

– TRANSLATION –

TSTH 025/2020 RM/AN/PB

July 16, 2020

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the first quarter of FY2021 (April-June 2020)

Tata Steel (Thailand) Public company Limited ("Company") would like to report the company's operating results for the first quarter of FY2021 (April-June 2020) as under:

1. Operating Results

Consumer sentiment has started picking up, boosted by businesses reopening and economic stimulus schemes, according to the University of the Thai Chamber of Commerce (UTCC). Thailand started easing lockdown measures in May. However, international travel restrictions, trade and supply chain disruptions may continue to impact the economy, particularly through reduced tourism. The Bank of Thailand cut the policy rate from 0.75 to record low of 0.5 percent during May 2020 to help soften the economic impact of the pandemic. The Bank of Thailand expects partial economic recovery in H2-2020, mainly driven by domestic spending. Thai Baht continues to remain strong despite the decline in tourism receipts. Lower crude oil (and overall) imports helped in maintaining current account surplus.

The deliveries for the current quarter at 298 K Tons, was 7% lower than the previous quarter and almost at par as compared to the same quarter previous year mainly from lower exports, partially compensated by higher domestic sales of Rebar. The revenue from sales and related services were lower by 11% as compared to the previous quarter and lower by 15% as compared to the same quarter previous year due to lower selling price in line with reduction in metallic price as well as lower sales volume.

Total inventory was lower by 85 Mn THB as compared to 31 March 2020. In number of days- term, it has improved slightly to 42 days at 30 June 2020 as compared to 43 days at 31 March 2020.

Operating Results compared with previous quarter & previous year

1.1 Revenue from sales and related services

Sales volume in the current quarter was at 298 K Tons was lower as compared to the previous quarter mainly from lower export sales. As compared to the same quarter last year it was almost at par.

Revenue from sales and related services in the current quarter was at 4,592 MB, lower by 11% and 15% as compared to previous quarter and the same quarter last year respectively due to lower selling price as well as lower sales volume.

1.2 Profit (Loss) Before Tax

The company reported a profit of 80 MB in the current quarter against a profit of 44 MB in the same quarter previous year. The reduction in spread (selling price minus metallic price) was

more than compensated by lower graphite electrode price and conversion cost attributing to the higher profit in the current quarter. However, the profit in the current quarter was lower as compared to the profit of 131 MB in the previous quarter, from lower selling price in line with reduction in raw material price and lower export sales volume as a result from lockdown in export markets, partly offset by lower metallic cost and conversion cost on account of lower graphite electrode price.

2. Statement of Financial Position

2.1 Assets

As on June 30, 2020, **total assets** have increased by 1,279 MB over March 31, 2020 mainly from:

- Increase in cash and cash equivalents by 910 Mn THB.
- Right-of-use assets 561 Mn THB due to adoption of new financial reporting standard on lease (TFRS16).
- Financial assets measured at fair value through other comprehensive income 146 Mn THB due to adoption of new financial reporting standard (TFRS9).
- Reduction in properties, plant and equipment (130) Mn THB reflecting normal depreciation.
- Reduction in trade and other receivables (95) Mn THB.
- Reduction in inventories (85) Mn THB.

2.2 Liabilities and Shareholders' Equity

As on June 30, 2020, **total liabilities & shareholder equity** have increased by 1,279 MB over March 31, 2020 mainly from:

- Increase in trade and other payables by 730 Mn THB mainly related to imported billets.
- Increase in lease liabilities by 460 Mn THB due to adoption of new financial reporting standard (TFRS16).
- Reduction in short term working capital borrowings by (210) Mn THB.
- Increase in shareholders' equity by 179 Mn THB from the current net profit of 54 Mn THB, effect of re-measurements of post-employment benefit obligation 7 Mn THB and adjustment from changes in accounting policy due to adoption of new financial reporting standard 117 Mn THB.

Please be informed accordingly.

Sincerely yours,

Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Rajiv Mangal)
President and CEO