

Ref. No. 2311/017EN

November 14, 2023

Subject: Operating Result Clarification for the Q3/2023 (Ending September 30, 2023)

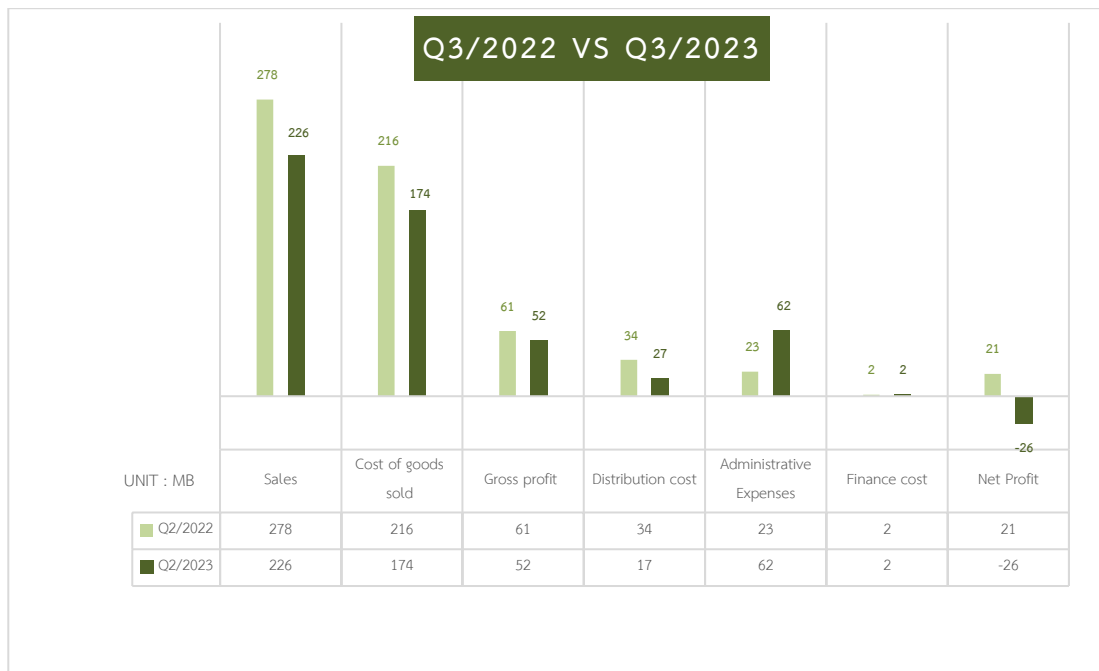
To: Director and Manager of the Stock Exchange of Thailand

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 Q3 Ending September 30, 2023 of the company and its subsidiaries with main substance as follows:

(Unit: Thousand Baht)	Q3/2022	Q3/2023	Change	% Change
Sales	277,671	225,917	(51,754)	(19%)
Cost of goods sold	216,313	173,952	(42,361)	(20%)
Gross profit	61,358	51,965	(9,393)	(15%)
Distribution cost	33,979	17,486	(16,493)	(49%)
Administrative Expenses	21,833	22,326	493	2%
Profit (loss) from operating activities before compensation for damaged goods	24,214	19,866	(4,348)	(18%)
Compensation for damaged goods	820	39,991	39,171	4778%
Finance cost	1,719	2,562	843	49%
Net Profit	21,088	(25,745)	(46,833)	(222%)



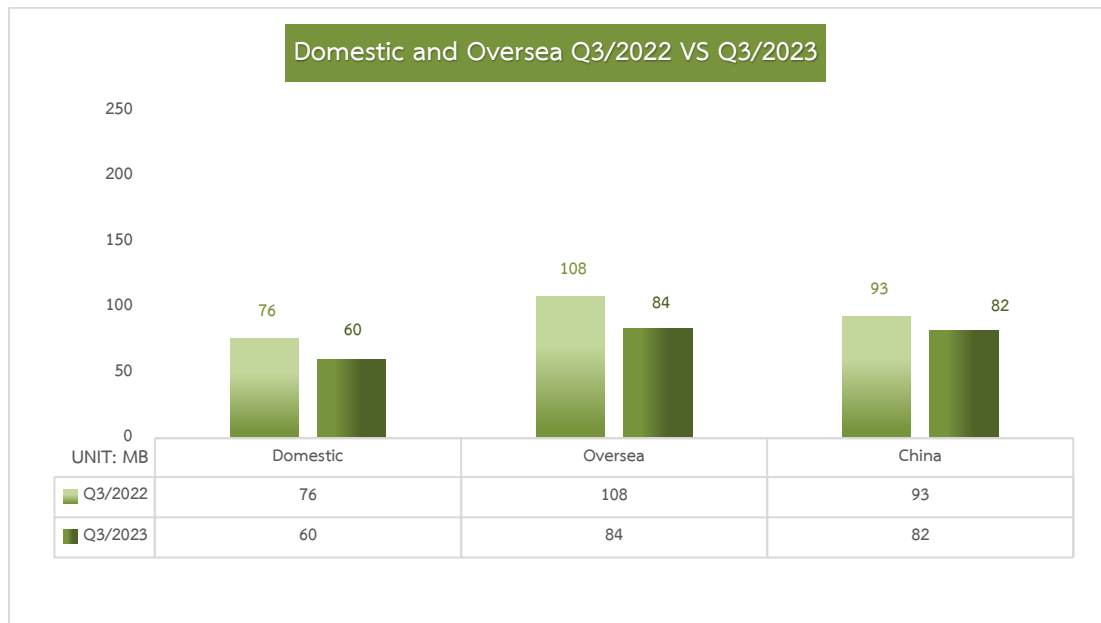
(Unit: Thousand Baht)	Q3/2022	Q3/2023	Change	% Change
Sales	277,671	225,917	(51,754)	(19%)
Cost of goods sold	216,313	173,952	(42,361)	(20%)
Gross profit	61,358	51,965	(9,393)	(15%)
Distribution cost	33,979	17,486	(16,493)	(49%)
Administrative Expenses	22,653	62,317	39,664	175%
Profit (loss) from operating activities	23,394	(20,125)	(43,519)	(186%)
Finance cost	1,719	2,562	843	49%
Net Profit	21,088	(25,745)	(46,833)	(222%)



Overall, the Company and its subsidiaries had a net loss in Q3/2023 of 26 MB which has increased by 47 MB or 222% from Q3/2022 (Net Profit of Q3/2022 was 21 MB). Q3/2023, the company paid compensation for damaged goods in the amount of 40 MB. Upon deducting this compensation, the company would have profit from operating activities of 20 MB. The Company would like to inform the following significant changes in the Company's and its subsidiaries' operational results:

Sales

Q3/2023, the Company and its subsidiaries had total sales of 226 MB, which has decreased from Q3/2022 by 52 MB or 19%. (Divided into domestic sales decreased by 21%, oversea sales decreased by 22 but and China sales decreased by 12 %).



Gross profit

Q3/2023, the Company and its subsidiaries generated a total gross profit of 52 MB, which had decreased from Q3/2022 amounting to 9 MB or 15%. In Q3/2023, the gross profit is 23% (Gross profit in 22% in the Q3/2022). The decrease of gross profit were due to decrease in sales . However, gross profit margin compared to the same period of the previous year had increased due to a decrease in raw material costs.

Distribution cost and Administrative Expenses

Q3/2023, the Company and its subsidiaries had distribution costs and administrative Expenses 80 MB, which had increased from Q3/2022 amounting to 23 MB or 41%. Due to the company's compensation payment of 40 MB. for damaged goods to business partners, if excluding this item,

the total distribution costs and administrative Expenses for Q3/2566 would be 40 MB. This amount represents a decrease compared to the corresponding period of the previous year.

Finance cost

Q3/2023, the Company and its subsidiaries had the financial cost 2.6 MB which increased from Q3/2022 in the amount of 0.9 MB (In Q3/2022 had a financial cost of 1.7 MB.).

Gain (Loss) on foreign exchange

Q2/2023, the Company and its subsidiaries gain from foreign exchange profit of 6 MB from the exchange rate which decreased from Q2/2022 in the amount 5 MB (Gain from exchange rate of 11 MB in Q3/2022)

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

Assets

As of September 30, 2023 , the Company and its subsidiaries have total asset of 1,068 MB, consisting of cash and cash equivalents of 194 MB, trade and other current receivables of 320 MB, inventory of 231 MB, other current assets 5 MB and non-current asset of 318 MB.

Liabilities

As of September 30, 2023, the Company and its subsidiaries had a total liability of 425 MB which decreased by 89 MB from December 31, 2022, consisting of overdrafts and short-term loans of 237 MB, trade and other current payables of 126 MB, borrowing of 1 year maturity of long term from financial institutions of 2 MB, income tax payable of 3 MB, lease liabilities within 1 year maturity 7 MB , other current liabilities by 2 MB and non-current liabilities of 47 MB.

Equity

As of September 30, 2023, the Company and its subsidiaries had total equity of 643 MB which decreased by 63 MB from December 31, 2022, consisting of issued and paid-up share capital 285 MB, share premium on ordinary shares of 198 and retained earnings with unappropriated of 137 MB.

Cash flow

Based on the results for Q3/2023, the company had cash flow as following details:

- Q3/2023, net cash flow from operating activities were 72 MB when compared to those of Q3/2022 which had net cash flow use in operating activities were 104 MB. This change was primarily due to a decrease in trade and other current receivables by 22 MB, a decrease in inventory by 74 MB, and an increase in trade and current payables by 13 MB.
- Q3/2023, net cash flow use in investment was 12 MB when compared to those of Q3/2022 which had net cash flow use in investment was 25 MB due to the decreased of company's expenditure in investment for fixed asset.
- Q3/2023, net cash flow use in financing activities were 118 MB when compared to those of Q3/2022 which had net cash flow from financing activities 267 MB mainly from paid short-term borrowings from financial institutions to reduce the burden of interest during the specified period.

The Company's strategy for the year 2023

In 2023, despite the gradual improvement in the pandemic situation, escalating tensions between Israel and Palestine and the ongoing Russia-Ukraine conflict have heightened global trade uncertainties. While the impact of these wars has not yet extended to other regions, companies, particularly world-class partnerships like UBIS, cannot avoid the associated risks. In response, UBIS has implemented a strategy to expand its global market presence, aiming to mitigate potential impacts if the conflicts intensify. Furthermore, significant changes in environmental regulations, such as the European CBAM (Carbon Border Adjustment Mechanism) law, mandate companies to

declare their carbon footprint. Given UBIS's widespread global customer base, compliance with these regulations is unavoidable. The company has initiated the calculation of carbon emissions to align with these standards, showcasing a commitment to meeting customer requirements and preparing for future challenges. Despite geopolitical and regulatory challenges, UBIS maintains its focus on quality, leveraging its adaptability and product customization capabilities for a competitive advantage against major competitors both domestically and globally.

In 2023, UBIS faces challenges and opportunities for growth. The company has secured certification from the Brazilian Health Regulatory Agency (Anvisa) in Brazil, enabling expansion into the metal food packaging market in the Latin American region. With the Latin American market valued at approximately 10 billion baht for metal coatings and compound sealants, Brazil holds a significant share of 45%, equivalent to about 4.5 billion baht. Additionally, UBIS stands to benefit from the selling of operations by global companies based in Russia to Russian entrepreneurs. This presents UBIS with new opportunities emanating from the Russian market.

This year marks a pivotal step for UBIS in its journey towards becoming a truly global company. Emphasizing customer satisfaction, UBIS continually strives to enhance its processes, ensuring excellent service and maintaining high-quality standards. In response to price fluctuations, UBIS is implementing significant operational changes to sustain its commitment to offering outstanding service and products. The company is strategically positioning itself to effectively navigate challenges and uphold its competitive edge in the global marketplace. This period signifies an exciting phase for UBIS as it advances further toward its goal of becoming a global industry leader, dedicated to providing customers with top-notch service and products.

Sincerely yours,

(Mr. Piyakun Kritayanutkul)
Authorized Person to Disclose