

Management Discussion and Analysis  
For the Operating Results of FY2021



Global Green Chemicals Public Company Limited



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## Executive Summary

As for performance in FY2021, Global Green Chemicals Public Company Limited (“the Company”) recorded the total revenue of THB 20,923 million, rose by 15% from FY2020 and Adjusted EBITDA of THB 1,121 million, rose by 3% from the previous year. In addition, the Company had a Stock Gain & NRV of THB 403 million, as a result, the Company posted the net profit before extra item of THB 774 million improved by THB 214 million or 38% from FY2020.

In addition, Reference is made to the information disclosed by the Company regarding the Civil case’s judgment on January 28, 2022 the Court of Appeals has withheld the Civil Court’s judgement and ruled that the Company shall pay damages of approximately THB 289.56 million, plus 15% per annum interest and the attorney fees for the appeal proceedings of THB 300,000 to such company. However, the Company is currently considering petitioning the Supreme Court for review within the period stipulated by law. As aforementioned, the Company has set the provision of contingent liabilities from the case for such damage THB 444 million resulting in the net profit after extra item of THB 330 million (or profit per share of THB 0.32), dropped by THB 230 million or 41% from FY2020.

In FY2021, the Company had methyl ester (ME) sales volume decreased by 19% compared to FY2020, stood at 323,462 tons, caused by the COVID-19 outbreak in Thailand from Delta variant become more severe, the Center for COVID-19 Situation Administration (CDC) announced that they would extend the period of the Emergency Decree using lockdown measure Bangkok and elevate the control area as well as asking for cooperation from the private and government sectors to "Work From Home 100%". In addition, the Committee on Energy Policy Administration (CEPA) has a resolution for adjusting the proportion of biodiesel mandatory and the spread of retail fuel price of the gas stations during the last quarter of 2021 causing the diesel consumption to decline from travel and transportation. In term of the average methyl ester selling price considerably escalated, followed CPO price owing to the CPO stock dropped from FY2020 at the level of 209,328 tons to 172,657 tons at the end of FY2021. Even though the output production was improved but the exports volume increased by 158% compared to FY2020. However, the Company’s revenue of methyl ester increased by 7% compared to the prior year.

For the fatty alcohols business in FY2021, the sales volume of fatty alcohols decreased by 10% from FY2020 due to the longer shut down period of the fatty alcohols plant for catalyst changing and maintenance than usual in FY2021 causing the production not to be able to reach its full capacity during that time. Meanwhile, an average price of fatty alcohols rose by 54%, followed by raw material price due to the international CPKO stock being dropped from the previous year, which affected by the COVID-19 pandemic, causing labor shortage

to harvest and less output production. As a result, the Company's revenue of fatty alcohols rose by 43% compared to the previous year.

As of December 31, 2021, the Company has total assets in the amount of THB 13,517 million which comprised of cash and short-term investment amounting to THB 1,791 million, with total liabilities of THB 3,547 million and total equities of THB 9,970 million.

## Operating Performance

*Exhibit 1: Consolidated Company's Performance comparison of 4Q2021 vs. 4Q2020 vs. 3Q2021 and FY2021 vs. FY2020*

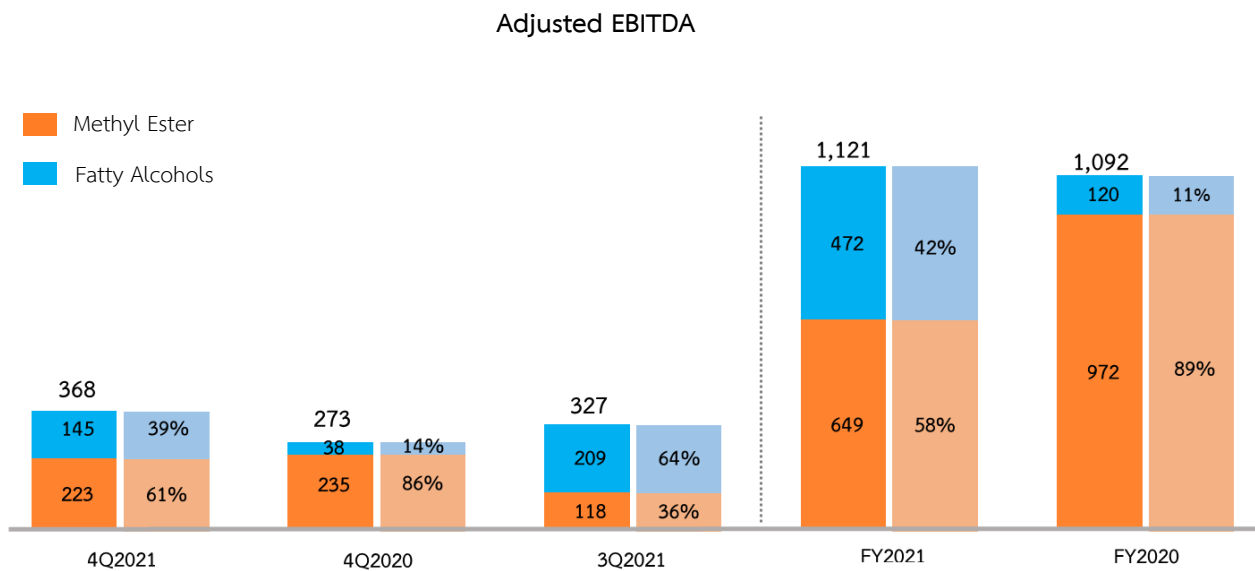
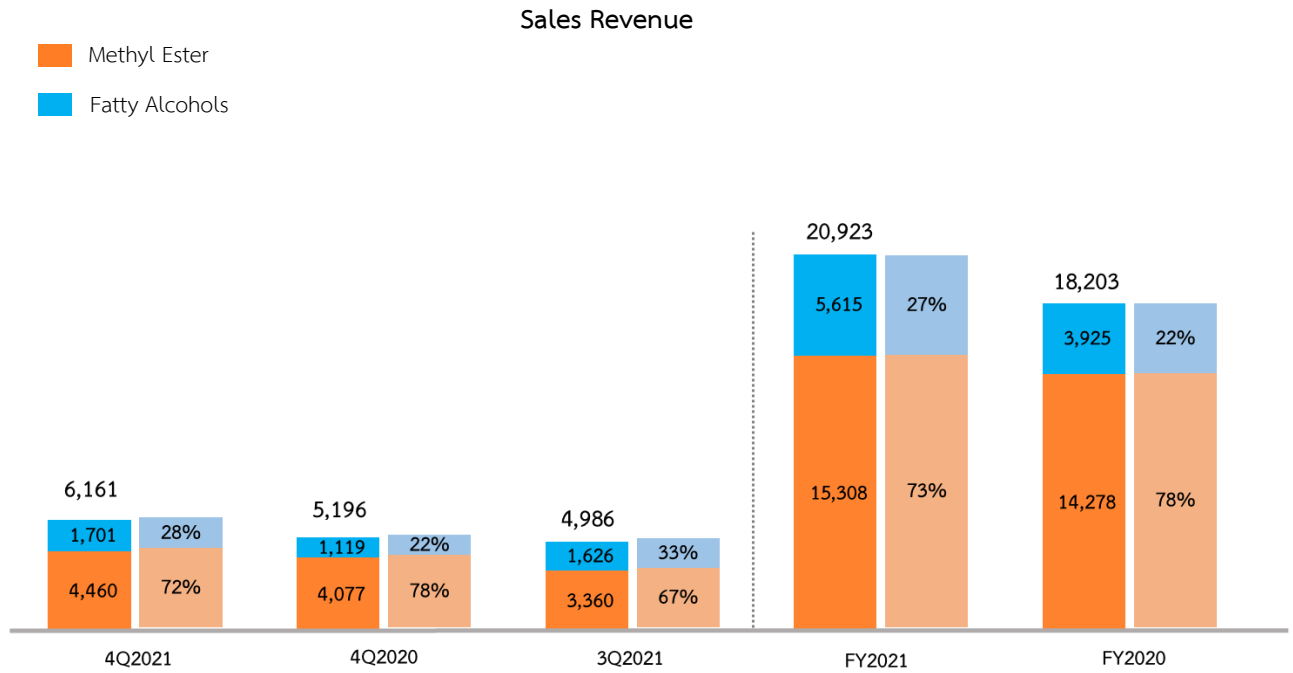
UNIT: Million Baht	4Q2021	4Q2020	% YoY	3Q2021	& QoQ	FY2021	FY2020	% YoY
Sales Revenue	6,161	5,196	19%	4,986	24%	20,923	18,203	15%
EBITDA	596	759	-21%	459	30%	1,524	1,228	24%
EBITDA Margin (%)	9.7%	14.6%	-4.9%	9.2%	0.5%	7.3%	6.7%	0.6%
Stock Gain/(Loss) & NRV	228	486	-53%	132	73%	403	136	196%
Adjusted EBITDA <sup>(1)</sup>	368	273	35%	327	13%	1,121	1,092	3%
Adjusted EBITDA Margin (%)	6.0%	5.3%	0.7%	6.6%	-0.6%	5.4%	6.0%	-0.6%
<b>Net Profit</b>	<b>356</b>	<b>565</b>	<b>-37%</b>	<b>244</b>	<b>46%</b>	<b>774</b>	<b>560</b>	<b>38%</b>
Extra item	-444	-	n.a.	-	n.a.	-444	-	n.a.
<b>Net Profit after extra item<sup>(2)</sup></b>	<b>-88</b>	<b>565</b>	<b>-116%</b>	<b>244</b>	<b>-136%</b>	<b>330</b>	<b>560</b>	<b>-41%</b>
<b>EPS (Baht/Share)</b>	<b>-0.09</b>	<b>0.55</b>	<b>-116%</b>	<b>0.24</b>	<b>-138%</b>	<b>0.32</b>	<b>0.55</b>	<b>-42%</b>

Note: (1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

(2) Extra Item from the provision of contingent liabilities from lawsuit



Exhibit 2 : Sales revenue and Adjusted EBITDA breakdown by business unit comparison of 4Q2021 vs. 4Q2020 vs. 3Q2021 and FY2021 vs. FY2020 (million THB)



## Operating Performance by Business Unit

### Methyl Ester (Biodiesel) Business Unit

Exhibit 3: Product and Feedstock Price

Average Price	4Q2021	4Q2020	% YoY	3Q2021	% QoQ	FY2021	FY2020	% YoY
Methyl Ester (B100) (Baht/litre) <sup>(1)</sup>	46.81	38.11	23%	38.90	20%	41.00	31.81	29%
Methyl Ester (B100) (Baht/kg) <sup>(2)</sup>	54.12	44.06	23%	44.97	20%	47.39	36.76	29%
Crude Palm Oil (CPO) (Baht/kg) <sup>(3)</sup>	44.61	35.63	25%	36.02	24%	37.99	28.11	35%
EPPO P2F (Baht/kg) <sup>(4)</sup>	3.11	3.11	0%	3.11	0%	3.11	3.11	0%
	1 January 2020 - 30 September 2021					: B7/B10/B20		
	11 - 31 October 2021					: B6		
Biodiesel Mandate	1 - 30 November 2021					: B7/B10		
	1 - 31 December 2021					: B7		

Note : (1) Reference Price of EPPO  
 (2) Conversion ratio: 0.865 Tons = 1,000 Liters  
 (3) Reference Price of DIT  
 (4) ME Price - Mixed Feedstock and MeOH price according to EPPO's B100 formula

### Market overview comparison between 4Q2021 vs. 4Q2020

The methyl ester market overview, an average of crude palm oil price (CPO-DIT) in 4Q2021 was at 44.61 Baht/kg., rose by 8.98 Baht/kg. or 25% compared to 4Q2020 due to the increase in export volume of CPO from the government's policy to drain domestic stocks. The level of CPO stock at the end of 4Q2020 stood at 209,328 tons, while at the end of 4Q2021 was at 172,657 tons.

Meanwhile, the demand for methyl ester in 4Q2021 was lower than previous year, stood at 351,692 tons, decreased by 56,055 tons or 14% mainly from the Committee on Energy Policy Administration (CEPA) meeting that had a resolution on October 4, 2021 for adjusting oil prices that affect the economic and alleviating people's suffering during the rising energy prices, there are 3 measurements as follows:

1) Reduction of the marketing cost of diesel B10 and B7 from an average of 1.80 Baht/litre to 1.40 Baht/litre (effective from 5 to 31 October 2021).

2) Reduction of the Oil Fund from diesel B7 (from 1.00 Baht/litre to 0.01 Baht/litre), effective from 11 to 31 October 2021



3) Reduction of the proportion of biodiesel mandatory from B10 and B7 to B6 (effective from 11 to 31 October 2021).

In addition, the announcement for adjustment of biodiesel mandatory to only B7 in December 2021, coupled with the epidemic of COVID-19, a new strain of "Omicron", causing the consumption of diesel and methyl ester were declined compared to the prior year.

The methyl ester price in 4Q2021 rose in line with CPO price to 54.12 Baht/kg., increased by 10.06 Baht/kg. or 23% compared to previous year.

#### Market overview comparison between 4Q2021 vs. 3Q2021

The methyl ester market overview, an average of crude palm oil price (CPO-DIT) in 4Q2021 compared to 3Q2021 was at 44.61 Baht/kg., rose by 8.59 Baht/kg. or 24% appreciated from lower production volume due to the seasonal declining in the quantity of Fresh Fruit Bunch (FFB). Total production during 3Q2021 was at 783,134 tons while during 4Q2021 was at 630,479 tons, a decrease of 19%. In terms of total consumption during 3Q2021 was at 580,812 tons while during 4Q2021 was at 582,409 tons, resulting in CPO stock dropped from 293,482 tons at the end of 3Q2021 to 172,657 tons at the end of 4Q2021.

On methyl ester demand side in 4Q2021, methyl ester demand was slightly increased from the previous quarter, stood at 351,692 tons, increased by 25,895 tons or 7% due to the monsoon season together with the Committee on Energy Policy Administration (CEPA) meeting that had a resolution for adjusting oil prices that affect the economic and alleviating people's suffering during the rising energy prices on October 4, 2021 following the details of the measurements mentioned above. However, the less severe COVID-19 epidemic situation in September, the distribution of vaccinations to the people more thoroughly as well as the government policy to drive the economic by promoting tourism and allowing fully vaccinated foreign tourists from 10 low-risk countries to travel in Thailand without quarantine from November 1, 2021 onwards, resulted in an increase of the overall domestic diesel consumption.

The methyl ester price in 4Q2021 considerably escalated following the domestic CPO price at 54.12 Baht/kg., an increase of 9.15 Baht/kg. or 20% from the prior quarter.

#### Market overview comparison between FY2021 vs. FY2020

Overview of the CPO price in Thailand with the prices reference announced by the Department of Internal Trade (CPO-DIT) during FY2021 increased from FY2020 to 37.99 Baht/kg., rose by 9.88 Baht/kg. or 35% owing to the lower CPO domestic stocks. The stock volume at the end of FY2021 was at 172,657 tons,

while at the end of FY2020 was 209,328 tons. Although the output production was increased, but CPO export volume increased by 158% compared to FY2020, resulting in the government announcing the policy to reduce the use of biodiesel (B100) in the energy sector for a limited time to avoid affecting vegetable oil consumption in the country in the midst of the COVID-19 outbreak.

On methyl ester demand side in FY2021, it has still affected by the COVID-19 epidemic situation especially the Delta variant became more severe. Although the government has already distributed the COVID-19 vaccination to the public more widely, but the situation has still become more severe due to the 4<sup>th</sup> wave, the Center for Covid-19 Situation Administration (CDC) announced that they would extend the period of the Emergency Decree using lockdown measures in Bangkok and elevate the control area with a time limit on leaving dwelling places and refrain from traveling across provinces as well as asking for cooperation from the private and government sectors to "Work From Home 100%", which resulted in lower demand for biodiesel consumption as well.

In addition, the Committee on Energy Policy Administration (CEPA) has a resolution for adjusting the proportion of biodiesel mandatory and the spread of retail fuel price affecting to the economy and alleviating people's suffering during the rising energy prices especially during the last quarter of FY2021 with the following measures:

- 1) October: Adjusted the biodiesel mandatory from B10 and B7 to B6.
- 2) November: Adjusted the biodiesel mandatory back to B10 and B7, but reduced the spread retail prices at the gas stations, with B20 at -0.25 Baht/litre from B7 and B10 at -0.15 Baht/litre from B7.
- 3) December: Adjusted the biodiesel mandatory from B7, B10 and B20 to B7 only.

As a result of the aforementioned measures, the demand for methyl ester in the country was decreased. Meanwhile, the domestic production capacity has increased since September 2021 due to the expansion of the existing manufacturer's installed capacity and the start operation of new manufacturers.

In this regard, methyl ester price in FY2021 has grew up from FY2020 corresponding to an upward CPO price to 47.39 Baht/kg., an increase of 10.63 Baht/kg. or 29%.



Exhibit 4: Keys Operating Performance of ME Business Unit

Methyl Ester Business	4Q2021	4Q2020	% YoY	3Q2021	% QoQ	FY2021	FY2020	% YoY
Utilization (%)	63%	70%	-7%	62%	1%	64%	78%	-14%
Sales Volume (ton)	80,642	93,474	-14%	75,228	7%	323,462	400,715	-19%
Sales Volume (million litre) <sup>(1)</sup>	93	108	-14%	87	7%	374	463	-19%
Sales Revenue (million baht)	4,460	4,077	9%	3,360	33%	15,308	14,278	7%
EBITDA (million baht)	324	636	-49%	167	94%	739	1,006	-27%
EBITDA margin (%)	7.3%	15.6%	-8.3%	5.0%	2.3%	4.8%	7.0%	-2.2%
Stock Gain/(Loss) & NRV (million baht)	101	401	-75%	49	106%	90	34	165%
Adjusted EBITDA (million baht) <sup>(2)</sup>	223	235	-5%	118	89%	649	972	-33%
Adjusted EBITDA Margin (%)	5.0%	5.8%	-0.8%	3.5%	1.5%	4.2%	6.8%	-2.6%

Note : (1) Conversion ratio: 0.865 Tons = 1,000 Liters

(2) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV.

### Operating performance comparison between 4Q2021 vs. 4Q2020

In 4Q2021, the Company recorded methyl ester business sales revenue of THB 4,460 million, increased by THB 383 million or 9% from 4Q2020, primarily because the methyl ester selling price increased 23% in relation to upward CPO price compared to prior year. The methyl ester sales volume decreased by 12,832 tons or 14% caused by the effect of a new 4<sup>th</sup> wave of COVID-19 outbreak in Thailand causing the Thai government to extend the Emergency Decree for limitation of time to leave dwelling places. In addition, the Committee on Energy Policy Administration (CEPA) has a resolution for adjusting the proportion of biodiesel mandatory and the spread of retail fuel price which resulted in lower demand for biodiesel consumption. While the domestic production capacity has increased since September 2021 due to the expansion of the existing manufacturer's installed capacity and the start operation of new manufacturers. However, the Company's sales revenue from refined glycerine increased as its selling price and sale volume increased, primarily due to an increase in demand, especially from home and personnel care products, while the supply declined due to the biodiesel production declining during the COVID-19 outbreak.

Although the selling price in 4Q2021 was increased, the sales volume was decreased as aforementioned. Consequently, in 4Q2021, the Company recorded EBITDA of THB 324 million, a decrease from the same period of prior year of THB 636 million or 49%. Moreover, due to the volatility of CPO and methyl ester prices, that increased in 4Q2021, resulting to the Company's Stock Gain & NRV of THB 101 million. When deducting the



effect of Stock Gain & NRV, the Company reported Adjusted EBITDA of THB 223 million, a decrease of THB 12 million or 5% from 4Q2020 and Adjusted EBITDA Margin of 5%

### Operating performance comparison between 4Q2021 vs. 3Q2021

On quarter by quarter basis, sales revenue in 4Q2021 increased from previous quarter by THB 1,100 million or 33% mainly from the increasing of the methyl ester selling price by 20% following the higher CPO price and the methyl ester sales volume was improved by 7% compared to previous quarter that was impacted from a new wave COVID-19 outbreak in Thailand, as well as monsoon season, resulted in lower diesel energy consumption. As a result, the Company recorded EBITDA of THB 324 million in 4Q2021, increased by THB 157 million or 94%. When deducting the effect of Stock Gain & NRV of THB 101 million, Adjusted EBITDA was reported at THB 223 million, an increase of THB 105 million or 89% from 3Q2021.

### Operating performance comparison between FY2021 vs. FY2020

In FY2021, the Company posted methyl ester business sales revenue of THB 15,308 million, an increase of THB 1,030 million or 7% from FY2020, mainly from the rising of methyl ester selling price in relation to upward CPO price up to 29%, while methyl ester sales volume decreased by 19% in comparison with the same period in the prior year. Despite, the government announced of shifting of biodiesel from B7 to B10 as the mandatory diesel, methyl ester demand could not reach the expectation. In addition, the impact of a new wave of COVID-19 outbreak in Thailand especially 4<sup>th</sup> wave (Delta) resulting in a declining in diesel consumption. In addition, the policy to reduce the biodiesel mandatory and the expansion of the existing manufacturer's installed capacity and a new manufacturer entering the market resulting to the higher competition in biodiesel business as aforementioned. Nevertheless, the Company recorded the increasing of sales revenue from refined glycerine from its selling price and sale volume which escalated following the demand of home and personnel care products.

However, the considerable volatility of CPO prices in FY2021 impacted on the Company's Stock Gain & NRV of THB 90 million which is a result of Company's attempt to try to minimize the inventory volume to prevent the impact from the volatility of CPO domestic price coupled with the CPO price was increased during the 4Q2021. In FY2021, the Company recorded EBITDA of THB 739 million, decreased from the same period of prior year by 27%. When deducting the effect of Stock Gain & NRV as aforementioned, the Company reported Adjusted EBITDA of THB 649 million, a decrease of THB 323 million or 33% and Adjusted EBITDA Margin of 4.2%

## Fatty Alcohols (FA) Business Unit

Exhibit 5: Products and Feedstock's prices

Average Price (USD per ton)	4Q2021	4Q2020	% YoY	3Q2021	% QoQ	FY2021	FY2020	% YoY
Fatty Alcohols <sup>(1)</sup>								
- Short Chain	2,998	1,992	51%	2,462	22%	2,434	2,024	20%
- Mid Cut	2,278	1,363	67%	1,825	25%	2,021	1,217	66%
- Long Chain	2,184	1,177	86%	1,532	43%	1,631	1,148	42%
Average Fatty Alcohols <sup>(2)</sup>	2,301	1,353	70%	1,784	29%	1,937	1,254	54%
Crude Palm Kernel Oil (CPKO) <sup>(3)</sup>	1,684	883	91%	1,204	40%	1,362	773	76%
Market P2F of Fatty Alcohols	247	275	-10%	315	-22%	275	310	-11%

Note : (1) Reference Price of ICIS

(2) Average price of fatty alcohols with production proportion: Short Chain 7% Mid Cut 64% and Long Chain 29%

(3) Reference Price of Malaysian Palm Oil Board (MPOB)

### Market overview comparison between 4Q2021 vs. 4Q2020

For the fatty alcohols market overview, an average crude palm kernel oil price (CPKO-MPOB) in 4Q2021 was at 1,684 USD/ton, rose by 801 USD/ton from 4Q2020 or 91% due to a decrease of international CPKO stock from 343,442 tons to 262,332 tons or dropped by 24% compared to the same period of prior year due to the impact of the COVID-19 outbreak affected to a labor shortage, which led to less harvesting output against the increasing demand. As a result, CPKO's price in 4Q2021 was higher than the same period of the previous year.

On the demand side, natural fatty alcohols in 4Q2021 were improved from 4Q2020 mainly from the economic recovery in many countries due to the distribution of the COVID-19 vaccination to the public thoroughly. In terms of the supply of fatty alcohols in 4Q2021, it was tight due to many manufacturers in China, especially in Jiangsu and Zhejiang provinces, have temporarily suspended production according to the measurement to control pollution and energy costs during the National Day to the last of 4Q2021 as well as a manufacturer in Indonesia has shutting down plant to maintain factory and the Company had shut down plant for maintenance in October and December 2021 causing the overall production capacity to drop as well.



The average of natural fatty alcohols price has risen compared to the same period of last year due to the appreciation of feedstock prices. The Mid Cut Fatty Alcohol price rose to 2,278 USD/ton, an increase of 915 USD/ton or 67%, while the Long Chain Fatty Alcohol price rose to 2,184 USD/ton, an increase of 1,007 USD/ton or 86%, and Short Chain Fatty Alcohol price rose to 2,998 USD/ton, an increase of 1,006 USD/ton or 51% according to the tight supply situation relative to last year.

#### [Market overview comparison between 4Q2021 vs. 3Q2021](#)

An average crude palm kernel oil price (CPKO-MPOB) in 4Q2021 was at 1,684 USD/ton, improved from 3Q2021 by 480 USD/ton or 40% due to the international CPKO stock at the end of 4Q2021 was at 262,332 tons, decreased from 310,032 tons in 3Q2021 or dropped by 15%, caused by labor shortage to harvest. In addition, the overall market demand continues increasing continuously. As a result, the CPKO price was increased.

On the demand side, natural fatty alcohols demand in 4Q2021 has improved from the previous quarter mainly from the economic recovery in many countries due to the distribution of the COVID-19 vaccination to the public thoroughly. With the arrival of winter season and the festive period at the end of 2021, which is the High Season of cosmetics and hygiene products manufacturers, especially skin care, Long Chain FA demand was increased. In terms of the supply of fatty alcohols, it was tight, according to the measurement to control pollution and energy costs in China resulting in many manufacturers have temporarily suspended production as well as a manufacturer in Indonesia has shutting down plant to maintenance while the Company had shut down plant for catalyst changing in October and December 2021 causing the overall production capacity to drop as well.

The Mid Cut Fatty Alcohol price has risen to 2,278 USD/ton compared to the same period last year due to the appreciation of CPKO prices, an increase of 453 USD/ton or 25%, while the Long Chain Fatty Alcohol price rose to 2,184 USD/ton, an increase of 652 USD/ton or 43%, and Short Chain Fatty Alcohol price rose to 2,998 USD/ton, an increase of 536 USD/ton or 22% due to the tight supply situation relative to last year.

## Market overview comparison between FY2021 vs. FY2020

An average CPKO-MPOB price in FY2021 was at 1,362 USD/ton, rose by 589 USD/ton or 76% from FY2020, mainly due to the decrease in CPKO stock in the international market, which stood at 284,534 tons in FY2021, down from 413,799 tons in FY2020. This was because the Malaysian government has not allowed labors to return to work in the country due to the epidemic situation of COVID-19 and continued tightening of restrictions on the entry and exit of foreign workers, resulting in a labor shortage to harvest. As a result, CPKO's price in FY2021 was higher than the previous year due to less output production against the increasing demand

For the demand side, natural fatty alcohols in FY2021 have improved from prior year. Even though, international shipping situation still has problems, including tight shipping container, sea freight booking and the rising of transportation service rates, as well as the new wave of COVID-19 from Delta variant become more severe in many areas. Conversely, buyers in China who stockpiling goods due to concerns about the limited of shipping containers and the supply in countries affected by the Chinese government's Dual Control Policy, increased overall demand for fatty alcohol products in 2H2021.

On the supply side, the supply of fatty alcohols in FY2021 was tight due to a manufacturer in Malaysia still shutting down plant to repair the wastewater tank since May 2021 until last quarter in 2021 and a manufacturer in Saudi Arabia switching the production line to produce other products since 3Q2021. Many manufacturers in China, especially in Jiangsu and Zhejiang provinces, have temporarily suspended production according to the measurement to control pollution and energy costs during the National Day by the Chinese government until 4Q2021, which resulted in a decrease overall supply in FY2021.

The average of fatty alcohols price has risen compared to the previous year due to higher demand and feedstock prices. The Mid Cut Fatty Alcohol price rose to 2,021 USD/ton, an increase of 804 USD/ton or 66%, while the Long Chain Fatty Alcohol price rose to 1,631 USD/ton, an increase of 483 USD/ton or 42%, and Short Chain Fatty Alcohol price rose to 2,434 USD/ton, an increase of 410 USD/ton or 20%.

Exhibit 6 : Keys Operating Performance of FA Business Unit

Fatty Alcohols Business	4Q2021	4Q2020	% YoY	3Q2021	% QoQ	FY2021	FY2020	% YoY
Utilization (%)	73%	112%	-39%	112%	-39%	81%	100%	-19%
Sales Volume (Ton)	21,744	26,306	-17%	25,644	-15%	86,213	95,415	-10%
Revenue from Sales (million baht)	1,701	1,119	52%	1,626	5%	5,615	3,925	43%
EBITDA (million baht)	272	123	121%	292	-7%	785	222	254%
EBITDA margin (%)	16.0%	11.0%	5.0%	18.0%	-2.0%	14.0%	5.7%	8.3%
Stock Gain/(Loss) & NRV	127	85	49%	83	53%	313	102	207%
Adjusted EBITDA (million baht) <sup>(1)</sup>	145	38	282%	209	-31%	472	120	293%
Adjusted EBITDA Margin (%)	8.5%	3.4%	5.1%	12.9%	-4.4%	8.4%	3.1%	5.3%

Note: (1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

### Operating performance comparison between 4Q2021 vs. 4Q2020

In 4Q2021, fatty alcohols business recorded sales revenue of THB 1,701 million, an increase of THB 582 million or 52% from 4Q2020 mainly from an average of fatty alcohols price in 4Q2021 increased by 70% from previous year. Even though, the sales volume dropped by 17% due to the Company had to shut down for catalyst changing in 4Q2021, which was causing the production not to be able to produce at full capacity. The Company recorded a Stock Gain & NRV of THB 127 million. Consequently, EBITDA was at THB 272 million. When deducting the effect of Stock Gain & NRV, the Company had Adjusted EBITDA of THB 145 million, an increase of 282% from 4Q2020 and Adjusted EBITDA Margin was at 8.5%.

### Operating performance comparison between 4Q2021 vs. 3Q2021

On quarter by quarter basis, sales revenue of fatty alcohols business in 4Q2021 increased from previous quarter by 5%, mainly due to an average of fatty alcohols price in 4Q2021 was increased by 29% while the sales volume decreased by 15% due to the Company had to shut down for catalyst changing in 4Q2021. However, The Company recorded EBITDA of THB 272 million, a decrease of 7% compared to 3Q2021. When deducting the effect of Stock Gain & NRV of THB 127 million, the Company had Adjusted EBITDA of THB 145 million, a decrease of 31% from previous quarter.



### Operating performance comparison between FY2021 vs. FY2020

In FY2021, fatty alcohols business recorded sales revenue of THB 5,615 million, increased from FY2020 by THB 1,690 million or 43%, mainly due to an average of fatty alcohols price increase of 54%, even though the fatty alcohols sales volume decreased by 10% to stood at 86,213 tons due to the longer shutdown period of the fatty alcohols plant for catalyst changing and maintenance than usual in FY2021 causing the production not to be able to reach its full capacity during that time. However, the profitability of fatty alcohols was improved when compared to the previous year because the Company had a higher discount rate for the raw materials.

As aforementioned, the Company recorded EBITDA of THB 785 million, increased from FY2020 by 254%. When deducting impact from Stock Gain & NRV of THB 313 million in FY2021, Adjusted EBITDA was recorded at THB 472 million and Adjusted EBITDA Margin at 8.4%

## Market and Business Outlook in 2022

Following the outbreak of COVID-19 pandemic situation with the new strain "Omicron" in late 2021 that has spread faster than the Delta variant, the Company anticipates that there will be less violence. In addition, the government has distributed the COVID-19 vaccination to the public thoroughly and changing people's behavior who are becoming more accustomed to dealing with the epidemic. Therefore, the Company anticipates that the overall economic situation in Thailand is likely to improve and will affect the demand for biodiesel for travel and transportation to increase accordingly.

On methyl ester demand side in 2022, the Company anticipates that the demand tends to improve 2% from 2021 which stood at 1.48 million tons. Although the government will continue maintain biodiesel mandatory as B7 during January and had announced to reduce the high-speed diesel blending to B5 from February 5 to March 31, 2022 to alleviate the suffering to people during the rising energy prices, but the government continues to push for the use of B10 to support palm growers. In terms of methyl ester market in 2022, there will be more intense competition due to a manufacturer having expanded production capacity and the new manufacturer starting production. That may affect the methyl ester price trend to decline in 2022 in line with CPO prices in the country that depreciated.

On the Fatty Alcohols demand side in 2022, the Company anticipates that it will increase from the improved situation of the COVID-19 outbreak and the abolition of the country's lockdown measures especially buyers in Asia, Europe, and America. In addition, the distribution rate of vaccination thoroughly causing the global economic to recover in relation to market demand to increase as well. The consumer awareness of cleanliness and hygiene is another factor contributing to the increasing demand for fatty alcohol. While the overall supply in 2022 is likely to decline, even though manufacturers in some countries are gradually easing lockdown measures and will resume normal operations, a major manufacturer in Saudi Arabia has decided to change the Fatty Alcohol production line with a capacity of 100,000 tons/year to produce other products since 3Q2021, causing the supply to tend to decline.

However, an average Fatty Alcohols price in 2022 is likely to decline from 2021 in line with an average CPKO price.



## Consolidated Statement of Income

Exhibit 7 : Consolidated Profit & Loss Statement comparison of 4Q2021, 4Q2020 and 3Q2021

	4Q2021		4Q2020		YoY		3Q2021		QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
<b>Sale Revenue</b>	<b>6,161</b>	<b>100</b>	<b>5,196</b>	<b>100</b>	<b>965</b>	<b>19</b>	<b>4,986</b>	<b>100</b>	<b>1,175</b>	<b>24</b>
Feedstock	(5,130)	(83)	(4,185)	(81)	(945)	23	(4,092)	(82)	(1,038)	25
Net Realizable Value (NRV)	-	-	-	-	-	-	15	0	(15)	(100)
<b>Product to Feed Margin</b>	<b>1,031</b>	<b>17</b>	<b>1,011</b>	<b>19</b>	<b>20</b>	<b>2</b>	<b>909</b>	<b>18</b>	<b>122</b>	<b>13</b>
Variable Costs	(317)	(5)	(373)	(7)	56	(15)	(305)	(6)	(12)	4
Fixed Costs	(245)	(4)	(218)	(4)	(27)	12	(167)	(3)	(78)	47
Stock Gain/(Loss)	228	4	486	9	(258)	(53)	117	2	111	95
SG&A	(142)	(2)	(156)	(3)	14	(9)	(103)	(2)	(39)	38
Other Income	41	1	9	0	32	356	8	0	33	413
<b>EBITDA</b>	<b>596</b>	<b>10</b>	<b>759</b>	<b>15</b>	<b>(163)</b>	<b>(21)</b>	<b>459</b>	<b>9</b>	<b>137</b>	<b>30</b>
Depreciation and Amortization	(187)	(3)	(176)	(3)	(11)	6	(179)	(4)	(7)	4
<b>EBIT</b>	<b>408</b>	<b>7</b>	<b>583</b>	<b>11</b>	<b>(175)</b>	<b>(30)</b>	<b>280</b>	<b>6</b>	<b>128</b>	<b>46</b>
Net Financial Costs	(11)	(0)	(13)	(0)	2	(15)	(11)	(0)	(1)	10
FX Gain/Loss <sup>(1)</sup>	9	0	3	0	6	200	(1)	(0)	10	(1,000)
Share of Profit/(Loss) from investment	20	0	(17)	(0)	37	(218)	13	0	7	54
Income Tax Expenses	(71)	(1)	9	0	(80)	(889)	(37)	(1)	(34)	92
<b>Net Profit</b>	<b>356</b>	<b>6</b>	<b>565</b>	<b>11</b>	<b>(209)</b>	<b>(37)</b>	<b>244</b>	<b>5</b>	<b>112</b>	<b>46</b>
Extra item	(444)	(7)	-	-	(444)	n.a.	-	-	(444)	n.a.
<b>Net Profit after extra item<sup>(2)</sup></b>	<b>(88)</b>	<b>(1)</b>	<b>565</b>	<b>11</b>	<b>(653)</b>	<b>(116)</b>	<b>244</b>	<b>5</b>	<b>(332)</b>	<b>(136)</b>

Notes :

(1) Including Gain/(Loss) from FX and Derivatives

(2) Extra Item from the provision of contingent liabilities from lawsuit



Exhibit 8 : Consolidated Profit &amp; Loss Statement comparison of FY2021 and FY2020

	FY2021		FY2020		YoY	
	MB	%	MB	%	MB	%
<b>Sale Revenue</b>	<b>20,923</b>	<b>100</b>	<b>18,203</b>	<b>100</b>	<b>2,720</b>	<b>15</b>
Feedstock	(17,561)	(84)	(14,405)	(79)	(3,156)	22
Net Realizable Value (NRV)	-	-	16	0	(16)	(100)
<b>Product to Feed Margin</b>	<b>3,362</b>	<b>16</b>	<b>3,814</b>	<b>21</b>	<b>(452)</b>	<b>(12)</b>
Variable Costs	(1,113)	(5)	(1,555)	(9)	442	(28)
Fixed Costs	(758)	(4)	(725)	(4)	(33)	5
Stock Gain/(Loss)	403	2	120	1	283	236
SG&A	(435)	(2)	(466)	(3)	31	(7)
Other Income	65	0	40	0	25	63
<b>EBITDA</b>	<b>1,524</b>	<b>7</b>	<b>1,228</b>	<b>7</b>	<b>296</b>	<b>24</b>
Depreciation and Amortization	(708)	(3)	(682)	(4)	(26)	4
<b>EBIT</b>	<b>816</b>	<b>4</b>	<b>546</b>	<b>3</b>	<b>270</b>	<b>49</b>
Net Financial Costs	(43)	(0)	(50)	(0)	7	(14)
FX Gain/Loss <sup>(1)</sup>	6	0	17	0	(11)	(65)
Share of Profit/(Loss) from investment	86	0	62	0	24	39
Income Tax Expenses	(91)	(0)	(15)	(0)	(76)	507
<b>Net Profit</b>	<b>774</b>	<b>4</b>	<b>560</b>	<b>3</b>	<b>214</b>	<b>38</b>
<b>Extra item</b>	<b>(444)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(444)</b>	<b>n.a.</b>
<b>Net Profit after extra item <sup>(2)</sup></b>	<b>330</b>	<b>2</b>	<b>560</b>	<b>3</b>	<b>(230)</b>	<b>(41)</b>

## Notes :

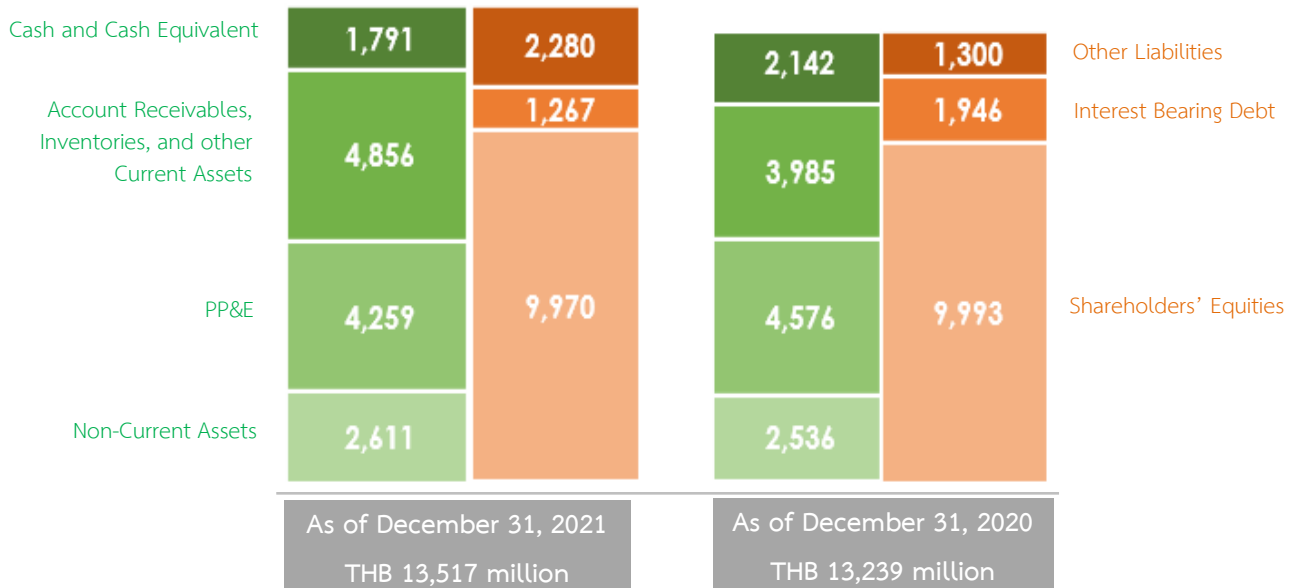
(1) Including Gain/(Loss) from FX and Derivatives

(2) Extra Item from the provision of contingent liabilities from lawsuit



## Statement of Financial Position

Exhibit 9 : Consolidated Financial Position as of December 31, 2021 and as of December 31, 2020



### Assets

As of December 31, 2021, the Company had total assets of THB 13,517 million, an increase of THB 278 million compared to December 31, 2020 in which key changes are described as follow;

1. Current assets increased by THB 520 million mainly from;
  - 1.1 A decrease in cash and cash equivalent THB 351 million mainly due to the payment for investments in GGC KTIS Bioindustrial Co., Ltd. (GKBI) including dividend payment and repayment of long-term loans from financial institutions.
  - 1.2 Accounts receivable and other accounts receivables increased by THB 764 million caused by the increasing of sales volume of methyl ester and the selling price both of methyl ester and fatty alcohol compared to the end of 2020
  - 1.3 An increase in inventory of THB 21 million owing to an increase in CPO prices, as a result, selling price was rosed in relation to an increase in inventory.
2. Non-current assets decreased by THB 242 million mainly from;
  - 2.1 The right of use (ROU) asset decreased by THB 116 million.
  - 2.2 PP&E decreased by THB 318 million mainly due to occurring the depreciation amount of THB 498 million, an disposal amount of THB 4 million and an additional investment for refined glycerine plant 2 project of THB 184 million.



2.3 Investments in joint ventures increased by THB 258 million primarily due to increasing of investment in GGC KTIS Bioindustrial Co., Ltd. (GKBI) amounted of THB 263 million including the dividend and share of profit from investment in joint ventures amounted of THB 91 million and THB 86 million respectively.

## Liabilities

As of December 31, 2021, the Company had total liabilities of THB 3,547 million, an increase of THB 301 million or 9% compared to December 31, 2020, mainly attributed to

1) Accounts payable increased by THB 413 million due to the selling price of methyl ester and fatty alcohol were increased significantly compared to the end of 2020.

2) Other accounts payable increased by THB 136 million.

3) Provision of contingent liabilities from lawsuit THB 444 million.

4) Accounts payable to contractors decreased by THB 50 million.

5) Repayment of the long-term for THB 567 million.

6) Lease liabilities decreased by THB 114 million.

7) Corporate tax payable increased by THB 30 million.

## Shareholders' equity

As of December 31, 2021, the Company had total shareholders' equity of THB 9,970 million, a decrease of THB 23 million compared to December 31, 2020. This was the net profit of THB 330 million for the year 2021 and the dividend payment of THB 358 million as the approval of the Annual General Shareholders' Meeting on April 2, 2021 and other comprehensive income THB 5 million.

## Statement of Cash Flows

Exhibit 10 : Consolidated Cash Flows Statement for the period ended December 31, 2021 and December 31, 2020.

Cash Flow (Unit: Million Baht)	31 December 2021	31 December 2020
Net cash received (used in) operating activities	1,115	391
Net cash received (used in) investing activities	(268)	(152)
Net cash received (used in) financing activities	(1,083)	(807)
Effect of exchange rate changes on balances held in foreign currencies	5	(1)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(231)</b>	<b>(569)</b>
Cash and cash equivalents as at 1 January	1,742	2,311
<b>Cash and cash equivalents as at 31 December</b>	<b>1,511</b>	<b>1,742</b>

Note: Ending cash and cash equivalents as at December 31, 2021 had not included current investment in financial assets of THB 280 million.

As for the statement of cash flows of FY2021, the Company had cash received from operating activities of THB 1,115 million which comprised of cash from the net profit of THB 330 million, the adjustment for non-cash items, an increase in account receivable, other account receivables and inventories and an increase in account payables, other account payables.

The Company had cash used in investing activities of THB 286 million primarily due the payment for investments in GGC KTIS Bioindustrial Co., Ltd. (GKBI) amounted of 263 THB million and spending for PP&E amounted of 220 THB million, mainly from investment in refined glycerine plant 2 project while the cash receiving from deposits with financial institution was declined THB 120 million and dividend of THB 91 million.

The Company had cash flow spending for financial activities of THB 1,083 million, which was spent for dividend payment of THB 358 million, repayment long-term of THB 567 million, repayment financial lease of THB 126 million and interest paid of THB 32 million.

As the activities above, the Company had a decrease in cash and cash equivalents in the amount of THB 231 million which the beginning cash and cash equivalents as of January 1, 2021 was in the amount of THB 1,742 million. As a result, as of December 31, 2021 the Company had cash and cash equivalents of THB 1,511 million.



## Key Financial Ratios

Exhibit 11 : Key Financial Ratios comparison of FY2021 vs FY2020

Key Financial Ratio	FY2021	FY2020
Current Ratio (x)	2.2	3.2
EBITDA to Sales Revenue (%)	7.3	6.7
Net Profit to Sales Revenue (%)	1.6	3.1
Return on Total Assets (%)	3.5	4.9
Return on Equity (%)	3.3	5.7
Debt to Equity (x)	0.4	0.3
Interest Bearing Debt to Equity (x)	0.1	0.2
Interest Bearing Debt to EBITDA (x)	0.8	1.6

Notes:

Current ratio (x)	=	Current assets divided by current liabilities
EBITDA to sales revenue (%)	=	EBITDA divided by sale volume
Net profit to sales revenue (%)	=	Net profit divided by sales revenue
Return on total assets (%)	=	Net profit divided by average total assets
Return on equity (%)	=	Net profit divided by average equities attributed to owners of the company
Debt to equity (x)	=	Total debt divided by shareholders' equities
Interest bearing debt to equity (x)	=	Interest bearing debt divided by shareholder' equities
Interest bearing debt to EBITDA (x)	=	Interest bearing debt divided by EBITDA

