

May 10, 2023

Subject Management Discussion and Analysis for the 3-month ended March 31, 2023

To President

The Stock Exchange of Thailand

Next Capital Public Company Limited and its subsidiary ("The Company") have informed the operating result for the 3-month ended March 31, 2023 as follows:

For operating result for the 3-month ended March 31, 2023, Profit owners of the parent was 142.07 million baht compared to net profit of 65.23 million baht in the same period of the previous year. It increased by 76.84 million baht or equaled to a growth rate of 117.79%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income (Consolidated)	For the 3-month ended		Changes	
	Mar 31, 2023	Mar 31, 2022	Amount	Percentage
<b>Revenue</b>				
Interest income from hire-purchase	375.60	344.43	31.17	9.05
Fee and service income	55.48	52.36	3.12	5.96
Other income	51.41	57.67	(6.26)	(10.85)
<b>Total revenue</b>	<b>482.49</b>	<b>454.46</b>	<b>28.03</b>	<b>6.17</b>
<b>Expenses</b>				
Selling and administrative expenses	173.14	178.27	(5.13)	(2.88)
Expected credit loss	89.50	157.26	(67.76)	(43.09)
Loss on disposals and diminution in value of foreclosed assets	1.45	1.48	(0.03)	(2.03)
Finance costs	40.28	35.40	4.88	13.79
<b>Total expenses</b>	<b>304.37</b>	<b>372.41</b>	<b>(68.04)</b>	<b>(18.27)</b>
<b>Profit before income tax expense</b>	<b>178.12</b>	<b>82.05</b>	<b>96.07</b>	<b>117.09</b>
Income tax expense	(36.06)	(16.87)	(19.19)	113.75
<b>Profit for the period</b>	<b>142.06</b>	<b>65.18</b>	<b>76.88</b>	<b>117.95</b>
<b>Profit owners of the parent</b>	<b>142.07</b>	<b>65.23</b>	<b>76.84</b>	<b>117.79</b>
<b>Basic earnings per share (Baht per share)</b>	<b>0.11</b>	<b>0.07</b>	<b>0.04</b>	<b>57.14</b>

1. Revenue for the 3-month ended March 31, 2023 was 482.49 million baht compared to revenue of 454.46 million baht in the same period of the previous year. It increased by 28.03 million baht or equaled to a growth rate of 6.17%. This resulted from the recognition of interest income from hire-purchase amounting to 375.60 million baht which increased by 31.17 million baht or equaled to a growth rate of 9.05% 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. At the same time other income decreased by 6.26 million baht due to bad debt recovery decreased.

2. Total expenses for the 3-month ended March 31, 2023 was 304.37 million baht compared to expenses of 372.41 million baht in the same period of the previous year. It decreased by 68.04 million baht or equaled to 18.27%. It mainly resulted from expected credit losses amounting to 89.50 million baht was decreased by 67.76 million baht or equaled to a 43.09%. It resulted from overdue ratio compared to the same period of the previous year and adjustment of the expected credit loss calculation model for the year 2023 in accordance with the Company's accounting policy. Moreover, selling and administrative expenses amounting to 173.14 million baht which decreased by 5.13 million bath or equaled to a 2.88%. Whereas finance costs amounting to 40.28 million bath was increased by 4.88 million baht or equaled to 13.79%.

(Unit : Million baht)

Statement of financial position (Consolidated)	As of		Changes	
	Mar 31, 2023	Mar 31, 2022	Amount	Percentage
Assets	8,542.66	8,359.73	182.93	2.19
Liabilities	4,174.30	4,129.45	44.85	1.09
Equity	4,368.36	4,230.28	138.08	3.26
<b>Debt to equity ratio</b>	<b>0.96</b>	<b>0.98</b>	-	-

**1. Total assets** Total assets of the Company as of March 31, 2023 was 8,542.66 million baht which increased from the year ended 2022 by 182.93 million baht or equaled to a growth rate of 2.19%. The main reason was an increase of hire-purchase receivables. As of March 31, 2023, hire-purchase receivables increased by 648.96 million baht or equaled to 8.74% compared to the year ended 2022 which was in line with the Company's business expansion. At the same times, Cash and cash equivalents decreased by 431.21 million baht or equaled to 82.04% compared to the year ended 2022. Whereas the Company used cash as working capital.

**2. Total liabilities** Total liabilities of the Company as of March 31, 2023 was 4,174.30 million baht which increased from the year ended 2022 by 44.85 million baht or equaled to 1.09%. The main reason was trade and other payables amounting to 324.94 million baht which increased by 62.70 million baht or equaled to 23.91%. It resulted from an increase in trade payables for motorcycles which were in accordance with the Company's normal payment due. Moreover, short-term borrowings from financial institutions increased by 200.00 million baht. And the net repayments on long-term borrowings from financial institutions were 222.60 million bath. As a result, the portion of current and non-current borrowings were 50.65% and 49.35% of total borrowings, respectively.

**3. Equity** Equity of the Company as of March 31, 2023 and March 31, 2022 were 4,368.36 million baht and 4,230.28 million baht, respectively. The shareholders' equity increased from the year ended 2022 by 138.08 million baht or equaled to a growth rate of 3.26%. It resulted from retained earnings increased in accordance with a growth of net profit.

**4. Debt to Equity Ratio** As of March 31, 2023 and March 31, 2022 debt to equity ratio of the Company was 0.96 times and 0.98 times, respectively. It resulted from an increase in equity.

Please be informed accordingly

Yours sincerely,

(Ms. Kruakao Yerabut)

Chief Financial Officer