

Ref. No. 2308/014EN

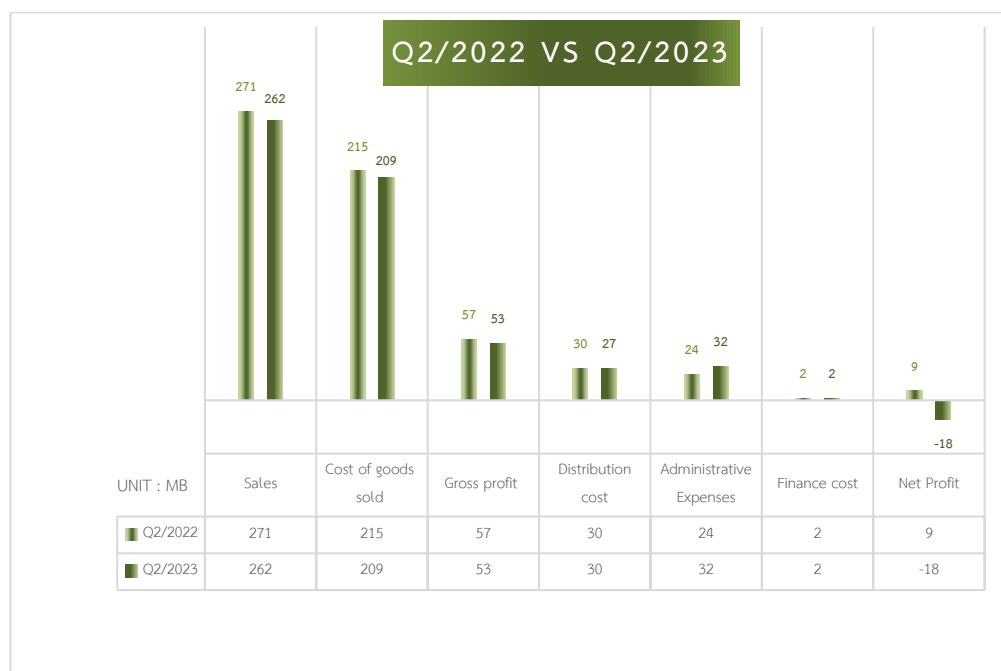
August 9, 2023

Subject: Operating Result Clarification for the Q2/2023 (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 2 Ending June 30, 2023 of the company and its subsidiaries with main substance as follows:

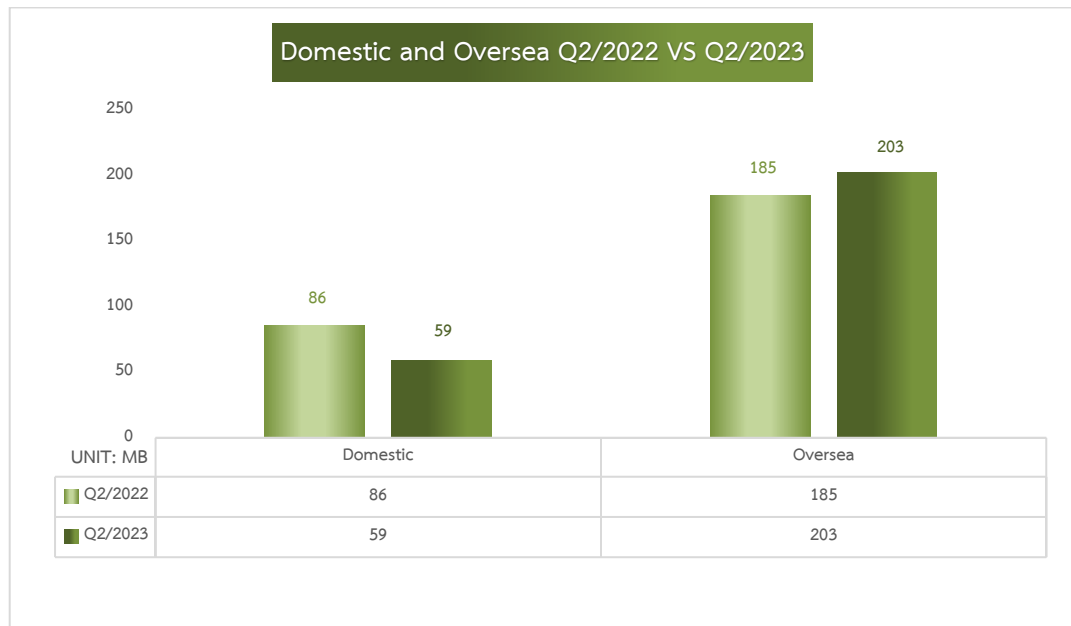
(Unit : Thousand Baht)	Q2/2022	Q2/2023	Change	% Change
Sales	271,327	262,364	(8,963)	-3%
Cost of goods sold	214,664	209,090	(5,574)	-3%
Gross profit	56,663	53,274	(3,389)	-6%
Distribution cost	29,845	29,970	125	0%
Administrative Expenses	23,717	31,934	8,217	35%
Finance cost	1,555	1,669	114	7%
<b>Net Profit</b>	<b>8,801</b>	<b>(18,211)</b>	<b>(27,012)</b>	<b>-307%</b>



Overall, the Company and its subsidiaries had a net loss in Q2/2023 of 18 MB which has increased by 27 MB or 307% from Q2/2022 (Net Profit of Q2/2022 was 9 MB). The Company would like to inform the following significant changes in the Company’s and its subsidiaries’ operational results:

**Sales**

Q2/2023, the Company and its subsidiaries had total sales of 262 MB, which has decreased from Q2/2022 by 9 MB or 3%. (Divided into domestic sales decreased by 31% but an international sales increased by 10%).



**Gross profit**

Q2/2023, the Company and its subsidiaries generated a total gross profit of 53 MB, which had decreased from Q2/2022 amounting to 3 MB or 6%. In Q2/2023, the gross profit is 20% (Gross profit in 21% in the Q2/2022). The decrease of gross profit were due to decrease in the revenue. However, gross profit margin compared to the same period of the previous year remains unchanged.

### Distribution cost and Administrative Expenses

Q2/2023, the Company and its subsidiaries had distribution costs 30 MB. When compared Year YoY, distribution costs remained unchanged. Q2/2023, the Company and its subsidiaries incurred administrative Expenses 32 MB, representing a 35% increase (compared to administrative Expenses 24 MB in Q2/2022).

### Finance cost

Q2/2023, the Company and its subsidiaries had the financial cost 1.7 MB which increased from Q2/2022 in the amount of 0.1 MB (In Q2/2022 had a financial cost of 1.6 MB.).

### Gain (Loss) on foreign exchange

Q2/2023, the Company and its subsidiaries gain from foreign exchange profit of 1.7 MB from the exchange rate which decreased from Q2/2022 in the amount 3.8 MB (Gain from exchange rate of 5.5 MB in Q2/2022)

The overall financial status of the Company and its subsidiaries as of June 30, 2023 with the comparison to the financial status as of December 31, 2022 are summarized as below:

### Assets

As of June 30, 2023 , the Company and its subsidiaries have total asset of 1,057 MB, consisting of cash and cash equivalents of 144 MB, trade and other current receivables of 344 MB, inventory of 248 MB, other current assets 7 MB and non-current asset of 314 MB.

### Liabilities

As of June 30, 2023, the Company and its subsidiaries had a total liability of 390 MB which decreased by 125 MB from December 31, 2022, consisting of overdrafts and short-term loans of 211 MB, trade and other current payables of 117 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 6 MB , other current liabilities by 0.6 MB and non-current liabilities of 46 MB.

### Equity

As of June 30, 2023 , the Company and its subsidiaries had total equity of 668 MB which increased from December 31, 2022, consisting of issued and paid-up share capital 38 MB, share premium on ordinary shares of 285 MB, share premium on ordinary shares of 198 MB and retained earnings with unappropriated of 162 MB.

### Cash flow

Based on the results for Q2/2023, the company had cash flow as following details:

- Q2/2023, net cash flow from operating activities were 40 MB when compared to those of Q2/2022 which had net cash flow use in operating activities were 67 MB mainly from decreased of trade and other current receivables and increased of trade and current payables.
- Q2/2023, net cash flow use in investment was 9 MB when compared to those of Q2/2022 which had net cash flow use in investment was 21 MB due to the decreased of company's expenditure in investment for fixed asset.
- Q2/2023, net cash flow use in financing activities were 140 MB when compared to those of Q2/2022 which had net cash flow from financing activities 276 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. Piyakun Kritayanutkul)  
Authorized Person to Disclose