

May 10, 2024

Subject Management Discussion and Analysis for the 3-month ended March 31, 2024

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, 2024 as follows:

For operating result for the 3-month ended March 31, 2024, Profit owners of the parent was 28.46 million baht compared to net profit of 142.07 million baht in the same period of the previous year. It decreased by 113.61 million baht or equaled to a decrease rate of 79.97%. The detail is as follows:

(Unit : Million baht)

| Statement of Comprehensive Income (Consolidated) | For the 3-month ended | | Changes | |
|---|-----------------------|--------------|----------|------------|
| | Mar 31, 2024 | Mar 31, 2023 | Amount | Percentage |
| Revenue | | | | |
| Interest income from hire-purchase | 383.23 | 375.60 | 7.63 | 2.03 |
| Interest income from loan | 1.28 | - | 1.28 | 100.00 |
| Fee and service income | 64.80 | 55.48 | 9.32 | 16.80 |
| Other income | 50.15 | 51.41 | (1.26) | (2.45) |
| Total revenue | 499.46 | 482.49 | 16.97 | 3.52 |
| Expenses | | | | |
| Selling and administrative expenses | 175.63 | 173.14 | 2.49 | 1.44 |
| Expected credit loss | 220.55 | 89.50 | 131.05 | 146.42 |
| (Gain) Loss on disposals and diminution in value of foreclosed assets | (1.21) | 1.45 | (2.66) | (183.45) |
| Finance costs | 65.60 | 40.28 | 25.32 | 62.86 |
| Total expenses | 460.57 | 304.37 | 156.20 | 51.32 |
| Profit before income tax expense | 38.89 | 178.12 | (139.23) | (78.17) |
| Income tax expense | (10.43) | (36.06) | 25.63 | (71.08) |
| Profit for the period | 28.46 | 142.06 | (113.60) | (79.97) |
| Profit owners of the parent | 28.46 | 142.07 | (113.61) | (79.97) |
| Basic earnings per share (Baht per share) | 0.02 | 0.11 | (0.09) | (80.83) |

1. Revenue for the 3-month ended March 31, 2024 was 499.46 million baht compared to revenue of 482.49 million baht in the same period of the previous year. It increased by 16.97 million baht or equaled to a growth rate of 3.52%. This resulted from the continuous increase in new hire-purchase contracts. As a result, the recognition of interest income from hire-purchase amounting to 383.23 million baht which increased by 7.63 million baht or equaled to a growth rate of 2.03% and fee and service income amounting to 64.80 million baht which increased by 9.32 million baht or equaled to a growth rate of 16.80% compared to the same period of the previous year. It resulted from an increase in new hire-purchase contracts. Moreover, interest income from loan amounting to 1.28 million baht from title loan business which started service since April 2023.

2. Total expenses for the 3-month ended March 31, 2024 was 460.57 million baht compared to expenses of 304.37 million baht in the same period of the previous year. It increased by 156.20 million baht or equaled to 51.32%. It mainly resulted from expected credit losses amounting to 220.55 million baht was increased by 131.05 million baht or equaled to a 146.42%. It resulted from increases in new hire-purchase contracts and overdue ratio increased compared to the same period of the previous year including impact of the annual adjustment on January of the expected credit loss calculation model. Which the impact in 2023 decrease more than 2024. Moreover, Selling and administrative expenses amounting to 175.63 million baht which increased by 2.49 million bath or equaled 1.44%. Whereas finance costs amounting to 65.50 million bath was increased by 25.32 million baht or equaled to 62.86% according to the increased interest rate of borrowings from financial institutions and debentures issuance in August 2023 for business expansion.

(Unit : Million baht)

| Statement of financial position (Consolidated) | As of | | Changes | |
|---|--------------|--------------|----------|------------|
| | Mar 31, 2024 | Dec 31, 2023 | Amount | Percentage |
| Assets | 9,999.13 | 10,078.71 | (79.58) | (0.79) |
| Liabilities | 5,505.56 | 5,612.20 | (106.64) | (1.90) |
| Equity | 4,493.57 | 4,466.51 | 27.06 | 0.61 |
| Debt to equity ratio | 1.23 | 1.26 | - | - |

1. Total assets Total assets of the Company as of March 31, 2024 was 9,999.13 million baht which decreased from the year ended 2023 by 79.58 million baht or equaled to 0.79%. The main total assets was hire-purchase receivables equaled to 94.46% of total assets. As of March 31, 2024, hire-purchase receivables increased by 159.64 million baht or equaled to a growth rate of 1.72% compared to the year ended 2023 which was in line with the Company's business expansion. At the same time, Cash and cash equivalents decreased by 233.61 million baht or equaled to 68.57% compared to the year ended 2023 because the Company used cash as working capital.



2. Total liabilities Total liabilities of the Company as of March 31, 2024 was 5,505.56 million baht which decreased from the year ended 2023 by 106.64 million baht or equaled to 1.90%. The main reason was long-term borrowings from financial institutions decreased by 242.61 million baht. At the same time, short-term borrowings from financial institutions increased by 70.00 million baht. As a result, the portion of current and non-current borrowings were 51.97% and 48.03% of total borrowings, respectively.

3. Equity Equity of the Company as of March 31, 2024 and December 31, 2023 were 4,493.57 million baht and 4,466.51 million baht, respectively. The shareholders' equity increased from the year ended 2023 by 27.06 million baht or equaled to a growth rate of 0.61%. It resulted from retained earnings increased in accordance with a growth of net profit.

4. Debt to Equity Ratio As of March 31, 2024 and December 31, 2023 debt to equity ratio of the Company was 1.23 times and 1.26 times, respectively.

Please be informed accordingly

Yours sincerely,

(Ms. Kruakao Yerabut)

Chief Financial Officer