

No. NEXP-312-2311001

10 November 2023

Subject: Management Discussion and Analysis of Financial Statements for the third quarter ended 30 September 2023

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 2023 which has been approved by the Board of Directors meeting held on 10 November 2023. The details are as follows:

Overview of operating results for the third quarter period ended 30 September 2023

Unit: Million Baht

Segment	For 3-months period ended 30 September 2023			For 3-months period ended 30 September 2022			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Commercial electric vehicle business	1,063.34	943.87	119.47	1,206.59	1,133.56	73.03	46.44	64%
2. Computer and software system business	185.00	146.84	38.16	162.65	131.58	31.07	7.09	23%
3. Logistic services business	1.17	6.96	(5.79)	9.73	20.15	(10.42)	4.63	44%
Total	1,249.51	1,097.67	151.84	1,378.97	1,285.29	93.68	58.16	62%
<u>Add</u> Other revenue			21.06			10.22	10.84	106%
<u>Less</u> Sales and administrative expenses			(78.68)			(68.55)	10.13	15%
<u>Less</u> Financial costs			(6.16)			(4.08)	2.08	51%
<u>Less</u> Income tax			(20.46)			(5.57)	14.89	267%
Share of gain (loss) from an investment in an associate			9.34			(6.44)	15.78	N/A
Net Profit (Loss)			76.94			19.26	57.68	299%
Profit of non-controlling interests			10.79			11.31	(0.52)	(5%)
Profit (Loss) attributable to the parent company			66.15			7.95	58.20	732%

Overview of operating results for the nine months ended 30 September 2023

Unit: Million Baht

Segment	For 9-months period ended 30 September 2023			For 9-months period ended 30 September 2022			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Commercial electric vehicle business	6,739.94	6,170.55	569.39	1,298.69	1,193.30	105.39	464.00	440%
2. Computer and software system business	462.42	361.29	101.13	423.55	335.52	88.03	13.10	15%
3. Logistic services business	11.72	31.18	(19.46)	21.41	55.80	(34.39)	14.93	43%
Total	7,214.08	6,563.02	651.06	1,743.65	1,584.62	159.03	492.03	309%
Add Other revenue			71.79			24.66	47.13	191%
Less Sales and administrative expenses			(291.32)			(189.78)	101.54	54%
Less Financial costs			(19.27)			(7.65)	11.62	152%
Less Income tax			(88.83)			(7.85)	80.98	1032%
Share of gain (loss) from an investment in an associate			278.58			(64.55)	343.13	N/A
Net Profit (Loss)			602.01			(86.14)	688.15	N/A
Profit of non-controlling interests			31.27			28.09	3.18	11%
Profit (Loss) attributable to the parent company			570.74			(114.23)	684.97	N/A

Operating Results in Summary

Revenue from sales and services

- For the third quarter that ended September 30, 2023, the Company earned a total revenue from sales and services of Baht 1,249.51 million, a decrease of Baht 129.46 million, or 9%, as compared to the same period of the previous year which incurred the total revenue from sales and services of Baht 1,378.97 million, mainly decreased from the commercial electric vehicle business of Baht 143.25 million.

Due to the third quarter of 2023, the company sold commercial electric vehicles. It mainly sells electric trucks rather than electric buses, and the sales revenue of electric trucks is lower than that of electric buses. Therefore, it affected decreased the income from the group's business operations.

Operating Results in Summary (Continued)

Revenue from sales and services (Continued)

- For the nine months ended September 30, 2023, the Company earned a total revenue from sales and service of Baht 7,214.08 million, increased by Baht 5,470.43 million, or 314%, as compared to the same period of the previous year, which incurred the total revenue from sales and services of Baht 1,743.65 million, mainly increased from the commercial electric vehicle business of Baht 5,441.25 million.

In the nine months of 2023, the company sold commercial electric vehicles 1,291 Units, but in 2022, the company just started selling cars in the first quarter; therefore, it directly affects the income from business operations of the group.

Cost of sales and services

- For the third quarter ended September 30, 2023, the cost of sales and services was Baht 1,097.67 million, decreased by Baht 187.62 million, or 15%, as compared to the same period of last year, which incurred the total cost of sales and services of Baht 1,285.29 million, in the same direction of revenue. Mainly from the commercial electric vehicle business in the amount of Baht 189.69 million.
- For the nine months ended September 30, 2023, the cost of sales and services was Baht 6,563.02 million, increased by Baht 4,978.40 million, or 314%, as compared to the same period of last year, which incurred the total cost of sales and services of Baht 1,584.62 million, in the same direction of revenue. Mainly from the commercial electric vehicle business in Baht 4,977.25 million.

Gross profit

- For the third quarter ended September 30, 2023, the gross profit was Baht 151.84 million, increased by Baht 58.16 million, or 62%, as compared to the same period of the previous year, which incurred the gross profit of Baht 93.68 million, mainly from the commercial electric vehicle business in the amount of Baht 46.44 million.
- For the nine months ended September 30, 2023, gross profit was Baht 651.06 million, increased by Baht 492.03 million, or 309%, as compared to the same period of the previous year, which incurred the gross profit of Baht 159.03 million, mainly from the commercial electric vehicle business in the amount of Baht 464 million.

Operating Results in Summary (Continued)

Other income

- For the third quarter ended September 30, 2023, other income was Baht 21.06 million, increased by Baht 10.84 million, or 106%, as compared to the same period of the previous year, which incurred the other income of Baht 10.22 million, mainly from the interest income from instalment sales and associated company loans increased by Baht 5.00 million and service and rental income increased by Baht 6.41 million.
- For the nine months ended September 30, 2023, other income was Baht 71.79 million, increased by Baht 47.13 million, or 191%, as compared to the same period of the previous year, which incurred the other income of Baht 24.66 million, mainly from the interest income from instalment sales and associated company loans increased by Baht 19.59 million, income from collateral for loans to associated companies increased by Baht 7.88 million, income from compensation for damaged products associated companies increased by Baht 9.67 million and service and rental income increased by Baht 8.55 million.

Selling and administrative expenses

- For the third quarter ended September 30, 2023, selling and administrative expenses were Baht 78.68 million, increased by Baht 10.13 million, or 15%, as compared to the same period of the previous year, which incurred the total selling and administrative expenses of Baht 68.55 million, mainly from doubtful debt increased by Baht 13.52 million.
- For the nine months ended September 30, 2023, selling and administrative expenses were Baht 291.32 million, increased by Baht 101.54 million, or 54%, as compared to the same period of previous year which incurred the total selling and administrative expenses of Baht 189.78 million, mainly from the employee expense and directors and management compensation increased by Baht 15.50 million, doubtful debt increased by Baht 35.94 million and expense from compensation for damaged products associated companies increased by Baht 9.67 million.

Operating Results in Summary (Continued)

Financial Costs

- For the third quarter ended September 30, 2023, financial costs were Baht 6.16 million, increased by Baht 2.08 million, or 51%, as compared to the same period of the previous year, which incurred the total financial costs of Baht 4.08 million, mainly from the Interest expense from instalment purchases of the commercial electric vehicle business increased by Baht 2.73 million, in the same interest income of other income.
- For the nine months ended September 30, 2023, financial costs were Baht 19.27 million, increased by Baht 11.62 million, or 152%, as compared to the same period of the previous year, which incurred the total financial costs of Baht 7.65 million, mainly from the Interest expense from instalment purchases of the commercial electric vehicle business increased by Baht 13.99 million, in the same interest income of other income.

Income tax

- For the third quarter that ended September 30, 2023, income taxes were Baht 20.46 million, increased by Baht 14.89 million, as compared to the same period of the previous year, which incurred the total income taxes of Baht 5.57 million, mainly from the commercial electric vehicle business increased, according to increase from net profit.
- For the nine months ended September 30, 2023, income taxes were Baht 88.83 million, increased by Baht 80.98 million, as compared to the same period of the previous year, which incurred the total income taxes of Baht 7.85 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 third quarter that ended September 30, 2023, the share of gain (loss) from an investment in an associate was Baht 9.34 million, and the share of profit increased by Baht 15.78 million, as compared to the same period of last year, which incurred the share of losses of associated companies of Baht 6.44 million.
- For the nine months ended September 30, 2023, the share of gain (loss) from an investment in an associate was Baht 278.58 million, and the share of profit increased by Baht 343.13 million, as compared to the same period of last year, which incurred the share of losses of associated companies of Baht 64.55 million.

Operating Results in Summary (Continued)

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

Due to the nine months of 2023, the associated company sells many products to customers. As a result, the company realized increased profit sharing from investments in associated companies. However, in 2022, the related company started selling commercial electric vehicles in the first quarter. Therefore, it directly affects the loss sharing from investments in associated companies.

Profit (Loss) attributable to the parent company

- For the third quarter, which ended September 30, 2023, the company had a net profit attributable to the parent of Baht 66.15 million, which increased by Baht 58.20 million, or 732%, as compared to the same period of the previous year, which incurred the net profit to the parent of Baht 7.95 million
- For the nine months that ended September 30, 2023, the company had a net profit attributable to the parent of Baht 570.74 million, increased by Baht 684.97 million, as compared to the same period of the previous year, which incurred a net loss to the parent of Baht 114.23 million. According to the 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 third quarter ended September 30, 2023, has a gross profit from operations amounted to Baht 119.47 million, which was an increase of Baht 46.44 million from the same accounting period of the previous year or an increase of 64% and for the nine months ended September 30, 2023, had a gross profit from operations of Baht 569.39 million, an increase from the same accounting period of the previous year by bath 464 million or an increase of 440%, mainly from the company sales commercial electric vehicles of 1,291 Units.

Operating results of Business Segments (Continued)

2. Computer and Software System Business.

Computer and Software System Business for the third quarter ended September 30, 2023, had a gross profit from operations of Baht 38.16 million, increased from the same accounting period of the previous year by Baht 7.09 million or increase of 23% and for the nine months ended September 30, 2023, had a gross profit from operations of Baht 101.13 million, increase from the same accounting period of the previous year by bath 13.10 million or an increase of 15%, by the performance of this business at a constant level.

3. Logistic Services Business.

The Logistic Services Business for the third quarter ended September 30, 2023, has a gross loss amounted to Baht 5.79 million, a loss decreased from the same accounting period of the previous year by Baht 4.63 million or reduced of 44%, and for the nine months ended September 30, 2023, had a gross loss from operations of Baht 19.46 million, loss decreased from the same accounting period of the previous year by bath 14.93 million or an reduced of 43%, because the company better internal management and there has been a reduction in operating costs in some parts, which in terms of income decreased in the same direction.

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajirapabha)
Chief Executive Officer