

28 February 2022

To: The President of the Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the 4Q/2021 and the Year 2021

Thoresen Thai Agencies Public Company Limited (“TTA”)

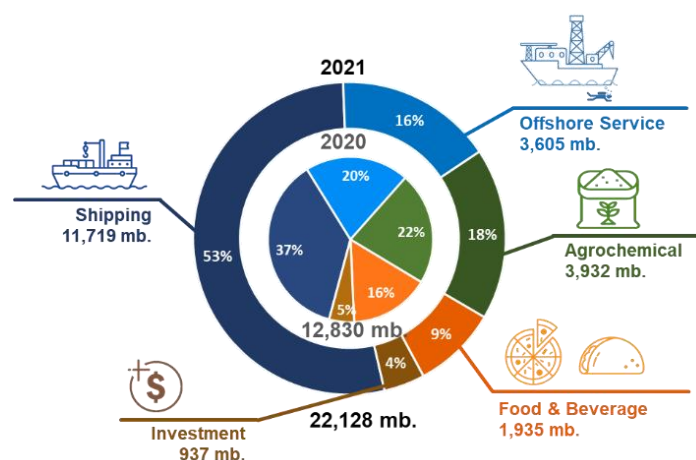
Consolidated Performance

2021 was a banner year for TTA; its revenues grew 72%YoY to Baht 22,128.1 million, mainly due to the significant growth in most core businesses, especially Shipping. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Investment segments contributed 53%, 16%, 18%, 9%, and 4% to the consolidated revenues, respectively. Cost of sales and providing services⁽¹⁾ increased 49%YoY to Baht 15,121.5 million proportional to higher revenues but with less growth. Thus, gross profits increased 159%YoY and more than doubled from the pre-COVID levels in 2019 to Baht 7,006.6 million from higher revenues and margin. The gross profit margin increased from 20% in 2019 and 21% in 2020 to 32% in 2021 from a much better margin of the Shipping segment as the TCE rate significantly increased while vessel operating expenses (OPEX) maintained below an industry average. Accordingly, EBITDA grew 675%YoY to Baht 5,454.7 million. SG&A maintained YoY. Finance costs slightly increased 1%YoY to Baht 416.0 million as interest-bearing debts increased mainly from the issue of new debentures in 2021, although reference interest rate has been decreased such as LIBOR-3M, which was sharply dropped amid COVID-19 pandemic ranging from 1.90% down to 0.20% in 2020 and between 0.11% and 0.24% in 2021. Besides, there were realized/unrealized gains from foreign exchanges of Baht 130.8 million mainly due to the weakening Thai Baht against US Dollar and net non-recurring losses of Baht 150.1 million mainly due to the allowance for impairment. Meanwhile, Shipping's time charter equivalent (TCE) rate significantly rose 153%YoY from an average of US\$ 9,517 per day in 2020 to US\$ 24,074 per day, with gains from both owned and chartered-in vessels. Offshore Service segment's gross profits turned positive from better margin with a strong order book of US\$ 292 million at year-end. Agrochemical segment continued to be profitable; its fertilizer sales volume reached its record high of 224.2 KTons, and its net profits more than tripled from 2019 levels. Therefore, TTA reported historical-high net profits of Baht 3,858.7 million in more than a decade, up 586% and 298% from that in 2019 and 2020, respectively, due to the remarkable growth in Shipping's freight rate; the net profit margin to TTA increased from 4% in 2019 and -15% in 2020 to 17% in 2021.

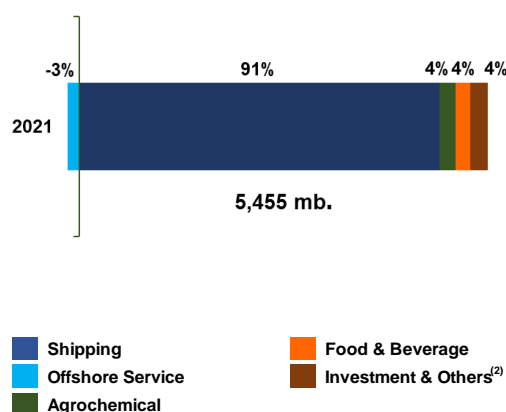


With an uptrend in the dry bulk industry, TTA delivered the best-ever net profits of Baht 3,858.7 million in more than a decade in 2021.

Revenue Structure



EBITDA Structure



Note:
⁽¹⁾ Including amortization of vessel drydocking but excluding depreciation and other amortization
⁽²⁾ Holding and elimination

In 4Q/21, TTA reported revenues of Baht 7,607.3 million, which increased 28%QoQ and 129%YoY mainly from the growth in most core businesses. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Investment segments contributed 50%, 19%, 22%, 6%, and 3% to the consolidated revenues, respectively. Gross profits significantly increased 149%YoY to Baht 2,320.9 million from a much better margin of the Shipping segment. Accordingly, the gross profit margin increased from 28% in 4Q/20 to 31% in 4Q/21 and decreased from 42% in 3Q/21. Besides, gains on investment increased 302%QoQ and 43%YoY to Baht 66.5 million, mainly from the net increase in fair value of the investments, and share of profit of associates and joint ventures increased 325%QoQ and 513%YoY to Baht 83.1 million, mainly from an additional share of profit of a newly set-up joint venture under Offshore Service segment. Consequently, EBITDA grew 4%QoQ and 243%YoY to Baht 2,011.7 million. In this quarter, Shipping's time charter equivalent (TCE) rate averaged US\$ 31,222 per day and outperformed the net market rate by 8%, with gains from both owned and chartered-in vessels. The Offshore Service segment continued obtaining a strong order book of US\$ 292 million; however, its performance was impacted by a project delay due to bad weather and quarantine measures against the COVID-19 pandemic during a crew change. Agrochemical segment's quarterly net profits reached its record high in 5 years. In summary, TTA reported net profits of Baht 1,524.8 million, increasing 1,284%YoY in 4Q/21.

Performance by Key Business Segments

Shipping delivered a decade-high net profits to TTA of Baht 4,329.8 million with the best TCE rate of US\$ 24,074 per day on average in 2021.

For 2021, Shipping segment's freight revenues were reported at Baht 11,718.5 million, which increased 147%YoY, mainly due to the rising freight rate supported by a limited fleet growth, the demand growth of coal and minor bulks following the world economic recovery and the disruption upside from port congestion due to COVID-19 control measures and shortage of container ships. Supramax freight rate reached its record highs at US\$ 39,860 per day since the previous high in 2008 and averaged US\$ 26,770 per day in 2021, which increased 227%YoY from an average in 2020. To analyze actual performance for dry bulkers, per-day performance such as time charter equivalent (TCE) rate is the global norm. In 2021, Shipping's TCE rate rose 153%YoY to US\$ 24,074 per day on average; it comprised owned fleet TCE rate of US\$ 22,575 per day and gains from the chartered-in vessels of US\$ 1,499 per day. Since 3Q/21, TCE rate has been outperforming the net market rate, by 4% in 3Q/21 and 8% in 4Q/21. Moreover, the owned fleet continued full utilization at 100% with the highest TCE rate at US\$ 53,755 per day. For chartered-in business, the equivalent number of chartered-in vessels significantly increased YoY from 7.9 to 13.9 vessels due to higher demand. As a result, their service days increased 76%YoY, and gains from the chartered-in vessels also improved 71%YoY. Meanwhile, vessel operating expenses (OPEX) remained low at US\$ 3,991 per day, 12% lower than industry OPEX⁽¹⁾ of US\$ 4,553 per day; however, they were up 8%YoY due to higher expenses related to crew change to comply with measures against COVID-19 pandemic and higher periodical technical expenses related to repair and maintenance. With the historically high TCE rate and steadily low OPEX, per-day gross profit margin increased YoY from 54% to 81%. As a result, gross profits grew 316%YoY to Baht 5,228.0 million. Shipping's EBITDA correspondingly increased 421%YoY to Baht 4,945.2 million. Consequently, Shipping segment delivered the best-ever net profits to TTA of Baht 4,329.8 million in more than a decade, which increased 1,008%YoY in 2021. At year-end, Shipping segment owned 24 vessels (22 Supramaxes and 2 Ultramaxs) with an average size of 55,913 DWT and an average age of 13.7 years, including one vessel delivered in 2021.

In 4Q/21, Shipping segment's freight revenues were reported at Baht 3,814.4 million, which increased 214%YoY due to the rising freight rate, and increased 9%QoQ due to a higher portion of voyage charters despite easing freight rate. Supramax TC rate in early October continued to rise from the previous quarter and peaked at US\$ 39,860 per day, later it has been normalized from easing congestion at some ports and cooling steel demand in China, as well as seasonal pressure, and ended the quarter with an average net TC rate of US\$ 28,956 per day. Shipping's TCE rate was US\$ 31,222 per day on average, comprising owned fleet TCE rate of US\$ 29,948 per day and gains from the chartered-in vessels of US\$ 1,274 per day. Its TCE rate continued outperforming the net market rate by 8% and rose 177%YoY due to an uptrend in the dry bulk

Note:

⁽¹⁾ Latest Industry OPEX for Supramax at US\$ 4,553 per day, issued in November 2021. (compiled by BDO, formerly known as Moore Stephens)

industry following COVID-19 recovery. Owned fleet TCE rate increased QoQ as it benefited from the premium rate of 2 unique Ultramaxs with log-loading equipment and some carried-over high rate from last quarter while gains from the chartered-in vessels were lower QoQ, hence TCE rate lower by 8%QoQ. On the other hand, OPEX maintained QoQ and YoY at US\$ 3,868 per day. Consequently, the per-day gross profit margin significantly improved from 60% in 4Q/20 to 86% in 4Q/21 and slightly decreased from 87% in 3Q/21. The gross profits grew 355%YoY but decreased 5%QoQ to Baht 1,908.8 million. Shipping's EBITDA accordingly increased 368%YoY but slightly decreased 4%QoQ to Baht 1,845.9 million. In summary, Shipping segment delivered net profits to TTA of Baht 1,683.8 million, which increased 592%YoY in 4Q/21.

Offshore Service's gross profits turned around to Baht 249.8 million in 2021; its order book remained strong at US\$ 292 million at year-end.

For 2021, Offshore Service segment's revenues were recorded at Baht 3,605.3 million, which increased 38%YoY, mainly from the expansion of services to the cable laying business. However, the performing subsea-IRM⁽¹⁾ vessel utilization rate decreased YoY from 85% to 66% in 2021, due to the earlier completion of one project in 1Q/21 and the mobilization of one vessel from the Middle East to the South East Asia (SEA) in 4Q/21 to serve for decommissioning and Transportation & Installation (T&I) projects both ongoing and during the bidding process in the SEA region, new opportunities in 2022 and onwards. Gross profits turned around and significantly increased 979%YoY to Baht 249.8 million, compared to a gross loss of Baht 28.4 million in the previous year as revenues increased although project costs for cable laying projects also increased from a project delay mainly due to bad weather and an impact of the COVID-19 pandemic on crew change. Besides, there was no income during all three performing subsea-IRM⁽¹⁾ vessels sent for mandatory drydocking in 2020 while there was no mandatory drydocking in 2021. Consequently, gross margin increased from -1% in 2020 to 7% in 2021. Subsea-IRM⁽¹⁾ projects had a better margin from a higher day rate by 8%YoY. SG&A maintained YoY. Meanwhile, Offshore Service's EBITDA was negative at Baht 151.8 million, yet improved 68%YoY in line with improved gross profits. There was also a gain from the disposal of one cold-stacked vessel of Baht 18.5 million in 1Q/21. Summarily, the Offshore Service segment reported a net loss for the period of Baht 504.2 million and a net loss to TTA of Baht 294.4 million in 2021, which improved by 85%YoY from Baht (2,000.5) million in 2020. There were also losses from non-recurring items of Baht 2,511.0 million in 2020, mainly from a non-cash loss from the sale of shares in one associate to mitigate risk in the drilling business. Therefore, without non-recurring items, Offshore Service segment's normalized net losses to TTA improved 38%YoY to Baht 331.7 million in 2021 from better operating performance as aforementioned. The order book at the year-end remained strong at US\$ 292 million, increasing 54%YoY.

In 4Q/21, Offshore Service segment's revenues were recorded at Baht 1,418.9 million, which increased 65%QoQ and 95%YoY, due to an additional source of revenues from cable laying projects and higher revenues of non-vessel subsea-IRM⁽¹⁾ projects. The performing subsea-IRM⁽¹⁾ vessel utilization rate decreased from 93% in 4Q/20 and 74% in 3Q/21 to 64% in 4Q/21 as one vessel was mobilized from the Middle East to SEA to serve for ongoing and future decommissioning and T&I projects. Gross losses of Baht 1.2 million were caused by a delay in a cable laying project due to bad weather and an impact of the COVID-19 as aforementioned. Therefore, the gross profit margin decreased from 16% in 4Q/20 and 9% in 3Q/21 to -0.1% in 4Q/21. Offshore Service's EBITDA decreased to Baht (77.2) million. In summary, the Offshore Service segment reported a net loss for the period of Baht 142.1 million and a net loss to TTA of Baht 81.7 million in 4Q/21, which improved 23%YoY.

Agrochemical's fertilizer sales volume reached its record high at 224.2 Ktons and led to net profits to TTA of Baht 91.3 million, up 42%YoY in 2021.

For 2021, Agrochemical segment's revenues amounted to Baht 3,932.5 million, which increased 39%YoY due to higher revenues from all products and services: fertilizer, pesticides, and area management service. The sales revenue from fertilizer increased 40%YoY due to an increase in both sales volume and selling price. Total fertilizer sales volume reached its record high of 224.2 Ktons in 2021, reflecting an increase of 8%YoY, due to the growth of domestic sales volume in Vietnam. Domestic fertilizer sales volume,

Note:
⁽¹⁾ IRM = Inspection, Repair, and Maintenance

accountable for 82% of total fertilizer sales volume, totaled 184.0 Ktons, up 30% from 2020 and 29% from 2019 levels from rising demand and marketing & branding effort. Meanwhile, export fertilizer sales volume to farther continents like Africa has been limited by the shortage of containers and higher container freight rate since 4Q/20, although there has been some rebound since 2Q/21. On the other hand, exports to countries within South East Asia, especially the Philippines, Thailand, and Cambodia, got less impacted and became expanding. Hence, export fertilizer sales volume decreased 15% from 2019 and 39% from 2020 levels to 40.1 Ktons. Regarding sales volume by product, single fertilizer sales volume increased 42%YoY to 76.2 Ktons while premium NPK fertilizer sales volume remained stable YoY at 147.9 Ktons, although export NPK fertilizer sales volume decreased for the aforementioned reasons, it was compensated by the growth in domestic NPK fertilizer sales volume from both ordinary usage and the shift from single fertilizer demand resulted from the sharp increase in single fertilizer price in Vietnam. Furthermore, sales revenue of pesticides increased 33%YoY to Baht 208.8 million mainly due to the successful promotion of substituted products to glyphosate after the ban on its imports in Vietnam since the beginning of 2020. Service income from factory area management also increased 29%YoY to Baht 59.9 million, due to higher customers' demand for warehouse activities during this period. Gross profits increased 6%YoY to Baht 491.7 million, in line with the growth in revenues; however, gross profit margin decreased YoY from 16% to 13% due to different sales mix and higher raw material price caused by less supply from China and higher oil price. Nevertheless, Agrochemical segment has been able to adjust the fertilizer selling price up, as well as manage inventory effectively, to maintain the margin. Meanwhile, SG&A slightly increased 3%YoY from higher marketing and transportation costs in line with higher sales volume. Agrochemical's EBITDA was Baht 226.2 million, which increased 12%YoY. In addition, the weakening Thai Baht against US Dollar resulted in gains from net realized/unrealized foreign exchange of Baht 27.0 million. In summary, Agrochemical segment reported record-high net profits of Baht 133.3 million and net profits to TTA of Baht 91.3 million in 2021 since the previous high in 2017, reflecting growth of 42%YoY.

In 4Q/21, Agrochemical segment's revenues amounted to Baht 1,682.8 million, which increased 103%QoQ and 141%YoY due to higher revenues from all products and services, especially fertilizer. Sales revenue from fertilizer grew 111%QoQ and 154%YoY from higher sales volume and selling price. Total fertilizer sales volume reached its record high for a quarter at 84.7 Ktons, reflecting an increase of 70%QoQ and 83%YoY, mainly due to significant growth in domestic fertilizer sales volume. Domestic fertilizer sales volume stood at 66.6 Ktons, increasing 86%QoQ due to seasonal factors and the ease of inland domestic transportation restriction against the new wave of COVID-19 imposed since 3Q/21 and increasing 74%YoY due to higher demand and marketing & branding effort. Exports sales volume of fertilizer to the Philippines were significantly recovered, reflecting growth of 75%QoQ. Therefore, export fertilizer sales volume increased 29%QoQ and 126%YoY to 18.1 Ktons. Regarding sales volume by product, NPK fertilizer sales volume increased 119%QoQ and 73%YoY to 63.0 Ktons, and single fertilizer sales volume also increased 4%QoQ and 123%YoY to 21.7 Ktons. In addition, sales revenue of pesticides increased 20%QoQ and 17%YoY to Baht 69.8 million. Service income from factory area management also increased 20%QoQ and 110%YoY to Baht 21.2 million. With the significant sales growth, gross profits increased 74%QoQ and 37%YoY to Baht 180.8 million. However, gross profit margin decreased from 19% in 4Q/20 and 12% in 3Q/21 to 11% in 4Q/21, due to different sales mix and higher raw material price. SG&A increased 32%QoQ and 49%YoY due to higher marketing expenses and transportation expenses in line with the sales volume growth. However, SG&A to total revenues dropped from 8% in 4Q/20 and 3Q/21 to 5% in 4Q/21. Consequently, Agrochemical's EBITDA was Baht 98.4 million, which increased 141%QoQ and 28%YoY. Therefore, Agrochemical segment reported outstanding net profits for the period of Baht 62.3 million and net profits to TTA of Baht 42.7 million, reflecting growth of 151%QoQ and 61%YoY in 4Q/21.

Significant Events/ Changes in 2021

- Shipping segment received one second-hand dry bulk vessel in January.
- Offshore Service segment sold one cold-stacked subsea vessel and recorded a gain of Baht 18.5 million in March.
- TTA issued debentures of Baht 1,500 million in March and debentures of Baht 2,000 million in November.
- TTA redeemed debentures of Baht 1,805 million at maturity in March.
- TRIS Rating revised up rating outlook of TTA from BBB with a negative outlook to BBB with a stable outlook on 23 August 2021.
- TTA has been certified as a member of the Private Sector Collective Coalition Against Corruption (CAC) by the Thai Institute of Directors (IOD) since 30 September 2021.
- V Ventures Technologies Co., Ltd ("VVT"), a 99.99% owned subsidiary of TTA, acquired a 60% stake for Baht 100 million in Skootar Beyond, the provider of an online platform for on-demand messenger service, in October.
- Offshore Service segment set up a new joint venture with a 50% share to acquire an offshore construction support vessel for US\$ 16 million to expand the cable lay business.
- Offshore Service segment entered into MOA to purchase an offshore construction vessel of US\$ 7 million in November and received the vessel later in January 2022 to expand the decommissioning business and other subsea services.
- TTA attained the CG score of "Excellent" (5 stars) recognition level in 2021 for the third consecutive year.

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis for 4Q/2021 and the Year 2021

Ref No. COR: EL22007e/PTP

Key Financial Data⁽¹⁾

in million Baht	4Q/20	3Q/21	4Q/21	YoY	QoQ	2019	2020	2021	YoY	4Q/20	3Q/21	4Q/21	2019	2020	2021	
Total Revenues	3,326.4	5,947.7	7,607.3	129%	28%	15,428.0	12,829.8	22,128.1	72%	100%	100%	100%	100%	100%	100%	Revenue Structure
Shipping	1,213.1	3,489.5	3,814.4	214%	9%	6,772.6	4,747.7	11,718.5	147%	36%	59%	50%	44%	37%	53%	
Offshore service	727.4	859.7	1,418.9	95%	65%	3,286.0	2,616.7	3,605.3	38%	22%	14%	19%	21%	20%	16%	
Agrochemical	697.4	830.7	1,682.8	141%	103%	2,877.7	2,829.1	3,932.5	39%	21%	14%	22%	19%	22%	18%	
Food & Beverage	487.8	508.2	439.3	-10%	-14%	1,988.0	2,009.5	1,934.7	-4%	15%	9%	6%	13%	16%	9%	
Investment	200.7	259.6	252.0	26%	-3%	503.6	626.8	937.1	49%	6%	4%	3%	3%	5%	4%	
Total Costs of Sales and Services⁽²⁾	2,394.1	3,468.1	5,286.4	121%	52%	12,284.7	10,120.1	15,121.5	49%	72%	58%	69%	80%	79%	68%	Cost to Revenues
Shipping	793.5	1,477.5	1,905.6	140%	29%	5,280.1	3,491.0	6,490.5	86%	65%	42%	50%	78%	74%	55%	
Offshore service	608.8	784.6	1,420.1	133%	81%	2,983.4	2,645.1	3,355.4	27%	84%	91%	100%	91%	101%	93%	
Agrochemical	565.2	726.8	1,502.0	166%	107%	2,489.5	2,366.8	3,440.8	45%	81%	88%	89%	87%	84%	87%	
Food & Beverage	285.2	293.6	272.2	-5%	-7%	1,207.5	1,207.7	1,161.0	-4%	58%	58%	62%	61%	60%	60%	
Investment	141.4	185.5	186.6	32%	1%	324.3	409.5	673.9	65%	70%	71%	74%	64%	65%	72%	
Gross Profits/(Losses)	932.2	2,479.6	2,320.9	149%	-6%	3,143.3	2,709.8	7,006.6	159%	28%	42%	31%	20%	21%	32%	Gross Profit Margin
Shipping	419.6	2,012.0	1,908.8	355%	-5%	1,492.5	1,256.7	5,228.0	316%	35%	58%	50%	22%	26%	45%	
Offshore service	118.6	75.1	(1.2)	-101%	-102%	302.7	(28.4)	249.8	979%	16%	9%	-0.1%	9%	-1%	7%	
Agrochemical	132.2	103.8	180.8	37%	74%	388.2	462.3	491.7	6%	19%	12%	11%	13%	16%	13%	
Food & Beverage	202.6	214.6	167.1	-18%	-22%	780.6	801.8	773.8	-3%	42%	42%	38%	39%	40%	40%	
Investment & Others*	59.3	74.1	65.4	10%	-12%	179.3	217.3	263.2	21%	30%	29%	26%	36%	35%	28%	
EBITDA⁽³⁾	585.8	1,935.8	2,011.7	243%	4%	1,911.6	704.2	5,454.7	675%	18%	33%	26%	12%	5%	25%	EBITDA Margin
Shipping	394.4	1,922.1	1,845.9	368%	-4%	1,331.7	949.4	4,945.2	421%	33%	55%	48%	20%	20%	42%	
Offshore service	20.4	(47.1)	(77.2)	-479%	-64%	(66.2)	(481.4)	(151.8)	68%	3%	-5%	-5%	-2%	-18%	-4%	
Agrochemical	76.8	40.8	98.4	28%	141%	152.3	202.2	226.2	12%	11%	5%	6%	5%	7%	6%	
Food & Beverage	48.7	55.1	50.0	3%	-9%	126.1	200.8	192.7	-4%	10%	11%	11%	6%	10%	10%	
Investment & Others*	45.5	(35.2)	94.6	108%	369%	367.7	(166.9)	242.4	245%	23%	-14%	38%	73%	-27%	26%	
Net Profits/(Losses) to TTA	110.1	1,614.4	1,524.8	1,284%	-6%	562.6	(1,944.6)	3,858.7	298%	3%	27%	20%	4%	-15%	17%	Net Profit (to TTA) Margin
Shipping	243.3	1,769.2	1,683.8	592%	-5%	749.0	390.9	4,329.8	1,008%	20%	51%	44%	11%	8%	37%	
Offshore service	(106.0)	(81.4)	(81.7)	23%	-0.3%	(437.2)	(2,000.5)	(294.4)	85%	-15%	-9%	-6%	-13%	-76%	-8%	
Agrochemical	26.6	17.0	42.7	61%	151%	30.0	64.3	91.3	42%	4%	2%	3%	1%	2%	2%	
Food & Beverage	(7.1)	(1.5)	(0.4)	94%	70%	(0.3)	(20.3)	(22.4)	-10%	-1%	-0.3%	-0.1%	0.0%	-1%	-1%	
Investment & Others*	(46.6)	(89.0)	(119.6)	-157%	-34%	221.0	(379.0)	(245.8)	35%	-23%	-34%	-47%	44%	-60%	-26%	
Normalized Net Profits/(Losses) to TTA⁽⁴⁾	160.4	1,634.5	1,538.6	859%	-6%	392.1	(503.1)	4,030.0	901%	5%	27%	20%	3%	-4%	18%	Normalized Net Profit (to TTA) Margin
Shipping	243.3	1,769.2	1,685.3	593%	-5%	737.0	374.8	4,331.4	1,056%	20%	51%	44%	11%	8%	37%	
Offshore service	(49.3)	(84.8)	(104.8)	-112%	-23%	(358.8)	(538.6)	(331.7)	38%	-7%	-10%	-7%	-11%	-21%	-9%	
Agrochemical	26.5	17.0	42.7	61%	151%	29.9	64.2	91.3	42%	4%	2%	3%	1%	2%	2%	
Food & Beverage	(6.9)	(1.5)	(0.4)	94%	71%	5.3	(20.1)	(19.1)	5%	-1%	-0.3%	-0.1%	0.3%	-1%	-1%	
Investment & Others*	(53.1)	(65.4)	(84.2)	-59%	-29%	(21.3)	(383.4)	(41.9)	89%	-26%	-25%	-33%	-4%	-61%	-4%	
Number of Issued and Paid-up Shares (million Shares)	1,822.5	1,822.5	1,822.5			1,822.5	1,822.5	1,822.5								
Basic earnings per share (in Baht)	0.06	0.89	0.84	1,284%	-6%	0.31	(1.07)	2.12	298%							

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	4Q/20	3Q/21	4Q/21	%YoY	%QoQ	2019	2020	2021	%YoY
Exchange rate (1USD : THB)	Baht	30.61	32.92	33.38	9%	1%	31.05	31.29	31.98	2%
Shipping Segment:										
BDI Index	Point	1,361	3,732	3,498	157%	-6%	1,353	1,066	2,943	176%
BSI Index	Point	977	3,115	2,771	184%	-11%	880	744	2,434	227%
Net Supramax TC rate ⁽⁶⁾	USD/Day	10,211	32,556	28,956	184%	-11%	9,451	7,779	25,432	227%
Calendar days for owned fleet ⁽¹⁾	Days	2,053	2,208	2,208	8%	0%	7,665	7,990	8,740	9%
Available service days for owned fleet ⁽²⁾	Days	2,012	2,084	2,140	6%	3%	7,453	7,845	8,394	7%
Operating days for owned fleet ⁽³⁾	Days	2,012	2,084	2,140	6%	3%	7,430	7,845	8,394	7%
Owned fleet utilization ⁽⁴⁾	%	100%	100%	100%	0%	0%	99.7%	100%	100%	0%
Voyage days for chartered-in fleet	Days	704	1,174	1,024	45%	-13%	5,869	2,885	5,086	76%
TC (%)	%	63%	55%	51%			53%	54%	53%	
VC/COA (%)	%	37%	45%	49%			47%	46%	47%	
Average DWT	Dwt	55,686	55,913	55,913	0%	0%	55,285	55,686	55,913	0%
Number of owned vessels at the ending period	Vessels	23	24	24	4%	0%	21	23	24	4%
Average number of vessels ⁽⁵⁾	Vessel	29.5	35.4	34.4	17%	-3%	36.4	29.3	36.9	26%
Average age of owned fleet	Years	13.1	13.5	13.7			12.7	13.1	13.7	
Per Day Data ⁽⁷⁾:										
Highest TCE rate of owned fleet	USD/day	20,983	53,160	53,755	156%	1%	27,531	20,983	53,755	156%
Thoresen TCE rate ⁽⁸⁾	USD/day	11,282	33,842	31,222	177%	-8%	10,982	9,517	24,074	153%
TCE rate of owned fleet	USD/day	10,982	29,555	29,948	173%	1%	10,259	8,638	22,575	161%
Gain/(loss) from chartered-in vessels	USD/day	300	4,287	1,274	325%	-70%	723	879	1,499	71%
Vessel operating expenses (owner's expenses)	USD/day	3,835	3,861	3,868	1%	0%	3,869	3,709	3,991	8%
Cash costs	USD/day	5,493	5,981	5,485	0%	-8%	5,572	5,356	5,724	7%
Total costs	USD/day	7,850	8,283	7,703	-2%	-7%	8,080	7,679	8,014	4%
Per-day gross profit margin ⁽⁹⁾	%	60%	87%	86%			59%	54%	81%	
Per-day EBITDA margin	%	51%	82%	82%			49%	44%	76%	
Per-day Net operating profit margin	%	30%	76%	75%			26%	19%	67%	
Offshore Service Segment:										
Utilization rate (performing subsea-IRM vessels)	%	93%	74%	64%			79%	85%	66%	
Order book	mUSD	190	260	292	54%	12%	217	190	292	54%
Agrochemical Segment:										
Total fertilizer sales volume	KTons	46.3	49.7	84.7	83%	70%	189.8	206.6	224.2	8%
Fertilizer sales volume by geography										
- Domestic (in Vietnam)	KTons	38.3	35.7	66.6	74%	86%	142.9	141.3	184.0	30%
- Export	KTons	8.0	14.0	18.1	126%	29%	47.0	65.3	40.1	-39%
Fertilizer sales volume by product										
- NPK fertilizer	KTons	36.5	28.8	63.0	73%	119%	144.5	153.1	147.9	-3%
- Single fertilizer	KTons	9.7	20.9	21.7	123%	4%	45.4	53.6	76.2	42%
Food & Beverage Segment:										
No. of outlets of Pizza Hut	Outlets	169	171	177	5%	4%	148	169	177	5%
No. of outlets of Taco Bell	Outlets	8	11	11	38%	0%	5	8	11	38%

Note:

⁽¹⁾ 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.

⁽²⁾ Available service days are calendar days⁽¹⁾ less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

⁽³⁾ Operating days are the available service days⁽²⁾ less unplanned off-hire days, which occurred during the service voyage.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ 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.

⁽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, excluding net realized/unrealized gain (loss) from the change in fair value of derivatives.

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

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

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

Financial Position

	31,029		38,947		
Cash under Management ⁽¹⁾	7,700	2,622	11,483	4,096	Other Liabilities
Other Current Assets	4,623	9,216	7,279	10,451	Interest-Bearing Debts ⁽³⁾
Tangible Assets ⁽²⁾	14,334	19,191	15,481	24,400	Total Equity
Other Non-Current Assets	4,372		4,704		
	Assets	Liabilities-Equity	Assets	Liabilities-Equity	
	As of December 31, 2020		As of December 31, 2021		

1) Assets

Continued solid financial position with ample cash under management of Baht 11 billion from best-ever operating profits in more than a decade in 2021.

As of 31 December 2021, TTA had total assets of Baht 38,947.1 million, which increased by Baht 7,917.8 million or 26% from the end of 2020, mainly due to an increase in cash under management, trade receivables, and property, plant, and equipment. Cash under management, which combines cash, cash equivalents, and other current financial assets increased by Baht 3,782.4 million to Baht 11,482.9 million from higher operating profits and the net cash proceed from the issue of new debentures. Net trade receivables increased by Baht 1,356.4 million to Baht 3,201.8 million in line with higher revenues. The normal credit term granted by TTA ranges from 1 to 120 days. Net overdue trade receivables amounted to Baht 1,104.4 million. The 76% majority were overdue under 3 months, and most have been late in payment but generally paid due to the difference between the customer billing cycle and the invoicing cycle. Nonetheless, TTA closely monitors these overdue amounts. Meanwhile, property, plant, and equipment mainly increased from the acquisition of one second-hand dry bulk vessel under Shipping segment in January, as well as the positive difference from foreign currency translation.

2) Liabilities and Equity

As of 31 December 2021, total liabilities increased by Baht 2,709.0 million or 23% from the end of 2020 to Baht 14,546.8 million, mainly due to an increase in debentures from the issuance of new debentures earlier mentioned, an increase in trade payables in line with an increase in revenues, and an increase in accrued expenses largely from additional works under Offshore Service segment. TTA issued new debentures of Baht 3,500 million and redeemed existing debentures of Baht 1,805 million. A portion of the proceed amounting to Baht 1,500 million will be reserved to redeem the existing debentures at maturity in coming January 2022. Consequently, interest-bearing debts at year-end increased by Baht 1,234.9 million from the end of last year to Baht 10,450.8 million; however, it will be decreased once TTA redeems the existing debentures as aforementioned. Total equity increased by Baht 5,208.9 million or 27% from the end of 2020 to Baht 24,400.3 million, mainly from the exceptional net profits and the positive difference from foreign currency translation for foreign operations in this period. In May 2021, TTA paid an interim dividend of Baht 0.02 per share or Baht 36.4 million in total.

Note:

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

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

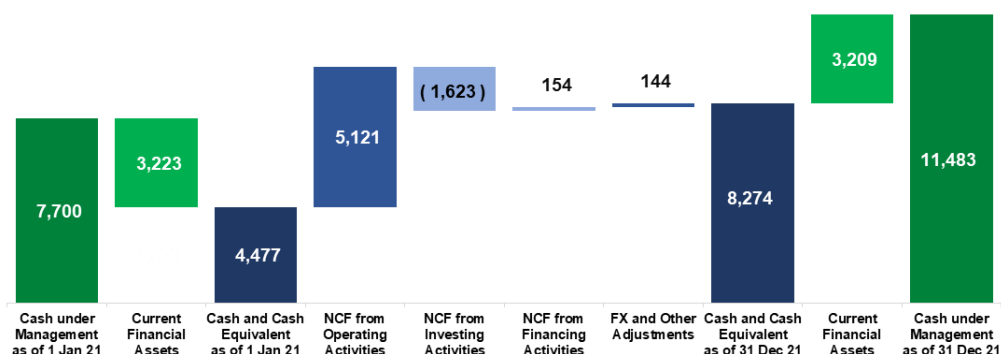
⁽³⁾ Excluding lease liabilities

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis for 4Q/2021 and the Year 2021

Ref No. COR: EL22007e/PTP

Cash Flow



1) Cash Flow

Positive net cash flow from operating activities of Baht 5,121.4 million in 2021.

As of 31 December 2021, TTA had net cash and cash equivalent of Baht 8,273.6 million, reflecting an increase of Baht 3,796.4 million from the beginning of the year. In 2021, net cash flow from operating activities amounted to Baht 5,121.4 million, mainly from the best-ever operating net profits in more than a decade of Shipping segment. TTA's net cash used in investing activities was Baht 1,622.6 million, mainly from new capital expenditures (Capex) amounting to Baht 1,824.7 million, of which 46% from Shipping segment mainly for the acquisition of a second-hand dry bulk vessel and drydocking, 44% from Offshore Service segment mainly for the acquisition of a second-hand offshore construction support vessel, and 6% from Food & Beverage segment mainly for outlet expansion. Meanwhile, net cash receive from financing activities was Baht 154.0 million largely from the cash proceed from the issue of new debentures net of the repayments of existing debentures and borrowings. Therefore, including gains from the effect of exchange rates of Baht 143.7 million due to the weakening Thai Baht against US Dollar, the net increase in cash and cash equivalents amounted to Baht 3,796.4 million in 2021.

2) Liquidity

The current ratio was 2.83 times, indicating adequate liquidity with surplus cash under management over interest-bearing debts.

As of 31 December 2021, TTA had cash under management of Baht 11,482.9 million, which were excess over interest-bearing debts of Baht 10,450.8 million by Baht 1,032.1 million. In addition, the capital structure remained strong and was represented by the low debt to equity ratio⁽¹⁾ of 0.10 times. The net interest-bearing debt ratio⁽²⁾ was negative at 0.04 times, reflecting surplus cash under management over interest-bearing debts while the current ratio was 2.83 times, where the current ratio above 1 time reflects adequate liquidity. 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.

Key Financial Ratios

Financial Ratios - Consolidated	Unit	4Q/20	3Q/21	4Q/21	2019	2020	2021
Gross Margin	%	28.0%	41.7%	30.5%	20.4%	21.1%	31.7%
EBITDA Margin	%	17.6%	32.5%	26.4%	12.4%	5.5%	24.7%
Net Profit Margin (to TTA)	%	3.3%	27.1%	20.0%	3.65%	-15.2%	17.4%
Net Profit Margin	%	1.2%	26.2%	19.6%	1.41%	-26.3%	16.7%
Return on Assets*	%	-10.4%	6.8%	10.5%	0.6%	-10.4%	10.5%
Return on Equity* (to TTA)	%	-11.3%	13.3%	20.6%	3.0%	-11.3%	20.6%
Current Ratio	times	2.25	2.50	2.83	3.15	2.25	2.83
Debt to Equity Ratio ⁽¹⁾	times	0.26	0.12	0.10	0.17	0.26	0.10
Net Interest-Bearing Debt to Equity ^{(2), (3)}	times	0.08	0.00	(0.04)	0.05	0.08	(0.04)

*Annualized

Note:

⁽¹⁾ Financial Covenant for TTA221A Debentures, of which the threshold is 1.5 times.

⁽²⁾ Financial Covenant for TTA233A, TTA239A, TTA252A, and TTA265A Debentures, of which the threshold is 2.0 times.

⁽³⁾ Negative ratio reflects surplus cash under management over interest-bearing debts

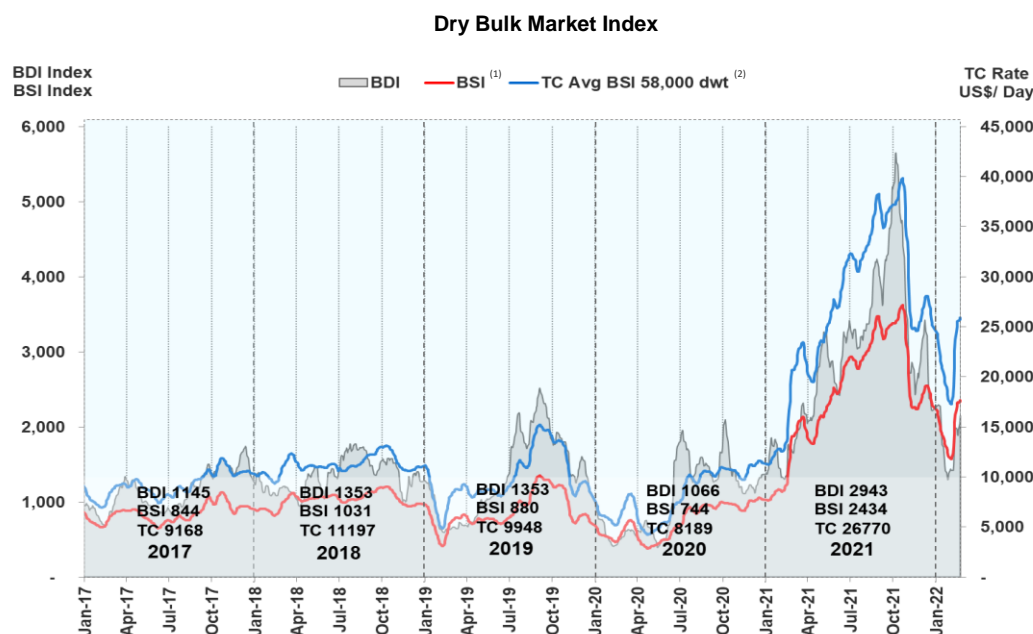
Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis for 4Q/2021 and the Year 2021

Ref No. COR: EL22007e/PTP

Gross margin	=	Gross profits (excluding depreciation and amortization)/ Revenues from sales and services
EBITDA margin	=	EBITDA/ Revenues from sales and services
Net profit margin (to TTA)	=	Attributable net profits (losses) / Revenues from sales and services
Net profit margin	=	Net profits (losses) / Revenues from sales and services
Return on assets	=	Net profits (losses) / Average total assets
Return on equity (to TTA)	=	Attributable net profits (losses) / Average attributable shareholder's equity
Current ratio	=	Current assets/ Current liabilities
Debt to equity	=	(Interest bearing debt - cash and cash equivalents) / Total shareholder's equity
Net interest bearing debt to equity	=	(Interest bearing debt excluding lease liabilities - cash and cash equivalents - other current financial assets)/ Total shareholder's equity

Industry Outlook: Shipping



Baltic Supramax Index (BSI) averaged 2,434 points in 2021, significantly increased from an average of 744 points in 2020, as dry bulk trade volumes have strongly rebounded from the improving macroeconomic landscape, and a range of factors provided upside such as ongoing severe port congestion and spillover impact of container ships shortage. TC rate of Supramax in 2021 significantly increased 227%YoY from US\$ 8,189 per day to US\$ 26,770 per day on average. It reached its peak at US\$ 39,860 per day in October, the highest level since the previous highs of US\$ 70,507 per day in 2008, then started to normalize toward the year-end from easing congestion at some ports and soften steel demand in China, and seasonal impact during long holidays. For the full year 2021, dry bulk trade is estimated to grow by 195 million tons, reflecting the growth of 3.8% in tons or 4.0% in ton-miles, above the growth of 0.5% in tons or 0.4% in ton-miles in pre-COVID levels in 2019. The improvement in dry bulk trade in 2021 was mainly driven by a rebound in coal and minor bulk trade, which accounted for 87% of the total growth of dry bulk trade. The global seaborne coal trade healthily rebounds by 6% in tons as steel production improved and energy demand recovered following economic activities rebound. The resumption of steel output also drives the seaborne iron ore trade to increase. Minor bulk commodities, especially cement and steel products related to the infrastructure investments and industrial demand, were boosted by rebounding global industrial production and major stimulus packages. In addition, global seaborne grain trade steadily grows by 2% in tons, mainly driven by the phase one trade deal between US and China. On the other hand, fleet expansion in 2021 is estimated to slow to 3.6% in the deadweight ton (DWT) with the record low order book of 7% of total fleet capacity in 30 years as deliveries slowed on the back of a declining order book. Looking further to 2022, Clarksons Research forecasts growth of dry bulk trade of 1.9% in tons or 2.5% in ton-miles. Grain (+4%) and minor bulk (+2%) are projected to grow firmly next year while iron ore (+1%) and coal (+2%) were projected to be moderate. Fleet growth in 2022 is projected to grow by 2.1% in 2022 and only by 0.3% in 2023 due to the potential for increased recycling amid the introduction of new environmental regulations. The port congestion in 2022 is likely to take time to ease. By Mid-February, there are approximately an additional 6% of the bulkcarrier fleet capacity has

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 Avg 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.

been in port, compared to the pre-COVID average during 2016-2019. Overall, the market outlook remains positive with the balanced underlying fundamentals, even if full-year earnings could ease below 2021's exceptional levels. However, uncertainty remains.

Source: Clarksons Research, February 2022

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.

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.
- Grant of 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).
- "Excellent" (5-star) in the Corporate Governance Report of Thai Listed Companies (CGR) in 2021 for the third consecutive year.

Key Social Projects/ Activities

Preparatory Maritime Program: Thoresen Shipping under Shipping segment supports the training of students of the Naval Training Center by dispatching personnel with expertise in maritime commerce to be a special speaker to build an accurate knowledge based on operational guidelines principles of conduct and operational safety policies on merchant ships for students of merchant ships who will undertake maritime training with international maritime submarines in 2021.

Key Environmental Projects/ Activities

Carbon Dioxide Emissions Plan: Shipping segment prepares a strategic plan and action plan to reduce the fleet's greenhouse gas emissions including using lower sulfur dioxide fuels and experiment with special reagents added to the fuel, using the system to control the use of lubricating oil (Alpha Lubricator) to reduce the consumption of fuel in the cylinder, maintaining equipment in proper condition to be able to operate at full efficiency, and considering the feasibility of using Green Passport Certification on ships. As a result of continued commitment and efforts to reduce greenhouse gas emissions, Thoresen Shipping has received a certificate of emissions enforcement in accordance with EU MRV (Monitoring, Reporting, and Verification) regulations, and a certificate of ship fuel consumption record while traveling to Europe, EUMRV and IMODCS, confirming the carbon dioxide emissions monitoring and reporting in accordance with international standards.

Key Economic Projects/ Activities

Participation in Thai CAC: TTA announced its participation in Thailand's Private Sector Collective Action against Corruption (CAC) on 8 November 2019, and was certified on 30 September 2021. In addition, TTA requests its business partners to cooperate in fighting against all forms of corruption and invites its partners to join the anti-corruption network.

For additional information:

Financial statements



<https://www.thoresen.com/financials.html>

Corporate governance



https://www.thoresen.com/corporate_governance.html

Yours faithfully,

Thoresen Thai Agencies Public Company Limited

Mr. Chalermchai Mahagitsiri
President & Chief Executive Officer

Mr. Katarat Suksawang
Executive Vice President & Group CFO