

Ref. No. 2302/004EN

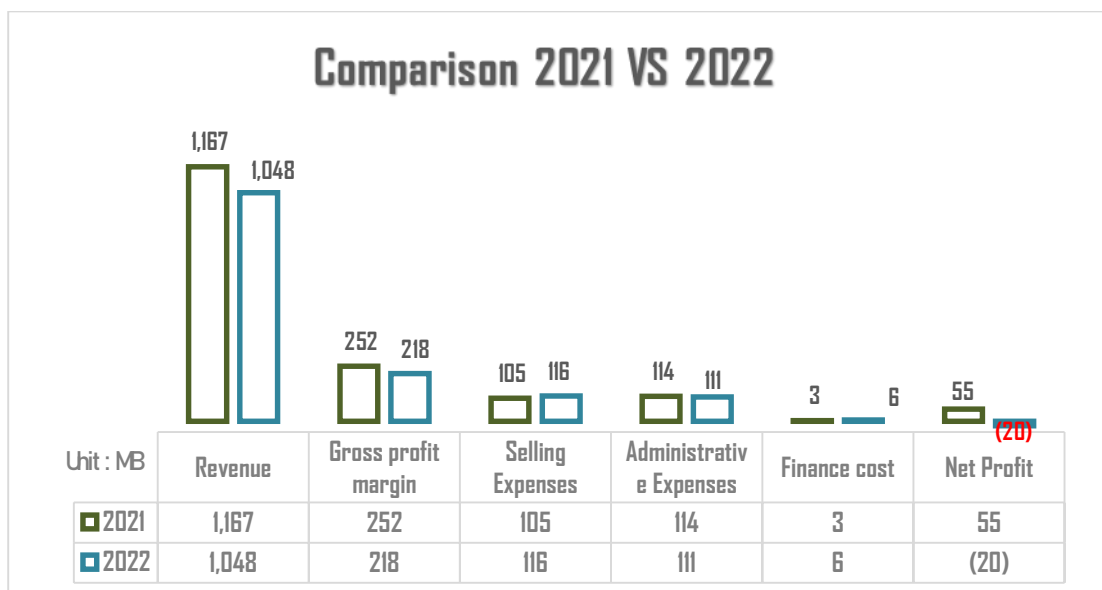
February 28, 2023

Subject: Operating Result Clarification for the end of fiscal year 2021 (Ending December 31, 2022)

To: Director and Manager of the Stock Exchange of Thailand

UBIS (Asia) Public Company Limited (“the Company”) would like to inform on operating results and the financial position which changed more than 20 % for the fiscal year 2022 Ending December 31, 2022 of the company and its subsidiaries with main substance as follows:

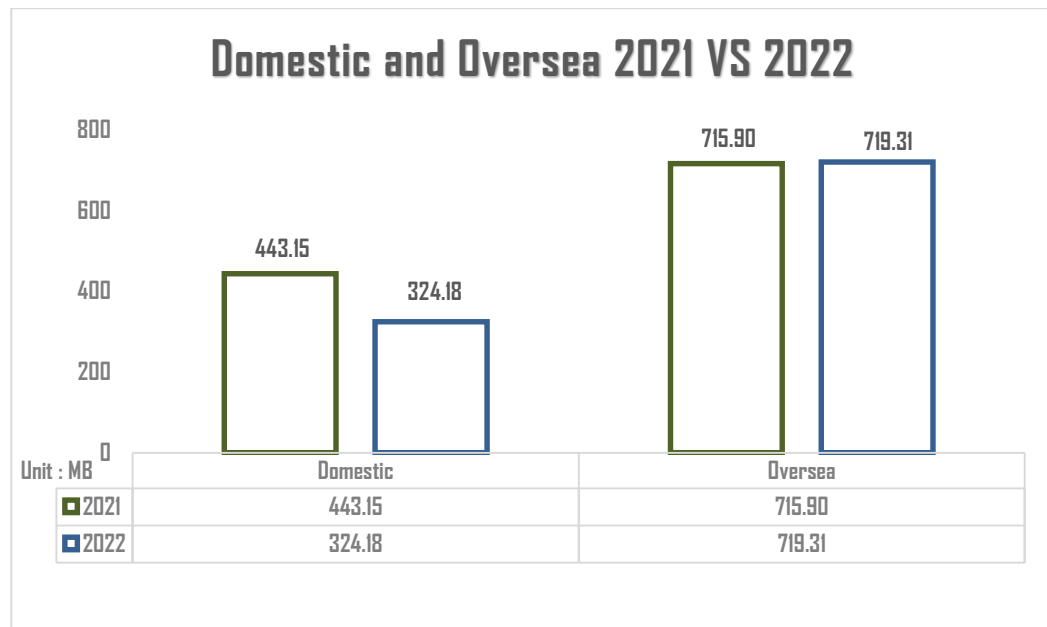
(Unit : Thousand Baht)	2021	2022	Change	% Change
Revenue	1,167,467	1,048,379	(119,088)	(10.2%)
Gross profit margin	252,023	218,299	(33,724)	(13.4%)
Selling Expenses	105,175	115,778	10,603	10.1%
Administrative Expenses	113,677	111,230	(2,447)	(2.2%)
Finance cost	3,064	6,293	3,229	105.4%
Net Profit	54,696	(20,113)	(74,809)	(136.8%)



Overall, the Company and its subsidiaries had a net loss in 2022 of 20.1 MB which has decreased by 74.8 MB or 137 % from 2021 (Net profit of 2021 was 54.7 MB). The Company would like to inform the following significant changes in the Company’s and its subsidiaries’ operational results:

Revenue

2022, the Company and its subsidiaries had total revenue of 1,048 MB, which has decreased from 2021 by 119 MB or 10%. (Divided into domestic sales decreased by 27% and an international sales increased by 0.48%).



Gross profit

2022, the Company and its subsidiaries generated a total gross profit of 218 MB, which had decreased from 2021 amounting to 33.8 MB or 13.4%. In 2022, the gross profit is 20.9% (Gross profit in 21.6% in the 2021). The decrease of gross profit were due to decrease in the revenue 10% and cost of goods sold decrease 9%

Distribution costs

2022, the Company and its subsidiaries had the distribution costs of 115 MB which has increased from 2021 in the amount 10 MB or 10% (In 2021 had the distribution costs of 105 MB). The increase of distribution costs was due to higher freight prices.

Administrative expenses

2022, the Company and its subsidiaries had the administrative expenses of 111.2 MB which has decreased from 2021 in the amount 2.4 MB or 2.2%(In 2021 had the administrative expense of 113.6 MB). In comparison to the 2021, the decreasing of administrative expenses were due to decrease of management expenses and consultation fees.

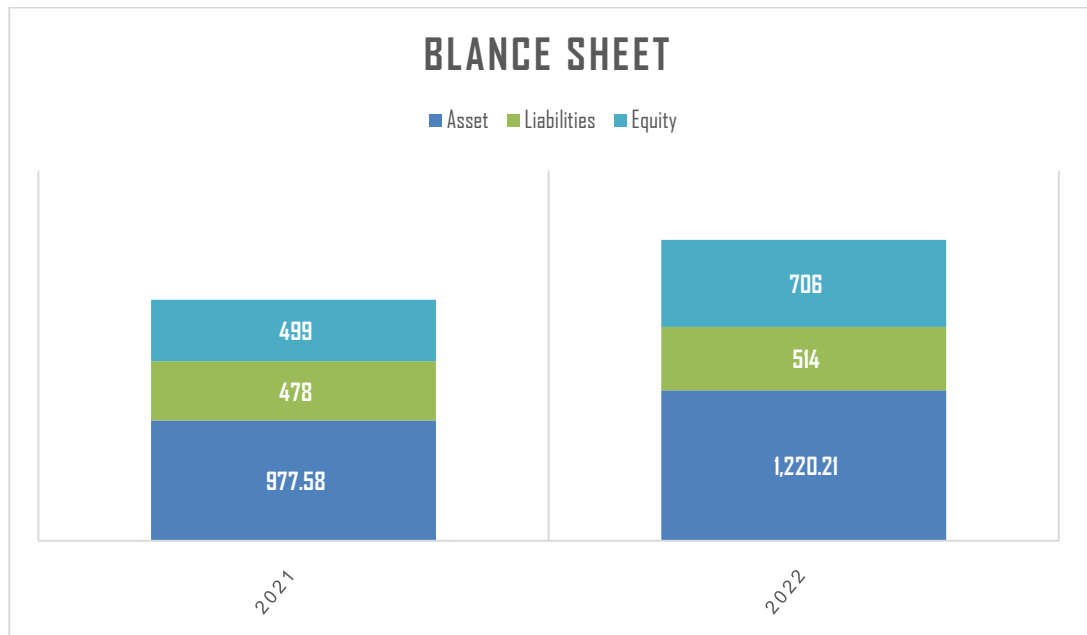
Finance cost

2022, the Company and its subsidiaries had the financial cost 6.2 MB which increased from 2021 in the amount of 3.2 MB or 105% (In 2021 had a financial cost of 3.0 MB.).

Gain (Loss) on foreign exchange

2022, the Company and its subsidiaries loss from foreign exchange profit of 5.2 MB from the exchange rate which decreased from 2021 in the amount 29.2 MB (Gain from exchange rate of 24 MB in 2021)

The overall financial status of the Company and its subsidiaries as of December 31, 2022 with the comparison to the financial status as of December 31, 2021 are summarized as below:



Assets

As of December 31, 2022, the Company and its subsidiaries have total asset of 1,220.2 MB which increased from December 31, 2021 by 242.6 MB as a result of the increase in cash and cash equivalents by 207.6 MB, the decrease in trade and other current receivables by 10.5 MB, the increase in inventory by 31.1 MB and the increase in other current assets by 1.0 MB. In terms of non-current assets, property, plant and equipment increase of 14.3 MB.

Liabilities

As of December 31, 2022, the Company and its subsidiaries had a total liability of 514 MB which increased by 35.9 MB from December 31, 2021 due to the increased in overdrafts and short-term loans of 113.3 MB, decreased of trade and other current payables by 70.1 MB, the decrease of borrowing of 1 year maturity of long term from financial institutions by 1.9 MB, increased of income tax payable by 0.8 MB, increased of lease liabilities within 1 year maturity by 0.4 MB and decreased of other current liabilities by 1.1 MB. For the part of non-current liabilities, the long-term borrowing from financial institutions decreased by 7.6 MB, the decreasing in non-current provisions for employee benefits obligations by 5 MB and decreased of lease liabilities by 0.63 MB.

Equity

As of December 31, 2022, the Company and its subsidiaries had total equity of 706 MB which increased from December 31, 2021 in amount of 206MB due to the increased of issued and paid-up share capital 57.0 MB, share premium on ordinary shares 171.0 MB. Retained earnings with unappropriated decreased by 14.8 MB. The other components of equity decreased by 6.4 MB.

Cash flow

Based on the results for 2022, the company had cash flow as following details:

- 2022, net cash flow use in operating activities were 83.8 MB, increased by 44.8 MB. In comparison with 2021 mainly from increasing of inventory and decreasing of trade and current payables.
- 2022, net cash flow use in investment was 31.2 MB, increased from 9.7 MB when compared with 2021 due to the increased of company's expenditure in investment for fixed asset.
- 2022, net cash flow from financing activities was 330.3 MB, increased from 237.1 MB when compared with 2021 due to the increased of proceeds from issue of shares and short-term borrowings from financial institutions.

The Company's strategy for the year 2023

2023 is a year of major challenges and transformations across the world. Despite progress in overcoming the COVID-19 pandemic and the restrictions imposed in 2022, new challenges have arisen from the ongoing conflict between Russia and Ukraine, leading to an increase in sanctions and disruptions to the global supply chain. This has had a significant impact on many companies, including UBIS, who experienced rising transportation costs and raw material prices in the first half of the year. However, the situation improved in the latter half of the year as countries adjusted. In response to these challenges, multinational companies have started to diversify their risks by establishing manufacturing plants in other countries such as South Africa, Brazil, Turkey, and beyond. This has resulted in a shift of European companies away from Russia, opening opportunities for Asian products

to penetrate the Russian market. Additionally, the demand for beverage cans has increased due to events like the FIFA World Cup and the lifting of COVID-19 restrictions, leading to an increase in concerts and events around the world. In this year of significant regulatory changes as well, particularly with regards to environmental sustainability. The European CBAM law, which will require companies to declare their carbon footprint, is just one example of the regulations that are being implemented. UBIS is taking these changes into account and has started to calculate its carbon emissions to comply with these regulations and meet customer demands. This will allow UBIS to be prepared for future customers and to maintain a competitive edge in the market.

The competition in the domestic market has become particularly fierce in the lacquer segment, with a new competitor entering the market and driving prices down through a price war. Despite this, UBIS is focusing on quality this year to provide a better customer experience and reduce costs for customers. In the global market, UBIS has an advantage over its larger competitors due to its ability to adjust and customize products to meet customer needs. The high energy costs in Europe, which have resulted from the EU boycott of Russian gas and fuel, also provide UBIS with an opportunity to become more competitive in the market with its Asian-made products. Overall, 2023 is a year of challenges, but also of opportunities for UBIS to continue to grow and evolve.

2023 has been a challenging year but also an opportunity for the UBIS to grow. This year UBIS has an opportunity in Latin America as it has been certified by the Brazilian Health Regulatory Agency (Anvisa) in Brazil, which allows UBIS to expand its market for metal food packaging into Brazil. The Latin American market has a market value of approximately 10 billion baht for metal coatings and compound sealants, with Brazil share 45 percent of the Latin America market, or about 4.5 billion baht. As a result, many global companies based in Russia need to sell their operations to Russian entrepreneurs in order to avoid being seized from Russia threat management. Like Ball Corporation (one of the largest canning manufacturers in the world). This gives UBIS more opportunities from Russia.

In 2023, UBIS will take a major step towards becoming a truly global company. As a company that values customer satisfaction, UBIS is constantly striving to improve its processes to ensure it can provide excellent service and maintain its high-quality standards. This year, UBIS will be making significant changes to its operations to cope with price fluctuations, so that it can continue to offer the same excellent service and quality that its customers have come to expect. By re-adjusting its processes, UBIS is positioning itself to better handle any challenges that may arise and maintain its competitive edge in the global marketplace. This is an exciting time for UBIS as it takes another step towards its goal of becoming a global leader in its industry and providing its customers with the best possible service and products.

Sincerely yours,

(Pruetthipong Tharaphimaan)

Managing Director