

No. NEXP-312-2211001

11 November 2022

Subject: Management Discussion and Analysis of Financial Statements from the third quarter ended 30 September 2022

To: The President of the Stock Exchange of Thailand

We, NEX Point Public Company Limited (“the company”) would like to clarify to the operating results of the company and subsidiaries for the third quarter ended 30 September 2022 which has been approved by the Board of Directors meeting held on 11 November 2022. The details are as follows:

Overview of operating results for the third quarter period ended 30 September 2022

Unit: Million Baht

Segment	For 3-months period ended 30 September 2022			For 3-months period ended 30 September 2021			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Bus business	1,206.59	1,133.56	73.03	32.48	26.76	5.72	67.31	1177%
2. Computer and Software system business	162.65	131.58	31.07	78.65	54.98	23.67	7.40	31%
3. Logistic services business	9.73	20.15	(10.42)	0.91	12.14	(11.23)	(0.81)	-7%
Total	1,378.97	1,285.29	93.68	112.04	93.88	18.16	75.52	416%
<u>Add</u> Other Revenue			10.22			4.42	5.80	131%
<u>Less</u> sales and administrative expenses			(68.55)			(52.62)	15.93	30%
<u>Less</u> Financial costs			(4.08)			(2.06)	2.02	98%
<u>Less</u> Income tax			(5.57)			(2.50)	3.07	123%
Share of gain (loss) from an investment in an associate			(6.45)			19.40	(25.85)	-133%
Net Profit (Loss)			19.25			(15.20)	34.45	227%
Profit of non-controlling interests			11.30			4.38	6.92	158%
Profit (loss) attributable to the parent company			7.95			(19.58)	27.53	141%

Overview of operating results for the nine-months period ended 30 September 2022

Unit: Million Baht

Segment	For 9-months period ended 30 September 2022			For 9-months period ended 30 September 2021			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Bus business	1,298.69	1,193.31	105.38	185.57	130.69	54.88	50.50	92%
2. Computer and Software system business	423.55	335.51	88.04	286.74	212.47	74.27	13.77	19%
3. Logistic services business	21.41	55.80	(34.39)	33.82	51.87	(18.05)	16.34	91%
Total	1,743.65	1,584.62	159.03	506.13	395.03	111.10	47.93	43%
<u>Add</u> Other Revenue			24.66			16.57	8.09	49%
<u>Less</u> sales and administrative expenses			(189.78)			(207.57)	(17.79)	-9%
<u>Less</u> Financial costs			(7.65)			(6.13)	1.52	25%
<u>Less</u> Income tax			(7.84)			(7.71)	0.13	2%
Share of gain (loss) from an investment in an associate			(64.55)			10.40	(74.95)	-721%
Net Loss			(86.13)			(83.34)	2.79	3%
Profit of non-controlling interests			28.10			7.03	21.07	300%
Loss attributable to the parent company			(114.23)			(90.37)	23.86	26%

Operating Results in Summary

Revenue from sales and services

- For the third quarter ended September 30, 2022, the Company earned the total revenue from sales and service of 1,378.97 million baht, increased by Baht 1,266.93 million, or 1,131% as compared to the same period of previous year which incurred the total revenue from sales and services of 112.04 million baht. Increased from the bus business of 1,174.11 million baht.
- For the nine-months period ended September 30, 2022, The Company earned the total revenue from sales and services of 1,743.65 million baht, increased by 1,237.52 million baht, or 245% as compared to the same period of previous year which incurred the total revenue from sales and services of 506.13 million baht. Increased from the bus business of 1,113.12 million baht.
- Due to the third quarter It is the first period that the company sell electric vehicles, the bus business increased income compared the same period of previous year.

Operating Results in Summary (Continued)

Cost of sales and services

- For the third quarter ended 30 September 2022, cost of sales and services were 1,285.29 million baht, increased by 1,191.41 million baht, or 1,269%, as compared to the same period of last year which incurred the total cost of sales and services of Baht 93.88 million, in the same direction of revenue. Mainly from the bus business in amount of 1,106.80 million baht.
- For the nine-months ended 30 September 2022, cost of sales and services were 1,584.62 million baht, increased by 1,189.59 million baht, or 301%, as compared to the same period of previous year which incurred the total cost of sales and services of 395.03 million baht in the same direction of revenue. Mainly from the bus business 1,062.62 million baht.

Gross profit

- For the third quarter ended 30 September 2022, gross profit was 93.68 million baht, increased by 75.52 million baht, or 416%, as compared to the same period of previous year which incurred the gross profit of Baht 18.16 million. Mainly from the bus business in amount of 67.31 million baht.
- For the nine-months ended 30 September 2022, gross profit was Baht 159.03 million baht, increased by Baht 47.93 million baht, or 43%, as compared to the same period of previous year which incurred the gross profit of 111.10 million baht. Mainly from the bus business in amount of 50.50 million baht.

Selling and administrative expenses

- For the third quarter ended 30 September 2022, selling and administrative expenses were 68.55 million baht, increased by 15.93 million baht, or 30%, as compared to the same period of last previous year which incurred the total selling and administrative expenses of 52.62 million baht, the important reasons from employee expenses, depreciation and amortization
- For the nine-months ended 30 September 2022, selling and administrative expenses were 189.78 million baht, decreased by 17.79 million baht, or 9%, as compared to the same period of previous year which incurred the total selling and administrative expenses of Baht 207.57 million, the important reasons from reverse allowance for doubtful account of maintenance service bus business by 25.36 million baht.

Operating Results in Summary (Continued)

Share of gain (loss) from an investment in an associate

- For the third quarter ended September 30, 2022, share of losses from an investment in an associate was 6.45 million baht, share of profit decreased by 25.85 million baht, or 133%, as compared to the same period of last year which incurred the share of profit of associated companies of 19.40 million baht.
- For the nine-months ended September 30, 2022, share of losses from an investment in an associate was 64.55 million baht, share of profit decreased by Baht 74.95 million, or 721%, as compared to the same period of previous year which incurred the share of profit of associated companies of 10.40 million baht.
- Due to the previous year, the associated company had a production line, which made the associated company profit from operations. But the main production plant is under construction. Therefore, the cost of depreciation was not recorded in the previous year. But in the third quarter of 2022, the associated company completed the construction of the factory and have begun to produce products and deliver them to customers but the number of productions is not yet full capacity of the factory. Therefore, sales revenue insufficient for production cost in the depreciation section as a result, the company It must be recognized as the share of loss of the associated company under the equity method.

Profit (Loss) attributable to the parent company

- For the third quarter ended September 30, 2022, The Company had net profit attributable to the parent of 7.95 million baht, increased by 27.53 million baht, or 141%, as compared to the same period of previous year, which incurred the net loss to the parent of 19.58 million baht, according to increase from gross profit bus business from sales electric bus, the third quarter It is the first quarter.
- For the nine-months quarter ended September 30, 2022, The Company had net loss attributable to the parent of 114.23 million baht, increased by 23.86 million baht, or 26%, as compared to the same period of previous year, which incurred the net loss to the parent of 90.37 million baht, according to increase from the Share of losses from an investment in an associate but gross profit bus business increased from sales electric bus, the third quarter It is the first quarter.

Operating results of Business Segments

1. Bus Business

Bus business for the third quarter ended September 30, 2022, has a gross profit from operations amounted to 73.03 million baht, was increased of Baht 67.31 million from the same accounting period of the previous year or increased of 1177% and for the nine-months period ended September 30, 2022 had a gross profit from operations of Baht 105.38 million, increased from the same accounting period of the previous year by 50.50 million baht or a increased of 92% Mainly from the sale of electric buses. which started selling in the third quarter is the first quarter.

2. Computer and Software System Products Business.

Computer and Software System Products Business for the third quarter ended September 30, 2022, had a gross profit from operations of 31.07 million baht, increased from the same accounting period of the previous year by 7.40 million baht or increased of 31% and for the nine-months period ended September 30, 2022 had a gross profit from operations of 88.04 million baht, increased from the same accounting period of the previous year by 13.77 million baht or increased of 19% by the performance of this business at a constant level.

3. Logistic Services Business.

Logistic Services Business for the third quarter ended September 30, 2022, has a gross loss amounted to 10.42 million baht, decreased from the same accounting period of the previous year by 0.81 million baht or decreased of 7% and for the nine-months period ended September 30, 2022 had a gross loss from operations of 34.39 million baht, increased from the same accounting period of the previous year by 16.34 million bath or increased of 91% because the company has fixed expenses such as car rental, employee expenses and the fuel which is the main cost of the company has been high cost but the income that comes in is not enough for the operation of the business, expected in the future this business electric bus, replace with situation in this section will better.

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajirapabha)
Chief Executive Officer