

- TRANSLATION -

TSTH 003/2021 RM/SS/SJ

January 19, 2021

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the third quarter of FY2021 (October-December 2020)

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

1. Operating Results

The Thai economy in Q4 CY2020 has recorded a contraction by -6.6% Y-o-Y, according to Bank of Thailand (BoT). The economy remained weak; private consumption and private investment showed only a tentative recovery. The BoT has recently revised its 2021 macro forecasts; it now projects GDP growth at 3.2% (from 3.6%). The gloom in tourism and political uncertainty could continue to weigh on domestic demand and the broader Thai economy.

The Covid-19 situation in Thailand has broadly been under control till mid-December when a new wave of local infections started from seafood markets near Bangkok. Consequently, a set of new restrictions has been issued taking effect from 4th January 2021.

In the backdrop of this challenging external environment, the deliveries of the Company for the current quarter, was at 328 K Tons supported by adequate measures to safeguard employees from the risk of Covid-19. The company operations remain stable and aligned to customer requirements. The sales volume was higher than the previous quarter mainly from higher special wire rod sales. The revenue from sales was higher than previous quarter from higher selling price in line with increase in metallic price as well as improved sales volume.

Total inventory was higher by 237 Mn THB as compared to March 31, 2020 from planned inventory build-up in scrap & billets. However, in number of days-term, it has improved to 42 days at end of December 2020 as compared to 43 days at end of March 2020.

Operating Results compared with previous quarter & previous year

1.1 Revenue from sales and related services

Sales volume in the current quarter at 328 K Tons, was higher as compared to the previous quarter and the same quarter previous year from better domestic demand in medium and high carbon wire rods and export sales. For the 9-months period ended December 31, 2020, the Company's sales volume at 937 K Tons was slightly higher than 881 K Tons in the same period previous year primarily due to improvement in domestic rebars, medium carbon wire rods and high carbon wire rods volume, partly offset by lower exports sales.

Revenue from sales and related services in the current quarter was at 5,414 Mn THB, higher by 11% and 21% as compared to previous quarter and the same quarter previous year due to improvement in sales volume as well as higher selling price in line with increase in raw material price. During the 9-months period ended December 31, 2020, it was almost at par.

1.2 Profit (Loss) Before Tax –

The Company reported a profit before tax of 53 Mn THB in the current quarter against a loss of (52) Mn THB for the same quarter previous year. On YTD basis, the Company has reported a profit of 271

Mn THB, against a loss of (21) Mn THB for the 9 months period previous year. Better performance in the current period is attributable to higher selling price and higher sales volume, lower metallic, lower graphite electrode and natural gas price as compared to last year. The profit before tax in the previous quarter was 139 Mn THB.

2. Statement of Financial Position

2.1 Assets

As on December 31, 2020, total assets have increased by 849 Mn THB over March 31, 2020 mainly from:

- Right-of-use assets 722 MB due to adoption of new financial reporting standard on lease (TFRS16).
- Increase in inventories 237 Mn THB as per plan
- Financial assets measured at fair value through other comprehensive income 146 Mn THB due to adoption of new financial reporting standard (TFRS9).
- Increase in trade and other receivables 109 Mn THB from higher sales
- Reduction in properties, plant and equipment (284) Mn THB reflecting normal depreciation.

2.2 Liabilities and Shareholders' Equity

As on December 31, 2020, total liabilities & shareholder equity have increased by 849 Mn THB over March 31, 2020 mainly from:

- Increase in lease liabilities by 655 Mn THB due to adoption of new financial reporting standard (TFRS16).
- Increase in shareholders' equity by 349 Mn THB from the current year net profit of 225 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.
- Reduction in short term working capital borrowings by (221) Mn THB.

Please be informed accordingly.

Sincerely yours,

Tata Steel (Thailand) Public Company Limited

- signature -
(Mr. Rajiv Mangal)
President and CEO

Corporate Secretary Office
Tel No. 0-2937-1000 Ext. 3111/3156/3210
Fax No. 0-2937-1224