

Re: IR65/015

11 August 2022

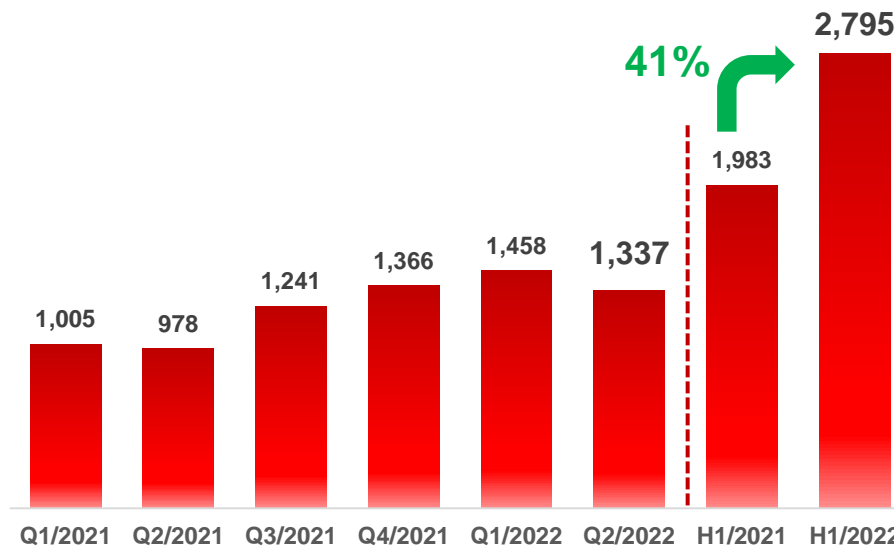
Subject Management Discussion and Analysis for the second quarter ended 30 June 2022
Attention President
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of JMT Network Services Public Company Limited (“the Company”) No.5/2022 on August 11, 2022. Resolved to approving the financial statements and operating results of the Company and subsidiaries for the second quarter ended June 30, 2022. This has been reviewed by the auditor of the company and with the following results.

Performance Highlights and Overall Operating Results in the Second quarter of 2022

- The company has a net profit of 433.3 million baht, an increase of 50 percent from the same period last year.
- The cash flow collected by the company in Q2/2021 was 1.337 million baht, an increase of 37 percent over the same period last year. While, 6-month period of 2022 showed 2,795 million baht in cash collection which increase 41 percent from the same period last year.
- In the last six months of 2022, the company has acquired total NPLs worth 1,122 million baht, and the total NPL portfolio at the end of Q2/2022 was 245,320 million baht. To the country's leader no.1 in a portfolio of unsecured non-performing loans.

Comparatively, overall cash flow storage increased **41%** in the first half of the year.



Economic and industry overview and forward looking

In the second quarter of 2022, the situation of household debt in Thailand continued to worsen. It is estimated to account for 89.2% of GDP. This is considered a fragile factor for the economy. If considering the government's policy that helps debtors from having bad debt or NPL through debt restructuring found that there are about 2.8 trillion baht. This is a problem that the government must address in the context of the overall situation. However, the company anticipates that some customers who are impacted by the coronavirus situation may not be able to pay the debt and ultimately turn into an NPL after the government's measures end. The debt management mechanism implemented by AMC's management thus plays a role in reintroducing potential customers to the financial industry in the future.

According to the Company's performance and its subsidiaries, the consolidated financial statements for the second quarter of 2022 had a net profit of 433.3 million baht, an increase of percent from the second quarter of 2021, 144.5 million baht, representing a net profit margin of 39.9 %. For the performance of the company and its subsidiaries according to the consolidated financial statements for the six-months period of 2022, the Company had a net profit of 800.3 million baht, increased from the previous year's six-months period equal to 228.7 million baht or a net profit margin of 66.7% because the company was able to collect more cash flow. The details of the operating results of the Group details as follows.

Performance Summary

(Summary Table)

Unit: Million Baht

	Q2/2021	Q2/2022	% Change	6M/2021	6M/2022	% Change
Revenue from contracts with customers	75.3	75.0	-0.4%	166.4	143.9	-13.5%
Interest income	472.3	648.9	37.4%	940.9	1,287.8	36.9%
Dividend income	0.2	0.2	0.0%	0.2	0.2	0.0%
Gains on loans receivable from purchase of AR	227.8	305.8	34.2%	437.8	617.8	41.1%
Income from insurance	40.7	57.5	41.3%	79.9	116.4	45.7%
Total revenues	816.3	1,087.4	33.2%	1,625.3	2,166.1	33.3%
Cost of services	186.9	267.5	43.1%	397.8	507.6	27.6%
Insurance expenses	39.4	108.0	174.1%	58.7	214.5	265.4%
Gross profit	589.9	711.9	20.7%	1,168.8	1,444.0	23.5%
Administrative expenses	129.5	196.3	51.6%	268.2	372.3	38.8%
Reversal of credit losses	54.9	0.8	-101.5%	77.9	(110.0)	41.2%
Operating profit	413.9	517.2	25.0%	842.3	991.7	17.7%
Financial cost	81.7	65.9	-19.3%	160.3	137.3	-14.3%
Income tax expenses	49.6	47.6	-4.0%	115.2	111.0	-3.6%
Net profit in equity	288.8	433.3	50.0%	571.6	800.3	40.0%

Total revenues

The company's total revenue for the second quarter of 2022 is 1,087.4 million baht, an increase from the same period last year of 271.1 million baht, or a percentage increase of 33.2 while total income for the six-months period of 2022 was 2,166.1 million baht, an increase from the same period of the previous year 540.8 million baht or a percent increase 33.3 as details of the income change are follows:

1. Revenue from customers with contracts was 75 million baht in the second quarter,

a slightly decrease 0.3 million baht or a decrease by percentage 0.4 from the previous year, and 143.9 million baht for the six-months period 2022, a decrease 22.5 million baht or a decrease by percentage 13.5 from the previous year.

2. Interest income and Gains on loans receivable from purchase of accounts receivable equal to 648.9 million baht, an increase of 176.6 million baht or a percentage increase 37.4 and for the 6-months period of 2022 equal to 1,287.8 million baht, an increase of 346.9 million

baht or a percentage increase 36.9 from the same period last year.

In this regard, the income from the collection of the purchased debt accounted for 59.4% of the company's total revenue in the six months of 2022, this was due to the efficiency of collection process.

3. Income from insurance for the second quarter of 2022 was 57.5 million baht, up 41.3% from the same period the previous year, and insurance business income was 116.4 million baht for the six-months period of 2022, up 45.7% due to an increase in insurance coverage.

Total revenue growth in the final six months of 2022 remains consistent with the company's revenue growth target.

Cost of services

The Company's cost of services for the second quarter of 2022 was 267.5 million baht, increase 80.6 million baht, or 43.1 percent, from the same quarter the year prior. And the Company's cost of services for the six-months period of 2022 was 507.6 million baht, an increase of 109.8 million baht or a rate of 27.6 percent compared to the same quarter of the previous year due to an increase in employee expenses and increased legal costs.

Gross profit

The company's gross profit according to the consolidated financial statements for the second quarter of 2022, the amount is equal

to 711.9 million baht, an increase of 122 million baht, or a percentage increase of 20.7 percent. While gross profit for the six-months period of 2022 is equal to 1,440 million baht, representing a gross profit margin of 66.7 percent, according to the consolidated financial statements equal to a percentage. If separate calculated only debt management business, the Company gross profit margin stood at 79 percent.

Administrative expenses

Administrative expenses for the second quarter of 2022 were 196.3 million baht, an increase of 66.8 million baht or 51.6 percent. For the six-months period of 2022 were 372.3 million baht, an increase of 104.1 million baht or 38.8 percent due to computer software and management expenses.

Statement of Financial Positions

Asset

The Company's total assets were 28,500.3 million baht at the end of June 2022, an increase 464.1 million baht or 1.7 percent from the end of 2021 because of an increase in trade accounts receivable. Also, there was an conversion from short-term investment to investment in Joint Ventures with KBANK Financial Group.

Liabilities and Shareholder's Equity

The Company had total liabilities of 5,642.8 million baht at the end of June 30, 2022, a

decrease of 3,315.8 million baht or 37 percent from the end of 2021 due to the company repaying debts to financial institutions and repaying debentures. While shareholders' equity was 22,857.5 million

baht, an increase 3,779.8 million baht from the end of 2021 due to higher share premiums. The debt-to-equity ratio of the company was 0.25 times. The interest-bearing debt to equity ratio is 0.21 times.

Forward Looking

Since the company established its Asset Management Company in cooperation with the Kasikornbank Financial Group, it operates under the name JK Asset Management Company Limited. This associate It is in the process of pursuing non-performing debt to generate returns for shareholders. It will begin to gradually recognize income from the end of the third quarter of 2022. In addition, revenue will be fully recognized in the fourth quarter of 2022. As a result, the performance will grow soon. Furthermore, the company will expand fully regarding the situation of covid, this has an impact on the operating results of the subsidiaries that operate the insurance business that the impact ended in the second quarter of 2022.

Please be informed accordingly.

Yours faithfully,

- Signed -

(Mr. Wongsakorn Kittitrakulkarn)

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Mr. Panya Chutisiriwong

Group Chief Investor Relations

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Jaymart Group