

Ref. SET 024/2565

May 13, 2022

Re: Management Discussion and Analysis for the Quarter 1/2022 ended 31 March 2022

To: President

The Stock Exchange of Thailand

Jutha Maritime Public Company Limited and its subsidiaries (Hereinafter called “**The Group**”) would like to submit Management’s discussion and analysis for the Quarter 1/2022 ended 31 March 2022 with the summary as follows:

1. Nature of operation of the Group

The Company operates its business in Thailand, which the principal activity is a holding company. The Company’s subsidiaries operate business in Thailand and overseas. The principal activities of the subsidiaries are manufacturing and distributing biodiesel and glycerin products, and the marine transportation.

Significant during Quarter 1/2022

The Extraordinary General Meeting. No. 1/2021 approve to grant Bio Energy Tech Holding Company Limited (“BETH”), a subsidiary of the Company to be newly established with a registered and paid-up capital in the amount of THB 1.00 million, divided into 200,000 ordinary shares with a par value of THB 5.00 per share, in which the Company will hold approximately 100.00% of all issued and paid-up shares of BETH, to acquire and accept the entire business transfer of Global Bio Power Holding Company Limited (GBPH), which operates the business of investing in other company. In this regard, BET will accept the entire transfer of assets, liabilities, rights and duties under contracts and all staff of GBPH, as well as shares in Global Bio Power Company Limited (“GBP”), in the amount of 5,849,998 shares out of 5,850,000 shares with a par value of THB 100 per share, representing approximately 100.00% of all issued and paid-up shares of GBP, subject to the terms and conditions of the entire business transfer agreement between BET and GBPH (“Entire Business Transfer Agreement”). GBP operates the business of manufacturing and distributing biodiesel (“B100”) and byproducts of biodiesel production. The biodiesel manufacturing is to bring a liquid fuel made from vegetable oil and animal fat, such as refined palm oil (“RPO”) and refined palm stearin (“RPS”), into the Transesterification process of Triglyceride which exists in vegetable oil and animal fat and turn them into ester with the similar properties as diesel oil which can directly be substituted for diesel oil and is called biodiesel, referring to a fuel with contains only biodiesel used as diesel. The compensation for the entire business transfer is THB 400.00 million plus the amount of cash remaining in GBP on one business day prior to the date of business transfer but not exceeding THB 600.00 million. It will be paid in cash in full on the date of business transfer.

2. Analysis of Operating Results

Statement of Comprehensive Income – Consolidated (THB'Mn)	For the three-month period ended 31 March		Increase (Decrease)	%
	2022	2021		
Revenue from vessel services and sales	987.81	53.99	933.82	1,729.62%
Cost of services and sales	893.61	68.17	825.44	1,210.85%
Gross profit (loss)	94.20	(14.18)	108.38	764.26%
Other income	11.33	16.72	(5.38)	(32.20%)
Administrative expenses	28.55	13.64	14.91	109.29%
Share of (loss) profit of associate accounted for using the equity method	(0.07)	0.13	(0.20)	(152.88%)
Profit (loss) before income tax expense	76.91	(10.97)	87.89	800.82%
Finance costs	8.07	6.34	1.73	27.34%
Income tax expense	(0.01)	0.00	(0.01)	100.00%
Profit (loss) for the period	68.85	(17.31)	86.16	497.61%
Basic earnings (loss) per share	0.02677	(0.02960)	0.05637	190.44%
Diluted earnings (loss) per share	0.02200	(0.02960)	0.05160	174.32%

The company and its subsidiaries present profit for the period ended 31 March 2022 of Baht 68.85 million, compared with the same period last year which present loss of Baht 17.31 million. The operating result increase by Baht 86.16 million or 497.61% compared with the same period last year.

2.1 Revenues from operation

Revenues of the company and its subsidiaries increase by Baht 933.81 million or 1,730%, compared with the same period last year. Detail from each business segment is summarized below.

Statement of Comprehensive Income (THB'Mn)	For the three-month period ended 31 March		Increase (Decrease)	%
	2022	2021		
Manufacturing and distributing biodiesel and glycerin	875.28	-	875.28	100.00%
Time charter and ship management	112.52	53.99	58.53	108.42%
Total revenue from vessel services and sales	987.81	53.99	933.82	1,729.62%

Revenue from sales of biodiesel and glycerin products increase by 100% from the same period last year as the Company has started recognizing the revenue from its subsidiary who are in manufacturing and distributing biodiesel and related products business since 25 January 2022. This revenue is mainly from the sales of liquid fuel with the similar properties as diesel oil which can directly be substituted for diesel oil and is called biodiesel, referring to a fuel with contains only biodiesel used as diesel.

Revenue from marine transportation also increase by 108.42% as a result of the situation where demand for transportation by ship increased a lot. This corresponds to a significant increase of Baltic Dry Index (BDI) rate in the global market as well.

2.2 Costs of sales and services

The Company and its subsidiaries show the increase in costs of sales and services by Baht 825.44 million or 1,210.85%, compared with the same period last year. Detail from each business segment can be summarized below.

Statement of Comprehensive Income (THB'Mn)	For the three-month period ended 31 March		Increase (Decrease)	%
	2022	2021		
Manufacturing and distributing biodiesel and glycerin	875.28	-	875.28	100.00%
Time charter and ship management	112.52	53.99	58.53	108.42%
Total revenue from vessel services and sales	987.81	53.99	933.82	1,729.62%

Costs of sales and services from manufacturing and distributing biodiesel and glycerin products business increase by 100%. Same as revenue, the Company has started recognizing the costs of sales from its subsidiary who are in manufacturing and distributing biodiesel and related products business since 25 January 2022. Costs of sales are mainly from the purchase of refined palm oil ("RPO") and refined palm stearin ("RPS").

While costs of service from marine transportation business decrease by 24.05% due to the decrease in the number of ships.

2.3 Administrative expenses

The Company and its subsidiaries show the increase in administrative expenses by Baht 14.91 million or 109.29%, compared with the same period last year.

Administrative expenses from manufacturing and distributing biodiesel and glycerin products business are generally personnel expenses, office expenses and non-production-related expenses.

In addition, the Company also incur professional advisor fees incurred during the business restructuring according to the Company's strategy. financial planning and legal advisors.

2.4 Finance costs

Finance costs of the company and subsidiaries for the period ended 31 March 2022 is of Baht 8.07 million, increased from with the same period last year of Baht 1.73 million of 27.34% due to long-term borrowings from financial institutions which was used in manufacturing and distributing biodiesel and glycerin products business.

3. Financial position

Statement of Financial Position – Consolidated (THB'Mn)	As at		Increase (Decrease)	%
	31 March 2022	31 December 2021		
Current assets				
Cash and cash equivalents	266.22	547.89	(281.67)	(51.41%)
Trade and other receivables, net	243.37	5.28	238.08	4,507.38%
Inventories	205.99	52.17	153.83	100.00%
Other current assets	15.60	0.00	15.60	100.00%
Total current assets	731.19	605.34	125.85	20.79%
Non-current assets				
Property, plant, equipment and vessel	1,107.83	1,027.96	79.87	7.77%
Goodwill	372.37	0.00	372.37	100.00%
Deferred tax assets	49.22	0.00	49.22	100.00%
Other non-current assets	201.56	199.84	1.72	0.86%
Total non-current assets	1,730.98	1,227.80	503.18	40.98%
Total assets	2,462.17	1,833.14	629.03	34.31%
Liabilities				
Trade and other payables	489.13	123.15	365.98	297.19%
Borrowings from financial institutions	768.00	274.01	493.98	180.28%
Borrowings from related parties	79.46	365.79	(286.33)	(78.28%)
Other liabilities	185.91	193.46	(7.55)	100.00%
Total liabilities	1,522.49	956.40	566.09	59.19%
Total equity	939.68	876.74	62.94	7.18%
Total liabilities and equity	2,462.17	1,833.14	629.03	34.31%

3.1 Total assets

Total assets of the Company and its subsidiaries as at 31 March 2022 increase, from the last period at 31 December 2021, by Baht 629.03 million or 34.31%. This mainly results from the acquisition of manufacturing and distributing biodiesel and glycerin products business.

Cash and cash equivalent

As at 31 March 2022, the Company and its subsidiaries show the decrease in cash and cash equivalent by Baht 281.67 million or 51.41%. The Company and its subsidiaries receive cash from the 3-month operation of Baht 63.27 million, and use in the investing activities of Baht 187.58 million, also repay debts in financing activities of Baht 150.67 million. There is also loss from foreign currency translation during the period of Baht 6.69 million.

Trade and other receivables and inventories

As at 31 March 2022, the Company and its subsidiaries show the increase in trade and other receivables of Baht 238.08 million and inventories of Baht 153.83 million (or increase 4,507.38% and 100.00% respectively). The increase is mainly from the acquisition of new business and in-line with normal course of business of manufacturing and distributing biodiesel and glycerin.

Goodwill

Goodwill presented as at 31 March 2022, amounting of Baht 372.37 million, arises from the acquisition of biodiesel and glycerin production and distribution.

3.2 Total liabilities

Trade and other payables

As at 31 March 2022, trade and other payables rise sharply with the amount of Baht 365.98 million or increase 297.19% which mainly results from the normal operation of manufacturing and distributing biodiesel and glycerin.

Borrowings from financial institutions

As at 31 March 2022, borrowings from financial institutions rise by Baht 493.98 million or increase 180.28%. The increase mainly results from the acquisition and the operation of manufacturing and distributing biodiesel and glycerin.

Please be informed accordingly.

Yours respectfully

Jutha Marine Public Company Limited



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President

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