

No. NEXP-312-2202001

25 February 2022

Subject: Management Discussion and Analysis of Financial Statements from the year ended
 31 December 2021

To: The President of the Stock Exchange of Thailand

We, NEX Point Public Company Limited (“NEX”) would like to report the operating results of the company and subsidiaries (all together as the “Company”) for the year ended 31 December 2021 which has been approved by the Board of Directors meeting held on 25 February 2022. The details are as follows:

Overview of operating results for the year ended 31 December 2021

Unit: Million Baht

Segment	For year ended 31 December 2021			For year ended 31 December 2020			%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)	
1. Electronic products business	-	-	-	104.58	101.87	2.71	(100.00%)
2. Computer and Software system business	388.56	288.40	100.16	313.93	221.43	92.50	8.28%
3. Logistic services business	39.03	65.42	(26.39)	97.46	122.02	(24.56)	(7.45%)
4. Bus business	238.87	165.25	73.62	887.97	786.08	101.89	(27.75%)
Total	666.46	519.07	147.39	1,403.94	1,231.40	172.54	(14.58%)
<u>Add</u> Other Revenue			21.61			34.38	(37.14%)
<u>Less</u> sales and administrative expenses			(280.45)			(377.05)	(25.62%)
<u>Less</u> Financial costs			(8.04)			(15.85)	(49.27%)
<u>Add</u> income (expense) tax			29.13			(7.99)	(464.58%)
Share of profit (losses) of associated companies (Equity method)			(4.70)			(6.33)	(25.75%)
Net Loss			(95.06)			(200.30)	(52.54%)
Profit of non-controlling interests			11.81			13.27	(11.00%)
Loss attributable to the parent company			(106.87)			(213.57)	(49.96%)

Operating Results in Summary

Revenue from sales and services

- For the year ended December 31, 2021, The Company earned the total revenue from sales and services of Baht 666.46 million, decrease by Baht 737.48 million, or 52.53% as compared to the same period of last year which incurred the total revenue from sales and services of Baht 1,403.94 million, due to a decrease of the electronic products business of Baht 104.58 million , (the Company sold investment in subsidiary companies in the quarter 3 of 2020) , the bus business decreased by Baht 649.10 million due to the transition from diesel to electric vehicles and the Logistic Services Business decreased by Baht 58.43 million due to the company canceled freight forwarding business at the end of the second quarter of 2021.

Cost of sales and services

- For the year ended December 31, 2021 , cost of sales and services of Baht 519.07 million, decrease by Baht 712.33 million, or 57.85%, as compared to the same period of last year which incurred the total cost of sales and services of Baht 1,231.40 million, according to the decrease from electronic products business segment Baht 101.87 million (the Company sold investment to the third party in quarter 3 of 2020) , the cost of sales the bus business decreased by Baht 620.83 million in the same direction of revenue and the cost of sales the Logistic Services business decreased by Baht 56.60 million in the same direction of revenue.

Selling and administrative expenses

- For the year ended December 31, 2021, selling and administrative expenses was Baht 280.45 million, decreased by Baht 96.60 million, or 25.62%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 377.05 million, according to decrease from Loss in impairment in subsidiaries of Baht 88.41 million.

Other Income

- For the year ended December 31, 2021, other income was Baht 21.61 million, decreased by Baht 12.77 million, or 37.14%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 34.38 million, according to decreased from sales business segment of the electronic. (The Company sold investment in subsidiaries to the third party in quarter 3 of 2020) by Baht 17.51 million.

Operating Results in Summary (Continued)

Income Tax

- For the year ended December 31, 2021, income tax was Baht 29.13 million, increased by Baht 37.12 million, or 464.58%, as compared to the same period of last year which incurred the total expenses tax of Baht 7.99 million, according to increased from estimated tax profit of NEX Point by Baht 31.22 million.

Loss attributable to the parent company

- For the year ended December 31, 2021, The Company had net loss attributable to the parent of Baht 106.87 million, decrease by Baht 106.70 million, or 49.96%, as compared to the same period of last year, which incurred the net loss to the parent of Baht 213.57 million, according to decreased from the selling and administrative expenses and increased from the income tax mentioned above.

Operating results of Business Segments

1. Electronic Products Business

Electronic products business (selling), Contract manufacturing and service, have a gross profit from operations, the whole amount decreased from the same accounting period of the previous year. Since the Company has already sold the business in the Q3'2020.

2. Computer and Software System Products Business.

Computer and Software System Products Business for the year ended December 31, 2021, had a gross profit from operations of Baht 100.16 million, increased from the same accounting period of the previous year by Baht 7.66 million or increased of 8.28%. We expect this business to grow further and the prospects for expanding the Company's customer base remain at a good level.

3. Logistic Services Business.

Logistic Services Business for the year ended December 31, 2021, has a gross loss amounted to Baht 26.39 million, the loss increased from the same accounting period of the previous year by Baht 1.83 million or an increase of 7.45% due to the impact of the Covid-19 situation that affects the business of passenger transport services which started service on April 7, 2021 and the high competition of freight forwarding business which is the former business of the group and then the company canceled this segment at the end of the Q2'2021.

Operating results of Business Segments (Continued)

4. Bus Business

Bus business for the year ended December 31, 2021, has a gross profit from operations amounted to Baht 73.62 million, was decreased of Baht 28.27 million from the same accounting period of the previous year or decreased of 27.75%. Almost of the profits are from the sale of passenger buses, internal combustion engine. In future the company will focus on the distribution of EV passenger bus, operating to assembly on behalf of Absolute Assembly Company Limited (AAB).

Electric Bus Project Absolute Assembly Co., Ltd. ("AAB"), an associated of the Company, is responsible to manufacture the electric buses and commercial vehicles of the group. The factory is located in Ban Pho District, Chachoengsao Province, with a production area of approximately 55,000 square meters. It is under the final phase of construction and installation of machinery with the approximate investment of Baht 1,750 million. At present AAB complete its factory, it can produce up to 3,000 electric buses per year. The electric buses produced by AAB will consist of more than 50% parts local content. The facility will be using high technology of machinery to control the production process with can support various types of electric vehicles such as vans, buses and trucks, etc. More importantly, due to the previously mentioned process, the electric buses produced by AAB will pass the free zone government regulation and will receive The board of investment of Thailand (BOI).

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajiraphabha)
Chief Executive Officer