

# Management Discussion and Analysis For the Operating Results of Q1/2023

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TRANSFORM  
AND THRIVE  
TOWARDS  
NET ZERO**



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## Executive Summary

As for performance in 1Q2023, Global Green Chemicals Public Company Limited (“the Company”) recorded the total revenue of THB 4,662 million, decreased by 36% from 1Q2022 and Adjusted EBITDA of THB 281 million, dropped by 40% from the previous year. In addition, the Company had a Stock Loss & NRV of THB 133 million, as a result, the Company posted the net profit of THB 40 million (or profit per share of THB 0.04) decreased by THB 447 million or 92% from 1Q2022.

For the performance of the methyl ester (ME) business in 1Q2023 the sales volume increased by 17% compared to 1Q2022, stood at 86,499 tons, mainly from the government policy for the adjustment of biodiesel mandatory in high speed diesel fuel from B5 to be B7 as a main grade since October 10, 2022 to mitigate the impact on people's cost of living from high energy price, directly improved the overall methyl ester consumption in the country. While the methyl ester selling price decreased by 37% according to a decrease of domestic CPO price in line with global CPO prices due to the high level of CPO stocks in Malaysia and Indonesia following the favorable climate for production. Including the restructuring of the methyl ester price formula by the Energy Policy and Planning Office (EPPO), Ministry of Energy, effective from October 3, 2022 onwards, in which the restructuring of the formula caused the methyl ester price to be dropped. However, the Company recorded revenue of methyl ester business decreased by 34% compared to the prior year.

For the performance of the fatty alcohols (FA) business in 1Q2023, the Company's sales volume of fatty alcohols decreased by 7% compared to 1Q2022, due to buyers' concern about the global economic crisis and the uncertainty of the Russia-Ukraine war. The buyers decided to purchase as needed, especially Short Chain fatty alcohols in Europe and America, where customers had the option to use synthetic fatty alcohols, which is cheaper. In addition, the average price of natural fatty alcohols decreased by 44% due to increased supply from a major fatty alcohol manufacturer in the United States that was able to resume production at full capacity after the production had been suspended. In addition, many manufacturers of fatty acids had changed their production lines to produce fatty alcohol. As a result, fatty alcohols sales revenue dropped by 41% compared to 1Q2022.

As of March 31, 2023, the Company has total assets in the amount of THB 13,236 million which comprised of cash, short-term investment and restricted deposits amounting to THB 3,292 million, with total liabilities of THB 2,869 million and total equities of THB 10,367 million.

## Operating Performance

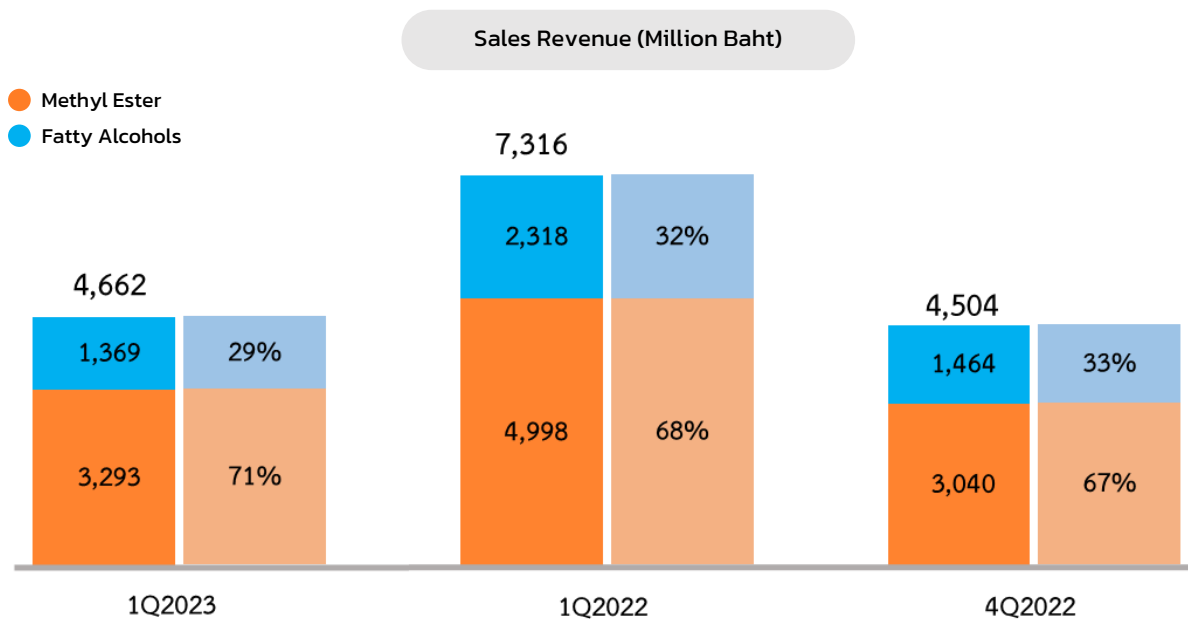
Exhibit 1: Consolidated Company's Performance comparison of 1Q2023 vs. 1Q2022 vs. 4Q2022

UNIT: Million Baht	1Q2023	1Q2022	% YoY	4Q2022	% QoQ
Sales Revenue	4,662	7,316	-36%	4,504	4%
EBITDA	148	712	-79%	57	160%
EBITDA Margin (%)	3.2%	9.7%	-6.5%	1.3%	1.9%
Stock Gain/(Loss) & NRV	(133)	246	-154%	(65)	105%
Adjusted EBITDA <sup>(1)</sup>	281	466	-40%	122	130%
Adjusted EBITDA Margin (%)	6.0%	6.4%	-0.4%	2.7%	3.3%
<b>Net Profit</b>	<b>40</b>	<b>487</b>	<b>-92%</b>	<b>(130)</b>	<b>-131%</b>
Extra item <sup>(2)</sup>	-	-	-	104	-100%
<b>Net Profit after extra item</b>	<b>40</b>	<b>487</b>	<b>-92%</b>	<b>(26)</b>	<b>-254%</b>
<b>EPS (Baht/Share)</b>	<b>0.04</b>	<b>0.48</b>	<b>-92%</b>	<b>(0.03)</b>	<b>-233%</b>

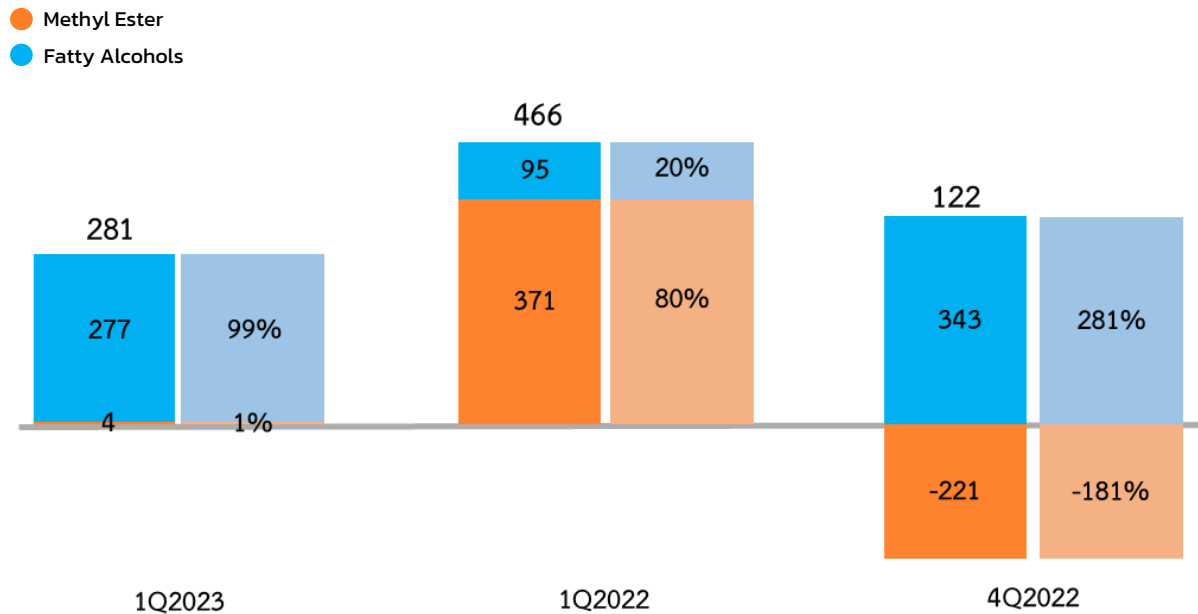
Note: (1) Adjusted EBITDA refers to EBITDA excluding impact of Stock Gain/(Loss) and NRV

(2) Extra Item from the deferred income tax items

Exhibit 2 : Sales revenue and Adjusted EBITDA breakdown by business unit comparison of 1Q2023 vs. 1Q2022 vs. 4Q2022 (million THB)



Adjusted EBITDA (Million Baht)



Operating Performance by Business Unit

Methyl Ester (Biodiesel) Business Unit

Exhibit 3: Product and Feedstock Prices

Average Price	1Q2023	1Q2022	% YoY	4Q2022	% QoQ
Methyl Ester (B100) (Baht/litre) <sup>(1)</sup>	33.82	54.04	-37%	35.07	-4%
Methyl Ester (B100) (Baht/kg) <sup>(2)</sup>	39.10	62.47	-37%	40.55	-4%
Crude Palm Oil (CPO) (Baht/kg) <sup>(3)</sup>	30.97	52.13	-41%	32.59	-5%
EPPO P2F (Baht/kg) <sup>(4)</sup>	4.26	3.11	37%	4.25	0%

As B7 : December 1, 2021 - February 4, 2022

As B5 : February 5 - October 9, 2022

Biodiesel Mandate

As B7 : October 10, 2022 - September 30, 2023

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



### Market overview comparison between 1Q2023 vs. 1Q2022

For the methyl ester market overview in 1Q2023, an average of crude palm oil price (CPO-DIT) was at 30.97 Baht/kg., dropped by 21.16 Baht/kg. or 41% compared to the same period last year which continued to decline in line with global CPO price. In 1Q2023, the level of CPO stocks in Malaysia and Indonesia was high following the favorable climate for production and the dissolving labor shortage compared to the same period of the previous year, together with the Indonesian government's policy to ease CPO export restrictions due to the resolved situation of vegetable oil prices in Indonesia in 1Q2023. Meanwhile, the domestic CPO stocks increased from 196,942 tons at the end of March 2022 to 284,341 tons at the end of March 2023.

In terms of the demand for methyl ester in 1Q2023, which improved compared to the same period last year, stood at 359,259 tons, rose of 51,659 tons or 17%, as people returned to their normal lives after the COVID-19 pandemic situation subsided, resulting in an improvement in the domestic transportation sector including the recovery of the tourism sector both from domestic and foreign tourists. Together with the same period of the previous year, the government has announced policy for the adjustment of biodiesel mandatory in high speed diesel fuel from B7 during December 1, 2021 - February 4, 2022 to be B5 during February 5 - October 9, 2022 to mitigate the impact on people's cost of living from high energy price, while in 1Q2023, the adjustment of biodiesel mandatory has been increased up to B7 since October 10, 2022 onwards.

The methyl ester price in 1Q2023 was down in line with the CPO price and the restructuring of the methyl ester price formula by the Energy Policy and Planning Office (EPPO), Ministry of Energy with effective from October 3, 2022 onwards. Resulting in methyl ester price being at 39.10 Baht/kg., decreased by 23.37 Baht/kg., or 37% compared to the same period last year.

### Market overview comparison between 1Q2023 vs. 4Q2022

For the methyl ester market overview in 1Q2023, an average of crude palm oil price (CPO-DIT) was at 30.97 Baht/kg., decreased from 4Q2022 by 1.62 Baht/kg. or 5%, due to the decreased export volume of Malaysian palm oil. As India has slowed down the import of palm oil by increasing import duty on palm oil and soybean oil to support farmers in India to enter the rapeseed harvest season during a time when rapeseed oil prices were down. In addition, India has accelerated imports of sunflower oil from Russia and Ukraine to substitute for palm oil. As a result of above factors, Malaysia's palm oil stock level rose to 2 million tons, which was the highest level in 3 years. Besides, the bankruptcy of major banks in the United States is causing concern for the economy, including the decline in consumer goods prices as well.

The demand for methyl ester in 1Q2023 was improved compared to the previous quarter, stood at 359,259 tons, an increase of 12,778 tons or 4%, owing primarily to people returning to their normal lives after the COVID-19 pandemic situation subsided, resulting in an improvement in the domestic transportation sector, including the recovery of the tourism sector both from domestic and foreign tourists. In addition, the Ministry of Energy has announced for the adjustment of biodiesel mandatory in high speed diesel from B5 to B7 since October 10, 2022, resulting in a recovery of domestic demand for methyl ester as well

The methyl ester price in 1Q2023 slightly decreased to 39.10 Baht/kg., decreased by 1.45 Baht/kg., or 4% compared to the previous quarter, following a decline in the domestic CPO price and the restructuring of the methyl ester price formula by the Energy Policy and Planning Office (EPPO), Ministry of Energy with effective from October 3, 2022 onwards.

*Exhibit 4: Keys Operating Performance of ME Business Unit*

Methyl Ester Business	1Q2023	1Q2022	% YoY	4Q2022	% QoQ
Utilization (%)	66%	57%	9%	58%	8%
Sales Volume (ton)	86,499	73,991	17%	76,125	14%
Sales Volume (million litre) <sup>(1)</sup>	100	86	17%	88	14%
Sales Revenue (million baht)	3,293	4,998	-34%	3,040	8%
EBITDA (million baht)	(5)	430	-101%	(207)	98%
EBITDA margin (%)	-0.2%	8.6%	-8.8%	-6.8%	6.6%
Stock Gain/(Loss) & NRV (million baht)	(9)	59	-115%	14	-164%
Adjusted EBITDA (million baht) <sup>(2)</sup>	4	371	-99%	(221)	102%
Adjusted EBITDA Margin (%)	0.1%	7.4%	-7.3%	-7.3%	7.4%

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

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

### Operating performance comparison between 1Q2023 vs. 1Q2022

In 1Q2023, the Company recorded methyl ester sales revenue of THB 3,293 million, decreased by 34% from 1Q2022 primarily due to the methyl ester selling price dropping in relation to CPO price from increased production following the favorable climate to production and the dissolving labor shortage. As well as the restructuring of the methyl ester price formula by the Energy Policy and Planning Office (EPPO), Ministry of Energy with effective from October 3, 2022. Although the sales volume improved 17% from the adjustment of biodiesel mandatory in high speed diesel to B7 in 1Q2023, whereas in 1Q2022 it was at B7 until February 4, 2022 and reduced to B5 from February 5, 2022.

However, the Company's refined glycerine sales volume of 11,371 tons, a decrease of 188 tons, and selling price of 649 USD/ton decreased from 1,586 USD/ton at the same period last year due to the decline in demand from the easing of the COVID-19 pandemic situation, together with the improvement in supply from the increase in biodiesel production in 1Q2023.

In 1Q2023, the Company posted Stock Loss & NRV of THB 9 million and recorded EBITDA of THB -5 million, which decreased from the same period of the prior year by 101%. When deducting the effect of Stock Loss & NRV as aforementioned, the Company reported Adjusted EBITDA of THB 4 million, a decrease of THB 367 million or 99% from 1Q2022 and Adjusted EBITDA Margin was at 0.1%

### Operating performance comparison between 1Q2023 vs. 4Q2022

In 1Q2023, the Company recorded methyl ester sales revenue of THB 3,293 million, an increased of THB 253 million or 8% compared to the previous quarter, primarily due to an improvement in demand for methyl ester in 1Q2023 as a result of the announcement of the Ministry of Energy for the adjustment of biodiesel mandatory in high speed diesel from B5 to B7 since October 10, 2023 onwards. In addition, the COVID-19 pandemic situation in Thailand has recovered, causing people to return to their normal lives and diesel demand both in the transport sector and in the tourism sector has improved. As a result, the sales volume of methyl ester in 1Q2023 increased by 14%. Meanwhile, the methyl ester selling price slightly dropped by 4% following the decline in CPO prices in line with global prices due to the increase in CPO stocks in Malaysia. As a result, the Company posted Stock Loss & NRV of THB 9 million and recorded EBITDA of THB -5 million, which improved from the previous quarter by 98%. When deducting the effect of Stock Loss & NRV as aforementioned, the Company reported Adjusted EBITDA of THB 4 million, an increase of THB 225 million or 102% from 4Q2022 and Adjusted EBITDA Margin was at 0.1%



## Fatty Alcohols (FA) Business Unit

Exhibit 5: Products and Feedstock's prices

Average Price (USD per ton)	1Q2023	1Q2022	% YoY	4Q2022	% QoQ
Fatty Alcohols <sup>(1)</sup>					
- Short Chain	4,372	3,899	12%	4,394	-1%
- Mid Cut	1,391	2,742	-49%	1,474	-6%
- Long Chain	1,543	3,057	-50%	1,730	-11%
Average Fatty Alcohols <sup>(2)</sup>	1,644	2,914	-44%	1,752	-6%
Crude Palm Kernel Oil (CPKO) <sup>(3)</sup>	902	2,192	-59%	949	-5%
Market P2F of Fatty Alcohols	543	240	126%	595	-9%

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 1Q2023 vs. 1Q2022

For the fatty alcohols market overview in 1Q2023, an average crude palm kernel oil price (CPKO-MPOB) decreased from the same quarter of the previous year, stood at 902 USD/ton, dropped 1,290 USD/ton or 59%, due to an increase in supply compared to 1Q2022, coupled with many concerns about the Economic Recession and the Bank Financial Crisis caused by the bankruptcy of major banks in the United States, resulting in concern for the economy, including demand for products. As above reasons, the CPKO price decreased compared to 1Q2022.

On the demand side of Natural Fatty Alcohols in 1Q2023, demand was improved compared to the same period last year due to the COVID-19 pandemic situation having recovered, together with the cancellation of the country lockdown measures of buyers in Europe and America including countries in Asia especially China, which is the main buyer. China has re-opened the country since January 8, 2023, resulting in improved demand in the market.

However, there are various sensitive factors, whether the currency crisis in the Asian region, where the Ringgit and Yuan are appreciating, the banking crisis in the United States and Europe, or concern about the economic recession. Including the uncertainty of the Russia-Ukraine war also affects the buyers' confidence to be more cautious in their purchases by choosing only as needed, especially Short Chain fatty alcohols in Europe and America, where customers had the option to use synthetic fatty alcohols instead, which has a lower price.

The overall supply side of the fatty alcohols was improved from the previous year owing to the fact that overall supply during the same period last year was rather tight due to Domestic Market Obligation (DMO) measures of Indonesia. Major producers implemented measures covering products which is produced from palm oil (including fatty alcohols and glycerine) and exporters in Indonesia had to supply fatty alcohols to their domestic market at least 20% from February 15 to March 9, 2022 and up to 30% from March 10, 2022 to March 17, 2022. In addition, an increase in the process of obtaining export permits caused delay in the delivery of products to the destination and reduce product output in the market. Moreover, major manufacturers in the United States, which has a production capacity of 173,000 tons/year, resumed their production at full capacity after a shutdown from October 15, 2022, until the second half of January 2023. Many Fatty Acids producers have been modified production lines to produce fatty alcohols instead due to the weakening of fatty acid prices in 1Q2023, especially Short Chain Acids. As a result, the overall supply in 1Q2023 increased accordingly, although a couple manufacturers with total production capacity of 260,000 tons/year in Indonesia had a temporary shutdown from the end of December 2022 until January 2023, and the Company has temporarily shutdown for catalyst change between February 27 and March 13, 2023 (15 days) as maintenance is planned for a short time and does not affect the overall market.

An average price of natural fatty alcohols in 1Q2023 decreased compared to the same period of the previous year following the depreciation of raw material prices. The Mid Cut fatty alcohols prices dropped to 1,391 USD/ton, a decrease of 1,351 USD/ton or 49% as well as the Long Chain fatty alcohols price down to 1,543 USD/ton, a decrease of 1,514 USD/ ton or 50%, while the Short Chain fatty alcohols prices rose to 4,372 USD/ton, an increase of 473 USD/ton, or 12%.

### Market overview comparison between 1Q2023 vs. 4Q2022

For the fatty alcohols market overview in 1Q2023, an average crude palm kernel oil price (CPKO-MPOB) decreased from the previous quarter, stood at 902 USD/ton, dropped 47 USD/ton or 5%. Although supply dropped seasonally and also decreased from the effects of heavy rain and flooding situations, but overall demand during 1Q2023 decreased more than supply as many producers used coconut oil instead of CPKO due to similar prices. As a result, the CPKO export volume of Malaysia in 1Q2023 decreased compared to the previous quarter, resulting in an increase in CPKO stock in Malaysia to stood at 250,000 tons and a decline in CPKO prices compared to the previous quarter.

On the demand side of Natural Fatty Alcohols in 1Q2023, demand was improved compared to the previous quarter due to the COVID-19 pandemic situation in China, main buyer, which has recovered together with re-opening the country since January 8, 2023, resulting in improved demand in the market. However, there are various sensitive factors, whether the currency crisis in the Asian region, where the Ringgit and Yuan are appreciating, the banking crisis in the United States and Europe, or concern about the economic recession.

Including the uncertainty of the Russia-Ukraine war also affects the buyers' confidence to be more cautious in their purchases by choosing only as needed, especially Short Chain fatty alcohols in Europe and America, where customers had the option to use synthetic fatty alcohols instead which is a lower price.

The overall supply side of the fatty alcohols was slightly improved. Although there were a couple manufacturers with total production capacity of 260,000 tons/year in Indonesia, production operation was suspended from the end of December 2022 until January 2023 and the Company had temporarily shutdown for catalyst change for 15 days as planned maintenance as above mentioned. Moreover, major manufacturers in the United States. Which has a production capacity of 173,000 tons/year, resumed their production at full capacity after it was temporarily suspended during October 15, 2022 until January 2023. Many Fatty Acids producers modified production lines to produce fatty alcohols instead due to the weakening of fatty acid prices, especially Short Chain Acids, resulting in the overall supply being increased accordingly.

The Mid Cut fatty alcohols prices dropped to 1,391 USD/ton in line with sluggish market demand and depreciating raw material prices, a decrease of 83 USD/ton or 6% compared to the previous quarter, as well as the Long Chain fatty alcohols price dropped to 1,543 USD/ton, a decrease of 187 USD/ton or 11%, and the Short Chain fatty alcohols price slightly dropped to 4,372 USD/ton, a decrease of 22 USD/ton or 1%.

Exhibit 6 : Keys Operating Performance of FA Business Unit

Fatty Alcohols Business	1Q2023	1Q2022	% YoY	4Q2022	% QoQ
Utilization (%)	88%	106%	-18%	79%	9%
Sales Volume (Ton)	21,906	23,631	-7%	21,416	2%
Revenue from Sales (million baht)	1,369	2,318	-41%	1,464	-6%
EBITDA (million baht)	153	282	-46%	264	-42%
EBITDA margin (%)	11.2%	12.2%	-1.0%	18.0%	-6.8%
Stock Gain/(Loss) & NRV	(124)	187	-166%	(79)	57%
Adjusted EBITDA (million baht) <sup>(1)</sup>	277	95	192%	343	-19%
Adjusted EBITDA Margin (%)	20.2%	4.1%	16.1%	23.4%	-3.2%

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

### Operating performance comparison between 1Q2023 vs. 1Q2022

The fatty alcohols business recorded sales revenue of THB 1,369 million in 1Q2023, a decrease of 41% from 1Q2022, mainly due to a decrease in average fatty alcohols prices of 44% in line with raw material prices due to an increase in supply compared to 1Q2022. Major manufacturers in the United States resumed their production at full capacity after the production had been temporarily suspended, including many Fatty Acids producers, who modified production lines to produce fatty alcohols instead as mentioned in the above fatty alcohols market overview comparison. In addition, the sales volume of fatty alcohols decreased by 7% due to concern about the economic crisis and the uncertainty of the Russia- Ukraine war. Buyers chose only as needed, especially Short Chain fatty alcohols in Europe and America, where customers had the option to use synthetic fatty alcohols for instead, which is cheaper.

From such details, resulting in the Stock Loss & NRV of THB 124 million. The Company recorded EBITDA of THB 153 million in 1Q2023, a decrease of 46% from 1Q2022. When deducting the effect of Stock Loss & NRV, the Company had Adjusted EBITDA of THB 277 million, improved by 192% and Adjusted EBITDA Margin was at 20.2%.

### Operating performance comparison between 1Q2023 vs. 4Q2022

On a quarter by quarter basis, the Company recorded sales revenue of fatty alcohols in 1Q2023 decreasing by 6% from the previous quarter, mainly due to a 6% decline in average fatty alcohols prices following the volatility of CPKO prices as the overall demand for CPKO in 1Q2023 declined as many producers used coconut oil instead of CPKO due to similar prices. As a result, the CPKO export volume of Malaysia in 1Q2023 decreased resulting in CPKO stock in Malaysia increased compared to the previous quarter. Although the sales volume of fatty alcohols was slightly increased by 2%.

However, the Company recorded EBITDA of THB 153 million, a decrease of 42% compared to 4Q2022. When deducting the effect of Stock Loss & NRV of THB 124 million, the Company had Adjusted EBITDA of THB 277 million, decreased by 19% and Adjusted EBITDA Margin was at 20.2%.

## Market and Business Outlook in 1H2023

### Methyl Ester Market Outlook

For the methyl ester demand in 1H2023, the Company anticipates that it tends to improve from the previous year, mainly from the government's policy to maintain the proportion of biodiesel mandate to be B7 as main grade until September 30, 2023, after the CPO price level adjusts near the normal level. In addition, people are starting to resume their normal lives due to the easing of the COVID-19 pandemic situation, and tourism tends to recover from both domestic and international tourists. Therefore, the Company anticipates that the overall demand of methyl ester in 1H2023 will tend to increase.

In terms of the installed capacity of the methyl ester in 1H2023, the Company anticipates that it is likely to increase by 6% from the same period last year, which is about 3 million tons/year. The Company anticipates that the average utilization rate of the industry will increase to 45% due to the increasing demand for methyl ester.

For the methyl ester price in 1H2023, the Company anticipates that it tends to drop in line with the trend of domestic CPO prices and also from the restructuring of the methyl ester price formula by the Energy Policy and Planning Office (EPPO), Ministry of Energy with effective October 3, 2022 onwards.

### Fatty Alcohols Market Outlook

For the natural fatty alcohols demand in 1H2023, the Company anticipates that it will remain stable or slightly improve from the previous year. Although the unravelling of the COVID-19 pandemic situation and the lifting of lockdown measures in buyers' countries such as in Europe, America and Asian region, caused buyers to return to the market, especially the Chinese market, which is the main buyer. But the global economic situation tends to be in recession due to factors such as the Currency Crisis and Bank Crisis in Europe and America. This has caused the purchasing power in the market to decrease, including the uncertainty of the Russia- Ukraine war. As a result, overall market demand has not recovered as much as it should.

For the overall supply of natural fatty alcohols in 1H2023, the Company anticipates that it tends to improve from last year, when many major manufacturers had production process problems, causing a temporary reduction in production during April and August 2022. In addition, the Indonesian government implemented the Domestic Market Obligation (DMO) policy in February 2022, which required Indonesian exporters to sell at least 20% of fatty alcohols to the domestic market before exporting, causing the market's aggregate supply to contract significantly. Meanwhile, Indonesia has no plans to resume the DMO policy for Oleochemical products in 2023.

In terms of fatty alcohols price in 1H2023, the Company anticipates that it is likely to drop in line with the trend of CPKO price compared to the previous year, including the increasing of the competition in the market due to improved supply.

### Refined Glycerine Market Outlook

For the demand for refined glycerine in 1H2023, the Company anticipates that it will slightly drop compared to the previous year. Although the COVID-19 pandemic situation has eased and the demand for detergents and hygiene products continues to increase, including the cancellation of the country's lockdown measures in buyers' countries such as in Europe, America and Asian region. However, the demand for glycerine in the Epichlorohydrin (ECH) industry in China, the main buyer, has not yet recovered. In addition, the global economic situation tends to be in recession due to factors such as the Currency Crisis and Bank Crisis in Europe and America. This has caused the purchasing power in the market to decrease, including the uncertainty of the Russia- Ukraine war, which make buyers more cautious in their purchases.

For the overall supply of refined glycerine in 1H2023, the Company anticipates that it is likely to improve. As major fatty alcohols producers in the market resume normal production, including the alternative energy policy of each country. For example, the proportion of biodiesel mandate to be B35 from B30 in Indonesia from February 1, 2023 and the proportion of biodiesel mandate to be B12 from B10 in Brazil from April 1, 2023 resulting in the overall supply of refined glycerine in the market tending to increase.

In terms of an average price of refined glycerine in 1H2023, the Company anticipates that it is likely to drop compared to the previous year owing to the increased competition in the market due to an increase in supply.

### Ethanol Market Outlook

For the ethanol demand in 1H2023, the Company anticipates that it is likely to drop from the previous year. Even though the overall ethanol demand tends to increase due to people starting to resume their normal lives due to the easing of the COVID-19 pandemic situation, as well as a recovery of tourism from both domestic and international tourists. However, the government's measurement reduces the support for the Gasohol E85 price to sustain the oil fuel fund. As a result, the ethanol demand will decrease significantly, which will affect the mixing rate, the average ethanol price and overall consumption in the market will decrease as well.

On the supply side of the ethanol market in 1H2023, the Company anticipates that it will be stable due to the lack of expansion of production capacity from both the existing and new manufacturers. The Company anticipates that an average utilization rate in the industry will be 55%.

In terms of the ethanol price in 1H2023, the Company anticipates that it will likely improve from the previous year. Although the sugar cane price has decreased slightly, the price of molasses and cassava, which are alternative raw material for ethanol production, has increased. As a result, the Company anticipates that the production cost and the average ethanol market price will increase as well.



## Consolidated Statement of Income

*Exhibit 7 : Consolidated Profit & Loss Statement comparison of 1Q2023, 1Q2022 and 4Q2022*

	4Q2022		4Q2021		YoY		3Q2022		QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
<b>Sale Revenue</b>	<b>4,662</b>	<b>100</b>	<b>7,316</b>	<b>100</b>	<b>(2,654)</b>	<b>(36)</b>	<b>4,504</b>	<b>100</b>	<b>158</b>	<b>4</b>
Feedstock	(3,706)	(79)	(6,246)	(85)	2,540	(41)	(3,580)	(79)	(126)	4
Net Realizable Value (NRV)	18	0	-	-	18	n/a	4	0	14	350
<b>Product to Feed Margin</b>	<b>974</b>	<b>21</b>	<b>1,070</b>	<b>15</b>	<b>(96)</b>	<b>(9)</b>	<b>928</b>	<b>21</b>	<b>46</b>	<b>5</b>
Variable Costs	(408)	(9)	(398)	(5)	(10)	3	(351)	(8)	(57)	16
Fixed Costs	(183)	(4)	(132)	(2)	(51)	39	(303)	(7)	120	(40)
Stock Gain/(Loss)	(151)	(3)	246	3	(397)	(161)	(69)	(2)	(82)	119
SG&A	(94)	(2)	(88)	(1)	(6)	7	(169)	(4)	75	(44)
Other Income	10	0	14	0	(4)	(29)	21	0	(11)	(52)
<b>EBITDA</b>	<b>148</b>	<b>3</b>	<b>712</b>	<b>10</b>	<b>(564)</b>	<b>(79)</b>	<b>57</b>	<b>1</b>	<b>91</b>	<b>160</b>
Depreciation and Amortization	(130)	(3)	(157)	(2)	27	(17)	(139)	(3)	9	(6)
<b>EBIT</b>	<b>18</b>	<b>0</b>	<b>555</b>	<b>8</b>	<b>(537)</b>	<b>(97)</b>	<b>(82)</b>	<b>(2)</b>	<b>100</b>	<b>(122)</b>
Net Financial Costs	(5)	(0)	(10)	(0)	5	(50)	(7)	(0)	2	(29)
FX Gain/Loss <sup>(1)</sup>	(1)	(0)	22	0	(23)	(105)	(24)	(1)	23	(96)
Share of Profit/(Loss) from investment	48	1	5	0	43	860	10	0	38	380
Income Tax Expenses	(20)	(0)	(85)	(1)	65	(76)	(27)	(1)	7	(26)
<b>Net Profit</b>	<b>40</b>	<b>1</b>	<b>487</b>	<b>7</b>	<b>(447)</b>	<b>(92)</b>	<b>(130)</b>	<b>(3)</b>	<b>170</b>	<b>(131)</b>
Extra item <sup>(2)</sup>	-	-	-	-	-	-	104	2	(104)	-
<b>Net Profit after extra item</b>	<b>40</b>	<b>1</b>	<b>487</b>	<b>7</b>	<b>(447)</b>	<b>(92)</b>	<b>(26)</b>	<b>(1)</b>	<b>66</b>	<b>(254)</b>

**Notes :**

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

(2) Extra Item from the deferred income tax items

## Statement of Financial Position

Exhibit 9 : Consolidated Financial Position as of March 31, 2023 and as of December 31, 2022

	As of March 31, 2023		As of December 31, 2022		
	THB million	THB million	THB million	THB million	
Cash and Cash Equivalent	2,789	1,521	2,734	1,954	Other Liabilities
		1,348		1,352	Interest Bearing Debt
Account Receivables, Inventories, and other Current Assets	3,417		3,803		
PP&E	3,973	10,367	4,072	10,327	Shareholders' Equities
Non-Current Assets	2,554		2,521		
Restricted Deposits	503		503		
	As of March 31, 2023		As of December 31, 2022		
	THB 13,236 million		THB 13,633 million		

### Assets

As of March 31, 2023 the Company had total assets of THB 13,236 million, a decrease of THB 397 million compared to December 31, 2022 in which key changes are described as follow;

1. Current assets decreased by THB 330 million mainly from;
  - 1.1 An increase in cash and cash equivalent THB 56 million.
  - 1.2 Accounts receivable and other accounts receivable decreased by THB 173 million owing to the decreasing feedstock price caused the selling price of methyl ester and fatty alcohols to drop significantly compared to the end of 2022.
  - 1.3 Inventory decreased by THB 129 million owing to the decline in the selling price of methyl ester and fatty alcohols, resulting in a decrease in inventory.
  - 1.4 VAT receivables decreased by THB 91 million.
2. Non-current assets decreased by THB 67 million mainly from;
  - 2.1 PP&E decreased by THB 99 million due to depreciation expenses incurred in the period.
  - 2.2 Investment in joint venture increased by THB 48 million.
  - 2.3 Deferred tax assets decreased by THB 20 million.

## Liabilities

As of March 31, 2023, the Company had total liabilities of THB 2,869 million, a decrease of THB 437 million compared to December 31, 2022, mainly attributed to

1. Accounts payable decreased by THB 149 million owing to the decrease of raw material prices.
2. Other accounts payable decreased by THB 133 million.
3. Corporate tax payable decreased by THB 120 million.
4. Accounts payable to contractors decreased by THB 34 million.

## Shareholders' equity

As of March 31, 2023 the Company had total shareholders' equity of THB 10,367 million, an increase of THB 40 million compared to December 31, 2022. This was the net profit in 1Q2023.

### Statement of Cash Flows

*Exhibit 10: Consolidated Cash Flows Statement for the period ended March 31, 2023 and March 31, 2022.*

Cash Flow (Unit: Million Baht)	31 March 2023	31 March 2022
Net cash received (used in) operating activities	107	(334)
Net cash received (used in) investing activities	367	31
Net cash received (used in) financing activities	(27)	12
Effect of exchange rate changes on balances held in foreign currencies	8	0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>455</b>	<b>(291)</b>
Cash and cash equivalents as at 1 January	1,384	1,511
<b>Cash and cash equivalents as at 31 March</b>	<b>1,839</b>	<b>1,220</b>

Note: Ending cash and cash equivalents as at 31 March 2023 had not included current investment in financial assets of THB 950 million and restricted deposits of THB 503 million.

As for the statement of cash flows for of 1Q2023, the Company had cash received from operating activities of THB 107 million which comprised of cash from the net profit of THB 40 million, the adjustment for non-cash items, a decrease in account receivables VAT receivable and inventories. Including a decrease in account payables and other account payables.

The Company had cash received from investing activities of THB 367 million, primarily due to cash receiving from investment in current asset of THB 400 million and cash spending for purchase of buildings and equipment of THB 35 million.

The Company had cash used in financial activities of THB 27 million, mainly due to cash spending for lease liabilities of THB 18 million and interest paid of THB 9 million.

As the activities above, the Company had an increase in cash and cash equivalents of THB 455 million, which had cash and cash equivalents as of January 1, 2023 in the amount of THB 1,384 million. As a result, as of March 31, 2023 the Company had cash and cash equivalents of THB 1,839 million (excluding investments in current financial assets of THB 950 million and restricted deposits of THB 503 million).

## Key Financial Ratios

Exhibit 11 : Key Financial Ratios comparison of 1Q2023, 1Q2022 and 4Q2022

Key Financial Ratio	1Q2023	1Q2022	4Q2022
Current Ratio (x)	4.1	2.4	3.3
EBITDA to Sales Revenue (%)	3.2	9.7	1.3
Net Profit to Sales Revenue (%)	0.9	6.6	(0.6)
Return on Total Assets (%)	4.6	7.0	8.4
Return on Equity (%)	4.9	7.0	9.4
Debt to Equity (x)	0.3	0.3	0.3
Interest Bearing Debt to Equity (x)	0.1	0.1	0.1
Interest Bearing Debt to EBITDA (x)	1.2	0.7	0.8

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