

No. NEXP-312-2308001

11 August 2023

Subject: Management Discussion and Analysis of Financial Statements for the second quarter ended
 30 June 2023

To: The President of The Stock Exchange of Thailand

We, NEX Point Public Company Limited (“the company”), would like to clarify the company’s operating results and subsidiaries for the second quarter ended 30 June 2023, which has been approved by the Board of Directors meeting held on 11 August 2023. The details are as follows:

Overview of operating results for the second quarter period ended 30 June 2023

Unit: Million Baht

Segment	For 3-months period ended 30 June 2023			For 3-months period ended 30 June 2022			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross	Revenue	Cost	Gross		
			Profit (Loss)			Profit (Loss)		
1. Commercial electric vehicle business	2,617.63	2,267.73	349.90	50.52	31.79	18.73	331.17	1768%
2. Computer and Software system business	133.27	99.80	33.47	152.33	121.83	30.50	2.97	10%
3. Logistic services business	3.04	6.59	(3.55)	7.32	18.20	(10.88)	7.33	67%
Total	2,753.94	2,374.12	379.82	210.17	171.82	38.35	341.47	890%
<u>Add</u> Other Revenue			32.61			8.27	24.34	294%
<u>Less</u> sales and administrative expenses			(114.39)			(51.13)	63.26	124%
<u>Less</u> Financial costs			(6.31)			(1.62)	4.69	290%
<u>Less</u> Income tax			(55.72)			(3.32)	52.40	1578%
Share of gain (loss) from an investment in an associate			130.00			(35.72)	165.72	N/A
Net Profit (Loss)			366.01			(45.17)	411.18	N/A
Profit of non-controlling interests			13.51			14.26	(0.75)	(5%)
Profit (loss) attributable to the parent company			352.50			(59.43)	411.93	N/A

Overview of operating results for the six months ended 30 June 2023

Unit: Million Baht

Segment	For 6-months period ended 30 June 2023			For 6-months period ended 30 June 2022			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Commercial electric vehicle business	5,676.59	5,226.67	449.92	92.11	59.75	32.36	417.56	1290%
2. Computer and Software system business	277.42	214.45	62.97	260.89	203.93	56.96	6.01	11%
3. Logistic services business	10.55	24.22	(13.67)	11.68	35.65	(23.97)	10.30	43%
Total	5,964.56	5,465.34	499.22	364.68	299.33	65.35	433.87	664%
Add Other Revenue			50.73			14.44	36.29	251%
Less sales and administrative expenses			(212.64)			(121.23)	91.41	75%
Less Financial costs			(13.12)			(3.57)	9.55	268%
Less Income tax			(68.37)			(2.27)	66.10	2912%
Share of gain (loss) from an investment in an associate			269.24			(58.10)	327.34	N/A
Net Profit (Loss)			525.06			(105.38)	630.44	N/A
Profit of non-controlling interests			20.48			16.79	3.69	22%
Profit (Loss) attributable to the parent company			504.58			(122.17)	626.75	N/A

Operating Results in Summary

Revenue from sales and services

- For the second quarter that ended June 30, 2023, the Company earned a total revenue from sales and service of Baht 2,753.94 million, increased by Baht 2,543.77 million, or 1,210% as compared to the same period of the previous year, which incurred the total revenue from sales and services of Baht 210.17 million, mainly increased from the commercial electric vehicle business of Baht 2,567.11 million.

Due to the second quarter of 2023, the company sells commercial electric vehicles of 487 Units. Therefore, it directly affects the income from the group's business operations.

Operating Results in Summary (Continued)

Revenue from sales and services (Continued)

- For the six months ended June 30, 2023, the Company earned a total revenue from sales and service of Baht 5,964.56 million, increased by Baht 5,599.88 million, or 1,536% as compared to the same period of the previous year, which incurred the total revenue from sales and services of Baht 364.68 million, mainly increased from the commercial electric vehicle business of Baht 5,584.48 million.

Due to the six months of 2023, the company sells commercial electric vehicles of 1,050 Units. Therefore, it directly affects the income from the group's business operations.

Cost of sales and services

- For the second quarter that ended June 30, 2023, the cost of sales and services was Baht 2,374.12 million, increased by Baht 2,202.30 million, or 1,282%, as compared to the same period of last year, which incurred the total cost of sales and services of Baht 171.82 million, in the same direction of revenue. Mainly from the commercial electric vehicle business in Baht 2,235.94 million.
- For the six months ended June 30, 2023, the cost of sales and services was Baht 5,465.34 million, increased by Baht 5,166.01 million, or 1.726%, as compared to the same period of last year, which incurred the total cost of sales and services of Baht 299.33 million, in the same direction of revenue. Mainly from the commercial electric vehicle business in Baht 5,166.92 million.

Gross profit

- For the second quarter ended June 30, 2023, gross profit was Baht 379.82 million, increased by Baht 341.47 million, or 890%, as compared to the same period of the previous year, which incurred the gross profit of Baht 38.35 million, mainly from the commercial electric vehicle business in the amount of Baht 331.17 million.
- For the six months ended June 30, 2023, gross profit was Baht 499.22 million, increased by Baht 433.87 million, or 664%, as compared to the same period of the previous year, which incurred the gross profit of Baht 65.35 million, mainly from the commercial electric vehicle business in the amount of Baht 417.56 million.

Operating Results in Summary (Continued)

Other income

- For the second quarter ended June 30, 2023, other income was Baht 32.61 million, increased by Baht 24.34 million, or 294%, as compared to the same period of the previous year, which incurred the gross profit of Baht 8.27 million, mainly from the interest income from installment sales and associated company loans increased by Baht 7.42 million and income from compensation for damaged products associated companies increased by Baht 14.53 million.
- For the six months ended June 30, 2023, other income was Baht 50.73 million, increased by Baht 36.29 million, or 251%, as compared to the same period of the previous year, which incurred the gross profit of Baht 14.44 million, Mainly from the interest income from installment sales and associated company loans increased by Baht 10.60 million, income from collateral for loans to associated companies increased by Baht 5.72 million and income from compensation for damaged products associated companies increased by Baht 18.06 million.

Selling and administrative expenses

- For the second quarter that ended June 30, 2023, selling and administrative expenses were Baht 114.39 million, increased by Baht 63.26 million, or 124%, as compared to the same period of the previous year, which incurred the total selling and administrative expenses of Baht 51.13 million, mainly from the employee expense and management compensation increased by Baht 4.26 million, doubtful debt increased by Baht 19.92 million and cost from payment for damaged products associated companies increased by Baht 14.53 million.
- For the six months ended June 30, 2023, selling and administrative expenses were Baht 212.64 million, increased by Baht 91.41 million, or 75%, as compared to the same period of the previous year, which incurred the total selling and administrative expenses of Baht 121.23 million, mainly from the employee expense and management compensation increased by Baht 19.35 million, depreciation increased by Baht 4.13 million, doubtful debt increased by Baht 22.42 million and expense from settlement for damaged products associated companies increased by Baht 18.06 million.

Operating Results in Summary (Continued)

Financial Costs

- For the second quarter that ended June 30, 2023, financial costs were Baht 6.31 million, increased by Baht 4.69 million, or 290%, as compared to the same period of the previous year, which incurred the total financial costs of Baht 1.62 million, mainly from the Interest expense from installment purchases of the commercial electric vehicle business increased by Baht 5.75 million, in the same interest income of other income.
- For the six months ended June 30, 2023, financial costs were Baht 13.12 million, increased by Baht 9.55 million, or 268%, as compared to the same period of the previous year, which incurred the total financial costs of Baht 3.57 million, mainly from the Interest expense from installment purchases of the commercial electric vehicle business increased by Baht 11.26 million, in the same interest income of other income.

Income tax

- For the second quarter that ended June 30, 2023, income taxes were Baht 55.72 million, increased by Baht 52.40 million, as compared to the same period of the previous year, which incurred the total income taxes of Baht 3.32 million, mainly from the commercial electric vehicle business increased, according to increase from net profit.
- For the six months ended June 30, 2023, income taxes were Baht 68.37 million, increased by Baht 66.10 million, as compared to the same period of the previous year, which incurred the total income taxes of Baht 2.27 million, mainly from the commercial electric vehicle business increased, according to increase from net profit.

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

- For the second quarter that ended June 30, 2023, the share of gain from an investment in an associate was Baht 130 million, and the share of profit increased by Baht 165.72 million, as compared to the same period of last year, which incurred the share of losses of associated companies of Baht 35.72 million.

Operating Results in Summary (Continued)

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

- For the six months ended June 30, 2023, the share of gain from an investment in an associate was Baht 269.24 million, and the share of profit increased by Baht 327.34 million, as compared to the same period of last year, which incurred the share of losses of associated companies of Baht 58.10 million.

Due to the six months of 2023, the associated company sells products to customers. As a result, the company realized an increase in profit sharing from investments in associated companies, as compared to the same period of last year, which the associated company had not yet sold, because the factory was just completed in early 2022 and is in the testing phase of the production line.

Profit (Loss) attributable to the parent company

- For the second quarter that ended June 30, 2023, the company had a net profit attributable to the parent of Baht 352.50 million, increased by Baht 411.93 million, as compared to the same period of the previous year, which incurred the net loss to the parent of Baht 59.43 million
- For the six months ended June 30, 2023, the company had a net profit attributable to the parent of Baht 504.58 million, increased by Baht 626.75 million, as compared to the same period of the previous year, which incurred the net loss of the parent of Baht 122.17 million.
- According to increase from gross profit of commercial electric vehicle business and increase from a share of gain from an investment in an associate.

Operating Results of Business Segments

1. Commercial Electric Vehicle Business

Commercial Electric Vehicle Business for the second quarter ended June 30, 2023, has a gross profit from operations amounted to Baht 349.90 million, which was increase of Baht 331.17 million from the same accounting period of the previous year or an increase of 1,768% and for the six months ended June 30, 2023, had a gross profit from operations of Baht 449.92 million, gain from the same accounting period of the previous year by bath 417.56 million or an increase of 1,290%, mainly from the company sales commercial electric vehicles of 1,050 Units.

Operating Results of Business Segments (Continued)

2. Computer and Software System Business.

The computer and Software System Business for the second quarter ended June 30, 2023, had a gross profit from operations of Baht 33.47 million, increase from the same accounting period of the previous year by Baht 2.97 million or an increase of 10% and for the six months ended June 30, 2023, had a gross profit from operations of Baht 62.97 million, gain from the same accounting period of the previous year by bath 6.01 million or an increase of 11%, by the performance of this business at a constant level.

3. Logistic Services Business.

Logistic Services Business for the second quarter ended June 30, 2023, has a gross loss amounted to Baht 3.55 million, a loss decreased from the same accounting period of the previous year by Baht 7.33 million or a decrease of 67%, and for the six months ended June 30, 2023, had a gross loss from operations of Baht 13.67 million, loss decreased from the same accounting period of the previous year by bath 10.30 million or an decreased of 43%, because the company better internal management and began to be known by customers who came to use the service, especially the electric vehicle service, for the EEC route.

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajirapabha)
Chief Executive Officer