

## Message from the Chairman

### Dear Customers, Business Partners, Employees, the Governance unit, and Shareholders,

The year 2022 provided both opportunities and represented threats to Golden Lime PLC and its subsidiaries, due to disruptive geopolitical events, volatility in the energy and freight markets, but also a strengthening economic recovery in Thailand and the region.

First, the impact of the Covid pandemic on the business was gradually declining during the year, that with the full reopening of Thailand in July 2022 resulted that by end of the year business was completely back to normal. Going forward we face the best year in a decade for the economy in 2023 as Thailand will experience a post pandemic boom in tourism and construction segments.

Second, the consequence of the energy market disruptions, adding to the already existing imbalances in supply and demand on the internationally traded coal and LNG markets, was an ultra-volatile fuel sourcing environment, where pricing of key energy sources, especially solid fuels like coal or petcoke, doubled or tripled compared with the relatively stable 2010-2020 period, impacting Golden Lime's core business cost structure dramatically.

Third, another imbalance in international trade, the hyper volatile container freight market, that went completely haywire in 2021-2022, limiting the export potential of Thailand based quicklime producers, returned to historic average levels by end of the year, at a surprising speed. This offers the opportunity of enhanced export performance in the year to come.

The overall balance of these external events (Negative 1/ fuel cost, that had to be passed on customers in multiple round of price adjustments , 2/ shipping rates, that limited export volumes 3/ still sluggish economy in H1 2022, especially in construction , but positive 2/ economic activity recovery especially in H2 ) resulted a fluctuation in results from month to month, well above previous years. Still, the overall result was close to management objectives for 2022.

Going forward, we expect 2023 to be a significantly better year for business in Thailand in general, as the GDP growth was revised upwards multiple times, demand is expected to improve, while energy prices will likely start to normalize, as well as export performance to improve.

From the perspective of Golden Lime PLC, in 2023, beside the above macroeconomic events, we expect the roll-out of new products launched in 2022 to come to a conclusion, as well as laying the foundation of future organic growth, to result a year with performance ahead of 2022.

The year ended with a consolidated sales and services revenue of 1,478 million Baht, way above last years of 1,186 million Baht, with relatively flat volumes, but major escalation in finished product pricing as the passing on of energy costs was inevitable. The generated consolidated EBITDA reached 227 million Baht statutory and 229 million Baht normalized, after a 235 million Baht statutory and 233 million Baht normalized result in 2021. The net profit of 89 million Baht and 60 million Baht normalized was well above last year's 51 million Baht statutory and 49 million Baht normalized, main reason being the somewhat higher EBITDA generation, lower financing costs as the company is continuously reducing its debt and is de-leveraging, lower tax payments due to Solar project related BOI tax credits. The earnings per share was 30 Satang statutory and 20 Satang normalized, after a statutory 17 Satang statutory and 16 Satang normalized in 2021.

The scope of business did not change in 2022 vs 2021, as Golden Lime PCL. operated the same subsidiaries with same shareholding as in the previous year. The liquidation of Saraburi Quicklime resulted no change in the scope, as this subsidiary's business was already in 2021 transferred to GL via an Entire Business Transfer process.

The core business of limestone and derivative products (aggregates, ground calcium carbonate, burnt lime, burnt dolomite, and hydrated lime production) carried out by Golden Lime and Thai Marble (generated well over 90% of the revenue and margins (vs 88% in 2021) while the non-core marble ornamental stone business, aggregate business, and engineering contributed the remaining 9% ( down from 12% the year before ), reason being price increases in the burn product energy intense segments primarily.

**Highlights of the year 2022:**

**H&S:** improving track record with no major incident in 2022, however the management targets of zero accident not reached yet, further improvement necessary.

**Green credentials & sustainability:** the in-house electricity plant (Solar I, 2MW) was operating now full year, and Q3 also the Solat II ( 0.5MW ) started operation, while in Q4 decision was made to invest in a Solar III (1.0 MW ) project. Beside solar, we also advanced the biofuel project, with the objective of a pilot production line to be commissioned in the coming years, converting 15-30% of production capacity to “Green lime” for the first time in Thailand, with zero (non-calcination related) combustion CO<sub>2</sub> emission.

**New Products:** The construction industry product for the AAC industry was finally commenced in H2. This opens a new market for GL, after the successful dolomitic lime launch in 2020.

**Downstream service projects:** multiple initiatives (Milk-of-lime, electric-arc-furnace injection pursued) that once realized add new service business segment to the Golden Lime product portfolio

**Quality:** Relentless focus is on quality consistency, further extend our product portfolio with customized special products developed to individual customers

**Organization development:** continue to invest in human resources and talent, beyond current needs of the business, to prepare a long-term sustainable future of the enterprise, systematically strengthened the leadership and middle management teams, training programs in association with the Carmeuse Group.



**Our long-term vision remains the same:**

**We will develop SUTHA into a leading South East Asian lime producer.**

**“We contribute to a better world”**

is established and aligned with our vision.

**In the year ahead in 2023, we will improve the profitability of our core operations, add further new products, focus on export markets, diversify, and secure raw materials, driving the topline, operational margins, and bottom line to new heights.**

**We are looking forward together with all stakeholders of SUTHA to a great 2023!**

Date: 24<sup>th</sup> February 2023



Mr. Geza Emil Perlaki  
Managing Director and  
Chairman of the Executive Committee



Mr. Sripop Sarasas  
Chairman of the Board of Directors

