



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

February 24, 2022

Subject: Explanation of operating results for the year then ended December 31, 2021

To: The President
The Stock Exchange of Thailand

The explanation to the consolidated financial performance for the year then ended December 31, 2021 as follows:

Summary of yearly Operation

Operating Performance

Sales Volumn	Ended December 31,					
	2021		2020		Change	
	kton	%	kton	%	kton	%
Domestics	418.93	74%	381.99	73%	36.94	9.67%
Overseas	148.86	26%	143.82	27%	5.04	3.50%
Total	567.79	100%	525.81	100%	41.98	7.97%

Biomass total sales volume in 2021 was 567.79 thousand tons increased 7.97 % from 2020 from the increase in biomass was from both overseas and domestic.

Domestic sales volume

Domestic sales volume in 2021 was 418.93 thousand tons, which increased 9.67% from 2020 the increase in Palm Kernel Shell and woodchip volume due to sufficient products for the market. In addition, last year the market to slow down causing the uncertainty situation from the epidemic of COVID-19.

Overseas sales volume

Overseas sales volume in 2021 was 148.86 thousand tons increased by 37.18% from 2020 from exported Wood chips and Tapioca.

Financial Performance

Operating Results

Income Statement	Ended December 31					
	2021		2020		Change Increased(decreased)	
	MB	%	MB	%	MB	%
<i>Revenues</i>						
Revenue from sales and services	1,907.82	98.76%	1,548.37	99.05%	359.45	23.21%
Other incomes	23.93	1.24%	14.80	0.95%	9.13	61.69%
Total Revenues	1,931.75	100.00%	1,563.17	100.0%	368.58	23.58%
<i>Expenses</i>						
Cost of sales and services	(1,596.46)	-82.64%	(1,266.92)	-81.05%	329.54	26.01%
Distribution costs	(215.25)	-11.14%	(194.23)	-12.43%	21.02	10.82%
Administrative expenses	(75.98)	-3.93%	(67.07)	-4.29%	8.91	13.28%
Total Expenses	(1,887.69)	-97.72%	(1,528.22)	-97.76%	359.47	23.52%
Profit before interest and tax	44.06	2.28%	34.95	2.24%	9.11	26.06%
Financial costs	(13.29)	-0.69%	(11.88)	-0.76%	1.41	11.87%
Profit before income tax	30.77	1.59%	23.07	1.48%	7.70	33.37%
Income tax expenses	(8.59)	-0.44%	(5.97)	0.38%	2.62	43.89%
Net Profit	22.18	1.15%	17.10	1.09%	5.08	29.70%
Net Profit attributable to equity holders	26.80	1.39%	18.62	1.19%	8.18	43.93%

The operating results are presented as follow;

Revenue from sales and services

Revenue from sales and services in 2021 was 1,907.82 million baht increased 23.21% from 2020, in accordance with the sales volume and higher product prices as a result of high prices of other fuel products and public policies that tend to reduce the use of carbon-containing fuels Therefore, the market tends to turn more attention to biomass.



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Cost of sales and services

Cost of sales and services in 2021 was 1,596.46 million baht increased by 26.01% from 2020. Cost of sales and services increased in line with increase in revenue from sales and services but increased by a higher ratio due to higher product cost and increased shipping costs.

For this reason, gross profit margin of the company was 16.32% in 2021 decreased when compared with 2020, which was 18.18% as a result of higher product costs while the competitive selling price unable to increase in the same proportion so its affects the gross margin that has dropped significantly.

Distribution costs

Distribution costs in 2021 was 215.25 million baht decreased by 10.82% from 2020 results from the higher export sales which has high distribution costs.

Administrative expenses

The company's administrative expenses in 2021 was 75.98 million baht increase by 13.28% from 2020 due to clearing costs in overseas warehouse and employee costs

As a result, in 2021, the net profit attributable to equity holders of the company was 26.62 million baht compared with 2020, had net profit about 18.62 million baht.

Financial Position

Assets

Financial Position Liabilities and Equities	As at 31 December					
	2021		2020		% change	
	MB	%	MB	%	MB	%
Cash	25.43	2.46%	51.23	5.74%	(25.80)	-50.36%
Account Recievable	243.03	23.54%	212.93	23.84%	30.10	14.14%
Inventory	238.63	23.12%	202.02	22.62%	36.61	18.12%
Other current asset	4.32	0.42%	4.37	0.49%	(0.05)	-1.14%
Total current asset	511.41	49.54%	470.55	52.69%	40.86	8.68%
Fixed asset	467.97	45.33%	346.65	38.82%	121.32	35.00%
Other non current asset	52.96	5.13%	75.79	8.49%	(22.83)	-63.79%
Non current asset	520.93	50.46%	422.44	47.31%	98.49	23.31%
Total asset	1,032.34	100.00%	892.99	100.00%	139.35	15.60%

As of December 30, 2021, the company's total assets on increased by 15.60% from last year, due to the significant changes as follows:

Cash and cash equivalents decreased by 50.36% due to the previous year received payment from receivables near the end of the period. And the reserve for purchases due early in the next quarter led to a higher-than-normal cash balance.

Trade accounts receivable and other receivables increased by 14.14% in relation to sales during the last month of the year added from last year. However, the due date is in normal term.

Inventories increased 18.12% in order to be sufficient supplies according to the sales plan for the next year. In addition, the market price of products is higher, especially palm kernel shells.

Fixed assets increased by 35.00% due to a change in accounting policy regarding land revaluation, an increase of 130.44 million baht and increasing the efficiency of machinery at the wood pellet plant and the wood chip plant.

Liabilities and Equities

Financial Position	As at 31 December					
	2021		2020		% change	
	MB	%	MB	%	MB	%
Assets						
Short-term loans	522.96	50.66%	463.78	51.94%	59.18	12.76%
Account payable	48.94	4.74%	82.05	9.19%	(33.11)	-40.35%
Other current liabilities	4.83	0.47%	5.50	0.62%	(0.67)	-12.18%
Current liabilities	576.73	55.87%	551.33	61.74%	25.40	4.61%
Long term loans and financial leases	84.48	8.18%	107.44	12.03%	(22.96)	-21.37%
Other non current liabilities	13.50	1.31%	4.66	0.52%	8.84	189.70%
Non current liabilities	97.98	9.49%	112.10	12.55%	(14.12)	-12.60%
Liabilities	674.71	65.36%	663.43	74.29%	11.28	1.70%
Equities	357.64	34.64%	229.56	25.71%	128.08	55.79%
Liabilities and Equities	1,032.35	100.00%	892.99	100.00%	139.36	15.60%

Total liabilities and equities on December 31, 2021 increased 139.36 million baht by 15.60% from the end of last year as a result of

Current liabilities increased 4.61% compared to the end of last year from the increase in short-term loans which is related to the increased in inventory and advance payments

and the increase in shareholders' equity from operating profit during the year and surplus from land appraisal of approximately 104.35 million baht.

The statement of cash flow

Cash flow	/2021	/2020
	Million baht	
Net cash provided by (used in) operating activities	(34.62)	12.36
Net cash used in investing activities	(6.89)	(66.23)
Net cash provided by financing activities	15.50	78.12
Other effects	0.21	(0.47)
Net increase (decrease) in cash	(25.81)	23.78

The statement of cash flows for the year ended December 31, 2021

Net cash used in operating activities: the cash flow received from operating activities consisted of profit after adjustment of items affecting the profit of 73.09 million baht from cash flows paid for trade and other receivables amounted to 47.21 million baht, inventories amounted to 47.21 million baht, trade and other payables amounted to 36.14 million baht, resulting in the company's net cash used in operating activities of 34.62 million baht.

Net cash used in investing activities: the company had net cash used in investing activities of 6.89 million baht from an increase in equipment for the production segment.

Net cash provided by financing activities: the company had cash used in financing activities of 15.50 million baht. It comes from short-term loans to supply products.

Upcoming Projects

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

1. The company has investment plan to continually increase logistics efficiency include increasing transportation vehicles and increasing the warehouse.
 - 1.1. In 2022, the company entered to purchase land and buildings agreement located at Muang Rayong, Rayong with approximate 17 rai and the value of 46.5 million baht in order to be palm kernel shell warehouse and support investment plan in the future.
 - 1.2. In 2022, the company invest in transport vehicles for business operation.



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The company has signed 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 2023.

This is submitted for your information.

Sincerely yours,

(Pongtham Danwungderm)

Deputy Managing Director

And Chief of Financial Officer (CFO)