WORLD FLEX

Worldflex Company Limited (Public)

Analysis of financial position and operating results for the 9-month period ending September 30, 2025

As of November 12, 2025

GLOBAL EXPANSION

สินค้าเวิลด์เฟล็กซ์ มุ่งสู่ตลาดโลก

WORLD FLEX PUBLIC COMPANY LIMITED
บริษัท เวิลด์เฟล็กซ์ จำกัด (มหาชน)
OFFICE : 1/7 BANGNA THANI BLDG, 3rd FL, ROOM 3B SOI BANGNA-TRAD 34, BANGNA TAI, BANGNA, BANGKOK 10260, THAILAND.
สำนักงาน : 1/7 อาคารบางนาธานี ชั้น 3 ห้อง 3B ซอยบางนา-ตราด 34 แขวงบางนาใต้ เขตบางนา กรุงเทพมหานคร 10260
TEL : (02) 398-7188 (02) 398-7189 FAX. (02) 398-7187 http://www.worldflex.net, E-mail : marketing@worldflex.net
FACTORY : 59/1 MOO 5, MANAM KOO, PLUAKDAENG, RAYONG 21140 THAILAND.
โรงงาน : 59/1 หมู่ที่ 5 ตำบลแม่น้ำคู้ อำเภอปลวกแดง จังหวัดระยอง 21140 TEL : (038) 637-559, (038) 020-229 FAX : (038) 637-560

OEKO TEX STANDARD 100 09.HTH.65753 Hohenstein HTTI
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Subject : Analysis of financial position and operating results for the 9-month period of 2025, ending on September 30, 2025

Dear Directors and Managers
The Stock Exchange of Thailand

World Flex Public Company Limited ("the Company") would like to clarify the financial results for the 3rd quarter ending on 30 September 2025, which have been reviewed by the auditor.

Table 1 Company financial figures

Unit: million baht

Statement of comprehensive income	Q3'2025	Q2'2025	%QoQ	Q3'2024	%YoY	9M2025	9M2024	%YoY
Revenue from sales - rubber thread	510.55	530.09	(3.69%)	746.49	(31.61%)	1,648.92	2,261.47	(27.09%)
Revenue from sales - scrap	0.08	0.11	(27.27%)	0.03	166.67%	0.27	0.09	200.00%
Total revene from sales	**510.63**	**530.20**	**(3.69%)**	**746.52**	**(31.60%)**	**1,649.19**	**2,261.56**	**(27.08%)**
Cost of sales of goods	508.37	563.93	(9.85%)	775.87	(34.48%)	1,669.45	2,301.70	(27.47%)
Gross profit (loss)	**2.26**	**(33.73)**	**(106.70%)**	**(29.35)**	**(107.70%)**	**(20.26)**	**(40.14)**	**(49.53%)**
Other income	4.43	4.32	2.55%	5.76	(23.09%)	13.06	12.39	5.41%
Gain on foreign exchange	-	2.64	(100.00%)	25.25	(100.00%)	-	2.88	(100.00%)
Gain on derivative instruments	5.82	1.98	193.94%	-	100.00%	13.94	-	100.00%
Profit (loss) before expenses	**12.51**	**(24.79)**	**(150.46%)**	**1.66**	**653.61%**	**6.74**	**(24.87)**	**(127.10%)**
Distribution costs	6.94	7.09	(2.12%)	9.05	(23.31%)	22.20	27.37	(18.89%)
Administrative expenses	12.74	14.11	(9.71%)	8.38	52.03%	40.19	34.10	17.86%
Loss on foreign exchange	2.79	-	100.00%	-	100.00%	0.60	-	100.00%
Loss on derivative instruments	-	-	0.00%	13.05	(100.00%)	-	8.12	(100.00%)
Total expenses	**22.47**	**21.20**	**5.99%**	**30.48**	**(26.28%)**	**62.99**	**69.59**	**(9.48%)**
EBIT	**(9.96)**	**(45.99)**	**(78.34%)**	**(28.82)**	**(65.44%)**	**(56.25)**	**(94.46)**	**(40.45%)**
Depreciation and amortization	40.04	39.83	0.53%	42.11	(4.92%)	119.79	126.56	(5.35%)
EBITDA	**30.08**	**(6.16)**	**(588.31%)**	**13.29**	**126.34%**	**63.54**	**32.10**	**97.94%**
Finance costs	3.13	4.40	(28.86%)	11.05	(71.67%)	12.07	22.48	(46.31%)
Tax (income) expense	(0.65)	0.26	(350.00%)	4.62	(114.07%)	(0.76)	0.40	(290.00%)
Loss for the year	**(12.44)**	**(50.65)**	**(75.44%)**	**(44.49)**	**(72.04%)**	**(67.56)**	**(117.34)**	**(42.42%)**

Profit and loss statement analysis for the third quarter of 2025 (3-month period)

The Company reported a net loss of 12.44 million baht in Q3 2025, representing a net loss margin of 2.44%, a decrease of 75.44% from the previous quarter and a decrease of 32.05 million baht compared to the same period last year.

- Revenue from sales of goods in Q3 2025 amounted to 510.63 million baht (Q3 2024: 746.52 million baht), a decrease of 3.69 percent QoQ and 31.60 percent YoY, due to the company reducing production capacity and focusing on producing only high-priced products.
- Cost of goods sold for the third quarter of 2025 was 508.37 million baht, or 99.56 percent of total sales revenue (third quarter of 2024: 775.87 million baht). Compared to the same period of the previous year, the cost of sales proportion decreased by 34.48 percent, which is consistent with the decrease in sales.
- Distribution costs in Q3 2025 were 6.94 million baht, or 1.36 percent of total sales revenue. Compared to the same period of the previous year, it decreased by 2.11 million baht, or 23.31 percent (Q3 2024: 9.05 million baht). The decreased distribution costs were related to the decreased sales volume.
- Administrative expenses in Q3/2025 were 12.74 million baht (Q3/2024: 8.38 million baht), an increase of 4.36 million baht or 52.03 percent, due to employee expenses.
- Financial costs in Q3 2025 were 3.13 million baht, a decrease of 7.92 million baht or 71.67 percent compared to the same period last year (Q3 2024: 11.05 million baht). This decrease was due to the repayment of short-term loans and lower interest expenses from the repayment of long-term loans, as well as the reduction of the policy interest rate of financial institutions.
- Net loss for the third quarter of 2025 was 12.44 million baht, or 2.44 percent of total sales revenue. Compared to the same period of the previous year (third quarter of 2024: net loss of 44.49 million baht), the loss decreased by 32.05 million baht, or 72.04 percent, which is a loss that still occurs from price competition from competitors, including exchange rate fluctuations.

Profit and loss statement analysis for the third quarter of 2025 (9-month period)

Operating results for the third quarter of 2025 (9-month period) ending on September 30, 2025, compared to the same period of the previous year, showed a decrease in sales volume of 7,155 tons or 33.04 percent.

- **Sales revenue** for the first 9 months of 2025 was 1,649.19 million baht (first 9 months of 2024: 2,261.56 million baht), a decrease of 612.37 million baht or 27.08 percent.
- **Total cost of goods sold** for the first 9 months of 2025 was 1,669.45 million baht, or 101.23 percent of total sales revenue (first 9 months of 2024: 2,301.70 million baht). Compared to the same period of the previous year, cost of sales decreased by 632.25 million baht, or 27.47 percent.
- **Distribution costs** for the first nine months of 2025 were 22.20 million baht, or 1.35 percent of total sales revenue. Compared to the same period of the previous year, distribution costs decreased by 5.16

million baht, or 18.86 percent (first nine months of 2024: 27.37 million baht). This decrease in distribution costs was consistent with the decrease in sales volume.

- **Administrative expenses** for the first 9 months of 2025 were 40.19 million baht, or 2.44 percent (first 9 months of 2024: 34.10 million baht). Compared to the same period of the previous year, expenses increased by 6.09 million baht, or 17.87 percent, resulting from an increase in personnel expenses.
- For the first nine months of 2025, the Company had a foreign exchange profit of 13.94 million baht, or 0.84 percent of total sales (first nine months of 2024: a loss of 8.12 million baht). Compared to the same period of the previous year, the Company had an increase in foreign exchange profit of 22.06 million baht and a loss on the valuation of derivative instruments of 0.60 million baht, or 0.04 percent. Compared to the same period of the previous year, the Company had a decrease in the profit on the valuation of derivative instruments of 2.28 million baht, which is the recognition of estimated accounting losses from forward foreign exchange contracts entered into with financial institutions to mitigate risk amid the fluctuation of exchange rates.
- **Financial costs** were 12.07 million baht, a decrease of 10.41 million baht or 46.33 percent compared to the same period last year, resulting from the repayment of short-term and long-term loans, as well as the reduction of the policy interest rate of financial institutions.
- **Earnings before interest, taxes, and depreciation (EBITDA)** for the first nine months of 2025 was 63.54 million baht, or 3.85 percent, compared to the same period of the previous year, an increase of 31.44 million baht, or 97.94 percent.
- **Net loss** for the first nine months of 2025 was 67.56 million baht, or 4.10 percent of total sales revenue. Compared to the same period of the previous year (first nine months of 2024: net loss of 117.34 million baht), the loss decreased by 49.78 million baht, or 42.42 percent.

Impact of Concentrated Latex Prices on the Company

The domestic price of concentrated latex in Q3 2025 was 43.88 baht per kilogram, compared to 51.46 baht per kilogram in Q3 2024, a decrease of 7.58 baht per kilogram or 14.73%. This price change is primarily due to the global economic slowdown, which impacted rubber demand in major purchasing countries. Increased global rubber supply following the easing of drought and plant diseases resulted in a market oversupply. Furthermore, falling crude oil prices supported demand for synthetic rubber instead of natural rubber, resulting in lower Thai rubber prices. Although this resulted in lower raw material costs for the company, demand also declined, significantly reducing demand for elastic threads.

Table 2: Company financial statement figures

Financial position statement	30 June 2025		31 December 2025		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Total asset	2,282.17	100.00	2,464.22	100.00	(182.05)	(7.39)
Total liabilities	584.92	25.63	699.40	28.38	(114.48)	(16.37)
Total equity	1,697.25	74.37	1,764.82	71.62	(67.57)	(3.83)
Total liabilities and equity	2,282.17	100.00	2,464.22	100.00	(182.05)	(7.39)

Note: Condensed financial statement

Total assets as of September 30, 2025 amounted to 2,282.17 million baht (2024: 2,464.22 million baht), a decrease of 182.05 million baht or 7.39 percent due to:

- Trade receivables amounted to 246.25 million baht, a decrease of 50.10 million baht due to decreased sales.
- Value Added Tax (VAT) of 15.69 million baht decreased by 23.59 million baht due to a decrease in production capacity, resulting in a decrease in purchases and a corresponding decrease in purchase tax.
- Land, buildings and equipment amounted to 1,318.03 million baht, a decrease of 102.88 million baht due to the Company's normal depreciation of assets. In 2025, the Company also sold some assets.

Total liabilities as of 30 September 2025 amounted to 584.92 million baht (2024: 699.40 million baht), a decrease of 114.48 million baht or 16.37 percent due to:

- Overdrafts and short-term loans from financial institutions amounted to 186.38 million baht, a decrease of 29.98 million baht due to repayment of promissory notes to financial institutions.
- The portion of long-term loans from financial institutions due within 1 year, amounting to 25 million baht, decreased by a total of 100.62 million baht from repayment of long-term loans to financial institutions.

Shareholders' equity as of September 30, 2025 was 1,697.26 million baht (2024: 1,764.82 million baht), a decrease of 67.57 million baht or 3.83 percent due to net loss from operations in 2025 (the past 9 months).

Table 3 Cash Flow Statement Figures

Statement of cash flows	30 September 2025	31 December 2024
	Million Baht	
Net cash from (used in) operating activities	161.43	(9.39)
Net cash used in investing activities	(14.46)	(52.96)
Net cash from (used in) financing activities	(143.43)	47.11
Net increase (decrease) in cash and cash equivalents	3.54	(15.24)

Cash flow

As of September 30, 2025, the Company had cash and cash equivalents of 21.00 million baht, compared to 17.44 million baht in the previous year, an increase of 3.56 million baht, with details as follows:

- Net cash flow from operating activities was 161.43 million baht, mainly due to a decrease in operating losses in Q3 2025, as well as an increase in working capital of 173.49 million baht, less interest expenses of 12.06 million baht.
- Cash flow used in investing activities amounted to 14.46 million baht, resulting from the purchase of materials and equipment to modify and add additional machinery in the production process.
- Cash flow used in financing activities amounted to 143.43 million baht, mainly from repayment of short-term and long-term loans to financial institutions.

Factors affecting operations

Regarding downstream rubber products, such as elastic threads, it is expected that they will continue to face pressure from several factors, including the strengthening baht, declining international demand due to the global economic situation, risks from various measures by downstream trading partners, tariffs, the trade war, and pressure from slow global demand recovery and price competition. All of these factors may impact demand for elastic threads, a luxury good.

Given the economic challenges mentioned above, the company has adopted a profit-enhancing strategy by focusing on the production and sales of high-margin products such as Fine Count, targeting high-end customers and enhancing its position in this market segment, as well as reducing costs. The primary cost of elastic thread production is concentrated latex. Therefore, the company continues to diversify its investments in procuring concentrated latex and other key raw materials to ensure the highest quality products at the best prices. This helps to diversify risks and reduce production costs, as well as

increase bargaining power. Production planning: Given the relatively stable price of concentrated latex, the company can plan sales and production two months in advance, reducing production costs. This is dependent on rubber prices and market conditions, as product prices fluctuate based on raw material prices.

The Company's Sustainability Performance for the Third Quarter of 2025:

Participated in the Corporate Governance Report of Listed Companies 2025 (CGR 2025) project, which surveys and monitors corporate governance developments among listed companies in Thailand, conducted by the Thai Institute of Directors (IOD). In 2025, the company received a "Good" rating.	

Sincerely,

- Nat Wongsasutthikul -

Mr. Nat Wongsasutthikul

Managing Director

Worldflex Public Company Limited

Company Secretariat and Legal Office
Tel. 02-398-7188 ext. 201
Email : ir@worldflex.net