

Ref. No. 2305/013EN

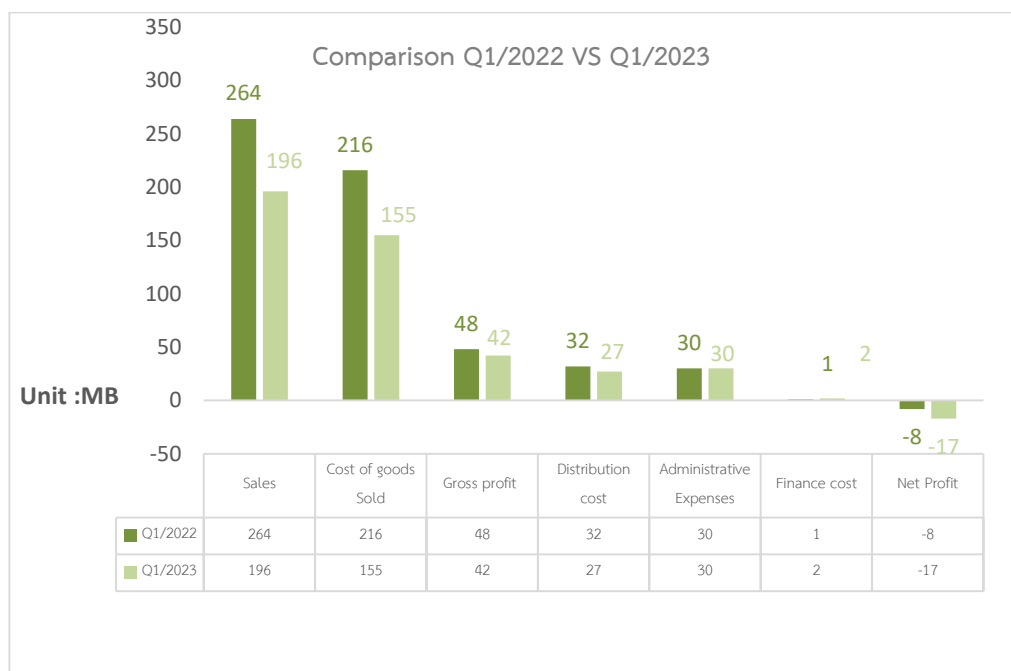
May 11, 2023

Subject: Operating Result Clarification for the Q1/2023 (Ending March 31, 2023)

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 Q1 Ending March 31, 2023 of the company and its subsidiaries with main substance as follows:

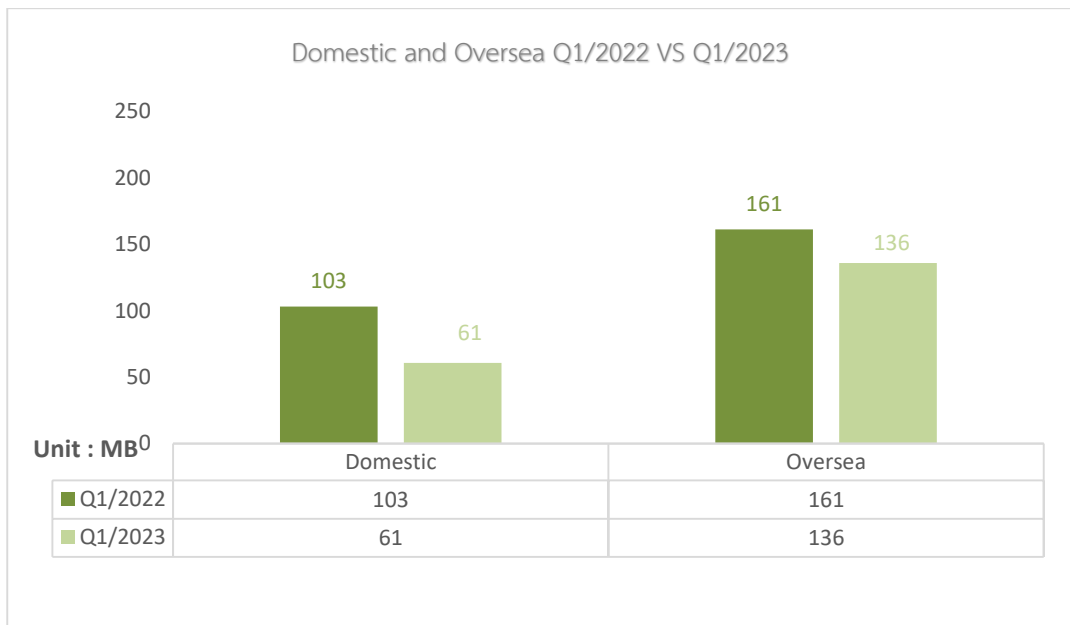
(Unit : Thousand Baht)	Q1/2022	Q1/2023	Change	% Change
Sales	264,143	196,494	(67,649)	(26%)
Cost of goods sold	216,287	154,894	(61,393)	(29%)
Gross profit	47,856	41,600	(6,256)	(13%)
Distribution cost	31,810	27,159	(4,651)	(15%)
Administrative Expenses	30,343	30,157	(186)	(1%)
Finance cost	1,251	1,980	729	58%
<b>Net Profit</b>	<b>(8,399)</b>	<b>(17,337)</b>	<b>8,938</b>	<b>106%</b>



Overall, the Company and its subsidiaries had a net loss in Q1/2023 of 17 MB which has increased by 9 MB or 106% from Q1/2022 (Net loss of Q1/2022 was 8 MB). The Company would like to inform the following significant changes in the Company’s and its subsidiaries’ operational results:

**Sales**

Q1/2023, the Company and its subsidiaries had total sales of 196 MB, which has decreased from Q1/2022 by 68 MB or 26%. (Divided into domestic sales decreased by 41% and an international sales decreased by 16%).



**Gross profit**

Q1/2023, the Company and its subsidiaries generated a total gross profit of 42 MB, which had decreased from Q1/2022 amounting to 6 MB or 13%. In Q1/2023, the gross profit is 21% (Gross profit in 18% in the Q1/2022). The decrease of gross profit were due to decrease in the revenue, gross profit margin increased due to lower raw material prices.

### Finance cost

Q1/2023, the Company and its subsidiaries had the financial cost 2 MB which increased from Q1/2022 in the amount of 0.75 MB or 60% (In Q1/2022 had a financial cost of 1.25 MB.).

### Gain (Loss) on foreign exchange

Q1/202, the Company and its subsidiaries gain from foreign exchange profit of 0.4 MB from the exchange rate which decreased from Q1/2022 in the amount 1.5 MB or 80% (Gain from exchange rate of 1.9 MB in Q1/2022)

The overall financial status of the Company and its subsidiaries as of March 31, 2023 with the comparison to the financial status as of December 31, 2022 are summarized as below:

### Assets

As of March 31, 2023, the Company and its subsidiaries have total asset of 1,118 MB, consisting of cash and cash equivalents of 188 MB, trade and other current receivables of 302 MB, inventory of 304 MB, other current assets 7 MB and non-current asset of 318 MB.

### Liabilities

As of March 31, 2023, the Company and its subsidiaries had a total liability of 430 MB which increased by 84 MB from December 31, 2022, consisting of overdrafts and short-term loans of 235 MB, trade and other current payables of 134 MB, borrowing of 1 year maturity of long term from financial institutions of 2 MB, income tax payable of 6 MB, lease liabilities within 1 year maturity 5 MB , other current liabilities by 1 MB and non-current liabilities of 47 MB.

### Equity

As of March 31, 2023, the Company and its subsidiaries had total equity of 688 MB which increased from December 31, 2022, consisting of issued and paid-up share capital 57 MB, share premium

on ordinary shares of 285 MB, share premium on ordinary shares of 198 MB and retained earnings with unappropriated of 181 MB.

### Cash flow

Based on the results for Q1/2023, the company had cash flow as following details:

- Q1/2023, net cash flow from operating activities were 53 MB when compared to those of Q1/2022 which had net cash flow use in operating activities were 18 MB mainly from decreased of trade and other current receivables and increased of trade and current payables.
- Q1/2023, net cash flow use in investment was 8 MB, decreased from 8 MB when compared with Q1/2022 due to the decreased of company's expenditure in investment for fixed asset.
- Q1/2023, net cash flow use in financing activities were 117 MB when compared to those of Q1/2022 which had net cash flow from financing activities 247 MB mainly form paid 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 the World Health Organization has lifted the Public Health Emergency of International Concern for COVID-19 on May 5, 2023. In addition, the escalating 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. 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. 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. UBIS is focusing on quality this year to provide a better customer experience and reduce costs for customers.

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. 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. 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,

(Mr. Pruetthipong Tharaphimaan)  
Managing Director