

No. NEXP-312-2208001

15 August 2022

Subject: Management Discussion and Analysis of Financial Statements from the second quarter ended 30 June 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 second quarter ended 30 June 2022 which has been approved by the Board of Directors meeting held on 15 August 2022. The details are as follows:

Overview of operating results for the second quarter period ended 30 June 2022

Unit: Million Baht

Segment	For 3-months period ended 30 June 2022			For 3-months period ended 30 June 2021			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Computer and Software system business	152.33	121.83	30.50	110.48	82.83	27.65	2.85	10.31%
2. Logistic services business	7.32	18.21	(10.89)	14.75	23.68	(8.93)	1.96	21.95%
3. Bus business	50.53	31.80	18.73	66.40	44.93	21.47	(2.74)	(12.76%)
Total	210.18	171.84	38.34	191.63	151.44	40.19	(1.85)	(4.60%)
<u>Add</u> Other Revenue			8.27			7.48	0.79	10.56%
<u>Less</u> sales and administrative expenses			(51.13)			(70.71)	(19.58)	(27.69%)
<u>Less</u> Financial costs			(1.62)			(2.17)	(0.55)	(25.35%)
<u>Add</u> income (expense) tax			(3.32)			(2.04)	1.28	62.75%
Share of losses of associated companies (Equity method)			(35.72)			(3.00)	32.72	1090.67%
Net Loss			(45.18)			(30.25)	14.93	49.36%
Profit (losses) of non-controlling interests			14.25			2.69	11.56	429.74%
Loss attributable to the parent company			(59.43)			(32.94)	26.49	80.42%

Overview of operating results for the six-month period ended 30 June 2022

Unit: Million Baht

Segment	For 6-months period ended 30 June 2022			For 6-months period ended 30 June 2021			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Computer and Software system business	260.89	203.92	56.97	208.08	157.48	50.60	6.37	12.59%
2. Logistic services business	11.68	35.65	(23.97)	32.92	39.74	(6.82)	17.15	251.47%
3. Bus business	92.11	59.75	32.36	153.09	103.93	49.16	(16.80)	(34.17%)
Total	364.68	299.32	65.36	394.09	301.15	92.94	(27.58)	(29.68%)
<u>Add</u> Other Revenue			14.43			12.15	2.28	18.77%
<u>Less</u> sales and administrative expenses			(121.23)			(154.95)	(33.72)	(21.76%)
<u>Less</u> Financial costs			(3.57)			(4.07)	(0.50)	(12.29%)
<u>Add</u> income (expense) tax			(2.27)			(5.21)	(2.94)	(56.43%)
Share of losses of associated companies (Equity method)			(58.10)			(9.01)	49.09	544.84%
Net Loss			(105.38)			(68.15)	37.23	54.63%
Profit (losses) of non-controlling interests			16.79			2.65	14.14	533.58%
Loss attributable to the parent company			(122.17)			(70.80)	51.37	72.56%

Operating Results in Summary

Revenue from sales and services

- For the second quarter ended June 30, 2022, the Company earned the total revenue from sales and service of Baht 210.18 million, increase by Baht 18.55 million, or 9.68% as compared to the same period of last year which incurred the total revenue from sales and services of Baht 191.63 million. Due to an increase of the computer and software system business of Baht 41.85 million, the bus business decreased by Baht 15.87 million, due to the transition from diesel to electric vehicles and start to sale EV Bus in third quarter this year.

Operating Results in Summary (Continued)

Revenue from sales and services (Continued)

- For the six-months period ended June 30, 2022, The Company earned the total revenue from sales and services of Baht 364.68 million, decrease by Baht 29.41 million, or 7.46% as compared to the same period of last year which incurred the total revenue from sales and services of Baht 394.09 million, due to a decrease of the bus business decreased by Baht 60.98 million due to the transition from diesel to electric vehicles and start to sale EV Bus in third quarter this year, an increase of the computer and software system business of Baht 52.81 million.

Cost of sales and services

- For the second quarter ended 30 June 2022, cost of sales and services was Baht 171.84 million, increase by Baht 20.40 million, or 13.47%, as compared to the same period of last year which incurred the total cost of sales and services of Baht 151.44 million, in the same direction of revenue, most of which come from computers and software systems business Baht 39 million.
- For the six-month ended 30 June 2022, cost of sales and services of Baht 299.32 million, decrease by Baht 1.83 million, or 0.61%, as compared to the same period of last year which incurred the total cost of sales and services of Baht 301.15 million, in the same direction of revenue.

Gross profit

- For the second quarter ended 30 June 2022, gross profit was Baht 38.34 million, decrease by Baht 1.85 million, or 4.60%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 40.19 million, according to the computer and software system business gross profit increased by Baht 2.85 million, the logistic service business loss increased by Baht 1.96 million and the bus business gross profit decrease by Baht 2.74 million.
- For the six-month ended 30 June 2022, gross profit was Baht 65.36 million, decrease by Baht 27.58 million, or 29.68%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 92.94 million, according to the computer and software system business gross profit increased by Baht 6.37 million, the logistic service business loss increased by Baht 17.15 million and the bus business gross profit decrease by Baht 16.80 million.

Operating Results in Summary (Continued)

Selling and administrative expenses (Continued)

- For the second quarter ended 30 June 2022, selling and administrative expenses was Baht 51.13 million, decrease by Baht 19.58 million, or 27.69%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 70.71 million, according to decrease from reverse allowance for doubtful account of maintenance service bus business by Baht 22.61 million.
- For the six-month ended 30 June 2022, selling and administrative expenses was Baht 121.23 million, decrease by Baht 33.72 million, or 21.76%, as compared to the same period of last year which incurred the total selling and administrative expenses of Baht 154.95 million, according to decrease from reverse allowance for doubtful account of maintenance service bus business by Baht 31.05 million.

Share of losses of associated companies (Equity method)

- For the second quarter ended June 30, 2022, share of losses of associated companies (Equity method) was Baht 35.72 million, increased by Baht 32.72 million, or 1,090.67%, as compared to the same period of last year which incurred the share of losses of associated companies of Baht 3.00 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, it is expected to produce and deliver products to customers in the third quarter of 2022.
- For the six-month ended June 30, 2022, share of losses of associated companies (Equity method) was Baht 58.10 million, increased by Baht 49.09 million, or 544.84%, as compared to the same period of last year which incurred the share of losses of associated companies of Baht 9.01 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, it is expected to produce and deliver products to customers in the third quarter of 2022.

Loss attributable to the parent company

- For the second quarter ended June 30, 2022, The Company had net loss attributable to the parent of Baht 59.43 million, increase by Baht 26.49 million, or 80.42%, as compared to the same period of last year, which incurred the net loss to the parent of Baht 32.94 million, according to increase from the Share of losses of associated companies (Equity method).

Operating Results in Summary (Continued)

Loss attributable to the parent company (Continued)

- For the six-month quarter ended June 30, 2022, The Company had net loss attributable to the parent of Baht 122.17 million, increase by Baht 51.37 million, or 72.56%, as compared to the same period of last year, which incurred the net loss to the parent of Baht 70.80 million, according to increase 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 second quarter ended June 30, 2022, had a gross profit from operations of Baht 30.50 million, increased from the same accounting period of the previous year by Baht 2.85 million or increased of 10.31% and for the six-months period ended June 30, 2022 had a gross profit from operations of Baht 56.97 million, increase from the same accounting period of the previous year by bath 6.37 million or an increase of 12.59% We expect this business to grow further and the prospects for expanding the Company's customer base remain at a good level.

2. Logistic Services Business.

Logistic Services Business for the second quarter ended June 30, 2022, has a gross loss amounted to Baht 10.89 million, increased from the same accounting period of the previous year by Baht 1.96 million or an increase of 21.95% and for the six-months period ended June 30, 2022 had a gross loss from operations of Baht 23.97 million, increase from the same accounting period of the previous year by bath 17.15 million or an increase of 251.47% 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 income that comes in is not enough for the operation of the business, expected in the future If an additional electric bus is packed situation in this section expected better.

Operating results of Business Segments (Continued)

3. Bus Business

Bus business for the second quarter ended June 30, 2022, has a gross profit from operations amounted to Baht 18.73 million, was decreased of Baht 2.74 million from the same accounting period of the previous year or decreased of 12.76% and for the six-months period ended June 30, 2022 had a gross loss from operations of Baht 32.36 million, decrease from the same accounting period of the previous year by bath 16.80 million or a decrease of 34.17%. 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 and start to sale EV Bus in third quarter this year.

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajirapabha)
Chief Executive Officer