Thailand. Subsea-IRM revenues also grew 32%YoY and 7%QoQ, primarily due to expanding non-vessel projects, although the performing subsea vessel utilization decreased to 78% in 2Q/24 from 100% in 2Q/23 and 83% in 1Q/24, as one vessel awaited the start of a new project in 3Q/24. Cable laying revenues increased by 54%YoY and 36%QoQ, attributable to more projects, with no drydocking of cable lay vessels during this period. Meanwhile, cost of services increased 214%YoY and 97%QoQ in line with the revenue growth. As a result, gross profits increased 21%YoY and 18%QoQ to Baht 567.8 million from decommissioning and T&I projects, while gross profit margin decreased from 22% in 2Q/23 and 15% in 1Q/24 to 10% in 2Q/24. In

Note:

⁽¹⁾ Latest Industry OPEX for Supramax at US\$ 5,211 per day for the 2nd quarter (issued in July 2024)

⁽²⁾ Source: Baltic Exchange (Baltic Exchange Operating Expense Index)

⁽³⁾ IRM = Inspection, Repair, and Maintenance

addition, there were share profits of Baht 35.5 million from a joint venture. SG&A increased 25%YoY and 19%QoQ mainly from employee expenses aligned with revenue and service expansion. Offshore Service's EBITDA grew 20%YoY and 48%QoQ to Baht 416.3 million. Finance costs increased 75%YoY and maintained QoQ to Baht 80.5 million due to additional working capital loans from TTA. However, there were realized/unrealized losses from foreign exchange of Baht 9.7 million. In conclusion, Offshore Service segment reported net profits of Baht 106.2 million and net profits to TTA of Baht 59.5 million which decreased 7%YoY affected by gains/losses from the exchange rate but increased 764%QoQ, with the highest order book at US\$ 975.7 million in 2Q/24.

In 1H/24, Offshore Service segment's revenues were recorded at Baht 8,940.0 million, which significantly increased 147%YoY primarily driven by higher revenues from decommissioning and T&I services, attributed to a new project initiated in the Gulf of Thailand. Additionally, subsea-IRM revenues grew due to increasing activity in non-vessel subsea projects. However, the performing subsea-IRM vessel utilization rate declined from 99% in 1H/23 to 80% in 1H/24 due to project transitions. Cost of services accordingly increased 165%YoY. Thus, gross profits increased 63%YoY to Baht 1,047.0 million, while gross profit margin decreased from 18% in 1H/23 to 12% in 1H/24. SG&A increased 16%YoY mainly from employee expenses. As a result, Offshore Service's EBITDA was posted at Baht 697.5 million, increasing 76%YoY. Finance costs increased 81%YoY to Baht 162.1 million due to increasing loans from TTA to support business expansion. Thus, Offshore Service segment reported net profits of Baht 122.4 million and net profits to TTA of Baht 66.4 million, increasing 307%YoY in 1H/24.

Agrochemical segment continued profitability with 52.6 kton of fertilizer sales volume in 2Q/24, increasing 22%YoY and 63%QoQ.

In 2Q/24, Agrochemical segment's revenues amounted to Baht 1,151.0 million, which increased 21%YoY and 62%QoQ from increasing fertilizer sales and factory area management incomes. Fertilizer sales revenues increased by 27%YoY and 62%QoQ due to growth in Vietnam's domestic fertilizer sales volume. Total fertilizer sales volume was recorded at 52.6 Ktons, increasing 22%YoY and 63%QoQ from the domestic demand. Domestic fertilizer sales volume accounted for 88% of total fertilizer sales volume and amounted to 46.1 Ktons, which increased 28%YoY due to the stable fertilizer selling price and increased 80%QoQ during the planting season. Meanwhile, export fertilizer sales volume decreased by 11%YoY and 5%QoQ to 6.4 Ktons because of lower export volume to the Philippines. According to sales volume by product, single fertilizer sales volume was 12.5 Ktons, which increased 6%YoY and 145%QoQ. NPK fertilizer sales volume also increased 27%YoY and 47%QoQ to 40.1 Ktons. Service income from factory management also grew 26%YoY and 19%QoQ to Baht 32.4 million due to increasing warehousing demand and activities. However, sales of pesticides decreased 36%YoY but increased 83%QoQ to Baht 59.6 million. Cost of sales and services increased 12%YoY and 60%QoQ aligned with the fertilizer sales volume. Consequently, gross profits increased 111%YoY and 75%QoQ to Baht 174.8 million with improved gross profit margin at 15% in 2Q/24 from 9% in 2Q/23 and 14% in 1Q/24. SG&A increased 30%YoY and 6%QoQ, mainly from increasing marketing expenses during the planting season. EBITDA was recorded at Baht 102.6 million, rising 263%YoY and 219%QoQ. Finance costs decreased by 30%YoY to Baht 10.4 million due to a decrease in short-term borrowings from financial institutions and a lower interest rate, but increased 10%QoQ. In summary, Agrochemical segment reported net profits of Baht 50.2 million and net profits to TTA of Baht 34.4 million, increasing 1,506%YoY and 996%QoQ in 2Q/24.

In 1H/24, Agrochemical segment's revenues amounted to Baht 1,862.7 million, which increased 36%YoY primarily from fertilizer sales. Revenues from fertilizer increased 45%YoY due to increasing domestic and export fertilizer sales. Total fertilizer sales volume was recorded at 84.9 Ktons, growing 48%YoY, in which domestic fertilizer sales volume was 71.7 Ktons, increased 54%YoY from fertilizer demand recovery following the decrease in selling price, and fertilizer export volume was 13.2 Ktons, increasing 24%YoY. Regarding sales volume by product, single fertilizer sales volume increased 24%YoY to 17.5 Ktons, and NPK fertilizer sales volume increased 56%YoY to 67.4 Ktons. Besides, Service income from factory management also increased 9%YoY to Baht 59.4 million resulting from higher warehousing demand. However, pesticide sale

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revenues decreased by 28%YoY to Baht 92.3 million. With the rising fertilizer sales volume, cost of sales and services increased by 27%YoY to Baht 1,588.0 million. Gross profits significantly grew 143%YoY to Baht 274.7 million, and gross profit margin increased from 8% in 1H/23 to 15% in 1H/24. SG&A increased by 49%YoY to Baht 141.0 million, mainly from increasing marketing expenses and rising transportation expenses in line with the growth in fertilizer export volume. Agrochemical segment's EBITDA accordingly increased 559%YoY to Baht 134.7 million. In summary, Agrochemical segment reported net profits of Baht 54.8 million and net profits to TTA of Baht 37.5 million in 1H/24.

Key Financial Data ⁽¹⁾

in million Baht	2Q/23	1Q/24	2Q/24	YoY	QoQ	6M23	6M24	YoY	2Q/23	1Q/24	2Q/24	6M23	6M24	
Total Revenues	6,001.0	6,523.1	9,541.6	59%	46%	10,766.8	16,064.7	49%	100%	100%	100%	100%	100%	Revenue Structure
Shipping	2,111.3	1,690.4	1,800.9	-15%	7%	4,188.6	3,491.3	-17%	35%	26%	19%	39%	22%	
Offshore Service	2,138.6	3,139.0	5,801.0	171%	85%	3,617.6	8,940.0	147%	36%	48%	61%	34%	56%	
Agrochemical	954.0	711.7	1,151.0	21%	62%	1,365.9	1,862.7	36%	16%	11%	12%	13%	11%	
Food & Beverage	497.6	565.0	608.7	22%	8%	1,000.4	1,173.7	17%	8%	9%	6%	9%	7%	
Other Investments	299.5	417.0	180.0	-40%	-57%	594.3	597.0	0.5%	5%	6%	2%	5%	4%	
Total Costs of Sales and Services ⁽²⁾	4,550.1	4,765.4	7,760.1	71%	63%	8,222.0	12,525.4	52%	76%	73%	81%	76%	78%	Cost to Revenues
Shipping	1,456.7	836.0	1,043.0	-28%	25%	2,900.0	1,879.0	-35%	69%	49%	58%	69%	54%	
Offshore service	1,668.0	2,659.9	5,233.2	214%	97%	2,975.7	7,893.0	165%	78%	85%	90%	82%	88%	
Agrochemical	871.2	611.7	976.3	12%	60%	1,252.8	1,588.0	27%	91%	86%	85%	92%	85%	
Food & Beverage	322.8	335.7	358.8	11%	7%	639.6	694.5	9%	65%	59%	59%	64%	59%	
Other Investments	231.4	322.1	148.9	-36%	-54%	454.0	471.0	4%	77%	77%	83%	76%	79%	
Gross Profits/(Losses)	1,450.9	1,757.7	1,781.6	23%	1%	2,544.7	3,539.3	39%	24%	27%	19%	24%	22%	Gross Profit Margin
Shipping	654.6	854.5	757.9	16%	-11%	1,288.6	1,612.3	25%	31%	51%	42%	31%	46%	
Offshore Service	470.6	479.2	567.8	21%	18%	641.9	1,047.0	63%	22%	15%	10%	18%	12%	
Agrochemical	82.8	99.9	174.8	111%	75%	113.2	274.7	143%	9%	14%	15%	8%	15%	
Food & Beverage	174.7	229.3	249.9	43%	9%	360.8	479.3	33%	35%	41%	41%	36%	41%	
Other Investments and Holding*	68.2	94.8	31.2	-54%	-67%	140.3	126.0	-10%	23%	23%	17%	24%	21%	
EBITDA ⁽³⁾	883.6	1,255.2	1,186.6	34%	-5%	1,475.8	2,441.9	65%	15%	19%	12%	14%	15%	EBITDA Margin
Shipping	608.9	815.5	708.2	16%	-13%	1,204.6	1,523.7	26%	29%	48%	39%	29%	44%	
Offshore Service	347.1	281.3	416.3	20%	48%	397.1	697.5	76%	16%	9%	7%	11%	8%	
Agrochemical	28.3	32.1	102.6	263%	219%	20.4	134.7	559%	3%	5%	9%	1%	7%	
Food & Beverage	12.9	67.9	67.0	418%	-1%	31.5	134.9	329%	3%	12%	11%	3%	11%	
Other Investments and Holding*	(113.6)	58.4	(107.4)	5%	-284%	(177.8)	(49.0)	72%	-38%	14%	-60%	-30%	-8%	
Net Profits/(Losses) to TTA	629.8	1,116.0	438.2	-30%	-61%	844.7	1,554.2	84%	10%	17%	5%	8%	10%	Net Profit (to TTA) Margin
Shipping	437.9	656.4	530.3	21%	-19%	859.2	1,186.7	38%	21%	39%	29%	21%	34%	
Offshore Service	64.0	6.9	59.5	-7%	764%	(32.1)	66.4	307%	3%	0.2%	1%	-1%	1%	
Agrochemical	2.1	3.1	34.4	1,506%	996%	(24.4)	37.5	254%	0.2%	0.4%	3%	-2%	2%	
Food & Beverage	(38.2)	(0.8)	(4.2)	89%	-404%	(65.2)	(5.0)	92%	-8%	-0.1%	-1%	-7%	-0.4%	
Other Investments and Holding*	164.0	450.4	(181.7)	-211%	-140%	107.2	268.7	151%	55%	108%	-101%	18%	45%	
Normalized Net Profits/(Losses) to TTA ⁽⁴⁾	476.5	1,099.8	466.8	-2%	-58%	469.3	1,566.6	234%	8%	17%	5%	4%	10%	Normalized Net Profit (to TTA) Margin
Shipping	437.9	656.4	532.8	22%	-19%	859.2	1,189.2	38%	21%	39%	30%	21%	34%	
Offshore Service	64.9	6.8	59.4	-8%	772%	(31.2)	66.3	312%	3%	0.2%	1%	-1%	1%	
Agrochemical	2.0	3.1	34.4	1,578%	1,004%	(24.5)	37.5	253%	0.2%	0.4%	3%	-2%	2%	
Food & Beverage	(38.1)	(0.9)	(4.2)	89%	-356%	(64.0)	(5.1)	92%	-8%	-0.2%	-1%	-6%	-0.4%	
Other Investments and Holding*	9.8	434.4	(155.7)	-1,692%	-136%	(270.2)	278.7	203%	3%	104%	-86%	-45%	47%	
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)	0.35	0.61	0.24	-30%	-61%	0.46	0.85	84%						

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	2Q/23	1Q/24	2Q/24	%YoY	%QoQ	6M/23	6M/24	%YoY
Exchange rate (1USD : THB)	Baht	34.48	35.66	36.71	6%	3%	34.20	36.18	5.8%
Shipping Segment:									
BDI Index	Point	1,313	1,824	1,848	41%	1%	1,157	1,848	60%
BSI Index	Point	978	1,178	1,364	39%	16%	951	1,364	43%
Supramax TC rate	USD/Day	10,763	12,961	15,005	39%	16%	10,457	13,975	34%
Net Supramax TC rate ⁽¹⁾	USD/Day	10,225	12,312	14,255	39%	16%	9,935	13,276	34%
Calendar days for owned fleet ⁽²⁾	Days	2,184	2,184	2,184	0%	0%	4,344	4,368	1%
Available service days for owned fleet ⁽³⁾	Days	2,072	2,177	2,098	1%	-4%	4,222	4,274	1%
Operating days for owned fleet ⁽⁴⁾	Days	2,072	2,177	2,098	1%	-4%	4,222	4,274	1%
Owned fleet utilization ⁽⁵⁾	%	100%	100%	100%	0%	0%	100%	100%	0%
Voyage days for chartered-in fleet	Days	699	119	153	-78%	28%	1,401	273	-81%
TC (%)	%	50%	52%	49%			46%	49%	
VC/COA (%)	%	50%	48%	51%			54%	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	30.4	25.2	24.7	-19%	-2%	31.1	25.0	-20%
Average age of owned fleet	Years	15.2	16.0	16.2			15.2	16.2	
Per Day Data ⁽⁷⁾:									
Highest TCE rate of owned fleet	USD/day	28,023	36,343	21,985	-22%	-40%	28,023	21,985	-22%
Thoresen TCE rate ⁽⁸⁾	USD/day	14,719	15,932	14,964	2%	-6%	14,209	15,457	9%
TCE rate of owned fleet (include bunker hedge)	USD/day	14,355	15,882	14,802	3%	-7%	13,892	15,352	11%
Gain/(loss) from chartered-in vessels (include bunker hedge)	USD/day	363	49	162	-55%	227%	317	105	-67%
Vessel operating expenses (owner's expenses)	USD/day	4,500	4,113	4,157	-8%	1%	4,399	4,135	-6%
Cash costs	USD/day	6,758	6,189	6,160	-9%	0%	6,644	6,175	-7%
Total costs	USD/day	8,584	8,044	8,077	-6%	0%	8,404	8,060	-4%
Per-day gross profit margin ⁽⁹⁾	%	64%	69%	67%			64%	68%	
Per-day EBITDA margin	%	58%	63%	61%			57%	62%	
Per-day Net operating profit margin	%	42%	50%	46%			41%	48%	
Offshore Service Segment:									
Utilization rate (performing subsea-IRM vessels)	%	100%	83%	78%			99%	80%	
Utilization rate (performing cable laying vessels) ⁽¹⁰⁾	%	100%	-	100%			91%	100%	
Utilization rate (performing T&I and decommissioning vessels) ⁽¹¹⁾	%	50%	84%	70%			41%	73%	
Order book	mUSD	337	735	976	189%	33%	337	976	189%
Agrochemical Segment:									
Total fertilizer sales volume	KTons	43.2	32.3	52.6	22%	63%	57.3	84.9	48%
Fertilizer sales volume by geography									
- Domestic (in Vietnam)	KTons	36.0	25.6	46.1	28%	80%	46.6	71.7	54%
- Export	KTons	7.2	6.8	6.4	-11%	-5%	10.6	13.2	24%
Fertilizer sales volume by product									
- NPK fertilizer	KTons	31.5	27.3	40.1	27%	47%	43.2	67.4	56%
- Single fertilizer	KTons	11.7	5.1	12.5	6%	145%	14.1	17.5	24%
Food & Beverage Segment:									
No. of outlets of Pizza Hut	Outlets	191	186	186	-3%	0%	191	186	-3%
No. of outlets of Taco Bell	Outlets	16	26	29	81%	12%	16	29	81%

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⁾

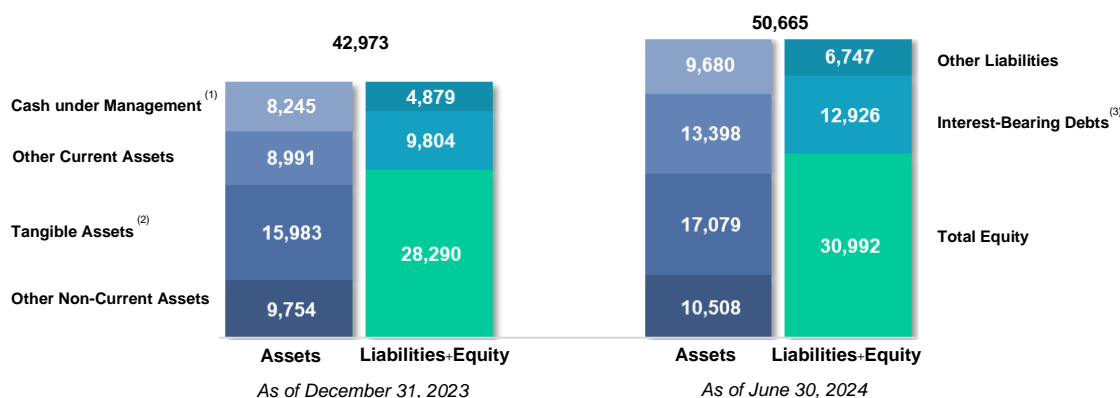
TCE Rate = Time-Charter Equivalent Rate BDI = The Baltic Exchange Dry Index

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.

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

Financial Position



1) Assets

Financial position remained strong with cash under management of Baht 9.7 billion and low IBD/E at 0.42 times.

As of 30 June 2024, TTA had total assets of Baht 50,665.0 million, which increased by Baht 7,692.0 million or 18% from the year-end 2023, mainly due to an increase in trade receivable, cash and cash equivalents, property, plant, and equipment, other non-current financial assets, and digital assets. Trade and other receivables increased by Baht 3,478.7 million or 72% to Baht 8,308.4 million primarily from Offshore Service segment due to growing activities and increasing revenues. Cash and cash equivalents increased by Baht 1,340.9 million or 19% to Baht 8,408.9 million mainly from the newly issued debentures of Baht 3,500.0 million in February 2024. Moreover, property, plant, and equipment increased by Baht 1,100.8 million or 7% to Baht 16,920.6 million mainly from higher vessel values in the Shipping and Offshore segments, driven by the appreciation of the US Dollar against Thai Baht, as well as the purchase of cable lay equipment and dry docking of Offshore Service. Other non-current financial assets increased by Baht 701.4 million or 53% to Baht 2,020.2 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. Digital assets increased Baht 667.8 million or 24% to Baht 3,435.6 million due to additional investment in digital assets. On the other hand, deferred tax assets declined by Baht 293.6 million or 72% to Baht 112.1 million due to utilized losses carried forward from foreign exchange gains. Other non-current assets also decreased by Baht 272.4 million or 20% to Baht 1,058.6 million from decreasing restricted deposits to a financial institution due to loan repayment of Offshore Service segment.

2) Liabilities and Equity

Meanwhile, total liabilities increased by Baht 4,990.3 million or 34% from the year-end 2023 to Baht 19,673.5 million mainly from an increase in debentures and trade payables. Debentures increased by Baht 3,476.5 million or 61% to Baht 9,208.0 million due to new debentures of Baht 3,500.0 million as earlier mentioned. Trade payables increased by Baht 1,263.0 million or 69% to Baht 3,102.0 million mainly from Offshore service segment in line with the growing activities. However, long-term borrowings decreased by Baht 241.0 million or 10% to Baht 2,124.5 million mainly due to the loan repayment to financial institutions of Offshore Service and Shipping segments. Lease liabilities also decreased by Baht 140.0 million or 12% to Baht 1,018.7 million from a long-term charter vessel amortization of Offshore Service segment. Total equity increased by Baht 2,701.6 million or 10% to Baht 30,991.5 million mainly from net profits in 1H/24 and exchange gains on transaction financial statements. In summary, TTA's capital structure remained strong and was represented by the low debt to total equity ratio and interest-bearing debt to total equity ratio of 0.63 times and 0.42 times respectively at the end of this period.

Note:

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

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

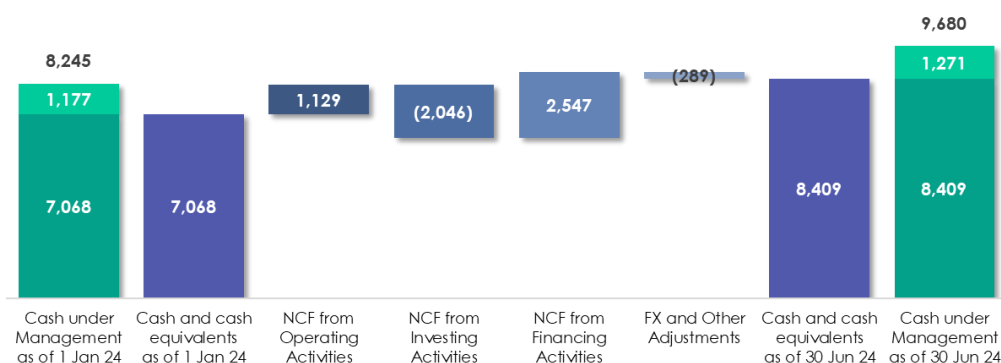
⁽³⁾ Including lease liabilities

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Cash Flow

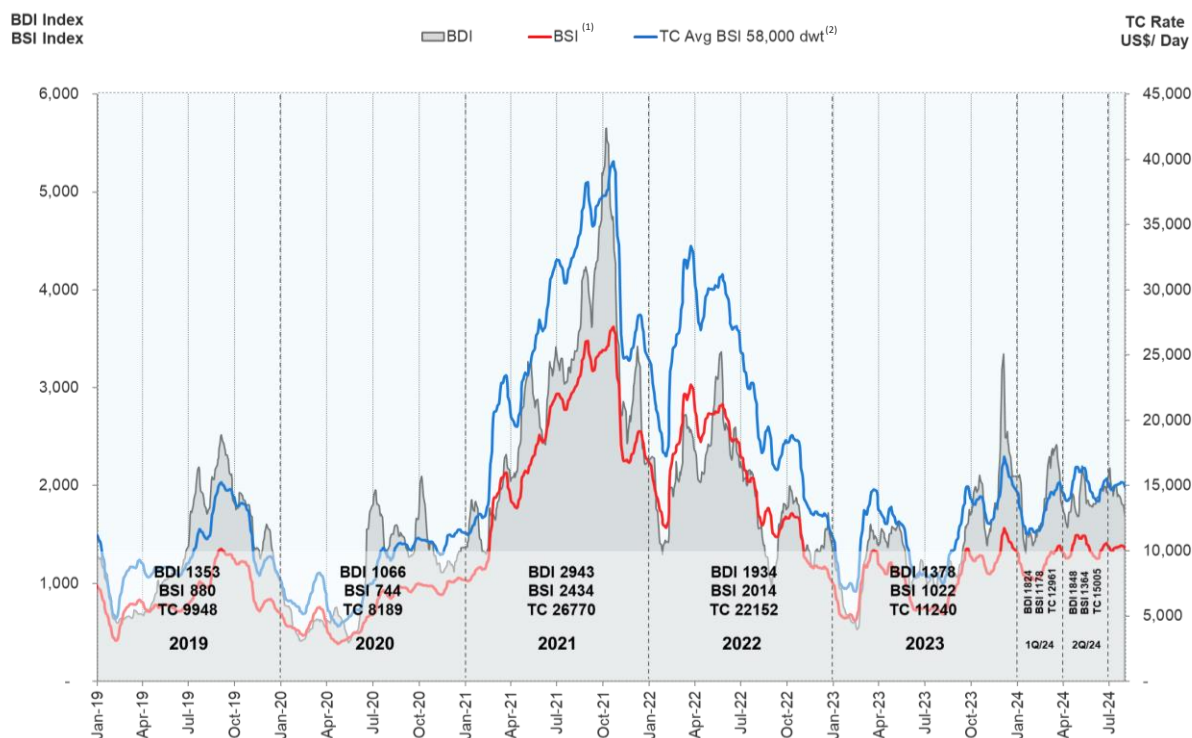


Net cash inflow from operating activities amounted to Baht 1,128.8 million in 1H/24.

As of 30 June 2024, TTA had net cash and cash equivalent of Baht 8,408.9 million, reflecting an increase of Baht 1,340.9 million from the beginning of the year. In this period, net cash inflow from operating activities amounted to Baht 1,128.7 million mainly from the operating profit of Shipping and Offshore Service segments. TTA's net cash used in investing activities was Baht 2,046.2 million mainly from the purchase of cable lay equipment of Offshore Service, drydocking of Shipping and Offshore Service vessels, and additional short-term loans to related parties. Meanwhile, net cash from financing activities was Baht 2,547.2 million largely from the issue of new debentures amounting to Baht 3,500.0 million in February 2024, netting with repayment of long-term borrowings, dividend payment for shareholders, interest payment, and lease liabilities. Therefore, including losses from the effect of exchange rates of Baht 288.9 million, the net increase in cash and cash equivalents amounted to Baht 1,340.9 million in 1H/24. 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:

⁽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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Baltic Supramax Index (BSI) averaged 1,364 points in 2Q/24, increased from an average of 978 points in 2Q/23 due to a strong demand growth of global dry bulk trade and the re-routing of vessels away from the Red Sea, which boosted demand for dry bulk carriers. The BSI index also rose from 1,178 points in 1Q/24 primarily due to the seasonal long holiday, Lunar New Year, in the first quarter. During 2Q/24, the Time Charter (TC) rate for Supramax vessels peaked at US\$ 16,441 per day and averaged US\$ 15,005 per day. Looking ahead to the full year of 2024, Clarksons Research projects a 2.6% increase in dry bulk trade by tons, or a 4.4% increase in ton-miles, while fleet expansion is projected at 3.1% in deadweight ton (DWT). The growth in dry bulk trade is primarily driven by increasing trade of grains, iron ore, and minor bulks. Grain trade is projected a robust increase (+4.4%) due to improved exports from Ukraine and the US. Iron ore trade is on track to increase (+3.1%) supported by a rebound in import volumes in China despite ongoing property sector disruptions. Minor bulk trade, a key segment for Supramax vessels, is expected to grow (+3.0%), benefiting from easing macroeconomic challenges in major regions, though there are concerns about potential interest rate risks. In addition, global seaborne coal trade was estimated to increase (+0.6%) driven by a recovery in steel-producing regions and the end of the ban on Australian imports to China. On the other hand, the bulker supply appears moderate (+3.1%) with the limited order book at 9% of fleet capacity. Additionally, compliance with emissions regulations (such as EEXI and CII) will likely impact bulker supply, as 25% of the fleet 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 0.5% in ton-miles (assuming Red Sea disruption has eased by the end of this year), but fleet growth is estimated at 2.6%.

Source: Clarksons Research, July 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 2Q/2024 and After Reporting Date

- None -

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 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 (CO₂) emissions in accordance with International Maritime Organization (IMO) standards. As of January 1, 2023, IMO's environmental regulations, including the Energy Efficiency

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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 CO2 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 CO2 emissions from 340,487 tons of carbon (tCO2) in 2022 to 303,009 tCO2, 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



[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