

No. NEXP-312-2402001

23 February 2024

Subject: Management Discussion and Analysis of Financial Statements for the year ended
 31 December 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 year ended 31 December 2023 which has been approved by the Board of Directors meeting held on 23 February 2024. The details are as follows:

Overview of operating results for the year ended 31 December 2023

Unit: Million Baht

Segment	For year ended 31 December 2023			For year ended 31 December 2022			Change Increase (Decrease)	%Change Increase (Decrease)
	Revenue	Cost	Gross Profit (Loss)	Revenue	Cost	Gross Profit (Loss)		
1. Commercial electric vehicle business	8,682.08	7,947.87	734.21	5,976.12	5,656.75	319.37	414.84	130%
2. Computer and software system business	598.93	462.50	136.43	554.53	432.07	122.46	13.97	11%
3. Logistic services business	18.34	41.12	(22.78)	33.12	78.16	(45.04)	22.26	49%
Total	9,299.35	8,451.49	847.86	6,563.77	6,166.98	396.79	451.07	114%
<u>Add</u> Other revenue			112.25			52.84	59.41	112%
<u>Less</u> Sales and administrative expenses			(382.13)			(276.09)	106.04	38%
<u>Less</u> Financial costs			(25.14)			(14.90)	10.24	69%
<u>Less</u> Income tax			(121.53)			(47.54)	73.99	156%
Share of gain from an investment in an associate			332.14			131.71	200.43	152%
Net Profit			763.45			242.81	520.64	214%
Profit of non-controlling interests			38.19			34.44	3.75	11%
Profit attributable to the parent company			725.26			208.37	516.89	248%

Operating Results in Summary

Revenue from sales and services

- For the year ended December 31, 2023, the Company earned the total revenue from sales and service of Baht 9,299.35 million, increased by Baht 2,735.58 million, or 42% as compared to the same period of previous year which incurred the total revenue from sales and services of Baht 6,563.77 million, mainly from the commercial electric vehicle business of Baht 2,705.96 million.
- Due to the year the company sales commercial electric vehicles increase of the previous year 604 Units, therefore, it directly affects the income from business operations of the group.

Cost of sales and services

- For the year ended December 31, 2023, cost of sales and services were Baht 8,451.49 million, increased by Baht 2,284.51 million, or 37%, as compared to the same period of last year which incurred the total cost of sales and services of Baht 6,166.98 million, in the same direction of revenue. Mainly from the commercial electric vehicle business in amount of Baht 2,291.12 million.

Gross profit

- For the year ended December 31, 2023, gross profit was Baht 847.86 million, increased by Baht 451.07 million, or 114 %, as compared to the same period of previous year which incurred the gross profit of Baht 396.79 million, mainly from the commercial electric vehicle business in amount of Baht 414.84 million.

Other income

- For the year ended December 31, 2023, other income was Baht 112.25 million, increased by Baht 59.41 million, or 112%, as compared to the same period of previous year which incurred the gross profit of Baht 52.84 million, mainly from the interest income from installment sales and interest income from associated company loans increased by Baht 20.02 million, income from collateral for loans to associated companies increased by Baht 10.93 million, income from compensation for damaged products associated companies increased by Baht 18.43 million and service and rental income increased by Baht 8.77 million.

Operating Results in Summary (Continued)

Selling and administrative expenses

- For the year ended December 31, 2023, selling and administrative expenses were Baht 382.13 million, increased by Baht 106.04 million, or 38%, as compared to the same period of previous year which incurred the selling and administrative expenses of Baht 276.09 million, mainly from the employee expense and directors and management compensation increased by Baht 20.95 million, expense from compensation for damaged products increased by Baht 18.42 million, doubtful debt increased by Baht 15.63 million, depreciation and amortization increased by Baht 14.01 million, and Advertising and sales promotion expenses increased by Baht 6.61 million.

Financial Costs

- For the year ended December 31, 2023, financial costs were Baht 25.14 million, increased by Baht 10.24 million, or 69%, as compared to the same period of previous year which incurred the financial costs of Baht 14.90 million, mainly from the Interest expense from installment purchases of the commercial electric vehicle business increased by Baht 10.24 million, in the same interest income of other income.

Income tax

- For the year ended December 31, 2023, income taxes were Baht 121.53 million, increased by Baht 73.99 million, or 156%, as compared to the same period of the previous year, which incurred the income taxes of Baht 47.54 million, mainly from the commercial electric vehicle business increased, according to increase from net profit.

Share of gain from an investment in an associate

- For the year ended December 31, 2023, share of gain from an investment in an associate was Baht 332.14 million, increased by Baht 200.43 million, or 152%, as compared to the same period of last year which incurred the share of gain of associated companies of Baht 131.71 million.
- All the year 2023, the associated company sales and delivering products to customers as a result, as for 2022, sales will begin in the third quarter, there is an income from selling products and increasing profits. As a result, the company realized an increase in profit sharing from investments in associated companies.

Operating Results in Summary (Continued)

Profit attributable to the parent company

- For the year ended December 31, 2023, the company had net profit attributable to the parent of Baht 725.26 million, increased by Baht 516.89 million, or 248%, as compared to the same period of previous year, which incurred the net profit to the parent company of Baht 208.37 million, according to increase from gross profit 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 year ended December 31, 2023, has a gross profit from operations amounted to Baht 734.21 million, was increased of Baht 414.84 million from the same accounting period of the previous year or increase of 130%, mainly from the company sales commercial electric vehicles of 1,688 Units.

2. Computer and Software System Business

Computer and Software System Business for the year ended December 31, 2023, had a gross profit from operations of Baht 136.43 million, increased from the same accounting period of the previous year by Baht 13.97 million or increase of 11% by the performance of this business at a constant level.

3. Logistic Services Business.

Logistic Services Business for the year ended December 31, 2023, has a gross loss amounted to Baht 22.78 million, decreased from the same accounting period of the previous year by Baht 22.26 million, or decrease of 49%, because the company improved internal management, reduced costs in areas such as operating buses.

Please be informed accordingly.

Yours faithfully,

(Mr. Khanist Srivajiraprabha)
Chief Executive Officer