



## ADS – PROFIT BEFORE TAX 9 MONTHS 2021 REACHED VND 85.2 BILLION, 3 TIMES HIGHER THAN THE WHOLE 2020, INAUGURATED 50 HA INDUSTRIAL ZONE

### Inauguration of An Ninh Industrial Zone after 2 years of construction

On October 16, 2021, DAMSAN Joint Stock Company (HOSE: ADS) has inaugurated An Ninh Industrial Zone (IZ) with an area of nearly 50 hectares, total investment of VND 320 billion. IZ is planned multi-sectors including textiles, mechanics, handicrafts, agricultural product processing, industry ... to catch the production needs of large Vietnam and abroad Corporations. Located in a prime location in the west of Tien Hai district, on Highway 39B, only 16 km away from Thai Binh City and 50 km from Hai Phong port. The IZ is adjacent to Thai Binh Economic Zone, so it is convenient to connect to the coastal high road and take advantage of the available infrastructures. In addition, the IZ is located in the residential area of 15 communes with available labor force of over 10,000 people, so it can ensure human resources for large corporations while setting up factories.

This is considered a model project of infrastructure investment in the region when it is very well invested. The road system is planned to meet standards with a main road of 30m - wide connecting directly to the national highway 39B, the planned internal roads range from 13.5 to 16.5m wide. In addition, green space and water surface covers 10% of the total area will help protect the environment, reduce CO2 emissions and create a "green business" environment. When put into operation, An Ninh IZ will be able to create jobs for more than 8,000 local workers, contribute to the state budget about VND 28 billion/year and contributing to the economic promotion of Thai Binh province.

Up to now, the number of customers who deposited and rented at An Ninh IZ is estimated at 47%, the rental price ranges from 47-52USD/m<sup>2</sup>. It is expected that An Ninh IZ will contribute more than VND 442 billion in revenue to ADS with a Gross Profit margin of up to 40%.

### Business activities in 9 months of 2021 grow strongly

The company has just announced the Consolidated Financial Statements for Q3 2021 with very impressive business results. Accumulated in the first 9 months of 2021, the Company recorded consolidated net revenue of VND 1,031 billion, up 17% over the same period. The high increase in export orders to Japan and China along with the efficient operation of factories Dam San 1, Dam San 2, Eiffel Textile has contributed a lot to the revenue structure of the Company. Cost of goods sold was recorded at VND 911 billion, only increasing by 9% over the same period due to ADS actively negotiating to reduce input material prices from long-time suppliers. As a result, Gross profit reached VND 120 billion, up 177% over the same period; Gross profit margin increased to a record 12% compared to 5% in the same period last year. Interest expense was only VND 26 billion, down 26% due to the Company's policy of reducing outstanding loans at Credit Institutions. As a result, Earning before Tax (EBT) reached VND 85.2 billion, 21 times higher than the same period last year, 118% higher than the 2021 plan and 3 times higher than the whole of 2020.

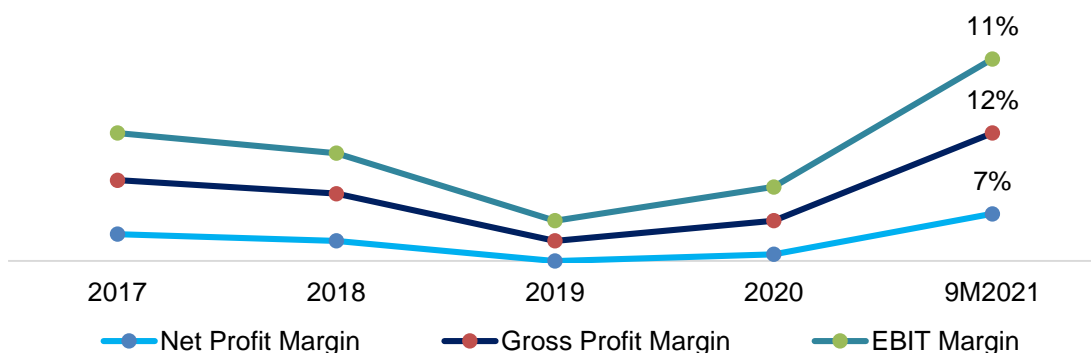
COMPANY BUSINESS RESULTS PERIOD 2019 – 9M2020 (Unit: Billion VND)					
Criteria	2019	2020	9M2021	9M2020	Difference
Revenue	1,705	1,339	1,031	878	17%
Gross Profit	56.8	63.4	120	43	177%
Earning Before Tax (EBT)	9.6	28	85.2	4.3	1,866%
Net Profit After Taxes (NPAT)	8.3	24.4	74	3.5	2,017%

Source: ADS



As of September 30, 2021, the Company's total consolidated assets reached VND 1,760 billion, a slight decrease of 4%. Compared to the beginning of the period, Cash and cash equivalents recorded VND 26.4 billion, down 28%. Short-term receivables decreased 27% to only VND 165 billion while prepayments to sellers increased slightly by 6% compared to the beginning of the period. Inventories remained at VND 482 billion, including necessary production materials to meet the rapidly increasing number of export orders in the last months of the year. Investment expenses in associates were recorded at VND 113 billion, up 17% compared to the beginning of the period, this is an investment in Thai Binh Cau Nghin Investment Joint Stock Company to develop BOT projects. Total debt in the first 6 months of 2021 was only VND 675 billion, down 12% compared to the beginning of the period because the Company proactively prepaid loans to optimize costs as well as ensure financial safety. The ratios of Debt/Total Assets and Debt/Equity are 0.38 times and 1.4 times respectively, marking a decrease compared to the beginning of the period.

### Profitability ratio of ADS from 2017 to 9M2021



Source: ADS

With the global economic recovery after COVID-19 and high shopping demand on major year-end holidays in European and Asian countries, the Company will continue to develop new markets and boost exports. In addition, the Company will continue to record revenue from the handover of residential real estate, typically 2 projects Phu Xuan Damsan Urban Area Projects - 10 ha, and Bo Xuyen Ward Residential Project in the last months of the year. In addition, revenue and profit from leasing An Ninh industrial cluster will contribute significantly to the Company's business activities in the near future.

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