

Management Discussion and Analysis For the Operating Results of 3Q2023

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TRANSFORM
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Executive Summary

As for performance in 3Q2023, Global Green Chemicals Public Company Limited (“the Company”) recorded total revenue of THB 3,940 million, decreased by 32% from 3Q2022 and Adjusted EBITDA of THB 132 million, dropped by 82% from the previous year. In addition, the Company had a Stock Loss & NRV of THB 222 million. As a result, in 3Q2023 the Company posted the net loss of THB 262 million (or profit per share of THB -0.26) decreased by THB 332 million or 474% from 3Q2022.

For the performance of the first nine months of 2023 compared to the first nine months of 2022, the Company earned revenue from sales of products of THB 13,345 million dropped by 35%, recorded EBITDA of THB 209 million decreased by 88% and Adjusted EBITDA of THB 558 million decreased by 72%. In 9M2023, net loss was recorded at THB 216 million, decreased from 9M2022 of THB 1,195 million or 122%.

For the performance of the methyl ester (ME) business in 3Q2023, the sales volume decreased by 6% compared to 3Q2022, stood at 69,395 tons mainly from high level of competition, although the government has increased the adjustment of biodiesel mandatory to B7 from October 10, 2022 onwards while in 3Q2022, it was at B5. In terms of the methyl ester selling price in 3Q2023, it dropped by 16% in relation to CPO price due to an increase in domestic CPO stock compared to the previous year, resulting in the Company recording revenue of methyl ester business of THB 2,696 million, decreased by 22% compared to the prior year.

For the performance of the fatty alcohols (FA) business in 3Q2023, the Company’s sales volume of fatty alcohols decreased by 12% compared to the prior year mainly due to concern about the economic recession resulting in less demand for fatty alcohols according to the buyers’ purchase by choosing only as needed. Furthermore, buyers have options for sourcing products, particularly Short Chain fatty alcohols buyers that procures the product from manufacturers of fatty alcohols using fatty acids and synthetic fatty alcohol, which led to more products entering the market. Including, the Company had a temporary shutdown for catalyst change as planned. For the average price of natural fatty alcohols, it decreased by 32% in line with a decrease in CPKO price following the concern about the economic recession as well, which affected CPKO price and fatty alcohols price decreased according to the economic situation. Along with an increase in supply that many manufactures that were previously temporarily shutdown have returned to operate normally, and manufacturers of fatty acids had adjusted their production lines to produce fatty alcohols instead. As a result, the Company recorded revenue of fatty alcohols business of THB 1,221 million, dropped by 48% from 3Q2022.

In terms of the performance of other businesses, following the Company's strategic direction to move forward into the value-added product, the Company has started the Food & Nutraceutical business which distributes food ingredients and various nutraceuticals products such as sweeteners, plant based protein, antioxidant, etc. In 3Q2023, the Company recorded revenue of Food Trading business of THB 23 million.

As of September 30, 2023, the Company has total assets in the amount of THB 13,045 million which comprised of cash, short-term investment and restricted deposits amounting to THB 3,705 million, with total liabilities of THB 3,293 million and total equities of THB 9,752 million.

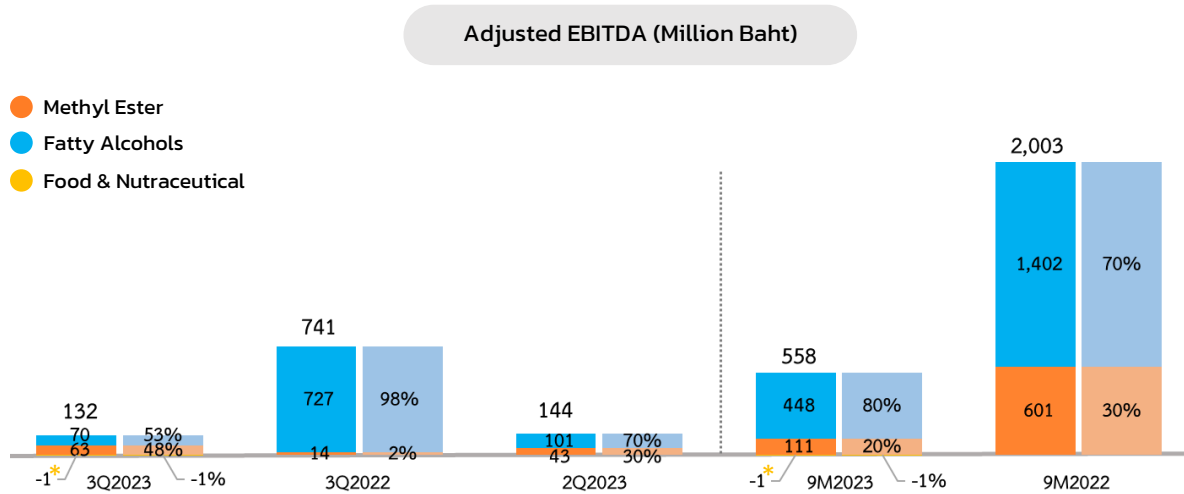
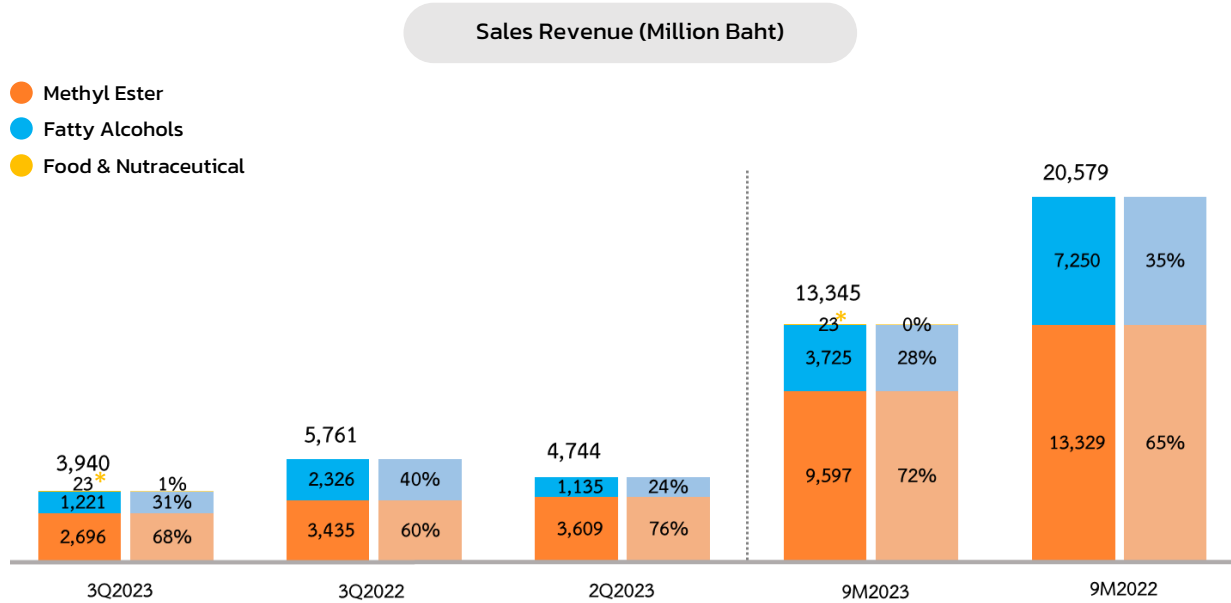
Operating Performance

Exhibit 1: Consolidated Company's Performance comparison of 3Q2023 vs. 3Q2022 vs. 2Q2023 vs. 9M2023 vs. 9M2022

UNIT: Million Baht	3Q2023	3Q2022	% YoY	2Q2023	% QoQ	9M2023	9M2022	% YoY
Sales Revenue	3,940	5,761	-32%	4,744	-17%	13,345	20,579	-35%
EBITDA	(90)	300	-130%	149	-160%	209	1,675	-88%
EBITDA Margin (%)	-2.3%	5.2%	-7.5%	3.1%	-5.4%	1.6%	8.1%	-6.5%
Stock Gain/(Loss) & NRV	(222)	(441)	-50%	5	-4,540%	(351)	(328)	7%
Adjusted EBITDA ⁽¹⁾	132	741	-82%	144	-8%	558	2,003	-72%
Adjusted EBITDA Margin (%)	3.4%	12.9%	-9.5%	3.0%	0.4%	4.2%	9.7%	-5.5%
Net Profit	(262)	70	-474%	7	-3,843%	(216)	979	-122%
EPS (Baht/Share)	(0.26)	0.07	-471%	0.01	-2,700%	(0.15)	0.96	-100%

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

Exhibit 2 : Sales revenue and Adjusted EBITDA breakdown by business unit comparison of 3Q2023 vs. 3Q2022 vs. 2Q2023 vs. 9M2023 vs. 9M2022 (million THB)



Note : * Total Sales Revenue and Adjusted EBITDA in 3Q2023 and 9M2023 included the performance of Food & Nutraceutical business in the amount of THB 23 million and THB -1 million, respectively.

Operating Performance by Business Unit

Methyl Ester (Biodiesel) Business Unit

Exhibit 3: Product and Feedstock Prices

Average Price	3Q2023	3Q2022	% YoY	2Q2023	% QoQ	9M2023	9M2022	% YoY
Methyl Ester (B100) (Baht/litre) ⁽¹⁾	33.26	39.47	-16%	34.66	-4%	33.91	50.14	-32%
Methyl Ester (B100) (Baht/kg) ⁽²⁾	38.45	45.62	-16%	40.07	-4%	39.20	57.97	-32%
Crude Palm Oil (CPO) (Baht/kg) ⁽³⁾	30.53	35.34	-14%	32.03	-5%	31.18	47.26	-34%
EPPO P2F (Baht/kg) ⁽⁴⁾	4.26	3.11	37%	4.26	0%	4.26	3.11	37%

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

Biodiesel Mandate

As B5 : February 5 - October 9, 2022

As B7 : October 10, 2022 - December 31, 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 3Q2023 vs. 3Q2022

For the methyl ester market overview in 3Q2023, an average of crude palm oil price (CPO-DIT) was at 30.53 Baht/kg., dropped by 4.81 Baht/kg. or 14% compared to the same period last year due to CPO-DIT price was pressured by domestic CPO stock which is higher than the same period last year (an average of domestic CPO stock level was 0.28 million tons in 3Q2022, while it was 0.34 million tons in 3Q2023) resulting in an average domestic price decreased from 3Q2022.

In terms of the demand for methyl ester in 3Q2023 was improved compared to the same period last year, stood at 329,488 tons, rose of 73,457 tons or 29% mainly from the government policy to increase the adjustment of biodiesel mandatory in high speed diesel fuel at B7 from October 10, 2022 onwards. Meanwhile, during the same period last year, the biodiesel mandatory was down 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. However, the supply side of the methyl ester in 3Q2023 was slightly increased due to the expansion of the installed production capacity of the manufacturers by 115,000 tons.

The methyl ester price in 3Q2023 was at 38.45 Baht/kg., decreased by 7.17 Baht/kg., or 16% compared to the same period last year in line with the CPO price depreciation.

Market overview comparison between 3Q2023 vs. 2Q2023

For the methyl ester market overview in 3Q2023, an average of crude palm oil price (CPO-DIT) was at 30.53 Baht/kg., decreased from 2Q2023 by 1.50 Baht/kg. or 5%, due to domestic CPO stock levels continuing to increase from 0.23 million tons in April up to 0.38 million tons in August as a result of decreased export volume couple with increased CPO production during rainy season, which favors palm cultivation.

The demand for methyl ester in 3Q2023 decreased compared to the previous quarter, stood at 329,488 tons as Thailand entered the monsoon season which the diesel demand for travel and transportation was decreased. Although there were supporting factors from government policies such as reducing the high-speed diesel price less than 30 baht/liter effective from September 20, 2023 - December 31, 2023 and tourism promotion policy which come into effect at the end of September 2023. In this regard, the government has continued to maintain the biodiesel mandatory at B7 until December 31, 2023 from ending date of September 30, 2023. Meanwhile, the supply of methyl ester in 3Q2023 remained stable compared to the previous quarter owing to the lack of expansion of installed production capacity of the existing manufacturers and new manufacturers entering the market.

The methyl ester price in 3Q2023 weakened slightly to 38.45 Baht/kg., decrease of 1.62 Baht/kg. or 4% compared to the previous quarter in line with CPO price depreciation.

Market overview comparison between 9M2023 vs. 9M2022

Overview of the methyl ester market for the first 9 months of 2023 compared to the first 9 months of 2022, CPO-DIT price in 9M2023 dropped from 9M2022 to 31.18 Baht/kg., a decrease of 16.08 Baht/kg. or 34% because the CPO price in Malaysia reached an all-time high of 65 Baht/kg. in 1H2022 due to the Domestic Market Obligation (DMO) policy to restrict export of palm oil by Indonesian government but then dropped to 30 - 35 Baht/kg in August 2022 after the Indonesian government has canceled the policy to reduce stock levels in the country. As a result, palm oil mills had increased their exports and CPO price in the country had increased accordingly, while in 2023 there is no such factor.

On methyl ester demand side in 9M2023, it has increased from the previous year, which stood at 1,029,372 tons, an increase of 181,680 tons or 21%, mainly because the government has continued to maintain the biodiesel mandatory at B7 throughout Y2023. Meanwhile, during the same period last year, the biodiesel mandatory was at B5 during February 5 - October 9, 2022 to mitigate the impact on people's cost of living from high energy price. However, the supply side of the methyl ester was slightly increased from last year due to the expansion of installed production capacity of the manufacturers by 115,000 tons.

As for the methyl ester price in 9M2023, it decreased compared to 9M2022, in line with the CPO price, stood at 39.20 Baht/kg., down by 18.77 Baht/kg. or 32%.

Exhibit 4: Keys Operating Performance of ME Business Unit

Methyl Ester Business	3Q2023	3Q2022	% YoY	2Q2023	% QoQ	9M2023	9M2022	% YoY
Utilization (%)	55%	56%	-1%	73%	-18%	66%	56%	10%
Sales Volume (ton)	69,395	73,785	-6%	90,994	-24%	246,888	217,341	14%
Sales Volume (million litre) ⁽¹⁾	80	85	-6%	105	-24%	285	251	14%
Sales Revenue (million baht)	2,696	3,435	-22%	3,609	-25%	9,597	13,329	-28%
EBITDA (million baht)	(13)	(227)	94%	14	-193%	(3)	442	-101%
EBITDA margin (%)	-0.5%	-6.6%	6.1%	0.4%	-0.9%	0.0%	3.3%	-3.3%
Stock Gain/(Loss) & NRV (million baht)	(76)	(241)	68%	(29)	162%	(114)	(159)	28%
Adjusted EBITDA (million baht) ⁽²⁾	63	14	350%	43	47%	111	601	-82%
Adjusted EBITDA Margin (%)	2.3%	0.4%	1.9%	1.2%	1.1%	1.2%	4.5%	-3.3%

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 3Q2023 vs. 3Q2022

In 3Q2023, the Company recorded methyl ester sales revenue of THB 2,696 million, decreased by 22% from 3Q2022, mainly from the methyl ester selling price dropping in relation to CPO price due to the global CPO price being decreased, including an increase in domestic CPO stock compared to the same period last year, resulting in CPO-DIT price being down. Meanwhile, the sales volume in 3Q2023 was dropped 6% owing to the high level of competition, although the government has increased the adjustment of biodiesel mandatory at B7 from October 10, 2022 onwards while in 3Q2022, it was at B5. The Company's refined glycerine sales volume was increased but selling price was dropped compared to last year as a result of the decline in demand from the easing of the COVID-19 pandemic situation and the improvement in supply from the increase in biodiesel production in 3Q2023, that led to an increase in glycerine volume into the market.

In 3Q2023, the Company posted Stock Loss & NRV of THB 76 million and recorded EBITDA of the methyl ester business of THB -13 million, which increased from the same period of the prior year by 94%. When deducting the effect of Stock Loss & NRV, the Company reported Adjusted EBITDA of THB 63 million, an increase of THB 48 million or 350% from 3Q2022 and Adjusted EBITDA Margin was at 2.3%.

Operating performance comparison between 3Q2023 vs. 2Q2023

In 3Q2023, the Company recorded methyl ester sales revenue of THB 2,696 million, a drop of THB 913 million or 25% compared to the previous quarter primarily from the decreasing in demand for methyl ester in 3Q2023 dropped by 24% owing to Thailand entering the monsoon season, which the diesel demand for travel and transportation was decreased. Also, the methyl ester selling price dropped by 4% due to the domestic CPO stock levels continuing to increase following the decreased export volume, including the increased CPO production during rainy season, which favors palm cultivation.

As mentioned factors above, the Company posted Stock Loss & NRV of THB 76 million and recorded EBITDA of THB -13 million, which dropped from the previous quarter by 193%. When deducting the effect of Stock Loss & NRV as aforementioned, the Company reported Adjusted EBITDA of THB 63 million, an increase of THB 20 million or 47% from 2Q2023 and Adjusted EBITDA Margin was at 2.3%.

Operating performance comparison between 9M2023 vs. 9M2022

As for the first 9 months of 2023, the Company posted methyl ester business sales revenue of THB 9,597 million, a decrease of THB 3,732 million or 28% from the first 9 months of 2022, mainly from the decline in methyl ester selling prices in line with CPO price which decreased from the previous year as the Domestic Market Obligation (DMO) policy by Indonesian government effected the CPO price reached an all-time high but then dropped after the Indonesian government canceled the policy, which was aimed to reducing stock levels in the country. While methyl ester sales volume improved by 14% compared to 9M2022 mainly from the government's policy adjustment to remain the biodiesel mandatory at B7 throughout Y2023, while it was at B5 during February 5 - October 9, 2022 to mitigate the impact on people's cost of living from high energy price.

In 9M2023, the Company recorded Stock Loss & NRV of THB 114 million and recorded EBITDA of THB -3 million, decreased by 101% from the same period of the prior year. When deducting the effect of Stock Loss & NRV as aforementioned, the Company reported Adjusted EBITDA of THB 111 million, a decrease of THB 490 million or 82% from 9M2022 and Adjusted EBITDA Margin was at 1.2%.

Fatty Alcohols (FA) Business Unit

Exhibit 5: Products and Feedstock's prices

Average Price (USD per ton)	3Q2023	3Q2022	% YoY	2Q2023	% QoQ	9M2023	9M2022	% YoY
Fatty Alcohols ⁽¹⁾								
- Short Chain	2,642	4,364	-39%	4,012	-34%	3,675	4,200	-13%
- Mid Cut	1,328	1,549	-14%	1,323	0%	1,348	2,324	-42%
- Long Chain	1,245	2,570	-52%	1,371	-9%	1,386	2,966	-53%
Average Fatty Alcohols ⁽²⁾	1,396	2,042	-32%	1,525	-8%	1,522	2,642	-42%
Crude Palm Kernel Oil (CPKO) ⁽³⁾	851	1,148	-26%	887	-4%	880	1,766	-50%
Market P2F of Fatty Alcohols	358	641	-44%	443	-19%	448	487	-8%

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 3Q2023 vs. 3Q2022

For the fatty alcohols market overview in 3Q2023, an average crude palm kernel oil price (CPKO) decreased from the same quarter of the previous year, stood at 851 USD/ton, dropped 297 USD/ton or 26%, mainly because in 3Q2022 the Indonesian government has canceled the lifting of export restriction and export taxes on palm products to accelerate the reduction of domestic stock levels, causing an overall supply to increase. Consequently, the CPKO price decreased from 1,500 USD/ton in early 3Q2022 to 1,050 USD/ton in late 3Q2022. Meanwhile, in 3Q2023, there were concerns about an economic recession which led to a decrease in demand for fatty alcohols that buyers making their decisions to purchases only as necessary, resulting in the price of CPKO and fatty alcohols decreasing in response to the economic situation. These factors affected CPKO price to be dropped compared to the same quarter of the previous year.

On the demand side, the demand for natural fatty alcohols in 3Q2023 was slightly improved compared to the same period last year, primarily due to the reopening of many countries after the easing of the COVID-19 pandemic situation, resulting in an improvement in the buyers' confidence in the market. In addition, many buyers in China, major buyers, had returned to the market to restock for their production in advance for the 19th Asian Games held in Hangzhou during September 23 - October 8, 2023, resulting in increased demand for Mid Cut fatty alcohols and Long Chain fatty alcohols during that period. However, there are still sensitive factors, such as the concern about the economic recession and the uncertainty of the Russia-Ukraine, affects the buyers' confidence

to be more cautious in their purchases by choosing only as needed. Furthermore, buyers have options for sourcing products, particularly Short Chain fatty alcohols buyers that procures the product from manufacturers of fatty alcohols using fatty acids and synthetic fatty alcohol, which led to more products entering the market as well.

The supply of fatty alcohols in 3Q2023 was slightly improved. Despite, many fatty alcohols manufacturers in the Philippines, Indonesia, Malaysia and the Netherlands had temporary shutdown including the Company, which had temporary shutdown for catalyst change as well. However, many manufacturers of fatty acids encountered a stagnant market and adjusted their production lines to produce fatty alcohols, especially Short Chain fatty alcohols, affecting overall supply of fatty alcohols to be higher than the previous year.

The average price of natural fatty alcohols in 3Q2023 decreased compared to the same period of the previous year. The Short Chain fatty alcohols prices down to 2,642 USD/ton, a decrease of 1,722 USD/ ton or 39%, according to an increasing in supply in the market as well as the Long Chain fatty alcohols price down to 1,245 USD/ton, a decrease of 1,325 USD/ ton or 52% and the Mid Cut fatty alcohols prices dropped to 1,328 USD/ton, a decrease of 221 USD/ton or 14% in line with depreciating of CPKO prices.

Market overview comparison between 3Q2023 vs. 2Q2023

For the fatty alcohols market overview in 3Q2023, an average crude palm kernel oil price (CPKO) decreased from the previous quarter, stood at 851 USD/ton, dropped by 26 USD/ton or 4% due to an increasing in the overall supply of CPKO according to the palm production seasonality of major producers in Indonesia and Malaysia. Meanwhile, the overall demand was stable owing to lower demand in Malaysia from the export and domestic consumption sectors while demand in Indonesia has improved due to increased exports CPKO to buyers in many countries such as China, India and Europe.

On the demand side, the demand for Natural Fatty Alcohols in 3Q2023 was stable to slightly improved compared to the previous quarter. Although some buyers are still concerned about the sluggish global economy and the uncertainty situation of the war between the Russia-Ukraine, they had clashed again. However, most buyers are purchasing products to restock their inventory after delaying purchasing products in the previous period, including some buyers who are concerned about the shrinking supply from the maintenance shutdown of many manufacturers, particularly buyers in China, major buyers, had returned to the market to restock for their production in advance for the 19th Asian Games. As a result, the demand for Mid Cut fatty alcohols and Long Chain fatty alcohols was improved during that period.

The overall supply of the fatty alcohol in 3Q2023 still remained at a high level mainly from many manufacturers of fatty acids had adjusted their production lines to produce fatty alcohols especially Short Chain fatty alcohols, though many fatty alcohols manufacturers in the Philippines, Indonesia, Malaysia and

the Netherlands had temporary shutdown, including the Company's temporary shutdown for catalyst change as well.

The Mid Cut fatty alcohols prices was relatively stable at 1,328 USD/ton compared to the previous quarter, while the Long Chain fatty alcohols price dropped to 1,245 USD/ton, a decrease of 126 USD/ton or 9%, and the Short Chain fatty alcohols price dropped to 2,642 USD/ton, a decrease of 1,370 USD/ton or 34% following an increasing in supply in the market.

Market overview comparison between 9M2023 vs. 9M2022

An average CPKO price for the first 9 months of 2023 was at 880 USD/ton, dropped by 886 USD/ton or 50% from the first 9 months of 2022 mainly from a decreasing in demand for CKPO due to less CKPO export volume since late of Y2022, together with an increasing in the overall production volume. CPKO stock in Malaysia was at the highest level in two years. stood at 226,197 tons, an increase of 44% from the previous year. Although the COVID-19 pandemic situation has eased, buyers in the market are still concerned about the economic recession. As a result, the demand for Oleochemicals decreased.

Natural fatty alcohols demand in 9M2023 declined compared to the same period last year. Even though, the reopening of many countries after the easing of the COVID-19 pandemic situation resulting in an improvement in the buyers' confidence in the market, the economic situation in China, the main buyer, has not recovered as expected. In addition, many buyers in India have delayed their purchases as India's government has announced Countervailing Duty (CVD) measurement by increasing import duty from Indonesia, Malaysia and Thailand in the range of 3% - 30% since May 4, 2023 onwards, causing the purchasing power in the market to weaken. Moreover, there are still sensitive factors, such as the concern about the economic recession and the uncertainty of the Russia-Ukraine, affects the buyers' confidence to be more cautious in their purchases by choosing only as needed, especially Short Chain fatty alcohols, which buyers had options for sourcing products from manufacturers of fatty alcohols using fatty acids and synthetic fatty alcohol, which led to more products entering the market as well.

The overall supply side of the fatty alcohols in 9M2023 was improved compared to the same period of the previous year due to the Indonesian government's announcement of an extension of the Domestic Market Obligation (DMO) policy to cover products produced from palm oil (including fatty alcohols and glycerine) in 9M2022. Exporters are required to sell fatty alcohols at least 20% to the domestic market from February 15 to March 9, 2022 and up to 30% from March 10 - 17, 2022, resulting in less volume entering the market. In addition, there was a temporary shutdown of manufacturers in Indonesia, United States and Malaysia during mid-year and 3Q2022, including the Company who had temporary shutdown for catalyst change during late-September to early-October 2022, resulting in tight supply in 9M2022.

An average price of natural fatty alcohols has dropped compared to previous year in line with depreciating of CPKO prices. The Mid Cut fatty alcohols prices decreased to 1,348 USD/ton, dropped of 976 USD/ton or 42% as well as the Short Chain fatty alcohols price dropped to 3,675 USD/ton, a decrease of 525 USD/ton or 13% and the Long Chain fatty alcohols price dropped to 1,386 USD/ton, a decrease of 1,580 USD/ton or 53%.

Exhibit 6 : Keys Operating Performance of FA Business Unit

Fatty Alcohols Business	3Q2023	3Q2022	% YoY	2Q2023	% QoQ	9M2023	9M2022	% YoY
Utilization (%)	76%	101%	-25%	104%	-28%	89%	101%	-12%
Sales Volume (Ton)	24,473	27,714	-12%	21,731	13%	68,110	75,997	-10%
Revenue from Sales (million baht)	1,221	2,326	-48%	1,135	8%	3,725	7,250	-49%
EBITDA (million baht)	(76)	527	-114%	135	-156%	213	1,233	-83%
EBITDA margin (%)	-6.2%	22.7%	-28.9%	11.9%	-18.1%	5.7%	17.0%	-11.3%
Stock Gain/(Loss) & NRV	(146)	(200)	27%	34	-529%	(236)	(169)	-40%
Adjusted EBITDA (million baht) ⁽¹⁾	70	727	-90%	101	-31%	448	1,402	-68%
Adjusted EBITDA Margin (%)	5.7%	31.3%	-25.6%	8.9%	-3.2%	12.0%	19.3%	-7.3%

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

Operating performance comparison between 3Q2023 vs. 3Q2022

The Company had recorded sales revenue of fatty alcohols business of THB 1,221 million in 3Q2023, a decrease of 48% from 3Q2022, mainly due to a decrease in average fatty alcohols prices of 32% following the decrease in CPKO prices due to concern about the economic recession, resulting in less demand for fatty alcohols, which affected both CPKO prices and fatty alcohols prices, which decreased according to the economic situation and also affected the buyers' purchase by choosing only as needed. Furthermore, buyers have options for sourcing products, particularly Short Chain fatty alcohols buyers that procures the product from manufacturers of fatty alcohols using fatty acids and synthetic fatty alcohol which have more products entering the market. Meanwhile, the sales volume of fatty alcohols decreased by 12% owing to the Company's temporary shutdown for catalyst change.

From such details, in 3Q2023 the Company recorded the Stock Loss & NRV of THB 146 million and the EBITDA at THB -76 million, a decrease of 114% from 3Q2022. When deducting the effect of Stock Loss & NRV, Adjusted EBITDA of THB 70 million, a decrease of 90% and an Adjusted EBITDA Margin was at 5.7%.

Operating performance comparison between 3Q2023 vs. 2Q2023

On a quarter by quarter basis, the Company recorded sales revenue of fatty alcohols in 3Q2023 increased by 8% from the previous quarter, mainly from the increased sales volume of fatty alcohols by 13% from the previous quarter due to most buyers purchasing products to restock their inventory after delaying purchasing products in the prior period. In addition, some buyers in China, who are major buyers, had returned to the market to restock for their production in advance for the 19th Asian Games held in Hangzhou during September 23 - October 8, 2023, although an average of fatty alcohols price decrease in line with CPKO price due to an increasing in the overall supply of CPKO according to the palm production seasonality of major producers in Indonesia and Malaysia.

However, the Company recorded EBITDA of THB -76 million, a decrease of 156% compared to the previous quarter. When deducting the effect of Stock Loss & NRV of THB 146 million, the Company had Adjusted EBITDA of THB 70 million, decreased from 2Q2023 by 31% and Adjusted EBITDA Margin was at 5.7%.

Operating performance comparison between 9M2023 vs. 9M2022

For the first 9 months of 2023, fatty alcohols business recorded sales revenue of THB 3,725 million, decreased from 9M2022 by THB 3,525 million or 49%, mainly from a decrease in average of fatty alcohols price of 42% in line with CPKO price due to a decrease in CPKO export volumes since the end of Y2022, coupled with an increase in overall production volumes in 2023, which affected the CPKO stock level in Malaysia to the highest level in two years. The sales volume of fatty alcohols decreased by 10%, mainly because the economic situation in China, the main buyer, has not recovered as expected. Furthermore, many buyers in India have delayed their purchase as India's government has announced Countervailing Duty (CVD) measurement by increasing import duty from Indonesia, Malaysia and Thailand in the range of 3% - 30% since May 4, 2023 onwards, causing the purchasing power in the market to weaken. Moreover, the overall supply in 9M2023 was improved owing to no DMO measures by Indonesian government as last year.

In 9M2023, the Company recorded EBITDA of THB 213 million, decreased from 9M2022 by 83%. When deducting impact from Stock Loss & NRV of THB 236 million, Adjusted EBITDA was recorded at THB 448 million, a decrease of 68% from the previous year and Adjusted EBITDA Margin was at 12%.

Market and Business Outlook in 2024

Methyl Ester Market Outlook

For the methyl ester demand outlook in 2024, the Company anticipates that it will slightly improve from 2023, mainly because the government has announcement for EURO 5 standard which will be enforced from January 1, 2024 onwards in order to increase the strictness of emissions and particulate matter from engines. As a result, the Company expects that the government's policy will maintain as B7 as main grade continuously throughout the year. In addition, there are supporting factors from various economic stimulating policies from the government, such as tourism promotion and energy prices reduction etc. which may affect the increased demand for methyl ester. In terms of the methyl ester supply outlook in 2024, the Company anticipates that it will remain stable due to no expansion of installed capacity production from both the existing and new manufacturers into the market, resulting in the average utilization rate of the industry remaining at 40-45%

For the methyl ester price outlook in 2024, the Company anticipates that it tends to slightly improve in line with the CPO-DIT price, which adjusts in line with the global CPO price, which is likely to increase from the forecast that palm oil production of major producers in Indonesia and Malaysia will decrease from the El Nino phenomenon that occurred in the middle of 2023 coupled with the drought that also occurred during that period as well, which may affect production in 2024. Furthermore, the CPO export volume of many producers will tend to decline. Indonesia has adjusted the biodiesel mandatory at B35 since August 2023 and plans to increase to be at B40 in 2024. In addition, Malaysia plans to use B10 in the industrial sector in addition to the transportation sector and also plans to increase to use at B20 for the transportation sector in 2024.

Fatty Alcohols Market Outlook

For the natural fatty alcohols demand outlook in 2024, the Company anticipates that it will slightly improve from the previous year mainly because the forecast for the global economy tends to recover and the uncertainty of the Russia-Ukraine will tend to be resolved. As a result, most buyers will return to purchase products to restock their inventory. Meanwhile, the overall supply of natural fatty alcohols outlook in 2024 is likely to improve from the previous year due to the expansion installed capacity production plan of fatty alcohols manufacturers in Indonesia to 300,000 tons/year from 160,000 tons/year, while there is no shutdown plan of other manufacturers.

In terms of fatty alcohols price outlook in 2024, the Company anticipates that there will be an upward trend compared to 2023 following the CPKO price, which will be appreciated in line with the CPO price due to the expectation that economic factors will recover in the middle of 2024, which may result in a recovery in demand for cosmetics and Home and Personal Care product, and it is expected that the demand for CPKO, which is a raw material, will also improve.

Refined Glycerine Market Outlook

For the refined glycerine demand outlook in 2024, the Company anticipates that it will improve compared to 2023 mainly because the global economic situation is likely to improve. As a result, the Epichlorohydrin (ECH) market will be recover, especially in China which is the main market (ECH is a precursor for use as raw materials for the production of composite materials, electronic components, glue and sealant, paper, water treatment chemicals, cleaning products, etc). In addition, the Company anticipates that the demand for home and personal care products, including food and pharmaceutical products, is likely to recover after the overall economy and conflicts in the global market return to normal, which may result in demand for glycerine improving as well. In terms of the refined glycerine supply outlook in 2024, the Company anticipates that It is likely to increase from 2023 due to the expansion of installed capacity production of a major fatty alcohols producer in Indonesia including energy policy in some countries that tend to support an increasing in the biodiesel mandatory, such as Indonesia plans to adjust the biodiesel mandatory from B35 to B40, as well as Brazil plans to adjust from B12 to B15. From the factors mentioned above, it is expected that the volume of by-products such as glycerine will increase and cause higher competition in the market.

In terms of an average price of refined glycerine outlook in 2024, the Company anticipates that it is likely slightly appreciate from 2023 in line with CPO price, which is raw material that will be expected to increase.

Ethanol Market Outlook

For the ethanol (E100) demand outlook in 2024, the Company anticipates that it is likely to rise from 2023 owing to the positive factors that the government has issued policies to stimulate the economy including energy prices reduction which will increase domestic demand and the tourism sector will continue to recover. However, it is still necessary to follow up on the reduction of electric car price. This may affect the demand for gasohol in Bangkok. On the supply side of the ethanol market outlook in 2024, the Company anticipates that it will be stable due to no expansion of installed capacity production of domestic manufacturers. As a result, an average utilization rate in the country will be at 55%.

For the ethanol price outlook in 2024, the Company anticipates that it will slightly increase from 2023 in line with the raw materials price for ethanol production due to drought conditions, especially cassava price, which is expected to increase significantly due to export to China. Therefore, it is expected that production costs and the overall average ethanol market price in 2024 will tend to increase.

Consolidated Statement of Income

Exhibit 7 : Consolidated Profit & Loss Statement comparison of 3Q2023, 3Q2022 and 2Q2023

	3Q2023		3Q2022		YoY		2Q2023		QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
Sale Revenue	3,940	100	5,761	100	(1,821)	(32)	4,744	100	(804)	(17)
Feedstock	(3,205)	(81)	(4,296)	(75)	1,091	(25)	(3,917)	(83)	712	(18)
Net Realizable Value (NRV)	6	0	2	0	4	200	(18)	(0)	24	(133)
Product to Feed Margin	741	19	1,467	25	(726)	(49)	809	17	(68)	(8)
Variable Costs	(272)	(7)	(459)	(8)	187	(41)	(377)	(8)	105	(28)
Fixed Costs	(237)	(6)	(176)	(3)	(61)	35	(214)	(5)	(23)	11
Stock Gain/(Loss)	(228)	(6)	(443)	(8)	215	(49)	23	0	(251)	(1,091)
SG&A	(103)	(3)	(115)	(2)	12	(10)	(101)	(2)	(2)	2
Other Income	9	0	26	0	(17)	(65)	9	0	-	-
EBITDA	(90)	(2)	300	5	(390)	(130)	149	3	(239)	(160)
Depreciation and Amortization	(125)	(3)	(154)	(3)	29	(19)	(129)	(3)	4	(3)
EBIT	(215)	(5)	146	3	(361)	(247)	20	0	(235)	(1,175)
Net Financial Costs	-	-	(9)	(0)	9	(100)	(1)	(0)	1	(100)
FX Gain/Loss ⁽¹⁾	4	0	(17)	(0)	21	(124)	26	1	(22)	(85)
Share of Profit/(Loss) from investment	(53)	(1)	(6)	(0)	(47)	783	(25)	(1)	(28)	112
Income Tax Expenses	2	0	(44)	(1)	46	(105)	(13)	(0)	15	(115)
Net Profit	(262)	(7)	70	1	(332)	(474)	7	0	(269)	(3,843)

Notes :

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

Exhibit 8 : Consolidated Profit & Loss Statement comparison of 9M2023 and 9M2022

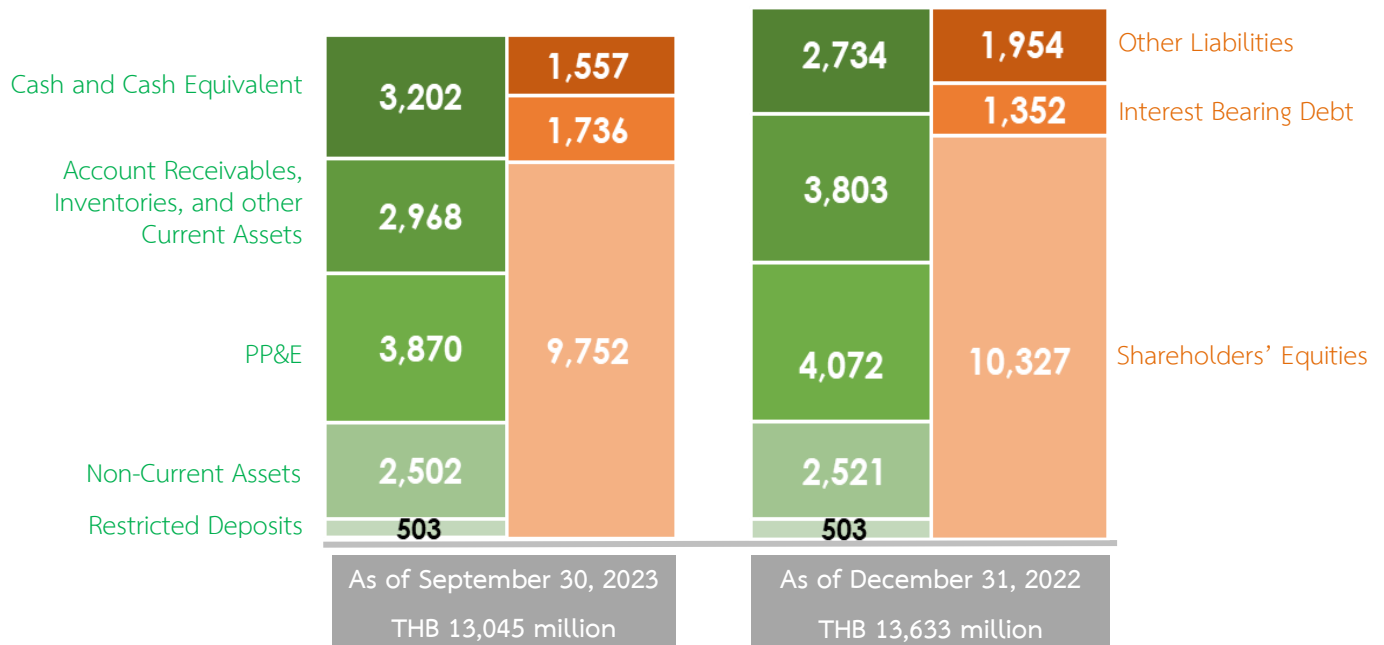
	9M2023		9M2022		YoY	
	MB	%	MB	%	MB	%
Sale Revenue	13,346	100	20,579	100	(7,233)	(35)
Feedstock	(10,828)	(81)	(16,514)	(80)	5,686	(34)
Net Realizable Value (NRV)	6	0	(21)	(0)	27	(129)
Product to Feed Margin	2,524	19	4,044	20	(1,520)	(38)
Variable Costs	(1,058)	(8)	(1,302)	(6)	244	(19)
Fixed Costs	(634)	(5)	(501)	(2)	(133)	27
Stock Gain/(Loss)	(356)	(3)	(306)	(1)	(50)	16
SG&A	(298)	(2)	(307)	(1)	9	(3)
Other Income	28	0	47	0	(19)	(40)
EBITDA	206	2	1,645	8	(1,469)	(88)
Depreciation and Amortization	(384)	(3)	(465)	(2)	81	(17)
EBIT	(178)	(1)	1,210	6	(1,388)	(115)
Net Financial Costs	(6)	(0)	(31)	(0)	25	(81)
FX Gain/Loss ⁽¹⁾	29	0	(24)	(0)	53	(221)
Share of Profit/(Loss) from investment	(30)	(0)	37	0	(67)	(181)
Income Tax Expenses	(31)	(0)	(213)	(1)	182	(85)
Net Profit	(216)	(2)	979	5	(1,196)	(122)

Notes :

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

Statement of Financial Position

Exhibit 9 : Consolidated Financial Position as of September 30, 2023 and as of December 31, 2022



Assets

As of September 30, 2023 the Company had total assets of THB 13,045 million, a decrease of THB 588 million compared to December 31, 2022 in which key changes are described as follow;

1. Current assets decreased by THB 367 million mainly from;
 - 1.1 Accounts receivable and other accounts receivable decreased by THB 538 million owing to the decreasing feedstock price, which caused the selling price of methyl ester and fatty alcohols to drop significantly, and the sales volume also decreased compared to the end of 2022.
 - 1.2 Inventory decreased by THB 208 million owing to the decline in the selling price of fatty alcohols and a decrease in inventory.
 - 1.3 An increase in cash and cash equivalent THB 469 million.
 - 1.4 VAT receivables decreased by THB 99 million.
2. Non-current assets decreased by THB 221 million mainly from;
 - 2.1 PP&E decreased by THB 202 million due to depreciation expenses.
 - 2.2 Investment in joint venture increased by THB 17 million.
 - 2.3 Deferred tax assets decreased by THB 30 million.

Liabilities

As of September 30, 2023, the Company had total liabilities of THB 3,293 million, a decrease of THB 13 million compared to December 31, 2022, mainly attributed to

1. Account payables and other account payables decreased by THB 298 million owing to the decrease in raw material prices.
2. Long-term loans from financial institutions increased by THB 396 million.
3. Corporate tax payable decreased by THB 121 million.
4. Derivatives liabilities increased by THB 32 million
5. Accounts payable to contractors decreased by THB 22 million.

Shareholders' equity

As of September 30, 2023 the Company had total shareholders' equity of THB 9,752 million, a decrease of THB 575 million compared to December 31, 2022. This was the net loss in 9M2023 of THB 216 million, dividend payment to shareholders of THB 358 million and loss from cashflow hedge of THB 1 million.

Statement of Cash Flows

Exhibit 10: Consolidated Cash Flows Statement for the period ended September 30, 2023 and September 30, 2022.

Cash Flow (Unit: Million Baht)	30 September 2023	30 September 2022
Net cash received (used in) operating activities	634	1,515
Net cash received (used in) investing activities	(342)	(563)
Net cash received (used in) financing activities	(41)	(524)
Effect of exchange rate changes on balances held in foreign currencies	17	11
Net increase (decrease) in cash and cash equivalents	268	439
Cash and cash equivalents as at 1 January	1,384	1,511
Cash and cash equivalents as at 30 September	1,652	1,950

Note: Ending cash and cash equivalents as at 30 September 2023 had not included current investment in financial assets of THB 1,550 million and restricted deposits of THB 503 million.

As for the statement of cash flows for 9M2023, the Company had cash received from operating activities of THB 634 million as a result of adjusting non-cash items, depreciation and amortization, a decrease in account receivables, VAT receivable, inventories, account payables and other account payables, adjusting from net loss of THB 216 million, resulting in the Company had net cash received from such operating activities.

The Company had cash used from investing activities of THB 342 million, primarily due to cash spending for an investment in current asset of THB 200 million, cash spending for purchase of buildings and equipment of THB 117 million and cash spending for the investment in joint ventures (GKBI) of THB 80 million. Including dividend income of THB 32 million and interest income of THB 33 million.

The Company had cash used in financial activities of THB 41 million, mainly due to dividend payment of THB 358 million, cash spending for interest paid of THB 29 million, cash spending for lease liabilities of THB 48 million while had cash receiving from long-term loans from financial institutions of THB 395 million.

As the activities above, the Company had an increase in cash and cash equivalents of THB 268 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 September 30, 2023 the Company had cash and cash equivalents of THB 1,652 million (excluding investments in current financial assets of THB 1,550 million and restricted deposits of THB 503 million).

Key Financial Ratios

Exhibit 11 : Key Financial Ratios comparison of 3Q2023, 3Q2022 and 2Q2023

Key Financial Ratio	3Q2023	3Q2022	2Q2023
Current Ratio (x)	3.8	3.1	3.6
EBITDA to Sales Revenue (%)	(2.3)	5.2	3.1
Net Profit to Sales Revenue (%)	(6.6)	1.2	0.1
Return on Total Assets (%)	(1.9)	9.3	1.1
Return on Equity (%)	(2.4)	8.7	0.9
Debt to Equity (x)	0.3	0.3	0.3
Interest Bearing Debt to Equity (x)	0.2	0.1	0.1
Interest Bearing Debt to EBITDA (x)	6.6	0.6	2.0

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