



JMART

Management Discussion and Analysis

Q3/2022

Ref: IR65/027

10 November 2022

Subject: Management Discussion and Analysis for the Second quarter ended 30 September 2022
 Attention: President
 The Stock Exchange of Thailand

According to the resolution of the Board of Directors of Jay Mart Public Company Limited (“Company”) No. 11/2022 held on November 10, 2022. Resolved to approving the financial statements and operating results of the Company and subsidiaries for the second quarter ended September 30, 2022. This has been reviewed by the auditor of the company and with the following results.

Overview of Jay Mart Business Group Q3/2022

The Company operates as a holding company that invests in retail, corporate finance, and technology with the mission of becoming a “**Technology Investment Holding Company**”. The Company has increased its investment in new potential businesses that can establish an ecosystem in the first 9 months of 2022. Future business expansion will involve retail, finance, and technology, all of which the company has invested in.

The company's major investment	%Investment	Investment objectives
BNN Restaurant Group Co., Ltd ("Suki Teenoi")	30.0%	To expand business partnerships as one of the businesses that the high-growth food retail group by Jay Mart can assist with systems and technology.
Avantis Laboratory (Thailand) Co., Ltd	31.8%	To create a Technology Ecosystem in finance with Block chain and DeFi systems
Buriram Sugar Public Co., Ltd.	9.9%	To expand alliance and trade opportunities to farmers in Buriram Province Looking for an opportunity in the business of environmentally friendly packaging and carbon credit.
PRTR Group Public Co., Ltd.**	15.0%	To expand alliance, enter the human resource management business with an employee base of more than 15,000 people.

***The company will invest on the first day of listing on the SET*

These significant investments are potential businesses with increasing operating profits. The operating results will represent those that will obviously improve the company's performance at the end of this year as well as in the future. The aforementioned investment is consistent with the company's objective of becoming a Technology Investment Holding Company. The growth of Jay Mart Group There will be both internal growth (Organic Growth) and external growth (Inorganic Growth) to make the company grow from the business it has invested in.

Highlights of the Company's operating results in the 3rd quarter of 2022: Net profit of 563.5 million baht.

The company has operating results in the 3rd quarter of 2022 with a net profit of 563.5 million baht, a 108.8 percent growth from the same period of the previous year and a 44.7% growth from the 2nd quarter of last year.

For the Company's performance and its subsidiaries Consolidated financial statements for the 9-month period of 2022 The Company's net profit was 1,278 million baht, an increase of 442.4 million baht from the 9-month period of 2021 or an increase of 52.9%. The details of the operating results of each business and the direction of future performance are described as follows:

Details on each business line's operating results and the viewpoint for future earnings it is possible to explain it as follows:

1. Mobile phone and accessories distribution business

The distribution of mobile phones and accessories During the previous 3Q/2022, Jaymart Mobile Company Limited ("Jaymart Mobile") performed well. Increased sales since Q2/2022. It was at 3,551 million baht and had a profit of 86 million baht, increasing 105% from the same period last year, because the major mobile brands, iPhone, and Samsung, debuted

new products late in the third quarter. Quarter 3/2022, and Jaymart store can reopen as usual.

The company is optimistic about the direction of its operating results this Q4/2022 continuation Sales are predicted to be higher than in the previous quarter (3/2022) and to be the highest in 2022.

2. Non-performing debt management business

Non-performing debt management company JMT Network Services Public Company Limited ("JMT") continues to be a profitable business.

JMT's cash flow collection remained strong in the third quarter of 2022. The results of the joint venture company with KASIKORN BUSINESS GROUP were able to achieve good results as targeted. As a result, JMT had a net profit of 455.5 million baht, an increase of 30 % from the same period of the previous year.

The company has a positive outlook on JMT's Q4/2022 results. With the high season, JMT's customers will have more debt repayment capacity and the joint venture's earnings will be key factors that will enable JMT to achieve its targeted growth.

3. Real estate development business

The operating results of JAS Asset Public Company Limited ("J") development business generated a net profit of 18 million baht in the third quarter of 2022. Increased net profit because the company rental income increased due to the development of a new community mall, JAS Green Village, Kubon, by the end of 2021.

The company has a positive view on the operating results in Q4/2022 due to the high season, which means that JAS will have full rental income and officially opened the Senera Senior Wellness program in December.

4. Electrical appliance distribution business line with hire purchase loan and Car for Cash.

Singer Thailand Public Company Limited ("Singer") maintained its solid performance in the third quarter of 2022, with a net profit of 261 million baht, a 58% increase compared to the same period the previous year. This is due to the loan portfolio being expanded, which now has a total loan portfolio of 15,102 million baht because of increased sales and the rise of car registration loans. Singer's NPL was 3.7 percent, which is low in comparison to the industry, according to the operating strategy.

For Q4/2022, the company has a positive outlook on Singer's sales with strong distribution channels. In addition, at the end of this year, Singer's subsidiary, SG Capital Public Company Limited (SGC), is in the process of listing on the SET. To raise funds to expand SGC's loan portfolio in the future.

5. Technology business

J Ventures Company Limited ("J Ventures") is a subsidiary of Jay Mart that operates in technology. In Q3/2022, developed its own block chain network under the name "JFIN Chain". This network will be important in the development of decentralize applications within Jaymart Group and partners outside the Jaymart Group.

Performance Summary

The overview of the operating results for the previous Q3/2022 clearly demonstrates the potential expansion of the net income of the Jaymart Group. The following are the details of the Group's operating results:

Performance Summary

(Summary Table)

Consolidated financial statements	Q3/2021	Q3/2022	Change		9M/2021	9M/2022	Change	
			Value	%			Value	%
Revenue from customer contracts	1,644.5	2,349.9	705.4	42.9%	5,529.3	6,965.0	1,435.7	26.0%
Interest income from purchases of receivables	509.0	645.7	136.7	26.9%	1,509.1	1,931.9	422.8	28.0%
Gains on loans from purchases of receivables	318.1	300.3	(17.8)	-5.6%	755.9	919.6	163.7	21.7%
Rental income	49.1	70.8	21.7	44.2%	178.3	214.9	36.6	20.5%
Insurance income	57.8	69.1	11.3	19.6%	137.7	185.0	47.3	34.4%
Total revenue	2,578.5	3,435.8	857.3	33.2%	8,110.3	10,216.4	2,106.1	26.0%
Cost of sales	1,421.6	1,996.7	575.1	40.5%	4,706.8	5,902.1	1,195.3	25.4%
Cost of service	205.2	260.2	55.0	26.8%	603.6	748.7	145.1	24.0%
Rental cost	17.8	21.7	3.9	21.9%	56.4	65.8	9.4	16.7%
Insurance expenses	53.6	61.8	8.2	15.3%	112.2	269.9	157.7	140.6%
Total cost of sales and services	1,698.2	2,340.4	642.2	37.8%	5,479.0	6,986.4	1,507.4	27.5%
Gross profit	880.3	1,095.3	215.0	24.4%	2,631.3	3,230.1	598.8	22.8%
Profit from marketing campaigns	57.5	118.8	61.3	106.6%	224.2	352.5	128.3	57.2%
Unrealized gains (losses) from Other financial assets	(6.0)	241.4	247.4	-4,123.3%	(3.8)	243.8	247.6	-6,515.8%
Selling and distribution Expenses	182.7	282.6	99.9	54.7%	585.3	806.0	220.7	37.7%
Administrative expenses	242.1	317.4	75.3	31.1%	734.2	879.4	145.2	19.8%
Profit from operations	542.8	935.8	393.0	72.4%	1,660.7	2,374.6	713.9	43.0%
Financial cost	169.5	156.4	(13.1)	-7.7%	512.0	484.9	(27.1)	-5.3%
Share of profit from investments in joint ventures	-	34.8	34.8	100.0%	-	34.4	34.4	100.0%
Share of profit from investments in associates	86.7	59.1	(27.6)	-31.8%	221.3	169.1	(52.2)	-23.6%

Consolidated financial statements	Q3/2021	Q3/2022	Change		9M/2021	9M/2022	Change	
			Value	%			Value	%
Income tax expense	37.1	98.2	61.1	164.7%	(157.8)	272.7	430.5	-272.8%
Net Profit attributable to equity holders of the Company	269.9	563.5	293.6	108.8%	835.6	1,278.0	442.4	52.9%

Revenues analysis

The Company's total revenue for the third quarter of 2022 was 3,435.8 million baht, an increase of 857.3 million baht from the same period of the previous year or an increase of 33.2%, and for the 9-month period of 2022, it was 10,216.4 million baht. An increase of 2,106.1 million baht or an increase of 26% due to the following reasons:

1. Revenue from contracts with customers in Q3/2022 was 2,349.9 million baht, an increase of 42.9% from the same period of the previous year. Due to the operations that started to return to normal and there are new mobile brand products released in Q3/2022 and for the 9-month period of 2022 equal to 6,965 million baht, an increase of 26%.
2. Interest income from purchases of receivables and gains on loans from purchases of receivables, which are income from debt management business in the 3rd quarter of 2022, totaled 946 million baht, an increase of 118.9 million baht or an increase of 14.4% while the revenue from debt collection and other services for the 9-month period of 2022 was 2,851.5 million baht or an increase of 25.9% due to better debt collection.
3. Rental and service income in the 3rd quarter of 2022 was 70.8 million baht or an increase of 44.2%, while rental and service income for the 9-month period was 214.9 million baht, an increase of 20.5%. This was largely a result of higher rental income in the rental segment of the new Jas Green Village community mall, Kubon, compared to the same period last year.
4. Insurance income in the third quarter of 2022 was 69.1 million baht or an increase of 19.6%, while income in the 9-month period was 185 million baht or an increase of 34.4% because of expanding more insurance channels by focusing on loss ratio control.

Gross Profit

The company has gross profit According to the consolidated financial statements for the third quarter of 2022, it was 1,095.3 million baht, an increase of 215 million baht or an increase of 24.4% compared to the same period last year.

Meanwhile, gross profit for the 9-month period of 2022 was 3,230.1 million baht, an increase of 598.8 million baht or 22.8% due to the company's revenue growth from business segments with profit margins as good as Debt-based business and real estate development business.

Selling and Administrative Expenses

The company has selling and administrative expenses from the consolidated financial statements for the third quarter of 2022, it was 600 million baht, an increase of 175.2 million baht or a 41.2% increase compared to the same period of the previous year. For the 9-month period, the Company had total selling and administrative expenses of 1,685.4 million baht, an increase of 365.9 million baht or an increase of 27.7% compared to the same period of the previous year. Because of increased expenses of employees of subsidiaries from business expansion and increased marketing expenses in subsidiaries.

Net Profit

Q3/2022 Company's net profit was 563.5 million baht, an increase from the same period last year of 293.6 million baht or 108.8%. The main reasons are the performance of its subsidiary

and associated increase, organic growth, combine with the gain from investment in Burirum Sugar PCL ("BRR") in Q3/2022. The gain net after tax was 192 million baht. If deduct the gain, the net profit of the Company will be 371.5 million baht, an increase 37.5 from the same period last year.

Summary of financial positions

Assets

As of September 30, 2022, the Company's total assets the amount shown in the consolidated financial statements was 45,920.3 million baht, an increase from the end of 2021 by 642.0 million baht or 1.4% due to an increase in investment properties in a subsidiary, JAS Asset.

Liabilities and Shareholders' Equity

As of the end of September 30, 2022, the Company had total liabilities of 17,579.6 million baht, a decrease from the end of 2021 by 876.1 million baht or 4.7% because in 2022 the company paid 899.1 million baht in long-term loans while the equity Holding shares equal to 28,340.7 million baht. The Company has a debt-to-equity ratio of 0.62 times and an interest-bearing debt to equity ratio of 0.50 times.

Please be informed accordingly.

Yours faithfully,

- *Singed* -

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Investor Relations

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