



Asia Biomass Public Company Limited

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No. 273/2 Rama II Road, Samae Dam Sub-district, Bang Khun Thian District, Bangkok 10150

Tel: 0-2415-0054, 0-2416-3911 Fax: 0-2415 -1102 www.asiabiomass.com

Registration No. 0107560000061

August 13, 2021

Subject: Explanation of operating results for quarter 2/2021

To: The President
The Stock Exchange of Thailand

The explanation to the consolidated financial performance for three-month period ended June 30, 2021 as follows:

Summary of Quarterly Operation

Operating Performance

Volume Sales	Q2/2021		Q2/2020		Q1/2021		YoY	QoQ
	thousand ton	%	thousand ton	%	thousand ton	%	%	
Domestic	115.34	76.02	71.84	84.76	86.23	62.84	60.55	33.76
Overseas	36.38	23.98	12.92	15.24	50.99	37.16	181.56	(28.65)
Total	151.72	100.00	84.76	100.00	137.22	100.00	79.00	10.57

Biomass total sales volume in Q2/2021 was 151.72 thousand tons increased 79.00% from Q2/2020 from the increase both domestics and overseas sales volume. And increased 10.57% from Q1/2021 mainly from the sales volume of Palm Kernel Shell and Wood chips.

Domestic sales volume

Domestic sales volume in Q2/2021 was 115.34 thousand tons, which increased 60.55% from Q2/2020 and 33.76% by compared with Q1/2021 because of the increase in palm kernel shell and woodchip due to the high season of products so its sufficient for the market demand. In addition, last year was affected by the pandemic of COVID-19 causing the demand for products in the market to slow down

Overseas sales volume

Overseas sales volume was 36.38 thousand tons in Q2/2021 increased by 181.56% from Q2/2020 Due to the uncertainty caused by the epidemic of COVID-19 last year cause slowing down of the demand for

products. In addition, obstacles in transportation from the country's lockdown policy. When compared to the Q1/2021, sales volume decreased by 28.65% due to seasonal decline.

Financial Performance

Operating Results

Income Statement	Quarter 2/2021		Quarter 2/2020		Quarter 1/2021		YoY	QoQ
	MB	%	MB	%	MB	%	%	%
Revenues								
Revenue from sales and services	482.50	99.33	241.65	99.29	471.72	99.03	99.67	2.29
Other incomes	3.26	0.67	1.74	0.71	4.63	0.97	87.36	(29.59)
Total Revenues	485.76	100.00	243.39	100.00	476.35	100.00	99.58	1.98
Expenses								
Cost of sales and services	(405.72)	(83.52)	(191.39)	(78.63)	(386.54)	(81.15)	111.99	4.96
Distribution costs	(55.87)	(11.50)	(31.46)	(12.93)	(57.23)	(12.01)	77.58	(2.38)
Administrative expenses	(17.30)	(3.56)	(16.66)	(6.84)	(17.57)	(3.69)	3.87	(1.54)
Total Expenses	(478.89)	(98.59)	(239.51)	(98.40)	(461.34)	(96.85)	99.95	3.80
Profit (Loss) before interest and tax	6.87	1.41	3.88	1.60	15.01	3.15	76.83	(54.23)
Financial costs	(3.10)	(0.64)	(2.68)	(1.10)	(3.20)	(0.67)	15.67	(3.13)
Profit (Loss) before income tax	3.77	0.78	1.20	0.50	11.81	2.48	212.86	(68.08)
Income tax expenses (revenues)	(1.08)	(0.22)	(0.27)	(0.11)	(2.51)	(0.53)	297.06	(56.97)
Net Profit (Loss)	2.69	0.55	0.93	0.38	9.30	1.95	188.32	(71.08)
Net Profit (Loss) attributable to equity holders	3.14	0.65	0.92	0.38	9.68	2.03	241.30	(67.56)

The operating results are presented as follow;

Revenue from sales and services

Revenue from sales and services in Q2/2021 was 482.5 million baht increased 99.67% from Q2/2020 and 2.29% from Q1/2021 increased in line with sales volume and selling price increase. Also significant affected by the Covid-19 pandemic during Q2/2020.

Cost of sales and services

Cost of sales and services in Q2/2021 was 405.72 increased by 111.99% from Q2/2020 and 4.96% from Q1/2021. Cost of sales and services increased in line with increase in revenue from sales and services but



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increased by a higher proportion. Due to increase in indirect shipment activities affect to higher freight-in cost while last year focused on direct logistics activities which has resulting in lower freight-in cost and inventory management cost. Moreover, export products have better profit margins.

Gross profit margin of the company was 16% in Q2/2021 decreased when compare to Q2/2020, which was 21% while decreased when compared with Q1/2021, which was 18% from the higher cost while the last year has the bigger portion of high-gross profit product, especially exported product.

Distribution costs

Distribution costs were 55.87 million baht increased by 77.58% from Q2/2020 Cost of distribution increased in line with revenue increase and decreased by 2.38% from Q1/2021 due to export sales proportion decreased.

As a result, in Q2/2021, the net profit attributable to equity holders of the company was 3.14 million baht, while in Q2/2020 had net profit was 0.92 million baht and in Q1/2021 had net profit of 9.68 million baht.

Financial Position

Assets

Financial Position	Jun 30, 2021		Dec 31, 2020		% change	
	MB	%	MB	%	MB	%
Cash	29.28	3.03%	51.23	5.74%	(21.95)	-42.85%
Account Receivable	233.87	24.23%	212.94	23.85%	20.93	9.83%
Inventory	165.16	17.11%	202.02	22.62%	(36.86)	-18.25%
Other current asset	10.72	1.11%	4.36	0.49%	6.36	145.92%
Total current asset	439.03	45.48%	470.55	52.69%	(31.52)	-6.70%
Bank deposit pledged as collateral	40.00	4.14%	40.00	4.48%	0.00	0.00%
Fixed asset	472.78	48.97%	346.65	38.82%	126.13	36.38%
Other non current asset	13.54	1.40%	35.79	4.01%	(22.25)	-62.17%
Non current asset	526.32	54.52%	422.44	47.31%	103.88	24.59%
Total asset	965.35	100.00%	892.99	100.00%	72.36	8.10%

As of June 30, 2021, the company's total assets on increased by 8.10% mainly increased from fixed assets mainly due to land revaluation, an increase of 130.44 million baht. Whereas the decrease in current assets; decrease in inventories by 18.25% due to sales the goods which were stocked during the harvest season last year and cash and cash equivalents decreased by 42.85% due to received collection near the end of the last year and reserve cash for payment goods and service in the beginning of the next quarter.

Liabilities and Equities

Financial Position	Jun 30, 2021		Dec 31, 2020		% change	
	MB	%	MB	%	MB	%
Assets						
Short-term loans	445.03	46.10%	463.78	51.94%	(18.75)	-4.04%
Account payable	64.42	6.67%	82.05	9.19%	(17.63)	-21.49%
Other current liabilities	3.14	0.33%	5.50	0.62%	(2.36)	-42.89%
Current liabilities	512.59	53.10%	551.33	61.74%	(38.74)	-7.03%
Long term loans and financial leases	93.79	9.72%	107.44	12.03%	(13.65)	-12.71%
Other non current liabilities	10.88	1.13%	4.66	0.52%	6.22	133.45%
Non current liabilities	104.67	10.84%	112.10	12.55%	(7.43)	-6.63%
Liabilities	617.26	63.94%	663.43	74.29%	(46.17)	-6.96%
Equities	348.09	36.06%	229.56	25.71%	118.53	51.63%
Liabilities and Equities	965.35	100.00%	892.99	100.00%	72.36	8.10%

Total liabilities and equities in June 31, 2021 increased by 8.10% from the end of last year mainly from an increase in equity from operating profit during the period and the surplus from land revaluation approximately 104.35 million baht. Current liabilities decreased 7.03% compared to the end of last year due from payment of debts for goods and services. Other non-current liabilities increased from deferred tax liabilities from additional land appraisal items. While there were deferred tax assets in the previous year.



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The statement of cash flow

Cash flow	Jan - Jun/2021	Jan - Jun/2020
	Million baht	
Net cash provided by operating activities	21.19	29.76
Net cash (used in) investing activities	(3.69)	(11.67)
Net cash (used in) financing activities	(40.80)	(3.88)
Other effects	1.35	(0.74)
Net increase in cash and cash equivalents	(21.95)	13.46

The statement of cash flows for the six-month period ended June 30, 2021

Net cash from operating activities: the cash flow received from operating activities consisted of profit after adjustment of items affecting the profit of 31.08 million baht, inventories decreased by 33.58 million baht, However, the Company's accounts receivable increased by 21.81 million baht and trade accounts payable decreased by 22.56 million baht due to the gradual repayment, Resulting the company has net cash flow from operating activities of 21.19 million baht.

Net cash used in investing activities: the company had net cash used in investing activities of 3.69 million baht from the increase of additional machine in Bang Nam Chuet, Samut Sakhon.

Net cash used in financing activities: the company had cash used in financing activities of 40.80 million baht from loan repayment and interest payment.

Upcoming Projects

The company plans to invest in the quality of productions on the international standard.

1. The company start operation in wood pellets plant at Bang Nam Chuet, Samut Sakhon with capacity 2,000 tons/month in Q2/2021.



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2. The company has investment plan to continually increase logistics efficiency include increasing transportation vehicles and increasing the warehouse.

2.1 In 2021, the company have plan to improve the land and started warehouse operations at Taphong Subdistrict, Mueang District, Rayong Province, the main objective is to be a palm shell warehouse and support future investment plans.

2.2 In 2021, the company plans to improve the efficiency of transport vehicles. and reduce costs in order to compete in the market

The company has entered into the purchase of Acacia species agreement in order to guarantee continuity of goods on the company supply chain and also to prevent the products shortage risk in the future by agreeing to purchase woods from the forest member of the Forest Industry Organization Southern region with approximately 3,000 rai expected 30,000 tons of woods and expected to get the output in 2022.

This is submitted for your information.

Sincerely yours,

(Pongtham Danwungderm)

Deputy Managing Director

And Chief of Financial Officer (CFO)