



Next Capital

No. NCAP-ACC-2022-01

Next Capital Public Company Limited
163 Thai Samut Building, 15th floor,
Surawongse road, Suriyawongse, Bangrak,
Bangkok 10500

February 21, 2022

Subject Management Discussion and Analysis for the year ended December 31, 2021

To President
The Stock Exchange of Thailand

Next Capital Public Company Limited (“The Company”) and its subsidiary have informed the operating result for the year ended December 31, 2021 as follows:

For operating result for the year ended December 31, 2021, Profit owners of the parent was 310.95 million baht compared to net profit of 201.77 million baht in the same period of the previous year. It increased by 109.18 million baht or equaled to a growth rate of 54.11%. The detail is as follows:

(Unit : Million baht)

| Statement of Comprehensive Income (Consolidated) | For the year ended | | Changes | |
|--|--------------------|-----------------|---------------|--------------|
| | Dec 31, 2021 | Dec 31, 2020 | Amount | Percentage |
| Revenue | | | | |
| Interest income from hire-purchase | 1,028.31 | 880.14 | 148.17 | 16.83 |
| Fee and service income | 143.60 | 100.80 | 42.80 | 42.46 |
| Other income | 209.98 | 160.46 | 49.52 | 30.86 |
| Total revenue | 1,381.89 | 1,141.40 | 240.49 | 21.07 |
| Expenses | | | | |
| Selling and administrative expenses | 527.81 | 403.46 | 124.35 | 30.82 |
| Expected credit loss | 363.36 | 378.64 | (15.28) | (4.03) |
| (Gain) Loss on disposals of foreclosed assets | 4.00 | (7.05) | 11.05 | (156.71) |
| Finance costs | 97.31 | 113.68 | (16.37) | (14.40) |
| Total expenses | 992.48 | 888.73 | 103.75 | 11.67 |
| Profit before income tax expense | 389.41 | 252.67 | 136.74 | 54.12 |
| Income tax expense | (78.47) | (50.90) | (27.57) | 54.17 |
| Profit for the year | 310.94 | 201.77 | 109.17 | 54.11 |
| Profit owners of the parent | 310.95 | 201.77 | 109.18 | 54.11 |
| Basic earnings per share (Baht per share) | 0.35 | 0.31 | 0.04 | 12.90 |

บริษัท เน็กซ์ แลปปีตอล จำกัด (มหาชน) (Next Capital Public Company Limited)

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1. Revenue for the year ended December 31, 2021 was 1,381.89 million baht compared to revenue of 1,141.40 million baht in the same period of the previous year. It increased by 240.49 million baht or equaled to a growth rate of 21.07%. This resulted from the recognition of interest income from hire-purchase amounting to 1,028.31 million baht which increased by 148.17 million baht or equaled to a growth rate of 16.83% compared to the same period of the previous year. It resulted from an increase in new hire-purchase contracts that effected to fee and service income increased in the same direction. Moreover, other income which mainly consisted of bad debt recoveries was increased as well.

2. Total expenses for the year ended December 31, 2021 was 992.48 million baht compared to expenses of 888.73 million baht in the same period of the previous year. It increased by 103.75 million baht or equaled to a growth rate of 11.67%. It mainly resulted from selling and administrative expenses amounting to 527.81 million baht which increased by 124.35 million bath or equaled to a growth rate of 30.82% compared to the same period of the previous year. The main reason was an increase in the number of employee and compensation and collection fees paid to outsource companies. However, expected credit losses amounting to 363.36 million baht was decreased by 15.28 million baht or equaled to 4.03% compared to the same period of the previous year. It resulted from the staging of hire-purchase receivables was better than the same period of the previous year. Moreover, Finance costs amounting to 97.31 million bath was decreased by 16.37 million baht or equaled to 14.40% compared to the same period of the previous year. It resulted from average interest rate was decreased.

(Unit : Million baht)

| Statement of financial position (Consolidated) | As of | | Changes | |
|---|--------------|--------------|----------|------------|
| | Dec 31, 2021 | Dec 31, 2020 | Amount | Percentage |
| Assets | 5,831.17 | 4,656.68 | 1,174.49 | 25.22 |
| Liabilities | 3,822.89 | 2,980.39 | 842.50 | 28.27 |
| Equity | 2,008.28 | 1,676.29 | 331.99 | 19.81 |
| Debt to equity ratio | 1.90 | 1.78 | - | - |

1. Total assets Total assets of the Company as of December 31, 2021 was 5,831.17 million baht which increase from the year ended 2020 by 1,174.49 million baht or equaled to a growth rate of 25.22%. The increase was due to hire-purchase receivables. As of December 31, 2021 hire-purchase receivables increased by 1,723.97 million baht or equaled to 46.10% compared to the year ended 2020. A growth of hire-purchase receivables was in line with the Company's business expansion. However, cash and cash equivalent was decreased by 623.29 million baht since the Company used in business operation.

2. Total liabilities Total liabilities of the Company as of December 31, 2021 was 3,822.89 million baht which increased from the year ended 2020 by 842.50 million baht or equaled to a growth rate of 28.27%. The main reason was trade and other payables amounting to 379.98 million baht which increased by 237.99 million baht or equaled to 167.59%. It resulted from an increase in trade payables for motorcycles which were in accordance with the Company's normal payment due. Borrowings from related companies increased by 300.00 million baht, short-term borrowings from financial institutions increased by 235.00 million baht and long-term borrowings from financial institutions increased by 50.56 million baht since the Company had to manage liquidity in order to provide sufficient sources of funds in accordance with the Company's continuous business expansion. As a result, the portion of current and non-current borrowings were 43.10% and 56.90% of total borrowings, respectively.

3. Equity Equity of the Company as of December 31, 2021 and 2020 were 2,008.28 million baht and 1,676.29 million baht, respectively. The main reason was the retained earnings increased in accordance with a growth of net profit.

4. Debt to Equity Ratio As of December 31, 2021 and 2020, debt to equity ratio of the Company was 1.90 times and 1.78 times, respectively. It resulted from an increase in liabilities.

Please be informed accordingly

Yours sincerely,

(Ms. Kruakao Yerabut)

Chief Financial Officer