

No. NEXP-312-2205001

12 May 2022

Subject: Management Discussion and Analysis of Financial Statements from the first quarter ended

31 March 2022

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 first quarter ended 31 March 2022 which has been approved by the Board of Directors meeting held on 12 May 2022. The details are as follows:

Overview of operating results for the first quarter ended 31 March 2022

Unit: Million Baht

Segment	For 3-months period ended 31 March 2022			For 3-months period ended 31 March 2021			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Computer and Software system business	108.57	82.11	26.46	97.60	74.66	22.94	3.52	15.34%
2. Logistic services business	4.36	17.45	(13.09)	18.16	16.05	2.11	(15.20)	(720.38%)
3. Bus business	41.59	27.96	13.63	86.69	59.00	27.69	(14.06)	(50.78%)
Total	154.52	127.52	27.00	202.45	149.71	52.74	(25.74)	(48.81%)
<u>Add</u> Other Revenue			6.16			4.68	1.48	31.62%
<u>Less</u> sales and administrative expenses			(70.10)			(84.24)	(14.14)	(16.79%)
<u>Less</u> Financial costs			(1.95)			(1.90)	0.05	2.63%
<u>Add</u> income (expense) tax			1.05			(3.18)	(4.23)	(133.02%)
Share of losses of associated companies (Equity method)			(22.38)			(6.00)	16.38	273.00%
Net Loss			(60.22)			(37.90)	22.32	58.89%
Profit (losses) of non-controlling interests			2.53			(0.04)	2.57	6425.00%
Loss attributable to the parent company			(62.75)			(37.86)	24.89	65.74%

Operating Results in Summary

Revenue from sales and services

- For the first quarter ended March 31, 2022, The Company earned the total revenue from sales and services of Baht 154.52 million, decreasing by Baht 47.93 million, or 23.67% as compared to the same period of last year which incurred the total revenue from sales and services of Baht 202.45 million, due to the decrease in revenue of bus business amounting to Baht 45.10 million. Moreover, the Company is in the process of transition from fossil fuels to electric energy vehicles business. Additionally, the parts service maintenances which directly impact by the Covid-19 situation has affected resulted in the decrease of revenue of the logistic services business amounting to Baht 13.80 million. However, the Company has already closed the freight forwarding business unit at the end of the second quarter of 2021.

Cost of sales and services

- For the first quarter ended March 31, 2022, cost of sales and services of Baht 127.52 million, decreasing by Baht 22.19 million, or 14.82%, as compared to the same period of the last year which incurred the total cost of sales and services of Baht 149.71 million as to the decrease in bus business amounting to Baht 31.04 million that resulted in the same direction of its revenue. The computer and software system business has increased by Baht 7.45 million resulted in the same direction of its revenue.

Gross profit

- For the first quarter ended March 31, 2022, gross profit was Baht 27 million, decreased by Baht 25.74 million, or 48.81%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 52.74 million, according to the logistic service business decreased by Baht 15.20 million and the bus business decreased by Baht 14.06 million.

Operating Results in Summary (Continued)

Selling and administrative expenses

- For the first quarter ended March 31, 2022, selling and administrative expenses was Baht 70.10 million, decreased by Baht 14.14 million, or 16.79%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 84.24 million, according to decrease losses from sale investment in subsidiaries of Baht 3.16 million, expense for cancel rental contract before prescription from cancel the part of logistic business of Baht 6.06 million and allowance for doubtful debts of Baht 7.45 million decreased from the previous year.

Share of losses of associated companies (Equity method)

- For the first quarter ended March 31, 2022, share of losses of associated companies (Equity method) was Baht 22.38 million, increased by Baht 16.38 million, or 273%, as compared to the same period of last year which incurred the total expenses tax of Baht 6.00 million, according to increase because the factory was just completed in early 2022 and is in the testing phase of the production line before actual production.

Loss attributable to the parent company

- For the first quarter ended March 31, 2022, The Company had net loss attributable to the parent of Baht 62.75 million, increase by Baht 24.89 million, or 65.74%, as compared to the same period of last year, which incurred the net loss to the parent of Baht 37.86 million, according to decreased from the gross profit and increased from the Share of losses of associated companies (Equity method).

Operating results of Business Segments

1. Computer and Software System Products Business.

Computer and Software System Products Business for the first quarter ended March 31, 2022, had a gross profit from operations of Baht 26.46 million, increased from the same accounting period of the previous year by Baht 3.52 million or increased of 15.34%. We expect this business to grow further and the prospects for expanding the Company's customer base remain at a good level.

Operating results of Business Segments (Continued)

2. Logistic Services Business.

Logistic Services Business for the first quarter ended March 31, 2022, has a gross loss amounted to Baht 13.09 million, the loss increased from the same accounting period of the previous year by Baht 15.20 million or an increase of 720.38% because the company has fixed expenses such as car rental, employee wages and in the fuel which is the main cost of the company has been rising steadily but the number of returned passengers was less than targeted plan, since economic conditions and the situation of COVID-19, which affects the business of providing inter-provincial bus services.

3. Bus Business

Bus business for the first quarter ended March 31, 2022, has a gross profit from operations amounted to Baht 13.63 million, was decreased of Baht 14.06 million from the same accounting period of the previous year or decreased of 50.78%. Mainly as a result of car maintenance repair services package under the contract to one operator which is calculated based on the actual kilometers run but due to the Covid-19 situation, the number of kilometers has been reduced. thus, directly affecting the income of the business. Currently the Company is in the process of assembling the electric vehicles, therefore, there is no income in this section.

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajiraprabha)
Chief Executive Officer